



A N N U A L R E P O R T 2 0 1 8

Feel Safer Feel Better



PRIME INSURANCE COMPANY LIMITED

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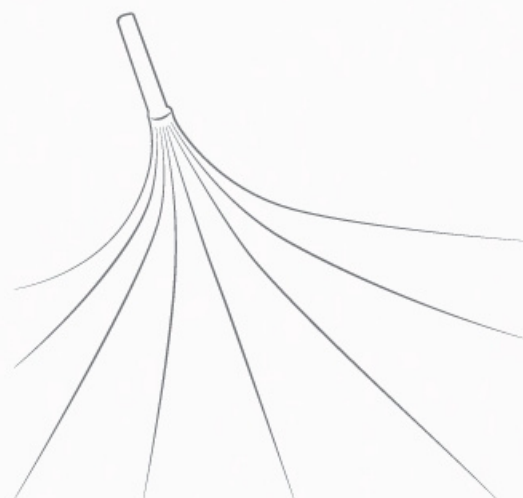
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Letter Of TRANSMITTAL



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

Dear Sir(s):

Re: Annual Report for the year ended December 31, 2018

Enclosed please find a copy of the annual report together with the audited financial statements including statement of financial position as at December 31, 2018 and statement of comprehensive income, statements of cash flows for the year ended December 31, 2018 along with the notes thereon of Prime Insurance Company Limited for kind information and record.

Yours Sincerely,

Enamul Haque Khan
Company Secretary

March 07, 2019



Notice Of The 23rd ANNUAL GENERAL MEETING

All members of Prime Insurance Company Limited are notified that the 23rd Annual General Meeting of the Company will be held at Hotel Purbani International Ltd, 1, Dilkusha C/A, Dhaka-1000, on Sunday, March 31, 2019 at 11:00 a.m. to transact the following ordinary and special businesses:

Ordinary Business:

1. Receive and adopt the Directors' Report and Audited Financial Statements for the year ended December 31, 2018 and the Auditors' Report thereon.
2. Declare dividend for the year 2018.
3. Elect/re-elect Directors.
4. Appoint statutory auditors for the year 2019 and fix their remuneration.
5. Appoint auditors for corporate governance audit for the year 2019 and fix their remuneration.


Special Business:

1. Consider and approval of special resolution to "alter, amend, insert new clause/s, delete existing clause/s (proposed amendment) of the Memorandum & Article of Association of the company with or without modification".

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

March 08, 2019

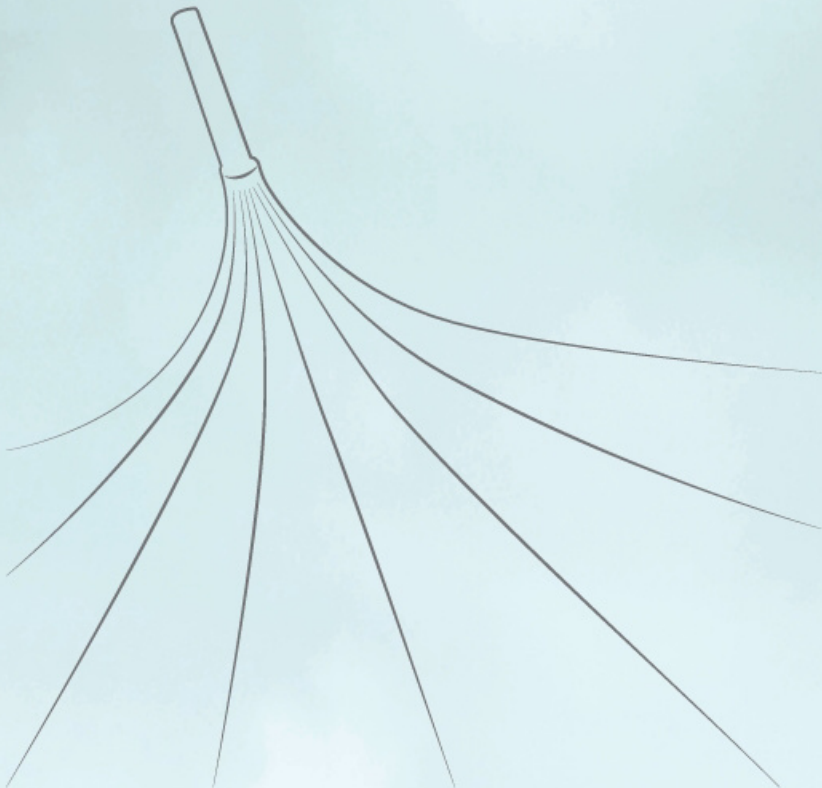
By Order of the Board of Directors


Enamul Haque Khan
Company Secretary

Notes:

- a) The "Record Date" is Thursday, March 07, 2019. Shareholders whose names appeared in the members' register of the company on the record date would 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 31, 2019.
- c) Shareholders and Proxies are requested to record their entry in the Annual General Meeting on time. No entry will be recorded before 9.00 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. Guest and children are not allowed to enter in the Meeting.
- g) Annual report and Amendment proposal of the memorandum & article of Association of the company shall be uploaded to the company website within legitimate time.

AWARDS AND RECOGNITIONS





Registration Schedule

SCOPE OF REGISTRATION

To provide insurance coverage

Company Name: **Prime Insurance Company Ltd**

Sites Registered: 63 Dilkusha (6th Floor)
Dhaka - 1000
Bangladesh

Standard: **ISO 9001:2008**

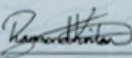
EAC: 32

Date of Re-Registration: 08/06/2015

Expiry Date: 24/02/2018

Certificate Number: AJA12/15868




Chief Executive - AJA Registrars Ltd



This certificate is the property of AJA Registrars Ltd and must be returned on request.
This certificate has been issued by AJA Registrars Ltd Unit 6 Gordano Court Gordano Gate Business Park, Sarnoff, Cleve, Portlough, Belfast, U.K. BT20 7YS

ISO CERTIFICATE

SAFA Award 2015



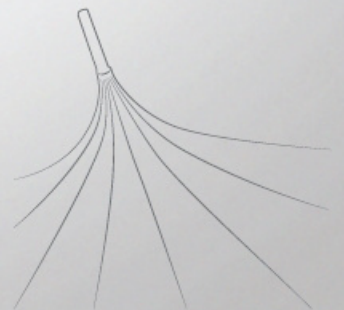
SAFA Award 2016, Winner.



Silver Award ICSB National Award 2013
for Corporate Governance Excellence.



Silver Award ICSB National Award 2014
for Corporate Governance Excellence

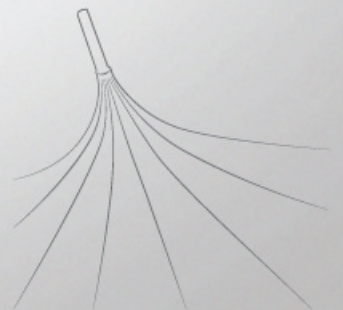




Silver Award ICSB National Award 2016
for Corporate Governance Excellence.



Silver Award ICSB National Award 2017
for Corporate Governance Excellence

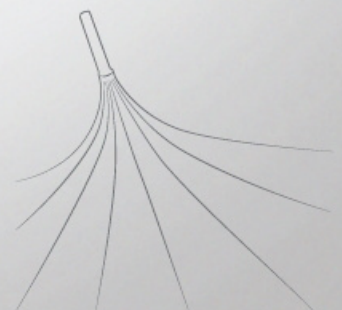




1st Prize 17th ICAB National Award for Best Presented Annual Reports 2016.



2nd Prize 18th ICAB National Award For Best Presented Annual Reports 2017.

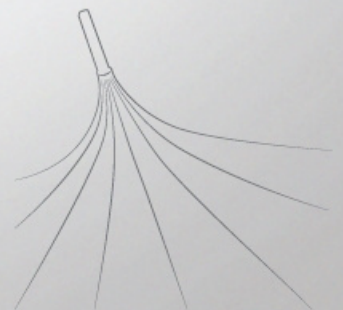




SAFA Award 2017, Winner



Emerging Asia Insurance Award 2018





AA-Credit Rating Endorsed TO PRIME BY CRISL

Credit Rating Information and Services Ltd (CRISL) confirmed the Very High Claims Paying Ability (CPA), rating of Prime Insurance Company to AA- (pronounced as double A minus) for the year 2017 based on the financials up to December 31, 2017 and other relevant qualitative and quantitative information up to the date of rating.

CPA rated in this category is adjudged to offer very high claim paying ability where protection factors are strong. This rating reflects a 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, policy and regulations of the regulatory authority.

It should be mentioned that in the year 2016 Prime Insurance was rated 'A+'.

The up gradation of rating proves that Prime Insurance Company Ltd operates its financial activities in a very transparent, ethical and professional manner.

Membership AFFILIATION

Aiming to expand business as well as to strengthen the relationship among the members of the Business Community, the Prime Insurance Company Ltd is affiliated with the following different chambers of commerce and associations:



Dutch-Bangla Chamber of Commerce & Industry



Bangladesh Insurance Association



Bangladesh German Chamber
of Commerce & Industry



Bangladesh-Malaysia Chamber
of Commerce & Industry



Canada Bangladesh Chamber
of Commerce and Industry



ঢাকা চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি
Dhaka Chamber of Commerce & Industry



France Bangladesh Chamber
of Commerce & Industry



Bangladesh Association of
Publicly Listed Companies

Forward Looking STATEMENT

Since its inception, Prime Insurance Company Ltd is always looking forward to establishing its vision and mission. Therefore, forward looking statement and information is considered as one of the most important factors of annual report. This is a strategic statement to focus on the company's future activities on the basis of current activities of the management of the company obviously in line with policies and decision taken by its board of directors. Although Prime's yearly turnover is not as large as that of the other leading non-life insurance companies, Prime is always highly optimistic about its business growth. Prime is moving fast to accelerate its growth and its turnover as well. It has qualified professional resources, ethical business practices, innovative and diverse product designs, good IT structure, protection of risk by the overseas re-insurers, quality service provided to its valued clients and business partners and excellent services for claims settlement. In all these areas, Prime has made itself different from other insurance companies. In order to continue its success, Prime has been focusing to improve its standards gradually.

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

- Changes in economic and market conditions of Bangladesh which may directly or indirectly impact the company's insurance business progress.
- Development and stability of financial markets including interest rate, exchange rate etc.
- Regulatory circulars 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 areas 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 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 and young employee recruitment policy for the betterment of the company.



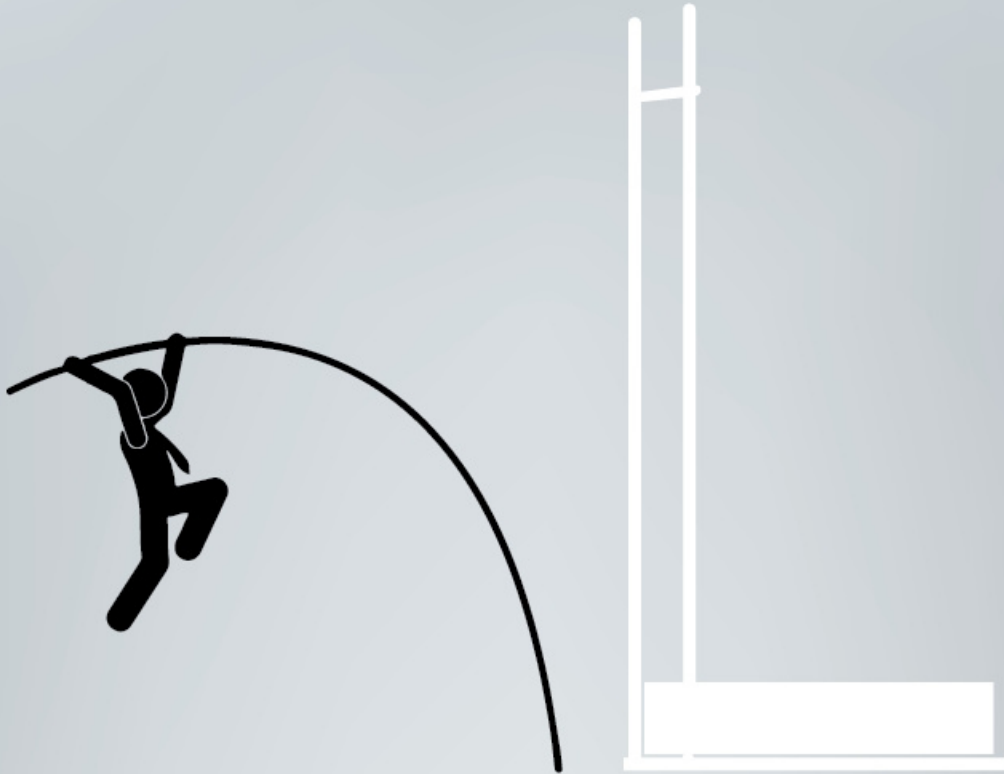
PREAMBLE TO PRIME INSURANCE COMPANY LTD



OUR VISION

Be the non-life insurance market leader of Bangladesh ensuring stakeholders' interest by prudent insurance services upholding governance excellence with unbending ethical standards.





OUR MISSION

- Provide world class service with highest security by ensuring complete risk management solutions to the clients, maintaining stringently ethical standard in business operation.
- Increase massive awareness about insurance for the mass people in the country introducing non-traditional social insurance products to bring them under the insurance umbrella for enhanced social security.
- Introduce contemporary insurance products with international standards.
- Maintain highest level of ethical standard and transparency in all business transactions.
- Enhance public confidence in the insurance industry by ensuring benefits to the policy holders, shareholders and the society at large.
- Uphold governance excellence in the company and spreading it to the insurance industry.
- Make effective contribution to the national economic development.
- Provide a clear vision to the employees to maximize their potentials with a view to achieving high level of performance.

Overall Strategic OBJECTIVES

Prime Insurance Company Ltd maintains a number of key business strategies necessary to achieve the incorporated goals of the company. These strategies have been established by Prime's firm belief of incessant and unified business development and expansion which are based on its vision and main focuses of Prime's strategic objectives.

COMPANY FOCUS

- Persistently improve the internal processes of the company.
- Maintain quality and enhance expertise of employees, provide comprehensive training and promotional activities at all levels.
- Improve organizational structure.
- Ensure administrative transparency.
- Strengthen corporate governance practices.

BUSINESS FOCUS

- Consistently improve the quality of our products to cope with changes in demand of the customers.
- Maximize insurance coverage at a minimum cost.
- Offer competitive price to our clients.
- Innovate new products and services.
- Be one of the lead insurers.
- Maximize shareholders' wealth through a steady but sustainable return on their investments.

SERVICE FOCUS

- Provide our clients and business partners with the best quality faster service.
- Settle claims in a speedy and hassle free manner.
- Improvise our product line in accordance with customer demand.

COUNTRY FOCUS

- Contribute to the national exchequer as per the provisions of applicable laws of the land.
- Implement new business plans and insurance support to set up different industries in the country.
- Enhance mass awareness about non-life insurance in Bangladesh.
- Educate people about the importance of non-life insurance through various publications.

OUR CORE VALUES

We Trust & Care

Our clients are always our first priority. They are our insured, business partners, and without them, we could not achieve our present success. 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 meet their expectations.

Clients
First

01

02

Integrity

We believe, integrity is the key to success. We work to earn the trust and respect of our shareholders, stakeholders, employees, clients/business partners.

In order to deliver excellent operational and financial performance, we value both the external and internal training programs.

Efficiency

03

04

Quality

We ensure the quality of our products and services while we always welcome new ideas for future.

We strive to add more values 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.

Service

05

06

Team
work

We strongly promote and believe in teamwork both at in-house and external activities of the company. Our people are well trained to maintain standard performance 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 desired trust level of our added customers, business partners and valued shareholders.

Transparency

07

08

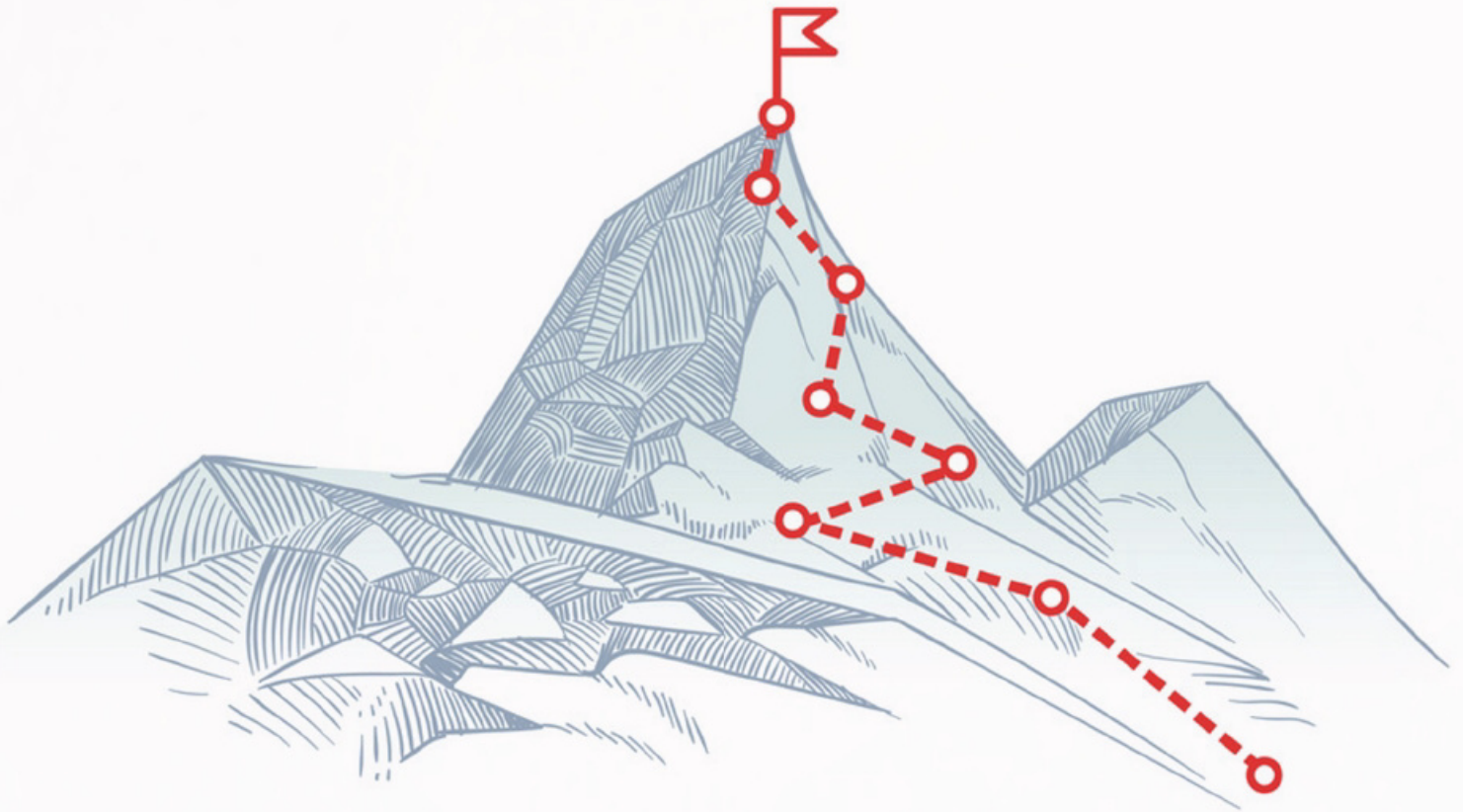
Excellence

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.

Ethical PRINCIPLES

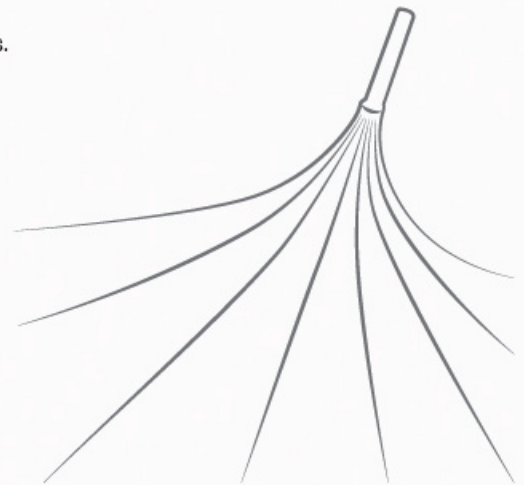
	Neutrality	Transparency	Cooperation	Honor	Professionalism	Privacy
Clients	Deal with all the clients without any inequality	Explain all facts regarding products and premium rating to the clients	Offer proper consultancy to maximize their insurance coverage at a minimum cost	Value all the clients with 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	Ascertain strong relationship with the Stakeholders	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

- Maximize insurance coverage at a minimum cost but certainly within legal boundary.
- Establish a long term relationship with our clients and business partners built on our prudent underwriting and personalized professional service with trust.
- Respond quickly to new opportunities.
- Maintain strong relationship with a wide variety of partners like re-insurers, insurance brokers, insurance agents, regulatory bodies, government agencies and so on.
- Assess and managing our business risks carefully.
- Strive for continuous improvement developing our performance excellence at all levels.



BUSINESS MODEL

Capital inputs

Human (capital)

- Skilled and committed co-workers motivated by mission
- Expertise in social, cultural and environmental sectors
- Supported by training and development activities

Social and Relationship (capital)

- Foster relationships that enable cross-sectoral knowledge sharing within the organization
- Establish and participate in networks, within and between sustainable sectors, including the insurance sector

Inspirational and intellectual (capital)

- Regular internal reflection sessions
- Engage in a two-way dialogue with stakeholders
- Specialist expertise and track record in delivering, assessing and communicating sustainable insurance services

Financial (capital)

- Finance from our sponsors and public shareholders
- Increase of share-capital through internal generation of fund

The Prime Insurance essence

- A value-based insurance, facilitating insured to place their property-risks consciously to create a healthy society with human dignity at its heart

Our role

- Our mission fully integrated in our strategy
- Ensure sustainable enterprises free from moral hazards
- Maintain fair and trustworthy relationships with insured and stakeholders
- Offer sustainable innovative products and services
- High risk seeking with 100% Reinsurance arrangements
- Manage both risk and balanced growth
- Offer fair returns with sustainable impact
- Insure through our own approach to sustainability, innovation and leadership

The changing world

- Respond to an evolving landscape of societal challenges and innovative enterprises addressing them

BUSINESS MODEL

Value outputs

People

- A positive contribution to the healthy development of society
- Convening a community of interest to bring about social change
- Enabling value-driven entrepreneurs to fulfil their potential
- Maintain transparent finances

Planet

- Insurance for sustainable and inclusive enterprise
- Development of a sustainable economy
- Sustainably sourced and managed reinsurers.

Carbon neutral business

- Fair Return on Equity
- Claim ratio of at least 8% ensuring resilience



Profile Of The COMPANY

Prime Insurance Company Ltd, founded in 1996, a second generation private sector non-life insurance company conceived in ethical business which, now-a-days, 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 unparalleled 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.

Board and its Sub-Committees:

Prime Insurance has a competent board including 2 independent directors. Mr. Md. Zakiullah Shahid, Chairperson, is a veteran business executive. The board has delegated authority towards 3 sub-committees namely executive committee (EC), audit committee (AC) and nomination & remuneration committee (NRC). The AC & NRC are headed by independent directors. The board has delegated sufficient power to the management of the company for accomplishment of the day to day work.

Managing Director & CEO:

Mohammodi Khanam, the managing director and CEO of the Prime Insurance Company Limited, is a 30-year experienced and an outstanding insurance professional who has been leading the company to make it as one of the most trustworthy insurance houses in Bangladesh. Ms. Khanam, with her most updated knowledge in all the departments of insurance, outstanding professional leadership and excellent charisma, has taken the company to a unique height in the insurance industry of Bangladesh.

Head of Departments:

Prime Insurance has appointed experienced and qualified professional persons as head of the departments.

Certification & Credit Ratings:

Prime Insurance is the first non-life insurance company in Bangladesh to achieve the ISO 9001:2008 certifications in 2012. Prime Insurance has been rated AA- (AA Minus) by the Credit Rating Information & Services Limited (CRISL) on 2017 financials.



Awards & Acknowledgment:

Prime Insurance's improvement has been very much reflected on the receipt of the WINNER AWARD by the highest valued professional recognition, the South Asian Federation of Accountants (SAFA) for the annual reports of successive 2016, Emerging Asia Award-2018 and 2017 among the SAARC countries. Prime Insurance grabbed the first position and second position by the ICAB BPA National Award in 2016 and 2017 respectively and also won the SILVER Award at the ICSB National Award 2016 & 2017 for Corporate Governance Excellence.

Business Networks:

Prime Insurance diversified its business with number of products together with an expanding and well-organized network of 18 branches/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 clients. With a view to ensuring prompt services, all its businesses are operated through automated system.

With a view to coping 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) with wider coverage but fewer premium which works as a safeguard for the Banks to face any



Reinsurance Arrangements:

Prime Insurance sincerely and effectively deals with reinsurance matters making every insured protected. Prime Insurance has its re-insurance support from the first line overseas re-insurers. Fifty percent re-insurable non-life insurance business of the Company is placed to Sadharan Bima Corporation (SBC) and the remaining fifty percent is placed with the overseas re-insurers. 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.

Settlement of Claims:

As Prime Insurance takes proper reinsurance arrangements for all its re-insurable policies, so 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 advising the claimants with professional support in lodging the claims to settle the claims at a minimum 7 days and maximum 30 days.

Website and IT Facilities:

The insured and stakeholders can get their required information regarding the citizen charter as part of the national integrity strategy of the government. The website also includes an e-mail ID to obtain free consultation regarding any insurance matters.

CSR Activities:

Prime Insurance operates a diverse range of CSR activities on different social issues, various risks and safety-security matters through training, seminars, workshops, rallies, publications (Fire Guide Book, Traffic Guide Book, Health Guide Book, Hajj & Umrah Guidebook etc) and also conducting free consultation services on insurance. The company continues to extend its hands towards the underprivileged people and meritorious students providing them with fixed financial supports. Prime's 'Plant for the Future' towards environment preservation is a part of its CSR. It gives indoor plants to encourage the respected clients towards a sustainable environment by beautifying the surroundings with trees. Besides, the company is also giving its corporate clients various kinds of fruit plants and shade trees for their factories to keep it environment friendly.

Conclusion

Prime Insurance believes in transparency, ethics and accordingly doesn't move towards any unhealthy practice including credit business and premium under-cut prevailing in the industry as a result, the gross premium income is much lower than the 1st generation companies but it can earn significant amount of underwriting profit compared to other insurance companies unless there is abnormal downturn in the investment income and huge claims that affect the overall profit of the company.





Information ABOUT THE COMPANY

Prime Insurance Company Ltd 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 was incorporated as a public limited company on 21 March 1996 under Companies Act, 1994. It obtained registration from the former Chief Controller of Insurance (CCI), 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 (IDRA).

As an ISO certified company Prime Insurance is listed with Dhaka Stock Exchange Ltd (DSE) and Chittagong Stock Exchange Ltd (CSE) as a publicly traded company. The company carries its insurance activities through eighteen on-line branches/booth 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 2018			For the Year 2017		
	No of Holding Shares	Holding %	Holding Share in Taka	No of Holding Shares	Holding %	Holding Share in Taka
Sponsor Shareholders and Directors	14,005,276	34.26	140,052,760	19,578,208	47.89	195,782,080
Public Shareholders including institutions	26,872,222	65.74	268,722,220	21,299,290	52.11	212,992,900
Total	40,877,498	100.00	408,774,980	40,877,498	100.00	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, 2018	: 13.70 14.00
Market Category	: "A" Category
Taxpayer's Identification Number (TIN)	: 768008223459
VAT Registration Number	: 000162206
Chairperson	: Md. Zakiullah Shahid
Vice Chairperson	: Saheda Pervin Trisha
Chief Executive Officer	: Mohammadi Khanam
Chief Financial Officer (CFO)	: Badal Chandra Rajbangshi FCA, FCS
Company Secretary	: Enamul Haque Khan
Head of Accounts Department	: Md. Lokman Hossain
Credit Rating Information	: "AA-"
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	: 188
Number of Branches / Booths	: 18
Number of Shareholders as on 31.12.2018	: 2193

Principal Bankers:

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

Investor Inquiry (Stakeholders)

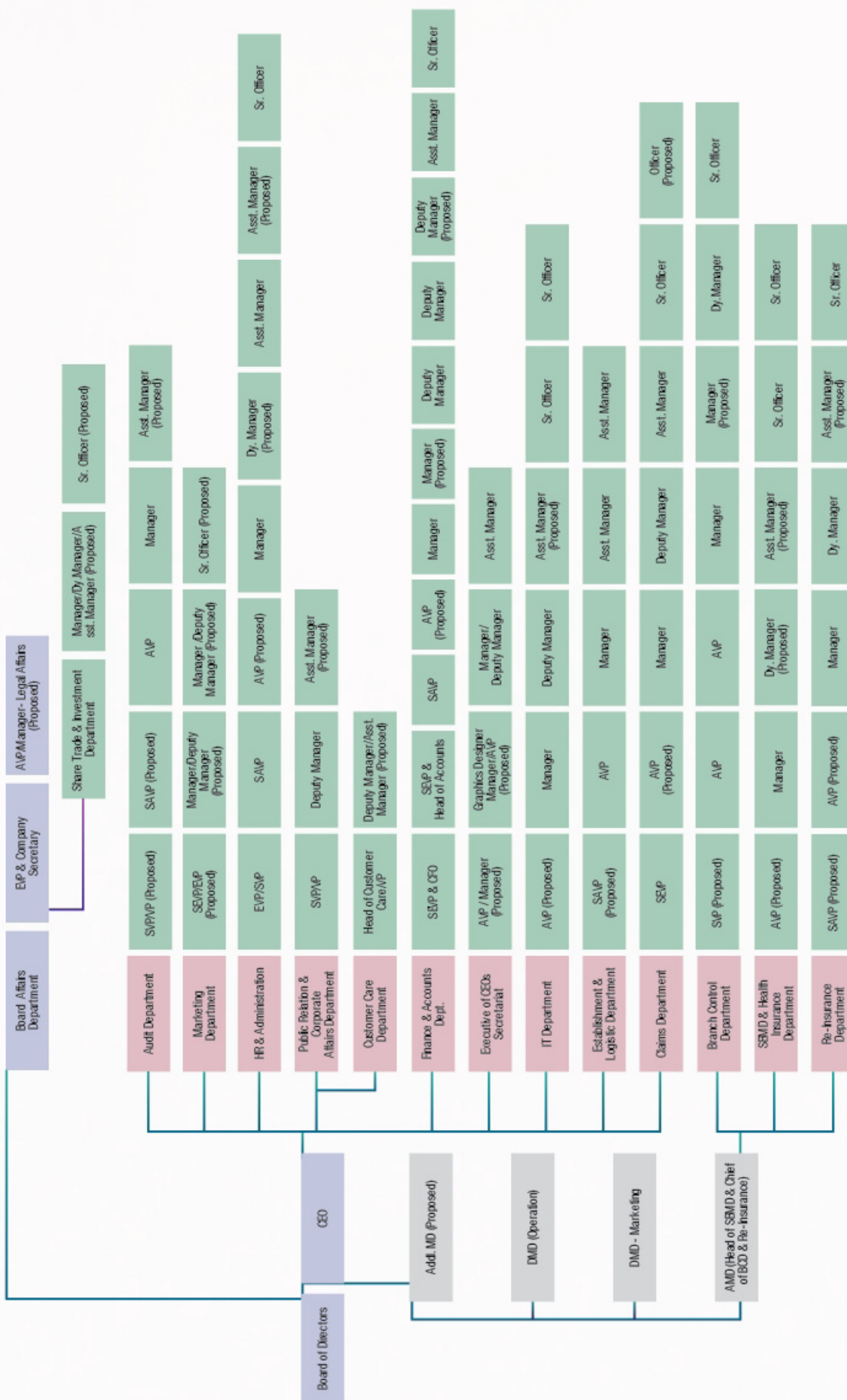
Enamul Haque Khan
EVP & Company Secretary and
In-Charge of Share Department
Unique Heights (9th floor)
117, Kazi Nazrul Islam Avenue
Dhaka-1000, Bangladesh
Phone : (+880-2) 55138659-62
Fax : (+ 880-2) 55138658
E-mail : info@prime-insurance.net

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
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E-mail : info@prime-insurance.net

ORGANOGRAM

(Head Office) of Prime Insurance Company Ltd.



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
First dividend declared to the Sponsors @10% for the year 1999.	February 2, 2000
Received consent from SEC for issuance of public share of BDT 90 Million	August 28, 2000
Publication of prospectus	October 27, 2000
Listed with Dhaka Stock Exchange Ltd.	March 21, 2001
First Trading of share on DSE	March 21, 2001
Listed with Chittagong Stock Exchange Ltd.	March 22, 2001
First dividend declared in the AGM 14% cash to all shareholders	August 01, 2001
Agreement signed with CDBL	March 7, 2005
Issuance of First Bonus share 10% on Account of 2007	July 17, 2008
Authorized Capital increase 25 crore to 100 crore	October 31, 2010
Completion of 15 Years of service to the clients	March 20, 2011
Received ISO 9001:2008 certificate	March 22, 2012
Two floor space purchased 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
ISO Certificate 9001	June 08, 2015
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
Emerging Asia Insurance Awards & Conclave-2018	May 05, 2018
Silver Award in ICSB National Award 2017 for Corporate Governance Excellence	November 10, 2018
Second Prize in ICAB BPA National Award on Annual Report 2017	December 24, 2018
Winner in SAFA Best Presented Annual Reports Award 2017	January 22, 2019

Thinking AHEAD



Bangladesh's development is a stellar one and has a mission to write a new narrative in the global economic platform to becoming an Asian tiger. Having strong growth precedence by maintaining 7 percent plus perennial growth over the last three consecutive years, Bangladesh is now second largest economy in South Asia. This consistent growth spree coupled with other macro-economic dynamics will enable Bangladesh to avail 8 percent and higher growth trajectory in coming years. Bangladesh begins her graduation process to a developing economy fulfilling three major criteria of the United Nations (UN) for qualification (i) gross national income per capita, (ii) human asset index and (iii) economic vulnerability index. Embolden with the achieved attributes, Bangladesh is aspired to be a middle income country by 2021 and are on the track to achieve it. According to the World Economic League Table, published annually by the Centre for Economics and Business Research (CEBR) in London, Bangladesh has also been ranked 41st among 193 countries, up from the 43rd position since last year. The report continued to expect that the annual rates of GDP growth to average 7 percent between 2018 and 2033. This will see the country climb 19 places in the World Economic League Table to become the world's 24th largest economy by 2033.

Bangladesh is famous for her innovation in micro-credit and other remarkable attainments in social services and very recently Bangladesh has captured global attention for financial inclusion (FI) that portrays an inclusive business model. It is a sustainable business benefits all communities under its cover. Our all of the financial institutions including the government services deliveries are already embracing to tap the potentiality of the opportunities opened by financial inclusions with micro insurance products for small entrepreneurs and health insurance.

As per the report of Global Findex database supported by Bill & Melinda Gates Foundation after judging 144 economics found that around 50 percent of Bangladeshi, age 15 or above, having an account either through an financial institution or mobile money provider. It presupposes half of Bangladeshi does not have any formal access to finance and it is many time lesser in case of formal banking. According to Bangladesh Bank there are more than 16.5 million active mobile financial services (MFS) accounts.

The a2i project at the Prime Minister's office is working with the Bill & Melinda Gates Foundation on the consultative group to assist the poorest (CGAP) is working to develop a digital financial services (DFS) and by using their tools savings, loans and insurance to rural Bangladesh will get a new impetus in the coming year like weather based agro insurances, agro insurance and micro insurance services. In the financial era agent banking and other host of financial services and retail products are already made a strong foot print. The institutions are going to embrace it as a holistic approach.

In case of inclusiveness, particularly for insurance business Leaving No-one Behind (LNB) is an important phenomena. It is a tag line uses in case of sustainable development goals (SDGs) and we are for speeding up the insurances services under the cover of financial inclusions that in turn will enhance empowerment of people's financial services for who are at the receiving ends. The Union Development Centers (UDCs) services will be a tool in this case and the Private Commercial Banks (PCBs) are trying to rendering services to netting the root level people by using this tool. We are also striving to reach to the root level through micro insurances like health, agro and SME catered products for the larger clients and business partners.

So, it is an imperative for insurers to embracing the opportunities offered by new platforms to improve customers' experiences of insurance, from the products on offer through distribution, claims management and customer services. The clear indication is that future is tied to innovation. At Prime Insurance Company Limited, we are ready to harness this new potential. We are going to create new apps for clients and customers need. With that aim we introduced insurtech products like banking electronic and computer crime insurance that has got a widespread acceptance from high end clients and business partners from financial institutions. We are going to introduce online insurance payment system in some areas of our insurances services. In the area of health insurances we are going to sign an agreement with Bangkok Hospital for rendering patient care and better health insurances. In addition to that we are reshaping our reach out plan with an eye to grasp the opportunities opened by digital Bangladesh. We are opted for building blocks in this new area. Our steps are like strong presence in digitalization and focusing to attract the institutional clients and business partners for our insurance products and services. As part of this we will enhance focus group discussion (FGD) for shooting up revenue earning mechanism and also giving insurance card to drivers for keeping insurance card in safe and it will reduce hassle for them.

We will update our audio-visual messages and other modes for all types of innovative services rendered by us for our clients and services takers. More updates will be given in our web page that will be an interactive site to communicate with the clients and customers by answering queries regularly as if they feel safer to deal in digital services and faster to get the services.

Apart from this we will arrange host of activities like FGD and participation in co-branding activities as a part of our sensitization drive to make people aware about insurances value chain. For customer acquisition and building insurance awareness we will use the digital platform and participate in ICT fairs, symposium and seminars that aware people about insurance and its uses.



OUR BRANCHES

Dhaka

Branch Name & Location	Head of Branch/ In-Charge	Contact No.
Narayanganj Branch 78 Banga Bandhu Road (3rd floor), Fazar Ali Trade Centre, Narayanganj E-mail: narayanganj-branch@prime-insurance.net	Basudev Chakrabarty Additional Managing Director	01713331821 Tel: 7631936
VIP 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 PExt:229,230
Mohakhali Branch G P F – 93(2nd Floor), Mohakhali, Dhaka. E-mail: mohakhali-branch@prime-insurance.net	Mohammed Monirul Alam Sr. 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	Mr. Monobrata Roy Senior Vice President	Cell: 01713331837 Tel: 9007192 Ext: 210
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 47111806 Ext:225
Central Development Unit (CDU) Unique Heights (9th floor), 117 Kazi Nazrul Islam Avenue, Dhaka-1000 E-mail: cdu-branch@prime-insurance.net	Anwar Shameem Assistant Vice President	01713331831 Ext: 105 & 161
Gulshan Branch Hosna Center (2nd Floor), Suit # 207, 106 Gulshan Avenue, Gulshan # 2, Dhaka. E-mail: gulshan-branch@prime-insurance.net	Zahirul Islam Deputy Managing Director	01711860008 Tel: 9890263 02-55068946-47 Ext: 145, 149
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 Ext:137
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
Kadamtoli Branch D.T. Road, Rahat Centre (1 st Floor), 295, Kadamtoli, Chattogram E-mail:kadamtoli-branch@prime-insurance.net	Mainul Islam Chowdhury Executive Vice President	01730358444 Tel: 031-2529225

	Branch Name & Location	Head of Branch/ In-Charge	Contact No.
Chittagong	Agrabad Branch Akhteruzzaman Center, Agrabad Commercial Area, Plot no-21 & 22, 6 th 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 Molla Plaza (3 rd floor), Shaheb Bazar, Natore Road, Rajshahi. E-mail: rajshahi-branch@prime-insurance.net	Fazal Mahmud Senior Assistant Vice President	01711855776 0721-775277
	Bogura Branch 1st Floor, Tip top Traders, Zilder Market Ideal School Lane, Boragola, Bogura. 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	Sabina Yasmin Assistant Manager	01920336379 Tel: 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 House: 4 (2 nd floor) , Block-A, Ward-09, Container Port Road, Hasnabad, Keraniganj Dhaka:1311 E-mail: ekuria-booth@prime-insurance.net	Md. Mozammel Hossain Vice President In-Charge of the Booth	01713331841 01916292307 01713331822

Profile Of HEAD OF BRANCHES



BASUDEV CHAKRABARTY

Additional Managing Director and
Head of Narayanganj Branch

Mr. Basudev Chakrabarty joined Prime Insurance Company Ltd in July 1996 as an AVP and Head of Narayanganj Branch. At present, he holds the position of additional managing director of the company and also the head of Narayanganj branch. He is associated with various social, cultural and 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.

ZAHIRUL ISLAM

Deputy Managing Director and
Head of Gulshan Branch

Mr. Zahirul Islam joined Prime Insurance Company Ltd as deputy managing director (DMD) & Head of Gulshan branch on 1st October, 2018. Prior joining to Prime Insurance Company Ltd he had over 15 years of progressive working experience within the telecom and different corporate organizations and Brand like LG Mobile, Samsung, Maximus, APL, Nokia, DHL etc. He has extensive and special expertise in sales & distribution, corporate sales and channel development to meet the corporate demand in various organizations besides he got the skills to drive business growth, product portfolio management, capitalize on new revenue potential and manage all aspects of daily business operations. He has completed his graduation (Hon's and Masters in Accounting) from Jagannath University and MBA with major in marketing from South East University. Mr. Zahirul believes in transparency, commitment and teamwork at the work place and is passionate with results driven approach from a business and organizational standpoint.



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 28 years of working experience in the insurance industry including 22 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 Ltd 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) and 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

Senior Executive Vice President and
Head of Mohakhali Branch

Mr. Mohammed Monirul Alam is the senior executive vice president and 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 and also attended diverse training programs. Mr. Alam is a veteran sportsman and participated in international level rowing from Bangladesh. He visited India, Pakistan, Thailand, Singapore, Taiwan, Vietnam, Korea, Japan, China, Qatar, Italy, Switzerland, France and Germany.



M. MAINUL ISLAM CHOWDHURY

Executive Vice President and
Head of Kadamtoli Branch

Mr. M. Mainul Islam Chowdhury joined Prime Insurance Company Ltd in 2010 as senior vice president and head of Kadamtoli branch. He has altogether 26 years of experience as Branch head in the insurance sector. During his 26 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.



MONOBRATA ROY

Senior Vice President and
Head of Mirpur Branch

Mr. Monobrata Roy joined Prime Insurance Company Ltd in 2000 as the manager of the Principal branch. He completed his graduation from the University of Dhaka in 1987. He has around 30 years of proven experience in insurance sector. He has achieved best performance award many times from Prime Insurance Company Ltd. At present, he is holding the position of senior vice president and head of Mirpur branch. He also served as head of Savar branch and central development unit (CDU). Mr. Roy participated in various insurance related trainings from BIA and attended various workshops relating to insurance marketing and underwriting. He was a renowned footballer in his early life who played in country's first division league.

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 and heading the Prime's Principal branch. He has 24 years of 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.



ABDUL HALIM KHAN

Vice President and
Head of Barishal Branch

Mr. Abdul Halim Khan joined Prime Insurance Company Ltd as an executive officer in 1996 at Barishal branch. He is associated with various social, cultural and religious organizations. He is a member of Barishal Club Ltd. Mr. Khan started his service career joining Bangladesh General Insurance Ltd in 1989 as in-charge of Barishal branch. He has 28 years of experience in insurance sector. At present, he is holding the position of vice president and head of Barishal 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 ability 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.

A. Z. M. REZWANUL HAQUE

Senior Assistant Vice President and
Head of Motijheel Branch

Mr. A. Z. M. Rezwatul 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.



MD. FAZAL MAHMUD

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.



ANWAR SHAMEEM

Assistant Vice President and
In-Charge of CDU

Mr. Anwar Shameem joined Prime Insurance Company Limited in human resources & logistic department in 2008. Recently he has been awarded as the in-charge of central development unit (CDU) for his outstanding managerial capacity apart from his regular duties and responsibilities of the establishment and logistics department.

MAHFUZUL BARI

Manager and Head of Bogura Branch

Mr. Md. Mahfouzul Bari joined Prime Insurance Company Limited in the year 2016 as manager and head of Bogura branch. He obtained his B.A (Hons.) from Govt. Azizul Haque University College, Bogura and 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 to deputy manager & assigned as the Head of Savar Branch in September 2014. Thereafter, for his outstanding performance he was promoted to the rank of Manager effective from 1 January 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 training such as basic knowledge of general insurance, customer relationship & health insurance from various local & foreign insurance experts. He also attended training on "Various aspects of re-insurance" from the College of Insurance, Mumbai, India.

MEHRUNNESA SHIMUL

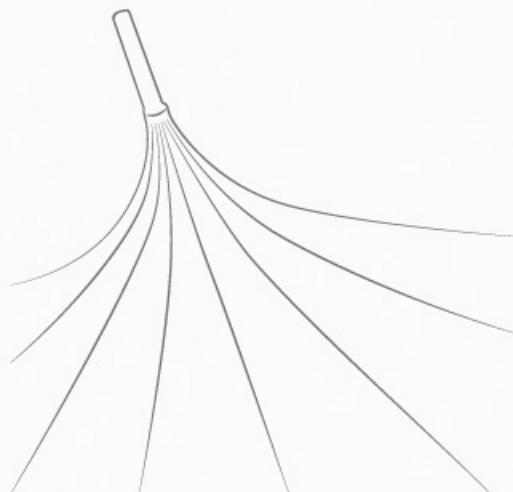
Deputy Manager and
In-Charge of Agrabad Branch

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.

**MS. SABINA YASMIN**

Assistant Manager and
In-charge of Khulna Branch

Ms. Sabina Yasmin joined Prime Insurance Company Ltd as senior officer in 2012 at Motijheel branch and gathered experience in various departments of insurance for around six years. Recently, she has been transferred to Khulna branch as in-charge of the branch. Ms. Sabina has completed her M.A. in History from National University.





Corporate OPERATIONAL TEAM

Chief Executive Officer

Mohammodi Khanam

Chief Financial Officer

Badal Chandra Rajbangshi FCA, FCS

Company Secretary

Enamul Haque Khan

Executive Vice President

Mainul Islam Chowdhury

Senior Vice President

Md. Lokman Hossain
Uttam Kumar Bhowmick
Kazi Farjana Rahman
Monobrata Roy
Md. Amin Uddin
Mahbubur Rahman

Vice President

A.A.M Zahed Nizam
Abdul Halim Khan
Asaduzzaman
Mozammel Hossain
Uttam Kumar Saha
Rouksana Malake

Additional Managing Director

Basudev Chakrabarty

Deputy Managing Director

Syed Monirul Huq
Zahirul Islam (Marketing)

Assistant Managing Director

Sujit Kumar Bhowmik

Senior Executive Vice President

Gouranga Chandra Misra
Md. Mijanur Rahman
Md. Delwar Hossain
Mohammed Monirul Alam

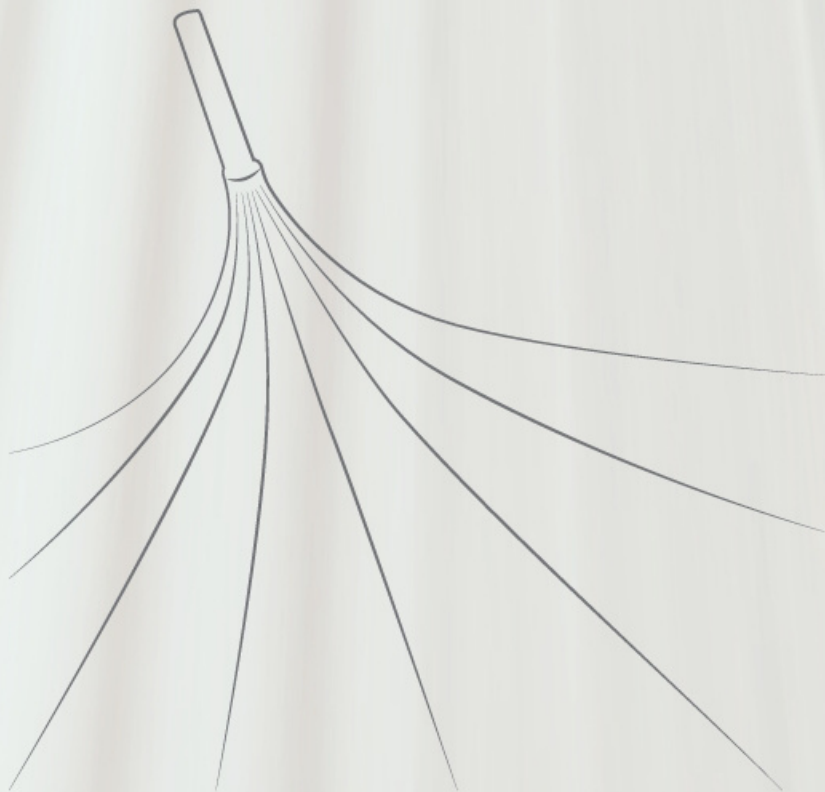
Senior Assistant Vice President

Fazal Mahmud Tulu
Abu Zergam Md. Rezwanul Haque
Abdul Halim
Mst. Jaheda Khatun
Shamima Nasrin
Bahadur Hossain

Assistant Vice President

Md. Zahid Hossain
Syed Mokbul Ahmed
Anwar Shameem
Khodeja Khatun
Rezaul Karim
Abdullah Al-Mamun

BOARD OF DIRECTORS & THE MANAGEMENT







CHAIRPERSON'S STATEMENT



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

Distinguished Shareholders, Assalamu Aalaikum!

It is a great pleasure to extend a warm welcome to all of you for your kind presence in the 23rd AGM of Prime Insurance Company Ltd. To begin with, on behalf of the board of directors, let me express my heartfelt gratitude for your continued support for the company. It is because of your kind patronage and persistent support that we are recognized as a renowned organization in the insurance industry in Bangladesh.

On the occasion of the 23rd AGM of the shareholders of Prime Insurance Company Ltd, I would like to draw your attention to some major achievements of the company in 2018. The main focus of our company was enhancing profit growth from underwriting business, protecting clients in the face of large claims, and strategic implementations of digital insurance marketing.

At the very first outset of drafting this statement, I have observed preceding years' annual reports of the company and recalled a steady growth of the business from 2014 to 2017. Prime Insurance declared 10% dividend in 2014, 12.5% in 2015, 13% in 2016, and 15% in 2017. Dividend yield ratios of the company were very high compared to other listed securities. The company enjoyed its popularity as a reputable and well-regarded organization. The directors of Prime Insurance emerged as leaders in the insurance sector in Bangladesh. Prime Insurance took inspiration from global insurance companies to provide truly international-standard and data-driven strategic policies to the Bangladeshi market.

We have analyzed macro and micro economic issues related to the insurance industry, both at the global and local level. The global economy is expected to have a somewhat slower growth in 2019 due to tighter financial conditions and geographical tensions. Emerging economies and developing countries were in troublesome condition to keep constant growth of their economies; projected growth of developed economies, especially in Europe, would be declined. However, the insurance sectors in emerging economies are expected to rise in 2019. Inadequate policy responses in some areas of the institutional investors had a negative impact on both global and local industry. Total economic growth of China, however, has been forecasted to slow down; the insurance industry growth of China will double by 2030. Forecasting growth of insurance industry in Bangladesh is yet to be projected.

While life-insurance in Bangladesh have business potential, non-life insurance industry is witnessing a highly competitive market due to its limited product varieties and the ambiguity of re-insurance adjustments from local re-insurers. Insurers are also not concerned with product development, innovation, and product branding.

Thus, the scope of the insurance market has become restricted. The wing of health insurance, however, has plentiful opportunities and Prime Insurance Ltd aims to offer a wide-range of services in that sector.

Infrastructure and technology of Bangladesh is developing robustly due to the current government's welfare efforts. But products offering property protection is not developing at the same rate of infrastructure development and technological advancement has occurred. Ensuring security and protection of the infrastructure will very soon become a key priority in the public sector. With the help of information technology, insurance businesses like ours can provide transparency and accountability to all our stakeholders.

However, the technological enhancement and infrastructure development in Bangladesh rocketed in this period, but the policy responses of the kinds of stakeholders are upside-down; and lack of balance between the policy requirements and system development is growing rapidly. Therefore, small asset-based companies are passing through a hard competition.

However, competition exists in the market, Prime Insurance Company Ltd this year earned more underwriting profit compare to preceding years. But we have paid a huge amount of claim in 2018 which lead to a significant decrease in net profit. Capital market condition was also unstable during the year 2018.

In 2018, we also realized that insurance is a social issue and something must be done to raise public awareness of the security and protection; because insurance can provide financial support at-risk of individuals. Therefore, our objective for the next year is to invest in leading the market in educating the public on the benefits of taking out an insurance package.

Our extremely capable management team continuously evaluates the efficiency of our employees to ensure that the company is run by only the most excellent experts in the industry. Prime Insurance takes pride in providing a positive and respectful work environment for all its valued employees. The number of skilled marketing executives appointed by the management to support its long-term plan.

Our board maintains an active role in policy-making in order to maintain best possible corporate governance. The board's priority remains maximizing shareholder's wealth through policies and guidelines that work toward long-term profit sustainability, risk minimization, and good governance establishment in all spheres of company's operation. In order to further regulate corporate governance, two independent directors are included on the Board as per section 76(1) of the Insurance Act, 2010. We are complying with corporate governance code enacted by the BSEC on 3rd June 2018.

Shareholders' positive response in 2018 towards the company was commendable. Respected shareholders have consulted with us individually and advised us on our long-term plan instead of operating traditional short term business. I am proud to share that we are receiving advice of the honorable shareholders regularly. They are motivating us not to compromise our integrity during hazardous market conditions and to strictly comply with transparent regulatory requirements.

Our strategic decision is to concentrate on offering innovative products and conducting excellent business initiatives, the company wishes to earn more from non-traditional products, reducing re-insurance costs and increasing re-insurance recovery rate and serve for dividend equalization fund. Earning investment income will also be a priority of the company in order to maintain a feasible liquidity ratio.

Prime Insurance Company Ltd has always cared about the best interest of its clients and stakeholders. The strength of this company lies in our strong management team, the dedicated and hardworking employees, and our well-built IT & online support, existing and new innovative products, and quality customer services.

We have settled big claims from our own sources through encashment of FDRs and investment in shares due to emergency and rationally the expected profit from share investment has reduced in 2018. Last quarter of 2018 was the time of investment in shares but we had to withdraw the fund to meet the claim payment.

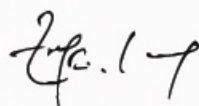
Our credit rating turned into AA- in 2017 from A+ in 2016 due to ensuring claims paying ability, quality business, efficient management and transparency of the company and we hope to ensure AA in near future.

We are going to implement smart card for motor insurance policy subscribers. Premium will be received and claims will be paid through online system because we have implemented the online payment and receiving gateway for ensuring digital insurance marketing. We have also implemented cashless medical support for insured in home and abroad. Any insured can get medical support from renowned hospital by showing the insurance card of Prime Insurance. It will reduce time, eliminate hassle and fulfill emergency needs of the insured.

I am grateful to all our shareholders, management, executives, regulators and other stakeholders for their support to us. Especially the range of number of our shareholders was not varying much until 2018 which indicated that, major shareholders were not willing to shift to other securities instead of holding the shares of Prime Insurance Company Ltd. This motivation of the shareholders continuously helping us creating a good brand image of our company.

We thank to all our shareholders, regulators, stakeholders and government i.e. Ministry of Finance, Bangladesh Securities and Exchange Commission (BSEC), DSE, CSE, CDBL, Bangladesh Insurance Association (BIA) and Bangladesh Insurance Forum (BIF).

Overall, I'm grateful to all our employees of the company for their trust and support.



Md. Zakiullah Shahid
Chairperson





Commitment to Safer and Faster Services:

CEO's ROUNDUP



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

Honorable Shareholders,

The year ended was a mixed year for our business and a challenging year for reshaping our dream to be a market leader in the non-life insurance business ecosystems in Bangladesh. Amidst business challenges and election year we have passed another successful business year. The government already started with new promises and the economy signaling resounding successful trend. It shows bacons of hope for Bangladesh to reaching its desired roads to prosperity. At Prime Insurance Company Ltd, our synergy of success is striving to ethical business standard, due diligence, vibrant insurance product and business services cater to business partners and clients need for safer feeling and faster delivery of insurance product and services.

Attending The Digital Era:

Industrialist Henry Ford once said, "Progress happens when all the factors that make for it are ready, and then it is inevitable". At this High Tech age 4th Industrial Revolution are on track and artificial intelligence is showing an abrasive trend. To go along with this trend our economy and society both are at the transforming stage. As per Bangladesh Telecommunication Regulatory Commission (BTRC) 90.5 million peoples are using internet in Bangladesh and majority of them are netizens and depending net for information and services. Digital technology is transforming our life and lifestyles. Now, business partners and clients are looking for a partner whose business interests are fundamentally aligned with their own. At Prime Insurance Company Limited, our business partners and clients interest is core to our success. That is what stimulates trust. Insurance is a peoples' business so trust works as a stimulator.

Digitalization has entirely shifted the expectations of the business partners and clients, as they now require simple and rapid online processes, with no more than one or two clicks to get a product or service. And digitalization is starting to transform insurance, changing business models and the relationship with business partners and clients as a result of, for example, mobile devices and apps, block chain, artificial intelligence and big data analytics. So it an imperative for insurers to embracing the opportunities offered by new technologies to improve customers' experiences of insurance, from the products on offer through to distribution, claims management and customer services. The clear indication is that future is tied to innovation. At Prime Insurance Company Limited, we are ready to harnessing this new potential. We are going to create new apps for clients and customers need. Our insurtech products like Banking Electronic and Computer Crime Insurance has got a widespread acceptance from high end business partners and clients.

We are going to introduce online insurance payment services for motor and travel insurance. For facilitating Medclaim insurance we are going to sign agreement with Bangkok Hospital for rendering patient care and better health insurances and allied services. In addition to that we are reshaping our reach out plan with an eye to grasp the opportunities opened by Digital Bangladesh like faster agro insurances to the root.

Global Insurance Scenario and Bangladesh Context:

EY global insurance leader Shaun Crawford said, 'Insurers have a unique opportunity to leverage multiple data sources to create deeper customer relationships and to become more efficient. If we help our clients in this effort, the sector will be well positioned to play a prime role in emerging ecosystems.' The PricewaterhouseCoopers (Pwc) said in their report titled, 'Insurance 2020: A quiet revolution—The future of insurance M&A' that general insurers around the world face some common challenges. Premium growth in developed markets is slowly recovering from 2010's low, but remains restricted by slow economic growth. Aggressive competition, higher claims and weak investment yields are putting profitability under pressure. Growth is much stronger in developing regions, but even here, many insurers' combined ratios are climbing.

According to the seventh five year plan 2016-2020 of the government of Bangladesh (GoB), the vast majority of people in Bangladesh across product segments (life and non-life) remain untapped by the insurance market. Only four people in 1,000 in Bangladesh have life insurance, that is, most of the lives are not brought under the coverage of insurance and underinsurance of property risk is also a challenge. The insurance density rate of Bangladesh is US\$7.4 per capita only 0.42 percent of GDP, this still represented only 1 percent of GDP (0.7 percent for life insurance and 0.3 percent for non-life) contribution. This compares poorly with 1.15 percent of GDP in Sri Lanka, 3.46 percent of GDP in India and 4.51 percent of GDP in Malaysia.

Particulars	2018	2017	Growth
Gross premium	682,835,182	669,071,015	2%
Net premium	241,264,153	254,534,964	-0.90%
Underwriting profit	101,734,851	85,537,105	19%
Interest income	14,141,364	12,022,498	18%

I am happy to inform you that your company amidst numerous challenges attained 2 percent growth in Gross Premium and 19 percent growth in net premium, 19 percent growth in Underwriting Profit and 18 percent growth in interest income. We are pledging to you that we will do far better in the coming year.

I hope that by streamlining the regulatory infrastructure in terms of data warehousing, governance, systems, resources, and processes in adjustment with international insurance standards such as the International Association of Insurance Supervisors (IAIS); Bangladesh can exhibit a reliable and well-balanced insurance platform. In addition to that stringent monitoring and evaluation of the regulatory framework is required as a result to create failsafe standards that can help curb corruption and negligence from the insurers' side. Bangladesh seems to be an untapped gold mine for the insurance industry. A global report by Lloyd's projected that a meager 1 percent rise in insurance penetration in Bangladesh could contribute to as much as \$4.4bn in savings.

Bangladesh Moving Towards Prosperity:

Over the decades Bangladesh has witnessed a decadal growth at least 1 percent up in every decade since three decades. Now it is in 7.8 percent plus and on the track to achieve 8 percent gross domestic product (GDP) growth rate. Bangladesh supported by consistent development track record, strong private sector growth, prudent macroeconomic management, strong export market, rising purchasing power, growing domestic market of 160 million people and government insistent investment on mega infrastructure projects sounds that Bangladesh economy will maintain this track record of growth and it will be stellar in the coming years. According to forecasts by Bloomberg released on October 28, 2018, the global economy is expected to achieve an annual GDP growth rate, as measured in constant dollars, of 3.7 percent between 2018 and 2020 and, in turn, pass the \$100 trillion mark around 2022. Most noticeably Iran, Turkey, Indonesia, and Bangladesh will gain. G7 members such as Japan, Germany, Italy and Canada are all expected to be less of a factor in global GDP growth. Bangladesh's growth will be 1 percent in global context forecasts on the basis of 2022-2023 world economic growth contribution (\$) the report added. The vital statistics of Bangladesh economic health year ended 31st December 2018 is GDP \$285.817 billion (nominal; 2018) \$751.949 billion (PPP; 2018), GDP rank 42nd (nominal) 31st (PPP) in the world, GDP growth 7.86 percent (FY2018) 7.28 percent (FY2017), GDP per capita \$1,751 (nominal; FY2018) \$4,561.66 (PPP).

According to the trade economics data Consumer Price Index (CPI) in Bangladesh increased to 258.13 index points in December from 258 index points in November of 2018. CPI in Bangladesh averaged 126.56 index points from 1993 until 2018, reaching an all-time high of 259.13 index points in October of 2018 and a record low of 51.99 index points in July of 1993. The annual inflation rate in Bangladesh eased to 5.35 percent in December 2018 from 5.37 percent in the prior month. It is the lowest inflation rate since February 2017, amid a slowdown in price rises of both food (5.28% vs 5.29%) and non-food products (5.45% vs 5.49%), of which gross rent, fuel & lighting (2.64% vs 2.69%); miscellaneous goods & services (6.63% vs 6.83%) and recreation, entertainment, education & cultural services (0.94% vs 1.25%). On a monthly basis, consumer prices edged up 0.1 percent, following a 0.4 percent decrease in the previous month. Bangladesh capital market will take a new turn in this year.

Way forward:

Business strategy mix is a combination of plan to reach specific business objectives. Strategic plans have a synergy to achieve it. As insurance is a highly competitive market and specially the non-life category there are 46 operators so performance matrices require to be very competitive. The matrix of strategy is always paving the way forward of a business and synergy determines the execution.

You will be happy to know that we got grade "AA-" by the Credit Rating Information & Services Ltd (CRISL) for 2019 testifies our sound financial health. Our claims payment track record is appreciated by business partners and clients. We have full reinsurance protection in our reinsurance treaty by our local reinsurer 50 percent (mandatory) and 50 percent with overseas reinsurers as lead reinsurer Trust Re Bahrain and GIC Re India. Beside the treaty reinsurance partners we have many other reinsurers for facultative reinsurance.

As an ISO certified company our quality policy descriptions are to becoming a highly reputed insurance company through the fulfillment of customer satisfaction and conforming customer's expectations. In that view we are serving clients and customers cater to market demands. As a part of our strategy matrix we have made our product and services basket with diversified and unique mix that makes us important in the market. Our approach towards taking risk is calculative and our approaches are out of the box. We have wide reinsurers channel across the globe and policy compliance with the government operator Sadharan Bima Corporation (SBC). We are researching for continuous improvement of existing products and bent on to bringing innovation in insurance solutions through our research team.

It is imperative that market survey and insights into clients' demand is a requirement. Our competent management team meets frequently to sorting out problem and focus on using problem solving tools through brain storming and focus group discussions. Our dynamic board guides us evaluating employees' efficiency and facilitates continuous training to develop the professional and technical skills. We also encourage train young students through internship program throughout the year and we exchange academic and practical knowledge to minimize the experience gap through our works. Through building blocks, we have engendered the Brand of Prime all along our business journey. Our strategy is bringing trust and profit will come logically through business partners and clients satisfaction.

Inspired Motivated Involved Team Members:

Continuous investment in social capital is our assets and we count our human resources as capital. So we require more involved and motivated team members and choose our senior team members from experienced and qualified genre. 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. Rapid settlement of claims and world's best reinsurers' support brings us to perk up our position in the market. 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 traits made us completely different from other insurance companies. Most of the members of the staff are young, professional and hard working. With a view to considering future growth, inclusiveness and sustainability of Prime Insurance, we are always preferring 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.

Investing in Future:

In insurance perspective, it is necessary to be insured mean remain protected from risks and hazards i.e. natural and physical. It impinges the necessity of investing in future. In due course our success is based on our ability to create new and compelling products, services and experiences for our clients and customers.

We maintain our long term commitment to research and development across a wide spectrum of technology, tools and platforms and services spanning into business, work and life experiences. 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 shipbuilders liability insurance etc.

Moreover, by this time, Prime is rendering its services towards the biggest power projects of Bangladesh in private sector in its credit. In this sector we provide our services to cover operational all risks including business interruption and erection all risks including delay in start-up. The lists including these projects like Summit Bibiyana Power Company Ltd, Summit Meghna Ghat Power Company Ltd, Bangla Trac Power Ltd, Acorn Infrastructure Services Ltd and Confidence Power.

Silver lining for Future:

As our research and development department relentlessly researching for new products that are 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. As we are opted to use the financial inclusion and get more by using opportunities of the Union Development Centers (UDC) information technology tools and integration of our products and services vertically and horizontally. Therefore, integration of these product distribution 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 including agro insurance products. We are also opt for using the non-government organizations (NGO's) services platform for this end. 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 products line through adding more exclusive products, like crop insurance, agro based insurance, livestock, bankassurance policy, terrorism, home loan and auto loan coverage.

Looking Through the Prism of Insurance:

Our ultimate goal is to making the company into an institution of excellence. In sync with that 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 Insurance Development and Regulatory Authority (IDRA), so that the clients could meet up all types of their insurance needs and enjoy rapid 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 efficient 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.

Accolades for Prime's achievements:

Again, I am very much proud to inform you that we have earned kudos and accolade for our excellence, commitment and compliance from country and abroad. In our relentless efforts to perfection Prime Insurance got accolades from South Asian Federation of Accountants (SAFA) like 'Winner Award' for improvement in Transparency, Accountability & Governance from South Asian countries for the best presented annual report consecutively for the year 2017 and 2016 in insurance category. Our credit line of recognition also further added The Institute of Chartered Accountants of Bangladesh (ICAB), The Institute of Chartered Secretaries of Bangladesh (ICSB) by fulfilling their criteria for several years. At Prime Insurance Company Limited, our business partners and clients' interests are the core to our success.

Knowledge to share and planet to care:

As an ISO certified company we are maintaining ethical standard practices and strong quality policy. We believe in the sustainable business and also working for adding value inclusive development. As per sustainable development goals (SDGs) we are committed to the leaving no-one behind (LNB) and participates all goals pertaining to private sector. It is our responsibility towards society. Our clients are fully secured by the local and foreign reinsurers. Due to this, we earned an enviable goodwill in the market that enlarges our brand equity.

As part of our social responsibility policies we are giving scholarship to three meritorious students of Dhaka University and all are from banking and insurance department. We are caring to planet and are working for tree plantation. 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. We are also observing different days including world health day, women's day, children's day and fire and accident protection days with our stakeholders. We have published and distributed several guidebooks for making people aware about insurance. All these are part of our commitment towards society.

Looking forward to 2019 and beyond:

In the year 2019 and beyond we will continue to create value for our customers, clients, and partners through our insurance products and services. As a result, our shareholders, with our consistent focus on delivering adorable and personalized products, services and solutions our bondage with them will be stronger and services will be faster and they feel safer. 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 every one of the Prime family.

Finally, my special thanks go to our Hon'ble chairman and the members of the board for their pragmatic vision, valuable input and 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.

We believe in combined efforts of all will bring a better tomorrow for all of us.

Thanking You All



Mohammodi Khanam
Chief Executive Officer

Profile Of The CHAIRPERSON

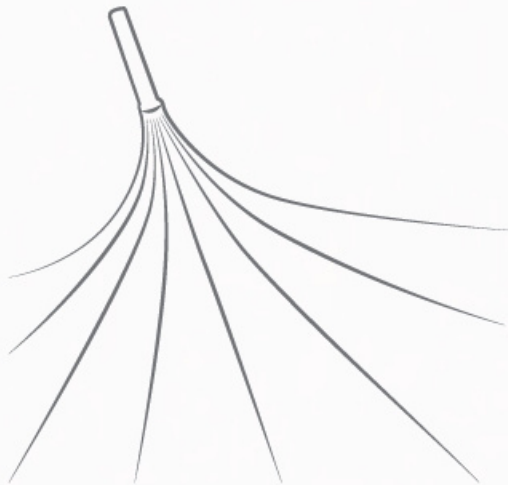
MD. ZAKIULLAH SHAHID

Chairperson

Mr. Md. Zakiullah Shahid was elected as the chairperson of the board of directors of Prime Insurance Company Ltd in its 288th board meeting held on 30 March 2017. He was the chairperson 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 education 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 chairperson 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 molding Prime Insurance into a sustainable and effective organization. His contributions towards socio-cultural and professional activities are also remarkable.



Board of DIRECTORS' PROFILE



SAHEDA PERVIN TRISHA

Vice-Chairperson

Ms. Saheda Pervin Trisha 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 & madrasa 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.





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, madrasa and kindergartens. She is actively involved with a number of social and cultural organizations.

MAHANUR UMMEEL ARA

Director

Ms. Mahanur 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.





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.

DR. FATEMA RAUSHAN JAHAN

Director

Dr. Fatema Raushan Jahan is a physician. She obtained her MBBS degree from Community Based Medical College, Mymensingh 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.





GOLE AFROZ BANU

Director

Ms. Gole Afroz Banu is a well-known business entrepreneur and industrialist. She was a director of Prime Bank Limited and Bogura 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 two 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.





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, Chattogram. 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, Chattogram.

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.





RAHELA HOSSAIN

Director

Ms. Rahela Hossain is a prominent business person. After completion of her education, she devoted herself to business activity at Chattogram. 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, Chattogram-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.





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.

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.



**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. He was a director of Prime Islami Life Insurance Limited, and director of Capital Living. He is an active Rotarian.

MD. RUBAIYAT KHALED

Nominated Director

Mr. Md. Rubayet Khaled is a director of Prime Insurance Company Ltd from amongst the public subscriber shareholders nominated by Prime Financial Securities Limited. Mr. Rubaiyat Khaled was on the Board of Directors at Fareast Finance & Investment Ltd., Maksons (Bangladesh) Ltd., Prime Financial Securities Ltd., Maksons Associates Pvt Ltd., Fareast Stocks & Bonds Ltd., Fareast Islami Life Insurance Co., Ltd., and Primeasia University.





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-a creative, dynamic and hardworking person who has a passion to take new challenges where she works. She joined Prime Insurance as the additional managing director in 2011 and she has been promoted to the managing director & CEO of the company on March 10, 2014. She has been leading the team with incredible success. She has been playing a vital role not only to develop company's business but also to develop the non-life insurance sector of Bangladesh.

With her strong will power, erudite knowledge, dependability, seriousness, sound insurance business knowledge along with positive leadership, the company has won several prestigious awards from the professional bodies but also has made history regarding writing of company's business.

With an MSS and BSS (Honors) in Economics from the University of Dhaka, Ms. Mohammodi Khanam also completed ABIA from Bangladesh Insurance Academy. In addition to her academic and professional degrees, she always loves to read and acquire knowledge about new areas. She undertook various trainings 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 as a trainee executive officer in 1988 with Peoples Insurance Company Ltd. She has a very long and successful career of 30 years in the departments of underwriting, claims and re-insurance. Ms. Khanam is also a trainer of Bangladesh Insurance Association (BIA) and various training institutes of private banks. In the year 2017 she became the executive member of Executive Council of Bangladesh Insurance Forum (BIF). She had also been attached with BTV as a regular program announcer from 1981 to 2012 before performing holy Hajj.

Ms. Khanam is a member of the Central Rating Committee (CRC), headed by the Chairman of 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 conducts research to identify market needs and contribute the growth 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 to launch newer insurance products in the insurance industry.

Ms. Khanam is also the technical subcommittee 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 a member of Bangladesh Overseas Ladies Organization (BOLO) U.K., which helps the financially insolvent meritorious student to provide them educational support.

DIRECTORS' REPORT-2018

Dear Shareholders

It is with great pleasure that the directors welcome you to the 23rd annual general meeting of Prime Insurance Company Limited and present the 23rd annual report together with the audited accounts of the company for the year ended 31 December 2018.

As per section 184 of the Companies Act, 1994 including condition no. 5 of the corporate governance code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC) and referring to the section 76 of Insurance Act, 2010 and other related sections, subsections, rules and regulations in this purpose pursued accordingly to prepare, approve and submit the directors' report before the respected shareholders of the company for their perusal and approval. The board approved the report at the 311th Board of Directors' meeting held on 7 February 2019.

Global Economy

Global economic output was projected slightly declining growth in 2019 followed by 2018 due to the tighter financial condition and geographical tension reported by the IMF, World Bank, and ADB. Emerging economies and developing countries were in an unfavourable condition to retain constant growth of their economies; the projected growth of the advanced economies will decline. Inadequate policy responses by some areas of the investor institutes affected the industry heavily in the global and local industry. Asian Development Bank Outlook 2018 forecasts 6.0% growth in 2018, the projection for 2019 reached 5.8% excluding Asia's high-income newly industrialized economies.

As per the report of Munich-re, a renowned Re-Insurer in the world reported that the global insurance industry would grow more strongly than the global economy in 2019 followed by the year 2018. Annual premium growth forecasted to 5.3% in real term whereas global GDP is expected to grow by 4.9%. Emerging countries are the primary growth drivers specifically in the life and health insurance sectors, but relatively stronger growth rates in high-volume industrialized countries are also contributing to this positive development.

The long-term outlook for the insurance industry is even better, and experts opined that this growth will be double in the global insurance sector by 2030.

China is the leading player of the insurance growth forecast with around one-third of the additional premium income shall be covered by this country. Insurance experts are not ambitious on industrialized countries to have additional premium income during 2020-2030.

The main focus for this development will be insurers adapting to global technological progress and assisting digital insurance brokers. However, life and health insurance growth forecasted ambitiously, but the property-casualty insurance shall benefit with average economic growth.

In the Middle East and North Africa, a high level of stable growth will persist, and in sub-Saharan Africa, normalization should follow extraordinarily strong growth. Despite these high growth rates, in 2030 the USA will still be the world's biggest insurance market, with a market share of almost 24%. China will move into second place, overtaking Japan. Besides China, other emerging markets in Asia—India and Indonesia, for example—are among the top growth markets, which means that between now and 2030, the region is expected to have average growth rates of well over 9% (7.2% in real terms) in property-casualty insurance and slightly over 10% (8.0% in real terms) in life insurance.

However, since insurance penetration (premium in % of GDP) in China is currently already high, the strong growth rates are likely to level off over the next few years, which is why we are forecasting real growth of between 5% and 6% from 2025 onwards. In the other emerging markets of Asia, as well as in many African countries, we are nevertheless expecting the catch-up process to continue for quite some time, given the currently very low level of development of the insurance markets there. However, there was no data prepared separately for Bangladesh despite it being a high population country.

Bangladesh Economy

Economic growth is likely to be slow but remain forceful due to heavy private consumption and short-term investment as per experts' opinion of focus economics think tank. However, an indecisive political environment, risks of natural disasters, a shaky global trade environment, a struggling domestic banking system, and imbalance in the capital market all cloud prospects. Panellists of focus economics expect GDP to expand by 7.3% in FY 2019, which is unchanged from last month's forecast, and 7.2% in FY 2020.

This forecast is contradictory to the global economic outlook which indicates that Bangladesh economy has a good forecasting growth comparing global economic growth and GDP trend.

The economy has performed well so far in FY 2018, which started in July of the year. Remittances increased at a healthy annual pace during July–October 2018 which have helped reduce external imbalances—as reflected by a significant year-on-year narrowing of the current account deficit in July–August 2018.

The contribution of the insurance industry to the GDP in Bangladesh is minor compared to other income generating sectors. Prime Insurance maintains industry-standard position in underwriting profits which experienced a hike in 2018. The company's quality-insurance segment experienced a slight decrease in revenue income in 2018 but has seen an increase in underwriting profit. Prime Insurance emphasized on providing top-notch service and compromised on management expenses. Directors of Prime insurance hope to cope with the global atmosphere while attempting to grasp the mentioned opportunities in the local context.

Industry outlook and possible future Developments:

Bangladesh is sharing 0.02% of the global insurance market—a fairly low number considering the country's population and property. Bangladesh's per capita spending on insurance of US\$6.00 indicates poor performance so far.

However, the country's insurance market currently shows an upward revenue trend despite the low penetration rate and unfavourable underwriting profit condition. There is an evident information gap in the insurance industry of Bangladesh, leading to inadequate industry-level policies. Lack of proper research and unavailability of data often results in business environments running on instinct rather than science. However, the recent desks of IDRA and BIA officials published a very basic yearly report on insurance data which are outdated and therefore, not applicable for the research period affecting the company's short term.

Currently, 46 non-life insurance companies are competing with each other to obtain insurance premium at a very high procurement cost. As a result, shareholders' wealth maximization is a challenge for every insurance company. The scope of non-life insurance sector has been less utilized by the public sector.

However, we anticipate positive future prospects for the industry. Government, World Bank, and ADB have already been in commitment to accord an automated insurance industry in Bangladesh. Integrated software will allow for identification of insurance policies, accounts-related information, and financial

figures while high procurement cost would automatically be reduced. Prime Insurance has been focusing on long-term plans rather than short term goals.

In the non-life insurance sector, there is a lot of scope for increasing insurance penetration. Only motor vehicle insurance and marine cover note are mandatory by the government while other areas still remain voluntary. The industry can only hope to develop further with increased number of mandatory insurances. Mobile telephones can be used to take out policies, to pay premium, report claims, and pay out benefits.

Non-life insurance industry revenue in Bangladesh was Tk. 16,147 million in 2017 which was Tk. 15,643 million in 2016, indicating a 3.22% business growth between the two years.

Net underwriting profit was Tk. 4,483.63 million in 2017 compared to Tk. 3,360.27 million in 2016. The market forecast for 2018 is not yet possible due to lack of market data. We expect the year 2018 to be less profitable compared to 2017 due to the unstable non-life insurance market, shifting banking strategies, and uncertain capital market conditions. However, gross premium of Prime Insurance Company Ltd has increased to Tk. 682.84 million from Tk. 669.07 million and underwriting profit reached to Tk. 101.73 million in 2018 from Tk. 85.54 million in 2017.

Segment-wise or product-wise performance:

Prime Insurance Company's traditional insurance businesses are fire insurance, marine insurance, motor insurance, and miscellaneous insurance. Recently, health insurance business has an upward business trend. Hajj insurance, travel policy insurance, triple B insurance, and potential financial insolvency insurance for the property and institutions are also offered by the company. The 2018 segment-wise performances are as follows:

Fire Insurance Business:

Fire insurance business is most hazardous and risky business in non-life insurance sector. As the sum insured is higher, huge amount of premium is ceded for re-insurance protection. As a result, it is difficult to earn an underwriting profit from fire insurance business.

The company wrote fire insurance business with a gross premium income of Tk. 313.25 million in 2018 against Tk. 309.93 million in 2017.

After ceding of the re-insurance premium, the net premium earned from fire insurance business stood at Tk. 62.37 million. The company suffered an underwriting loss of Tk. 19.09 million from its fire insurance business in 2018 against a profit of 1.93 million in 2017.

Marine Insurance Business:

The gross premium income from marine insurance business slightly decreased to Tk. 200.54 million in 2018 from Tk. 201.45 million in 2017, yielding a net premium of Tk. 112.28 million after re-insurance cession. The company earned an underwriting profit of Tk. 87.27 million in 2018 against Tk. 51.27 million in 2017.

Motor and Miscellaneous Insurance Business:

In motor, the gross premium income was decreased to Tk. 43.22 million from Tk. 49.18 million in 2017. After ceding of the re-insurance premium, the net premium of the motor segment amounted to Tk. 40.68 million. The company earned underwriting profit from motor insurance business amounting to Tk. 31.80 million against Tk. 26.58 million in 2017 because of claim recovery effect.

Premium income from miscellaneous insurance business increased to Tk. 125.83 million against Tk. 108.51 in 2017. Prime Insurance earned a profit of Tk. 1.76 million during the year under review.

Investment Income:

At the year-end of 2018, interest earning was slightly higher compared to 2017. Interest income from banks and non-banking financial institutions increased to Tk. 14.14 million in 2018 against Tk. 12.02 million in 2017 because early encashment of FDRs for payment of M/s. Maq Enterprise's claim in full.

Income from dividend has also reduced significantly to Tk. 4.76 million in 2018 from Tk. 6.52 million in 2017 because of total dividend declared ratio of the public listed companies have been reduced comparatively.

Unrealized loss of Tk. 11.47 million was registered against an unrealized gain of Tk. 38.80 million in 2018 for fair value presentation of investment in shares as per International Financial Reporting Standard (IFRS)-9.

The salient features are given below:

Particulars	2018	2017
Gross premium	682,835,182	669,071,015
Net premium	241,264,153	254,534,964
Underwriting profit	101,734,851	85,537,105
Interest income	14,141,384	12,022,498
Dividend income	4,763,374	6,517,138
Profit before tax	78,525,901	110,671,530
Provision for current tax	29,496,201	15,669,455
Transfer to reserve for exceptional losses	18,094,811	19,090,122
Retained earnings	42,635,860	76,679,316

Key Operating and Financial Data:

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 2018 was Tk. 2.22 million against Tk. 2.58 million in 2017. The total number of vehicles was 19 against 23 of 2017.

Total cost of vehicle as at 31 December 2018 was Tk. 36.75 million against Tk. 44.16 million in 2017.

Dividend:

From the retained earnings of 2018, the board of directors is pleased to recommend 10% cash dividend for its shareholders against 15% cash dividend declared on 2017.

Cash Flow from Operating Activities:

Operating cash flow was at Tk. (3.30) million in 2018 against Tk. 20.88 million in 2017. Prime Insurance Company Ltd had to settle few large claims from its own sources pending recovery from local reinsurer in 2018.

Investment:

As per section 23 of the Insurance Act, 2010 and Schedule I of the same Act, every non-life insurance company had to maintain a mandatory deposit of Tk. 25 million as statutory deposit in the Bangladesh Government Treasury Bond (BGTB). Prime Insurance Company Ltd complied the requirement of BGTB in 2018.

Total investment of the company comprising of investment in shares, BGTB, and FDRs stood at Tk. 247.52 million against Tk. 302.90 million in 2017. The reduction of investment is mainly due to payment of M/s. Maq Enterprise's claim in full and also severe downturn of share market as like previous years, investment in shares has been stated at fair value as per International Financial Reporting Standard-9.

Assets:

Assets of the company increased from Tk. 1,222.82 million in 2017 to Tk. 1,303.97 million in 2018. The value of the assets increased mainly due to increase in investment in shares and claims receivable from SBC and overseas reinsurers.

Reserves:

The company kept provision for exceptional loss reserve of Tk. 18.09 million for the year 2018 against Tk. 19.09 million in 2017 and total reserve for exceptional losses of the company stood at Tk. 228.34 million in 2018 against Tk. 210.25 million in 2017.

Transferring Tk. 0.50 million to the general reserve fund has been increased to Tk. 10.40 million in the year under review from Tk. 9.90 million in 2017.

Internal and External Risk Factors:

Unhealthy competition of the insurers involved in the non-life insurance sector in Bangladesh is the only key external risk factor to Prime Insurance Company Ltd for which Prime overlooked a lot of insurance business in 2018. We have no such internal risk because we have quality manpower, experienced management and prudent board compared to the market. Our future prospects will be assisting the regulators to eliminating excess management expenses relating to agency commission.

Related Party Transactions:

All transactions with related parties are made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party transaction are disclosed in the Note-38 of the financial statements.

Going Concern:

The board was in the opinion that the company is indeed a going concern. This is recognized through appropriate enquiries and analyses, which establishes that the resources are adequate to support the business operations and that sufficient business opportunities exist to justify the organization as a going concern and the board of directors analyses the financial statements accordingly to ensure it. Accordingly, the financial statements are prepared on a going concern basis and there is no doubt, whatsoever, upon the company's ability to continue as going concern.

Nomination and Remuneration Committee (NRC):

In compliance with the corporate governance code, the board of directors of the company in its meeting held on 25 October 2018 has renamed the remuneration committee as nomination and remuneration committee as a sub-committee of the board with the following non-executives directors:

- AZM Sazzadur Rahman, Chairperson, Independent Director
- Mrs. Rahela Hossain, Member, Director
- Mr. Abu Hasan Khan, Member, Director
- Ms. Saheda Pervin Trisha, Member, Vice Chairperson

Mr. Enamul Haque Khan, the company secretary will act as the 'Secretary' of the NRC. A detailed terms of reference (ToR) of the NRC has also been approved by the board.

Prospects For 2019:

We hope to increase underwriting income in 2019 by implementing different strategy to attract more insured's. We will disclose our accounts proactively with our clients to inform them about the excess commissions, potential risks and its consequences so that clients are aware of the insurance policies and make reasonable steps to procure the policy. Seminars and focus group discussions will be utilized to aware the public.

Prime Insurance Company Ltd is further hoping to increase revenue earnings from quality business. The company has recently hired a number of highly-qualified marketing executives in the mid of 2018 to ensure attractive business growth.

We have implemented smart cards to the insured for covering motor insurance policy that enables carrying paperless, user-friendly, instrument during travelling. Prime Insurance is also expanding on digital insurance marketing and online insurance solutions to cut the procurement cost.

Health insurance in Bangladesh are growing very rapidly and Prime Insurance Company Ltd has gained enormous success in this arena. Our health insurance revenue was better in 2018. We have signed agreements with different hospitals so that clients can receive cashless treatment by showing Prime Insurance health coverage identity to the hospitals.

Power sector in Bangladesh has major contributions to the development of this country. Risks in the power plant industry are very high in terms of insurance protection and Prime Insurance is covering number of big power-plants in the country with 100% re-insurance coverage. It is not only increasing our earning but also assisting society to ensure protection and security since Prime Insurance conducts inspection and ensures that conditions of the clients meet pre-requisites for insurance coverage.

Auditors:

Pursuant to section 210 of Companies Act 1994, the company's statutory auditors M/s. Rahman Mostafa Alam & Co, Chartered Accountants, retired after three years with the company and as per BSEC rules, they are not eligible for appointment continuously for more than three years. Therefore, new auditors shall be appointed in the ensuing annual general meeting after completion of due process and formalities.

We would like to express our deep gratitude to M/s. Rahman Mostafa Alam & Co., Chartered Accountants for rendering their professional services to Prime Insurance.

As of today, three auditors have applied to be appointed as statutory auditors of the company:

- 1) M/s. Ahmed Zaker & Co., Chartered Accountants;
- 2) M/s. M M Rahman & Co., Chartered Accountants and
- 3) M/s. G Kibria & Co., Chartered Accountants

The matter has been placed to the audit committee who will apprise the board of directors for placing the matter to the shareholders.

DIRECTORS

Group A:

In accordance with the provision of the articles of association of the company, the following sponsor directors retired and being eligible offered themselves for participating in the election of the group-A directors:

1. Tahera Akter
2. Mahanur Ummel Ara
3. Rahela Hossain
4. Mahbuba Haque

Group B:

In accordance with the provision of the articles of association of the company, public subscriber shareholder M/s. Fareast Securities Ltd represented by Mr. Md. Ashaduzzaman and GQ Ball Pen Industries Ltd represented by Mr. Abu Hasan Khan were senior most and they have retired and offered themselves for re-election.

As required by the Insurance Act and Rules, election of the directors from public subscriber shareholders (group-B) scheduled to be held on 31 March 2019. A notification had already been published in the daily Financial Express and the daily Somokal on 25 January 2019.

Independent directors:

As per section 76 of the Insurance Act, 2010 an insurance company shall have two independent directors on the Board and accordingly Prime Insurance has 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/2006-158/207/Admin/80 dated 3 June 2018, Mr. A.Z.M. Sazzadur Rahman was appointed on 26 June 2017 and he will complete his second term of three-year duration on 25 June 2020.

In compliance with the guidelines of Bangladesh Securities & Exchange Commission (BSEC) notification no:- SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, Kazi Zahedul Hasan was appointed on 26 June 2017 for the first tenure. Prime Insurance Company Ltd pursued all terms and conditions of appointing the independent directors stipulated in the corporate governance chapter.

Board meeting attendance:

During the year, 12 Board Meetings were held. The attendance of the Directors is shown in Corporate Governance Chapter including the statement of directors' fee.

Corporate and Financial reporting:

The company has complied with all the requirements of corporate governance as required by the Bangladesh Securities and Exchange Commission (BSEC).

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 has 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 and international reporting 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 slightly higher gross premium than last year but due to payment of large claims, the operating cash flow was negative.

Key operating and financial data:

The company's summarized key operating and financial data for the last five years are shown in the Stakeholders & Investors' Information chapter.

Pattern of shareholding:

The pattern of shareholding is shown in the corporate governance chapter of this annual report.

Corporate governance compliance report:

Status of compliance with the corporate governance code (CGC) [as per condition no. 1(5) (xxvii)] status of compliance with the conditions imposed by the commission's notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Report under condition no. 9) has been presented in the corporate governance chapter of this annual report.

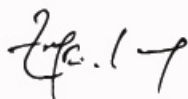
Acknowledgement:

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 government 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 efficiency have helped the company to reach its present position.

For The Board of Directors



Md. Zakiullah Shahid
Chairperson





Management COMMITTEE

Seating Left to Right

1. Md. Delwar Hossain, SEVP & Head of Claims- Member
2. Syed Monirul Huq, Deputy Managing Director & Head of Operation- 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. Enamul Haque Khan, EVP & Company Secretary- Member Secretary
2. Anwar Shameem, AVP and Head of Establishment & Logistics
3. Md. Lokman Hossain, SVP & Head of Accounts- Member
4. Md. Amin Uddin, SVP & Head of HRD & Administration-Member
5. Asaduzzaman, VP & Head of PR, CA & Customer Care-Member
6. Md. Zahid Hossain, AVP and Head of Internal Control and Audit Department- Member
7. Md. Abu Rakan, Manager & Head of IT -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 31 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, Nawabganj, Dhaka and secured 2nd Position in Dhaka Board and 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 ICAB and ICSB. During his 22 years of career, he underwent various training courses, workshops and seminars and showed brilliant performance in diverse areas of insurance under different capacities. In 2018 Mr. Rajbangshi received training on Re-insurance organized in College of Insurance at Bandra Kurla Complex, Mumbai, India, arranged by Unison International Broking Services India. Mr. Rajbangshi has been working in various standing and other committees of ICAB.



Enamul Haque Khan

Executive Vice President & Company Secretary

Mr. Enamul Haque Khan joined Prime Insurance Company Limited as senior vice-president & company secretary in March, 2017. He has 13 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 program on international business and language from Hanzhoge School Gronngen, The Netherlands in 2008 and it inspired him to study further in Europe. He earned MBA in Management from Umea University Sweden. He has also completed middle management training program 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 program of actuarial science in Dhaka University and The Institute of Chartered Secretaries of Bangladesh (ICSB).

MD. DELWAR HOSSAIN

Senior Executive Vice President & Head of Claims Department

Mr. Md. Delwar Hossain has more than 50 years of long experience in different areas of insurance industry. He joined Prime Insurance Company Ltd 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' and officers' liability insurance". Besides, he also participated in the training course on effective office management & filing system from DCCI Business Institute, Dhaka.

**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 30th November, 2015 in this company. He has 32 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 the 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.

MD. AMIN UDDIN

Senior Vice President & Head of HR & Admin

Mr. Md. Amin Uddin joined Prime Insurance Company Ltd in 2018 as senior vice president & head of human resources & administration. He has vast experience of 35 years in financial organizations particularly in administration department. Prior to joining at Prime Insurance Company Ltd., he served in different notable organizations in different positions like Bangladesh Krishi Bank, Karmasangsthan Bank and lastly served in Bangladesh House Building Finance Corporation as general manager. He graduated from Bangladesh Agricultural University, Mymensingh in the year 1982. Thereafter, he completed his MBA with major in Human Resource Management from Stamford University Bangladesh. He has also enriched himself & his career by obtaining professional certificate from DAIBB & attending versatile training programs such as disciplinary charges & inquiry procedures, human resource management, management development course, proper utilization of financial & business power etc. He has extensive experience of conducting training program as well.

**ASADUZZAMAN**

Vice President and
Head of Public Relations, Corporate Affairs & Customer Care Department

Asaduzzaman joined Prime Insurance Company Ltd in December, 2018 as vice president and head of public relations (PR), corporate affairs (CA) & customer care (CC) department. He has working experience of 30 years in different distinguished organizations like Dhaka Chamber of Commerce and Industry (DCCI), Jamuna Future Park, Rahimafrooz Group, Beximco Group etc. particularly in public relations, communication & business development department. He completed his master's in Economics from University of Dhaka and MBA in Banking & Finance from USTC, LLB from National University. He has enriched himself and his career by attending training on different issues and travelling a number of countries like India, Singapore etc. He is also a member of Dhaka University Alumni Association, Dhaka University Economics Department Alumni Association and USTC MBA Club etc. He has also a passion of making documentary films and manuscripts for film & writing books.

MD. ZAHID HOSSAIN

Assistant Vice President and
Head of Audit & Internal Control Department

Mr. Md. Zahid Hossain joined Prime Insurance Company Ltd as officer in 1996 at the then Elephant road branch. He gathered experience in various branch & departments of the company for around 22 years. At present he is holding the charge of head of audit & internal control department. Mr. Zahid has completed his M.Com in management from Jagannath University, Dhaka.

**ANWAR SHAMEEM**

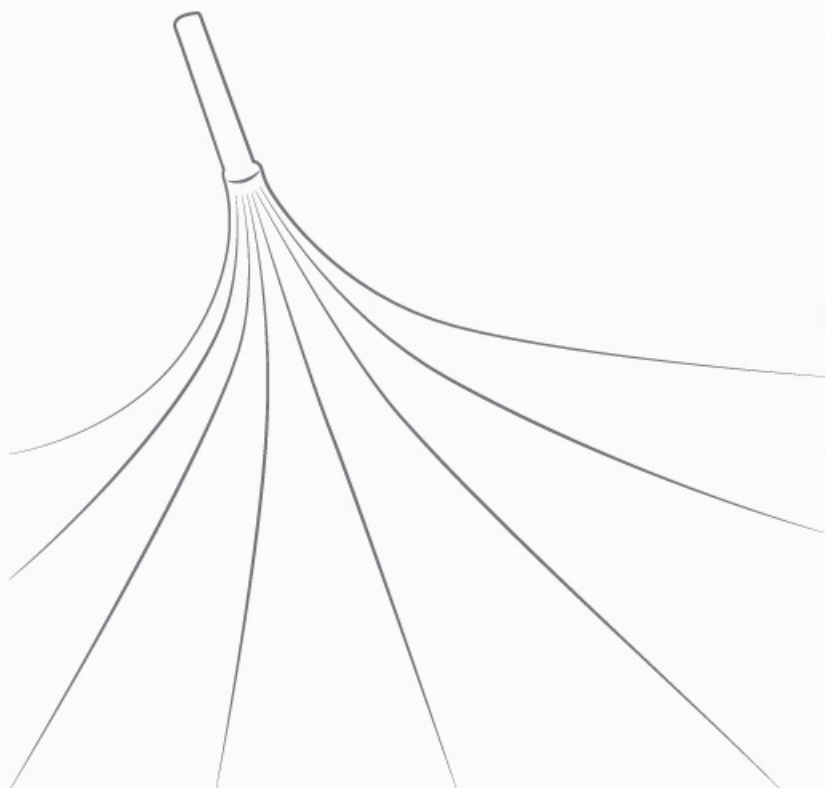
Assistant Vice President and Head of Establishment & Logistics Department

Mr. Anwar Shameem joined Prime Insurance Company Ltd in human resources & logistics department in 2008. He has completed BBA (Hons) and MBA in Management from the University of Chittagong. 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. 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
 - Cash In Transit Insurance
 - Cash in Safe Insurance
 - Cash on Counter Insurance
 - ATM Risk Insurance
- Bank Lockers Insurance
- Credit Card Fraud & Forgery 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
- Commercial General Liability Insurance

Medical Category

- Prime Health Plan Insurance
- Health Plan Insurance
- Dread Disease Insurance
- Overseas Medi-claim Insurance
- Personal Accident Insurance
- Hajj & Umrah 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

Aviation Insurance

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



Product DIVERSIFICATION & INNOVATION

Human is the best creation of the Almighty where every people in the world is unique with different taste from others. The current insurance industry is dominated by consumers who prefer diverse products and services. Diversification is a growth strategy for business which Prime Insurance has been successfully implementing through research and development of new products and services and reaching out new market shares. However, most insurance companies in Bangladesh are oriented with traditional businesses. Amongst 46 non-life insurance companies, very few are involved with innovative and diverse business practices.

Insurance industry is a very old industry and by default it involves with traditional products. But now-a-days, due to passes of time and mammoth development of technology demand of non-traditional products have been arisen. The traditional products are inadequate to support the technology based insurance markets such as cell phone companies' properties, atomic power generating companies, satellite throwing companies, weather based index for crop insurance and also many other companies with new innovative products. In insurance industry there is in need of diversification of new products to facilitate these demand. Also the industry needs to set up research and development departments in the insurance companies to innovate new products to meet up the changing requirements.

Prime Insurance gives importance on the changing demand of potential insured and never keep itself confined to doing the traditional businesses. Being a second generation company it is now 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. In recent four years, Prime has accomplished an incredible achievement through the diversification and product innovation strategy. To retain the existing clients and also to grab the potential insured, Prime has been maintaining a very strong overseas reinsurance support and resourceful team as well. Prime justifies the data from the insurance market and understands the market demand and with collaboration to the overseas reinsurers gets the best rates and terms for the insured. Behind launching health insurance product 'Prime Health Plan', Hajj & Umrah Insurance, social accountability got the priority than profitability.

With a view to attracting the existing products Prime Insurance has taken very constructive steps. Prime has suitable strategy to make the existing products viable with necessary improvement, alter or change required to those to cope up with the market demand. Prime's process includes market research, product analysis and product pricing through the central rating committee (CRC). Thus Prime Insurance attains the potentials for getting new business opportunities by way of entering into additional or existing markets. Prime Insurance always looks forward with transparency and ethical business strategy for the overall development of the insurance industry.

SUSTAINABILITY REPORTING





Need for SUSTAINABILITY REPORTING

Sustainability reporting depends on the answer of valid question whether the present practice of an organization can persist—that is, continue to build more value than it destroys. The present situation of the world tells us to discontinue so many practices e.g., burning carbon beyond our budget, overshooting freshwater supplies, supply chains of collapsing factories, sustainability reporting isn't asking itself this fundamental question. Instead, it asks how companies can be less unsustainable—how they can staunch their losing of social and natural capital. It is high time for sustainability reporting to live up to its name, and actually measure progress toward achieving sustainability. That would require measuring by real-world measures—the planetary boundaries and social foundations needed for us to shift from unsustainability toward definite sustainability.

The purpose of sustainability reporting remains essentially unchanged. When undertaken with integrity, growths and all reporting can be a massive driver of improved performance. It is the foundation of any serious CSR management system or strategy.

The true benefit of a high return on equity arises when retained earnings are reinvested into the company's operations. Such reinvestment should, in turn, lead to a high rate of growth for the company. Such reinvestment should, in turn, lead to a high rate of growth for the company. The internal growth rate is a formula for calculating maximum growth rate that a firm can achieve without resorting to external financing. It's essentially the growth that a firm can supply by reinvesting its earnings. This can be described as: retained earnings/total assets, or conceptually as the total amount of internal capital available compared to the current size of the organization.

We find the internal growth rate by dividing net income by the amount of total assets (or finding return on assets) and subtracting the rate of earnings retention. However, growth is not necessarily favorable. Expansion of business may stress managers' capacity to monitor and handle the company's operations. Therefore, a more commonly used measure is the sustainable growth rate.

Sustainable growth is defined as the annual percentage of increase in sales that is consistent with a defined financial policy, such as target debt to equity ratio, target dividend payout ratio, target profit margin, or target ratio of total assets to net sales.

We find the sustainable growth rate by dividing net income by shareholder equity (or finding return on equity) and subtracting the rate of earnings retention. While the internal growth rate assumes no financing, the sustainable growth rate assumes you will make some use of outside financing that will be consistent with whatever financial policy being followed. In fact, in order to achieve a higher growth rate, the company would have to invest more equity capital, increase its financial leverage, or increase the target profit margin.



Corporate Social RESPONSIBILITIES

Corporate social responsibility (CSR):

Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. Ethos is that you cannot stay aside from your neighbors or the community. In turn personal benevolence tuned into corporate responsibilities. In insurance industry CSR takes a form of providing society with financial support in case of disasters as well as sharing the expertise of solving environmental problems, maintaining society's safety and human rights promotion.

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 are 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.

As an ISO certified company 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 and business partners, Prime Insurance now focuses on and practices a few broad categories of CSR:

Knowledge to share:

We are for knowledge sharing and to stand by the people in their distress. The Company also provides scholarship to three meritorious student of University of Dhaka. All are from Banking and Insurance Department. One student receives scholarship monthly and other two receives half yearly. We are also facilitating scholarships for student wards of our employees on merit basis. We also stand by the distressed people in time of calamities, accident and health hazards.

Planet to Care:

In view of saving our planet planting trees are an obligation. Trees are a part and parcel of every community. Tree plantation on street-side, parks, playgrounds and backyards are 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.



Photo shows Ms. Mohammodi Khanam, Managing Director & CEO, Prime Insurance Co.Ltd is presenting an indoor plant to Mr. S. M. Formanul Islam, Executive Director & CEO, Bangladesh Infrastructure Finance Fund Limited (BIFFL). During the session Mr. Mashruna A. Chowdhury, FCA, Chief Financial Officer of BIFFL and Mr. Badal Chandra Rajbangshi, Chief Financial Officer, Prime Insurance Co.Ltd is looking on.

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.

The Government of the People's Republic of Bangladesh is facilitating rooftop gardening and horticulture. In line with that we are enthusing rooftop gardening to make environment green. In our corporate visit we usually present the indoor plant to our valued business partners. Last year we have distributed indoor trees to many corporate houses, civil society representatives and also the veteran citizens irrespective of doing business interest. We are also inspiring women by presenting indoor plant and plants for making environment green.

One Tree One Life:

Usually trees are comparing with life. So we are attaching more importance with tree planting. Prime Insurance Company Limited arranges 'One tree one life' awareness program. As a part of it we are disturbing trees to the school going students to raise their interest in tree planting. This will rise their habit and in turn it will make the environment more green and secure.

Free Insurances Awareness Training:

Our Managing Director & CEO is rendering training to the corporate houses and our business partners and clients for keeping them abreast of the need of insurances. It is free services rendered by her experiences. This awareness program initiated by Prime Insurance Company Limited has contributed in myriad of ways for making insurance consciousness.

Think Before You Eat:

As adulteration is quite endemic in Bangladesh. Peoples are succumbed to different disease due to taking adulterer food or fruits. So as a part of our CSR we are giving complementary gifts to the business partners and clients or prospective client carbon green products. Carbon green, a product of Thailand, is the safest way to remove formalin and pesticides from fruits and vegetables in 10 minutes.

Excessive pesticide or formalin used in fruits vegetables may cause cancer, diabetes, heart diseases. Carbon Green is the safe way to get rid of such poisons.

Insurance Awareness:

In Bangladesh's perspective insurance awareness is very important. Our insurance penetration is very low as well as the density. Prime Insurance is one of the premier operators in the non-life sector and strives to maintain the ethical standard. There are many products and services that touch the human life. At Prime Insurance our focus is to build insurance awareness. The awareness is offered through guidebooks. As part of this we have published guide books and soft copies are hosted in our web address as if people can get it through click or touch.

Health Guidebook:

The purpose of the health guide book is living a stress free life with a healthy living and it has contributed to create health awareness. The health guide book that includes health tips and steps towards healthy living. It includes food habits, moderate and regular exercise, stress management, ear nose, throat and eye care, safety and annual medical checkup and also the health maintain recipe that helps people to live a healthy life.

Fire and Safety Guidebook:

The fire safety guidebook is mainly for creating mass awareness on fire incident and prepares people to take necessary steps to avoid fire hazards. The guidebook describes the origination of fire, causes, classes, risk periods government policies, precautions and the emergency phone numbers. The people are benefited by this essential book. We also worked with the directorate of fire and civil defense to make people aware about the fire incident.

Traffic Guidebook:

The traffic guide book describes for keeping people away from the accidental casualties. In Bangladesh everyday there are many casualties happened due to the lack of knowledge and from the drivers end also to the people who are using the roads. The booklet contains all sorts of necessary precaution and road signals to avoid accidental casualties. We are working with traffic police to spread these messages among people and are distributing this guidebook to the people of all segments.

Hajj and Omrah Guidebook:

The Hajj and Omrah guidebook is a detail information handbook for all interested people to perform Hajj and Omrah and their families.

The guide book for Hajj and Omrah describes every steps starting from passport to coming back after performing Hajj and Omrah including every details of the preparation. It describes mental and physical preparation, selecting agency, health knowledge and necessary instructions for the Hajj camps. This initiative made us different from other operators in the fields of non-life insurance in Bangladesh.

Stand by the people:

We are not always thinking for business only. We always stand by the people around us and distributed winter clothes among the distressed people of the cold stricken districts of Bangladesh and also the poor segment of people. We usually distribute blankets to them.

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Environmental RELATED INITIATIVES

The environment of the world is ever changing with the development of science and technology. The Newton's Third Law of Motion says: For every action, there is an equal and opposite reaction. The world is developing but on the other hand the environment is changing in the opposite direction. 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.

By the passes of time, we are becoming more and more dependent on technology which has both positive and negative impacts on our daily life. Technology is man created to ease the life but sometimes it causes a great harm to the ecological systems, climate and even to our health. Realizing the importance of a sustainable society, Prime Insurance is relentlessly making exertions to harmonize environmental protection and pollution control with possible corporate activities. In order to support the economy and contribute to the betterment of society as a whole, PICL is committed to the followings:

- Considers and integrates the environmental concerns and its impacts during the time of decision making and executing the activities.
- Provide environment-friendly office equipment, 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 equipment 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 "LET'S 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 we have around us. It includes physical, chemical and other natural forces. Every living things live in their environment. They constantly interact with it and adapt themselves to the conditions of their environment. There are different interactions among animals, plants, soil, water, and other living and non-living things. The geographical map of the world is changing continuously. We are running with war, terrorism and political instability. In addition to all these, underlying and aggravating them. There is also an increasing sense that the natural environment of the world is under terrible pressure.

The legal aspect of environmental protection is consistently being reviewed by the government. 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 meaningful in itself and helps lessen the possibility of any eco-friendly problems, costs and damages to the business. Taking a responsible approach by the business houses to the environment can also reduce the costs of unnecessary waste, strengthen the image of the company and help us to win business from less reputable competitors. Major obligations are, among others, to-

- Minimize the consumption of energy and underground water use within our offices.
- To increase as much as renewable energy and rain water in the offices 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 equipment through maintenance scheduling, purchasing and reworking used equipment.
- Document management project initiative to archive the backlog and day to day official documents which produces through daily operations and facilities express search capability for achieved materials using enadoc system.
- Remotely 18 branches/booth 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.



Investor-friendly INFORMATION

Prime Insurance Company Ltd considers the 7 Cs model of communication to the investors of the company with a view to having a clear communication. For our everyday communication we write emails, facilitate meetings, participate in conference calls, create reports and devise presentations, debate with our colleagues and so on. We spend almost our entire day on communicating. So, it stands to reason that communicating clearly and effectively can boost our business. This is why the investor-friendly information are being communicated with them following 7 Cs of communication and it is very helpful. This provides them information with image of clear, concise, concrete, correct, coherent, complete and courteous.

We communicate with our investors about their investment and return on their investment through quarterly reports as required by the regulatory body like Bangladesh Securities and Exchange Commission (BSEC) through publication of those reports in the newspapers and also on line media as well as through our own website. As investment in non-life insurance is always risky and very often there might happen large claims that may change the whole gamut of profitability scenario. So it is very important for non-life insurance to keep the investors updating.

However, for the interest of the investors, whatever result be from the operation of business affected by claims and also investment in securities, we use the DuPont model to keep then updated by ROE.

The DuPont equation is an expression which breaks return on equity down into three parts: profit margin, asset turnover, and leverage. Key Points are:

- By splitting ROE into three parts, companies can more easily understand changes in their returns on equity over time.
- As profit margin increases, every sale will bring more money to a company's bottom line, resulting in a higher overall return on equity.
- As asset turnover increases, a company will generate more sales per asset owned, resulting in a higher overall return on equity.
- Increased financial leverage will also lead to an increase in return on equity, since using more debt financing brings on higher interest payments, which are tax deductible.

In case of insurance companies normally financial leverage is not used as they do not require loan capital like manufacturing concerns.

ROE=Net Income After Tax/Shareholders' Equity

ROE	2018	2017	2016
Net profit margin	45,867,601	88,715,175	74,229,637
Shareholders' equity	690,094,610	705,604,794	670,030,366
ROE	7%	13%	11%

Human Resource Development

The Prime human resources principles serve as the basic policy to enable the Prime Insurance Company Ltd to build a human resources management platform that aligns with Prime's corporate vision. Prime's human resources division has been developing the Principles to provide the framework for delivering consistent, industry-leading human resources management practices in the country.

The goal is for every colleague to experience employment with Prime in the same way, no matter where they may be located in the country. The Prime human resources principles provide the foundation for establishing a unique team with a view to achieving the ultimate goal of the company.

Shared Values

- The Prime human resources principles will be implemented across the branches including head office in alignment with our shared organizational VALUES:
- Integrity and responsibility: Strive to be fair, transparent, and honest. Always act responsibly in the best interest of customers and society as a whole, building long-term stakeholder relationships and giving back to our communities.
- Professionalism and teamwork: Respect the diversity of our fellow workers and foster a strong spirit of teamwork. Expect the highest levels of professionalism.
- Challenge ourselves to grow: Adopt a suitable perception to anticipate trends and opportunities for growth. Create and sustain a responsive and dynamic workplace where everyone can focus on providing outstanding customer service and embrace new challenges.

HR Mission

- Create a corporate culture that provides colleagues with opportunities for career growth, challenging them to perform well in a professional environment, where the highest standards of integrity are expected.
- Appointing the right person to the right job, in the right place to allow each colleague to maximize his/her career potential.
- Develop talent capable of contributing to the long-term and sustainable growth of our global society.

HR Vision:

Be the industry leader in HR management to help Prime Insurance realizes its corporate vision: Be the country's most trusted insurer.

HR Philosophy:

Leverage the following HR philosophies to create consistent HR management practices across all MUFG entities:

Talent Acquisition:

Attract and recruit diverse talent that share and live our values as members of Prime. Create a strong employer brand that fosters recognition of Prime as an employer of choice.

Performance Evaluation:

Evaluate performance fairly and objectively, considering not only the goals achieved, but also the competencies demonstrated to get the job done. Recognize the importance of factors, such as customer-centric focus, total mindset, and teamwork, to balancing short-term results with sustained long-term performance. Provide feedback and coaching on an ongoing basis to each colleague to foster ongoing development.

Total Rewards:

Reward colleagues competitively and appropriately in alignment with their contributions to Prime's growth and success-in effect, pay for performance. In addition to colleague performance, rewards will be reflective of the overall stability of the company and the economy.

Talent Management:

Assess the capabilities and career path of each colleague to place the right person in the right job, to maximize colleague and MUFG success. Develop strong succession plans and build a pipeline of inclusive leadership to appoint and promote our diverse colleagues from within.

Learning and Development:

Provide ongoing learning and development opportunities to help each colleague enhance his/her knowledge, skills and experience and improve his/her capability to impact achievement of the corporate vision.

Employee Profile:

We always endeavor to make Prime insurance Company Ltd a unique work place by creating a performance based organization that always recognizes, motivates, inspires and rewards the employee efforts and success in respect of their personal as well as organizational development. By the process of proper nourishment, we try our best to make every employee an asset for the company; not a liability. Through proper training and development and rewarding we try to enable every individual a leader in his own arena exploring the best potentialities in himself/herself.

Salary Policy:

Prime Insurance Company Ltd is such an organization where the human resource management & administration department evaluates and fix the salary of the employees based on their performance and worthiness. There is no scope to discrimination of salary irrespective to male and female employees. Pay scale/salary structure is fixed time to time as per the Board approval based on management recommendation.

Benefits to employees:

- Group insurance
- Health insurance (free & subsidized) Transport facility
- Transport facility
- Incentive bonus
- Festival bonus
- House rent allowance
- Conveyance allowance
- Medical allowance
- Entertainment allowance
- Personal loan facility
- Yearly performance appraisal
- Training and development opportunitiesconnection
- Mobile allowance with mobile phone set including internet connection

End service benefits:

- Provident fund
- Gratuity
- Earned leave encashment
- Final settlement of the employees is done within the shortest possible time.

Total Employee, Employee status & Gender ratio:

We have 188 employees. Out of total number of 188 employees, 29 are female & 159 are male which reflects a balanced ratio of male and female employees ensuring woman's empowerment to a considerable extent. Participation of women/female is equally noticeable/visible as well as important in board of directors & management. Even one female is in the leading/top position (CEO) of the company.

Creation of New Employment opportunity:

PICL always inspires/encourages and gives equal opportunity to join and build a unique career to the fresh graduates. In 2018, a number of 35 new employees were recruited where major portion is fresh graduates/young professionals who can bring new dimension as well as add new vibration in the Company.

We are also working with renowned/well known universities and institutions like Dhaka University, Bangladesh Insurance Academy, Bangladesh Insurance Association etc regarding higher education on Insurance for the potential employees of our company. We also provide internship opportunities to the students of renowned academic institutions/universities.

Performance Management system/Annual Appraisal System:

Performance management/annual appraisal system 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 maintaining KPI in strict manner 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 is very strict to follow this key component. Every year 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 that all employees fully understand the appraisal system;
- 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.

Maternity Leave:

As per Prime Insurance policy, any confirmed female employee is eligible to get 6 months' maternity leave with regular salary and allowances. Moreover, employees also get the maternity health claim (herself or spouse) equal benefits for maximum 2 confinement for which their annual performance is not affected.

Sound, Safety & Healthy working Environment for the employees:

Prime Insurance and its board and management do believe that safe, sound and healthy workplace is prerequisite for the sound and vibrant mentality for the employees to expedite the workforce to deliver the best services to the valued clients and other stakeholders. Therefore, PICL has always been committed to ensuring safe, sound and healthy workplace for the employees in head office and branches to bring out the best from them. All the branch offices and head office are well decorated and well equipped with proper ventilation system and fire extinguishers. There are sufficient alternative exit door in every premises of Prime Insurance. Safety first to employees is given the first priority. The senior executives of HR & admin department and establishment & logistics department frequently visit and monitor the branch offices and report to the higher authority.

Celebration of Cultural Events, Social & national occasions and Workplace pleasure programs:

Prime Insurance always celebrates/observes different programs and organizes cultural programs from the social & national commitment as well as considering the social, ethical, moral and motivational value which encourages and develops sense of belongingness among the employees. Being a progressive and liberal organization PICL every year celebrates "International Women's day" in an auspicious manner which distinguishes this organizations from others. In addition, the foundation/establishment anniversary of the organization, birth day celebrations of the executives and friendly cricket match among the employees are frequently organized which always keeps the employees of the organizations vibrant.

Prohibition of Child Labor, Assurance of human rights & other compliances issues:

Although Prime Insurance is a service based commercial & financial organization, nevertheless, human rights of the employees are particularly preserved/ensured integrating our organizational business policy and this is one of our major concerns. Sudden termination of the employees is very rare and only happens in unavoidable circumstances. PICL never makes agreement or take any decision which are contradictory to the violation of human rights. Apart from this, child labor is strictly prohibited in PICL. In addition, all other compliance issues are also properly maintained according to the labor laws.

Sexual Harassment Policy:

Sexual harassment is treated as a serious offense in Prime Insurance and followed with zero tolerance policy. Particularly, CEO of the company and vice chairperson of the company being female, female employees of the company consider Prime Insurance as a secured and comfort zone for developing their career. Moreover, there is no discrimination among the male and female employees in respect of promotion, increment, remuneration or any other service benefits

Standard grievance policy:

Prime Insurance maintains a standard grievance policy with a view to settling any kind of unexpected or undesirable issues, dissatisfaction among the employees irrespective to permanent or contractual employees. Compensation package for the employees in unbiased manner.

Anti-money laundering steps & training:

Prime Insurance has always been aware and committed to anti-money laundering approach and policy taken by the Bangladesh Bank as well as the government. Nominated top executives of this company regularly participate in "CAMLCO conference" on anti-money laundering seminar. Apart from this, we are also steadfast not to invest any amount of the organization to any terrorist or militant organizations.



Integrated REPORTING

Integrated reporting (IR) provides a conceptual framework for thinking about an organization does its business and how it communicates with its long term value proposition to the market. IR aims to promote trust in business, stimulating long term investment, robust corporate governance and responsible capitalism which are at the top of business and government agenda. IR is an international initiative which has tended to be market-driven rather than regulated. It is about empowering businesses to explain and be transparent about how they create value. This is important both for the reasons above and also because of the quality of a business information affects investors' assessment about the quality of management.

But it is not just about reporting. At the heart of the concept of integrated reporting is the notion of integrated thinking: the active consideration by an organization of relationships between its various operating and functional units and the capitals that the organization uses or affects. Integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short, medium and long-term.

Integrated reporting aims to:

- Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital;
- Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting standards and communicates the full range of factors that materially affect the ability of an organization to create value over time
- Enhance accountability and stewardship for the broad base of capitals like financial, manufactured, intellectual, human, social and relationship, and natural and promote understanding of their interdependencies;
- Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long-term.

There are three fundamental concepts underpinning Integrated Reporting

1. Value creation: for the organizations and for the others. An organization's activities, its interactions and relationships, its output and the outcomes for the various capitals it uses and affects influence its ability to continue to draw on these capitals in a continuous cycle.

2. The capitals: These are the resources and the relationships used and affected by the organization which are identified in the integrated framework as financial, manufactured, intellectual, human and social relationship, and natural capital.

3. The value creation process: All the core of the value creation process is an entity's business model, which draws on various capitals and inputs, by using the entity's business activities, creates outputs e.g., products, services, by-products, waste etc. and outcomes i.e., internal and external consequences for the capitals.

Prime Insurance and integrated reporting

The whistleblower i.e., the audit committee, headed by one independent director, sitting whenever required ensures its integrity in performing overall responsibility establishing a proper and solid internal control system through the performance of internal audit periodically. 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 conclusively add value to the Prime Insurance Company.





Human CAPITAL

Human capital is absolutely centered round a human. It is the knowledge, skill sets and intangible assets that add economic value to every human. Human capital is not a static measure and it can be improved by dint of exercise of knowledge and study and even practical experience gathered from site seeing and visiting various organizations as well as meeting quality personnel. It is an intangible asset and is just as valuable as a tangible asset. A manager can use various measures to evaluate the economic value added by his staff. .

Since human capital can be built upon through investing in employees' skill sets and knowledge through higher education, seminar, on the job training, special training arranged both in house and external training as well and also workshops, a manager can calculate the investments made on human capital. It is very much possible to calculate the return of this investment for human capital. Managers can calculate the total profits a company generates before and after investing on its employees' capital. The ROI of human capital is calculated by dividing the company's total profits by its total investment in human capital. Managers can calculate and also compare the ROI of human capital to other companies to measure how well the company's investments in human capital are, relative to the industry.

Prime Insurance for the development of its human capital maintains a proper organizational chart and finds the gap, assesses the needs and employs right people in the right place and if finds any shortcomings it arranges required training, counselling, workshop to develop the human as capital of the company.

A very few companies in Bangladesh has given due concern regarding development of human capital through their HR and admin departments. The insurance industry is too much behind in practice. In Bangladesh while job searching insurance is given the least priority. As a result, brilliant staff are not coming to serve this industry. If genuine or good quality inputs are not given the good or standard quality output is almost impossible. However, this is changing gradually because of severe corruption in bank and non-banking financial institutions insurance industry which has been in indiscipline since long. The Companies Act, 1994 or no other regulatory bodies have ever thought to introduce HR accounting to be performed by the listed companies.

Prime Insurance Company Ltd has been in the process of developing its human capital by necessary training program both in-house and whenever required in abroad and also nominating its employees to national and international conferences with a view to developing skills of its employees who will be contributing to the profitability of the 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. 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) is the process of 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.

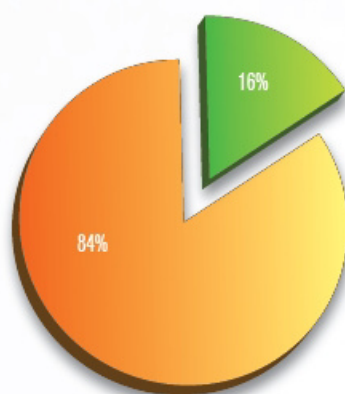
In other words, human resource accounting is the process of identifying, budgeting, and reporting the cost of human resources incurred in a business, such as salaries, training expenses etc. Human resource accounting is considered the activity of understanding the cost invested for employees towards their hiring, training, payment of salaries and other benefits, and in return, figuring out their contribution to company's profitability.

Therefore, the valuations of human resources along with other assets are also required in order to find out the total cost of an organization. As Prime Insurance also realizes human resources accounting (HRA) as 'accounting' for people as an organizational resource. On this context, measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. Prime Insurance believes that 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. Training creates an impact that lasts beyond the end time of training itself. The focus is to develop skill and expertise 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 program in the year under review as follows:

Training 2018	Description	Participants
Local	Micro Insurance Practice	1
	Comprehensive Course on Non-life Insurance	2
	IT presentation	1
	Bangladesh Labor Laws as amended in 2013 & Labor Rules-2015	1
	Prudent Reinsurance Techniques & options and underwriting process of health insurance	2
	How to raise standard of Bangladesh Insurance Market	2
	Comprehensive Technical Training Program on Non-Life Insurance	3
	Secret of success	3
	Creative Graphic Design	1
	Development Management	1
	Performance Development of Insurance Sector	2
	Non-Life Agent Program	2
	Internal Audit Risk Management & Control	1
Foreign	Leadership Development Training on Sustainable Development Goal for Organizational Development, Urban Youth Academy, Thailand & UNDP, Thailand	1
	Training on "Various aspects of Re-Insurance" Mumbai, India	1
In-House	On 'Basic Course of General Insurance'	20

Prime Insurance believes that a broad range of aged and experienced group in its work force helps the company to meet its diverse need and helps in its growth. While recruiting, Prime Insurance values to hire engage and retain talented 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.

PICL Employee in %



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:

Induction:

Considering the facts, we organize induction program to provide new employees with information about the organization which helps them to perform their tasks effectively. By the 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, prior to the employee commencing work;
- Provide training before the new employee starts work.

Recruitment & Selection:

We recognize that we have to be competitive in our efforts to recruit and retain talents. The real value of working at Prime Insurance cannot be simply described through direct compensation.

In 2018 we also continued our employment to fill in vacancies created by regular turn around. HR 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.

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:

Prime Insurance recognizes every employee as a highly valued member who is 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:

We strive to provide all employees with career and personal skill development opportunities through trainings.

Trainee Executives:

We continuously recruit fresh graduates from reputed universities worldwide 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. Department 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 to their potential, talent and leadership traits. in accordance to their potential, talent and leadership traits.

Experienced Professionals:

Continuous training is provided to all levels of employees to enable them to perform their jobs effectively and progress in their careers. We ensure that staff 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 from the work and learn experience in the company.

All staff members are given equal opportunities to receive relevant training based on their needs in accordance to four complementary aspects:

Succession Planning:

To support the growth of our business, we constantly look out for strong performers to be groomed 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:

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:

Prime Insurance always tries to orchestrate the lives of the employees both financially and mentally. Prime Insurance offers some other facilities towards them. Our offered benefits can help the employees live well. House rent, transportation facilities, contributory provident fund, gratuity fund, leave encashment, retirement benefits, two festival bonuses, incentive bonuses, car finance scheme for executives, health insurance, and telephone allowance are significant benefits of Prime Insurance.

Annual Appraisal:

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 is very strict to follow this key component. Every year 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 that all employees fully understand the appraisal system
- 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.

Company's Contribution TOWARDS ITS STAFF

Employee Benefits

Prime Insurance believes that human resource is the best resource of the company. The whole operation of the company is actualization by the employees from bottom to top. Without satisfying the employees no organization can sustain in the long run. Prime Insurance respects its employees and gives value to their works and considers them as the members of Prime family. Prime Insurance values not only the members of the staff but also values the members of the families of the individual staff. Prime has a strong bondage among the senior and junior staff and it ensures the following facilities:

- Congenial work environment and pure corporate culture
- Equal opportunity in all respects
- Performance oriented appreciation
- Ensures long-term benefits
- Need based in house and foreign training
- Transport facilities
- Personal loan against salary
- Car finance scheme
- Group life insurance
- Group health insurance including family members
- Performance bonus
- Annual performance appraisal
- Opportunity to make solid insurance career
- Festival bonuses
- Contributory provident fund
- Gratuity benefits
- Mobile phone allowance with mobile phone set under corporate package

Congenial work environment ensuring Gender Equality & Women Empowerment

Prime Insurance always ensures gender equality or equal opportunity from recruitment to trainings. The HR policies have been formulated to ensure equal opportunity in all respects. With a view to ensuring empowerment of women in job sector honoring the increasing trend of quality women graduates and post graduates in the country Prime has strict rules to ensure honor and dignity of the female staff confirming all facilities in line with the government rules. It also ensures long-term maternity leave, health issues, giving responsibility as branch in charge, celebration of women's day with the female staff inviting famous female personality e.g., specialist female doctors to consult with the female members of staff regarding various important health related issues. Prime also takes number of activities for the male staff to create a healthy and congenial corporate culture in the company.



Regulatory REVIEW

Prime Insurance Company Limited has been incorporated under the Companies Act, 1994 and it had been licensed from the office of the then chief controller of insurance under the ministry of commerce according to the provisions of Insurance Act, 1938. When Insurance Act, 1938 was repealed in 2010 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. In compliance with the provisions of law 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 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 Other Regulatory Requirements

Prime Insurance Company Ltd follows rules and regulations of all regulatory bodies like National Board of Revenue (NBR), Bangladesh Securities and Exchange Commission (BSEC), Dhaka

Stock Exchange Ltd (DSE), Chittagong Stock Exchange Ltd (CSE) and follows all other applicable laws of the land in performing non-life insurance business of the company. The corporate governance code introduced in 2018 is a mandatory compliance to all listed companies in Bangladesh and it's a huge 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 business 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.

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.

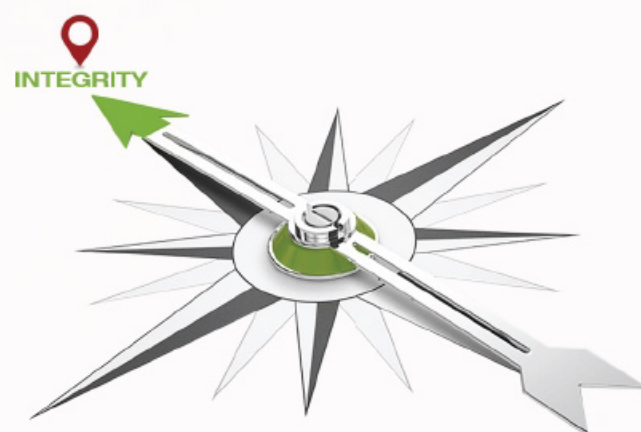


National Integrity STRATEGY (NIS)

To achieve long-term development plan "Vision 2021" and medium-term development plan "Sixth Five-Year Plan" (2011–2015), the government of Bangladesh (GoB) considers it essential to improve governance, and particularly eradicate corruption. The GoB has become a signatory nation to the United Nations convention against corruption in 2007. Using its accession to the United Nations Convention against Corruption as a motivation, the GOB formulated its national integrity strategy (NIS) on 18 October 2012.

NIS is a government's comprehensive strategy to promote good governance and achieve a corruption-free state and society. NIS has adopted a holistic approach to promote good governance, looking at entire range of relevant institutions, including non-state institutions, while focusing relationship among them. All institution needs to play expected roles to achieve good governance. This is aligned to the Father of the Nation's remark "The nation must be united against corruption. If public opinion is not mobilized, corruption cannot be stopped by enforcement of law alone". NIS aims to mobilize the society. The society on its turn will demand changes for better Bangladesh.

The project organizes a series of dialogues with NGO, media, the public sector, and educational institutions. To make public aware of NIS, its logo design is developed and promotion tools such as pin badge and sticker are developed. The Project also gathers and analyses the NIS-related good practices once a year, and disseminates good practices to public.



The goal of the NIS matches one of the approaches in JICA's governance support to eliminate informal political interference to public administration, and contribute to the enhancement of accountability of the government through supporting improvement in the overall system, capacity development of institutions and civil servants and improvement in the public service system.

Insurance Development & Regulatory Authority (IDRA) has already taken the initiative to implement NIS among the insurance companies both life and non-life. It convenes regular meeting at intervals and sends the proceedings to the insurance companies to follow that. It has also made it mandatory that every insurance company forms a NIS implementation committee in the head office with a focal person to implement strategic plan of integrity by the staff of the company with a view to ensuring institutional affairs, to develop expertise and integrity, to work on right to information, e-governance, innovation and easy service, transparency and accountability and reward for practicing integrity. Prime Insurance Company Ltd has been abiding by all the directions regarding national integrity strategy (NIS) in almost all the activities of the company as it has already been conceived in and believes in transparency, accountability and ethical business.

Name of the members of "Shuddhachar & Noitikota" Committee

SL#	Name	Designation & Position in the Committee
1	Mohammodi Khanam	CEO-President
2	Syed Monirul Huq	DMD & Head of Operation-Member
3	Sujit Kumar Bhowmick	AMD & Head of SBMD-Member
4	Badal Chandra Rajbangshi	SEVP & CFO -Member
5	Md. Delwar Hossain	SEVP & Head of Claims Department-Member
6	Enamul Haque Khan	EVP & Company Secretary-Member Secretary
7	Md. Lokman Hossain	SVP & Head of Accounts-Member
8	Md. Md Amin Uddin	SVP & Head of HR& Admin-Member
9	Shamima Nasrin	SAVP HR & Admin-Member
10	Anwar Shameem	AVP & Head of Est. & Log.-Member
11	Abu Rakan	Manager & Head of IT-Member

Our Sustainability Reporting: LEAVING NO-ONE BEHIND (LNB)

"As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the goals and targets met for all nations and peoples and for all segments of society. And we will endeavor to reach the furthest behind first." (2030 Agenda for Sustainable Development).

"We Love the SDG" a popular song by Alan and sung by all across the globe has got resounding resonance across the earth which contains the global goals of development of humans and humanity. By adopting the 2030 Agenda, Member States have committed to leave no one behind in their implementation of the Sustainable Development Goals (SDGs). It is replaced by Millennium Development Goals (MDGs). It is popularly known as The Global Goals and with the breadth of the 17 goals, their 169 targets and 232 indicators mean all countries face a significant challenge (domestically, as well as internationally) in delivering these commitments. This inclusiveness was also intended to extend beyond national-level contributions; the scope of the SDGs should mean that everyone has a role to play. This extends from policymakers, through researchers, teachers, businesses, and the general public.

The 17 sustainable development goals (SDGs) to transform our world are:

GOAL 1: No Poverty

GOAL 2: Zero Hunger

GOAL 3: Good Health and Well-being

GOAL 4: Quality Education

GOAL 5: Gender Equality

GOAL 6: Clean Water and Sanitation

GOAL 7: Affordable and Clean Energy

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

GOAL 10: Reduced Inequality

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

GOAL 13: Climate Action

GOAL 14: Life Below Water

GOAL 15: Life on Land

GOAL 16: Peace and Justice Strong Institutions

GOAL 17: Partnerships to achieve the Goal

Out of the 17 SDGs, three goals can be noted with utmost importance where business can play an important role. These are Goals 8, 9 and 12. These goals are dealing with economic growth, employment, industrialization and innovation; production and consumption patterns. More specifically targets under SDG 9 are mainly linked with business and industry stakes. Moreover Goals 2, 3, 4, 7, 10, 11, 13, also have close links with business. As all the goals are almost interconnected, achievement of the above mentioned goals will lead to achievement of the ultimate goal of poverty reduction (Goal 1).

Table 1: SDG Goals and targets, which are closely linked to business

Sl. No.	SDGs with direct links with Business	The description of the goal
1	Goal 2 : specially targets 2.4, 2.5, 2.a and 2.c	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
2	Goal 3 : specially targets 3.3, 3.4, 3.8, 3.9 and 3.b	Ensure healthy lives and promote well-being for all at all ages
3	Goal 4 : specially targets 4.3, 4.4, 4.5, 4.7 and 4.a	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
4	Goal 7 : specially targets 7.2 and 7.3	Ensure access to affordable, reliable, sustainable and modern energy for all
5	Goal 8 : specially targets 8.2, 8.5, 8.6, 8.7, 8.8 and 8.10	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
6	Goal 9 : specially targets 9.1, 9.2, 9.4, 9.5 and 9.c	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
7	Goal 11 : specially targets 11.1, 11.2, 11.3 and 11.6	Make cities and human settlements inclusive, safe, resilient and sustainable
8	Goal 12 : specially targets 12.2, 12.3, 12.4, 12.5, 12.6, 12.8	Ensure sustainable consumption and production patterns

The SDGs cover a broad range of social and economic development issues. A country's SDG achievement depends on the achievement of such goal by all individual units. Prime Insurance Company Ltd in both macro and micro level as an operator in non-life insurance company.

As insurance is giving coverage of financial institution and its products and cyber-crimes it is playing a pivotal role. In the micro or personal level from health services to agro business risk coverage as a non-life entity it serves role of catalysts to make people insured. It has innumerable of products to serve and play a role to elevate poverty as Bangladesh is disaster prone country and by providing insurance it can play a role to make people insured. As an ISO certified company it abides by some quality policy and has a strong social responsible policy knowledge to share, planet to care like tree plantation gifts make offices clean and many more to touch people's life. So in core business and also Corporate Responsibilities we are contributing in the global goal.

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:

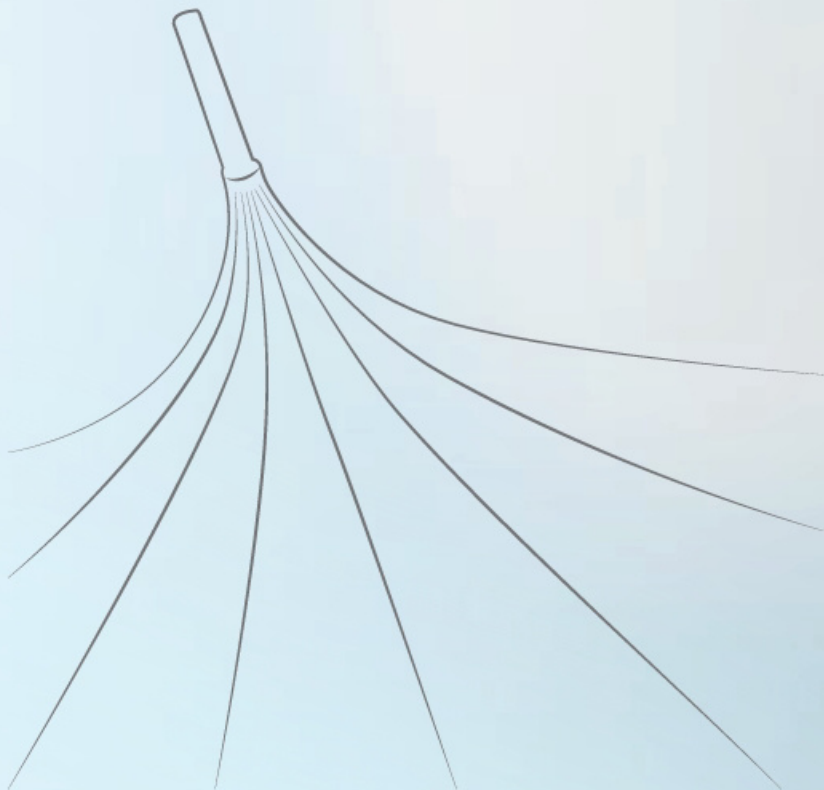
The Prime Insurance tried to cover few aspects of economic, environmental and social factors and gradually it would try to cover more and more items in the years to come. Prime Insurance is always committed to continue to develop the reporting process to accommodate the needs of the business partner-clients, 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 joined with UNDP regarding sustainability reporting and agreed to be included in the responsible business webpage of UNDP. With a view to featuring information on the dashboard Prime Insurance would provide detailed information regarding its 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





Information About CORPORATE GOVERNANCE

Report Of The Chairperson, Audit Committee

To ensure transparency and accountability in the company for its all types of transactions made in the various departments Prime Insurance Company Limited has constituted an audit committee with a written Terms of Reference (TOR). The committee has been appointed by the board of directors and it is responsible too. The TOR of the audit committee has been determined by the board of directors in accordance with the corporate governance code. 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:

Presently the audit committee is constituted with five members including one Independent Director. All the members of the committee are financially literate and appointed by the board of directors.

S.L	Name	Status in the Audit Committee	Status on the Board
01	A.Z.M. Sazzadur Rahman	Chairperson	Independent Director
02	Hasina Khan	Member	Director
03	Abu Hasan Khan	Member	Director
04	Md. Ashaduzzaman	Member	Director
05	Dr. Fatema Raushan Jahan	Member	Director

Committee Meeting:

During the year 2018, the committee convened seven 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 is permanent invitee to the meetings and the Company Secretary is the Secretary to the committee. Relevant department 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:

- Monitor and review the adequacy and effectiveness of the company's financial reporting process, internal control and risk management system.
- Monitor and review the arrangements to ensure objectivity and effectiveness of the external and internal audit functions.
- Examine audit findings and material weakness in the system and monitor implementation of audit actions plan.
- Discuss major issues concerning accounting principles and financial statement presentation.
- Conduct audit concerning material violation by the management in carrying out operations of the company.
- Review reports of litigation and regulatory compliance matters.
- Monitor internal control risk management process.
- Oversee hiring and performance of external auditors.
- Review the annual and the quarterly and half yearly financial statements before submission to the board for approval.
- Review the adequacy of internal audit function.
- Identify suspected fraud or irregularity in the internal control system.
- Review statement of significant related party transactions submitted by the management.
- Review management letters/letter of internal control weakness issued by statutory auditors.

Activities performed during 2018:

- Review of the auditors' report and audited accounts for the year 2017.
- Review of the un-audited first quarter financial statements 2018.
- Review of the un-audited second quarter financial statements 2018.
- Review of the un-audited third quarter financial statements 2018.
- 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 International Financial Reporting Standards (IFRSs).
- Review and approval of the audit plan for the year 2018.
- 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.
- Monitor 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 TOR of the audit committee.
- The committee was not aware of any issues in the following areas which needed to be reported to the Board:
 - report on conflicts of interests;
 - suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
 - suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and
 - any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.

The audit committee is satisfied that the internal control 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 regulations 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
Chairperson
Audit Committee

Management Committees AND ITS 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. The management committee is the main body of management and decision making in the company. Overall, 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 comprises of following executives of the company:

Composition of Management Committee:

Name	Designation in Company	Position in Committee
Mohammodi Khanam	Chief Executive Officer	Chairperson
Syed Monirul Huq	DMD	Member
Sujit Kumar Bhowmik	AMD	Member
Badal Ch. Rajbangshi FCA, FCS	Chief Financial Officer	Member
Md. Delwar Hossain	Head of Claims	Member
Mohammad Amin Uddin	Head of HR & Admin	Member
Md. Lokman Hossain	Head of Accounts	Member
Asaduzzaman	Head of PR, CA & CCD	Member
Anwar Shameem	Head of Establishment & Logistics	Member
Md. Abu Rokan	Head of Information and Technology	Member
Enamul Haque Khan	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 International Accounting Standard (IAS), International Financial Reporting Standards (IFRS) and in accordance with Bangladesh Securities & Exchange Commission (BSEC) Notification No: SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 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	Chairperson	Chairperson
Mohammodi Khanam	Chief Executive Officer	Member
Badal Chandra Rajbangshi	SEVP & Chief Financial Officer	Member
Enamul Haque Khan	EVP & Company Secretary	Member
Md. Lokman Hossain	SVP and Head of Accounts	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	Chairperson	Chairperson
Mohammodi Khanam	Chief Executive Officer	Member
Md. Delwar Hossain	SEVP & Head of Claims Deptt.	Member

Health Insurance Claims Review Committee

Prime Insurance Company has launched Health Insurance and Hajj & Umrah 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 constituted a Claims Review Committee with the following Physicians and Chairman of the Board of Directors.

Composition of Health Insurance Claims Review Committee

Name	Designation in Company	Position in Committee
Md. Zakiullah Shahid	Chairperson, PICL	Chairperson
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 has completed her MBBS from Chittagong Medical College in the year 2011. After completion of her internship she has worked in Shahid Suhrawardi Medical College Hospital for 1.5 years. She then completed MCPS in January 2016 and DDV (BSMMU) in the same year. Dr. Armin has also completed her FCPS part one in Dermatology & Venereology in the year 2013.

Management Business REVIEW AND FINANCIAL 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 Accounts Bangladesh (ICAB), in compliance with Bangladesh Financial Reporting Standards (BFRS), Insurance Act, 2010, Company Act 1994, other circulars and guidelines or directives requirement of Insurance Development & Regulatory Authority (IDRA), Bangladesh Securities & Exchange Commission (BSEC) rules 1987, Listing regulations of Dhaka & Chittagong Stock Exchanges and other applicable rules and regulations.

The Company prepares segment wise operation result separately. The Company has mainly four reportable segments on the date of reporting namely Fire, Marine, Motor and Miscellaneous insurance business. This report describes Prime Insurance Company's operations and financial position for the year ended 31 December 2018.

Segment wise Operating performance for the year 2018

Particulars	Fire	Marine	Marine Hull	Motor	Misc	For 2018	For 2017	Growth	%
Premium Income (Own retention)	304.87	184.51	1.66	40.45	83.44	614.93	620.47	(5.54)	(0.89)
Premium Income on PSB	8.38	14.17	0.20	2.77	41.98	67.50	48.28	19.22	39.81
R/I premium on acceptance From SBC	-	-	-	-	0.41	0.41	0.32	0.09	-
Gross Premium Income	313.25	198.68	1.86	43.22	125.83	682.84	669.07	13.77	2.06
Less: R/I Premium Ceded Own Retention	244.69	76.32	1.43	2.39	58.53	383.36	375.07	8.29	2.21
Less: R/I premium on PSB	6.18	10.36	0.15	0.15	41.37	58.21	39.46	18.75	47.52
Net Premium Income	62.38	112.00	0.28	40.68	25.93	241.27	254.54	(13.27)	(5.21)
Add: Net R/I Com. Earned	32.59	15.46	0.35	1.70	14.93	65.03	107.78	(42.75)	(39.66)
Add: Net Premium Reserve Retained	15.50	61.58	0.48	18.21	6.33	102.10	78.86	23.24	29.47

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 segments during the year 2018 and its future strategies are presented below:

Segment wise Operating Result/Performance of the Company:

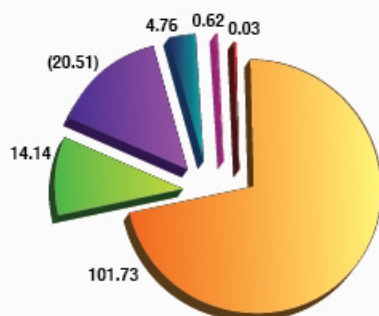
Prime Insurance Company has earned Gross Premium of Tk.682.84 million and Operating profit of Tk.101.73 million in 2018 as against Gross Premium Tk.669.07 and Operating profit Tk. 85.54 million in 2017. Segment wise operating results/performance of the company for the year 2018 and 2017 are given bellows:

Particulars	Fire	Marine	Marine Hull	Motor	Misc	For 2018	For 2017	Growth	%
Less :									
Reserve for Un-expired risk	24.95	44.80	0.27	16.27	10.37	96.66	102.09	(5.43)	(5.32)
Agent Commission	45.73	27.68	0.25	6.06	12.52	92.24	93.07	(0.83)	(0.89)
Management Expenses (Revenue A/C)	56.85	36.06	0.35	7.84	22.85	123.95	121.59	2.36	1.94
Net Claims	2.03	(6.48)	(0.04)	(1.38)	(0.31)	(6.18)	38.89	(45.07)	(115.89)
Operating Profit/(Loss)	(19.09)	86.98	0.28	31.80	1.76	101.73	85.54	16.19	18.93

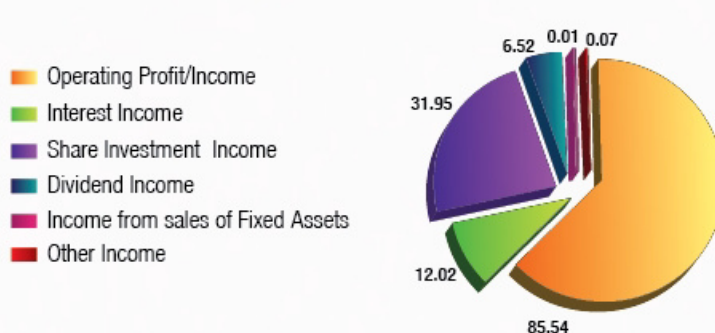
Segment wise Revenue Income of the Company:

Components	2018		2017		Growth	%
	Amount (in million Tk)	% of Total Revenue	Amount (in million Tk)	% of Total Revenue		
Operating Profit/Income	101.73	100.95	85.54	62.85	16.19	18.93
Interest Income	14.14	14.03	12.02	8.83	2.12	17.64
Share Investment Income	(20.51)	-20.35	31.95	23.47	(52.46)	(164.19)
Dividend Income	4.76	4.72	6.52	4.79	(1.76)	(26.99)
Income from sales of Fixed Assets	0.62	0.62	0.01	0.01	0.61	-
Other Income	0.03	0.03	0.07	0.05	(0.04)	(57.14)
Total Revenue Income	100.77	100.00	136.11	100.00	(35.34)	(35.07)

Segment wise Revenue Income-2018 (in million Taka)



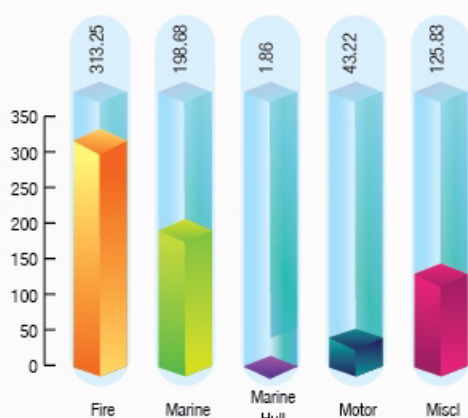
Segment wise Revenue Income-2017 (in million Taka)



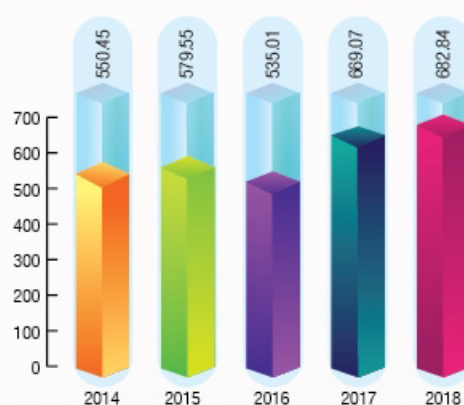
Gross Premium Income (Turnover):

In the year 2018, Prime Insurance Company Limited attained gross premium Tk. 682.84 million as against Tk. Tk.669.07 million in 2017 and increase of 2.06% over the previous year. Class wise and year wise gross premium income are shown in following graphs:

Class Wise Gross Premium Income-2018 (In Million)



Year Wise Gross Premium Income (In Million)



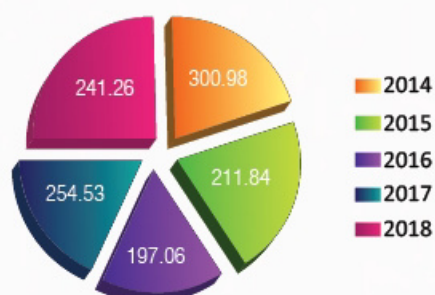
Net Premium income:

In the year 2018, the Company attained net premium income Tk. 241.26 million against Tk. 254.53 million in 2017 and decreased 5.21% after reinsurance ceded premium. 5 years net premium income is given below:

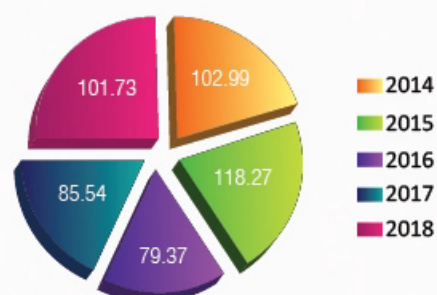
Operating Profit (Underwriting Profit):

In the year of 2018, operating profit of the Company increased to Tk. 101.73 million from Tk. 85.54 million in 2017 and the growth rate is 18.93% compared to 2017. 5-year operating income are as follows:

Year Wise Net Premium Income (In Million)



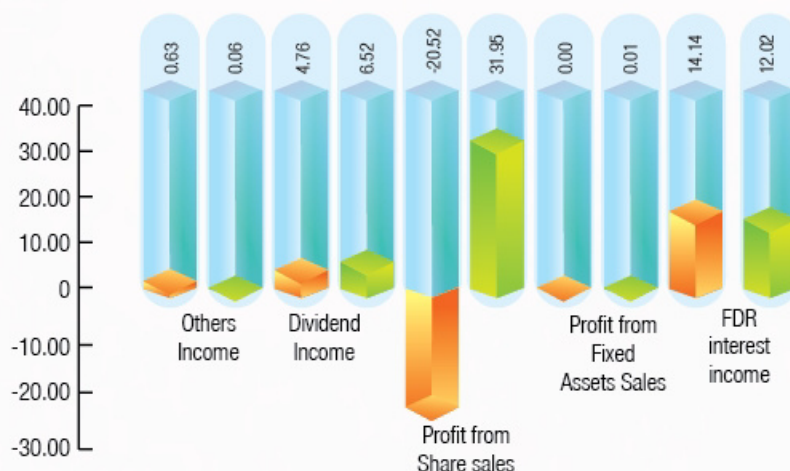
Year Wise Operating Profit (In Million)



Segment wise Investment & Others Income:

amount in million taka

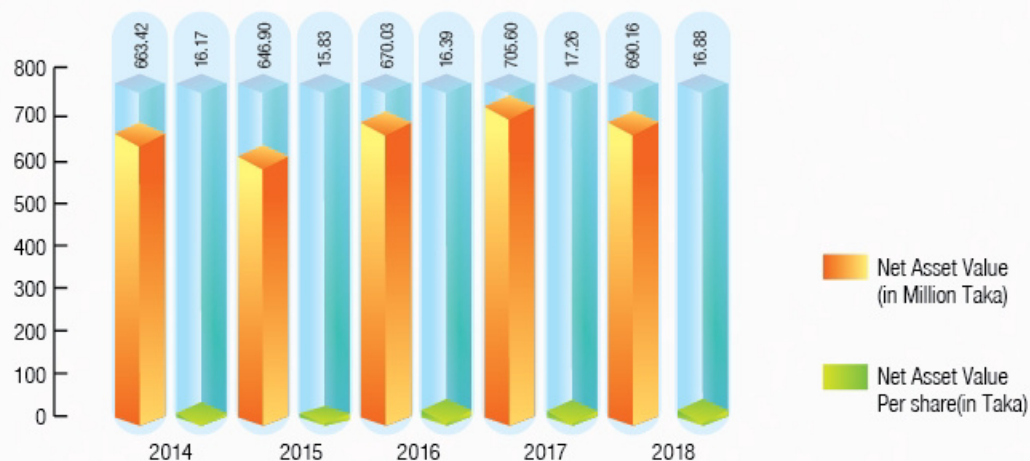
Particulars	2018		2017		Change in amount	Change %
	Amount	Total %	Amount	Total %		
Interest Income	14.14	-1428.28	12.02	23.77	2.12	17.64
Dividend income	4.76	-480.81	6.52	12.90	-1.76	-26.99
Profit from sales of Share & Mutual fund	(20.52)	2072.73	31.95	63.19	-52.47	164.23
Profit from sales of Fixed Assets	0.00	0.00	0.01	0.02	-0.01	0.00
Others income	0.63	-63.64	0.06	0.12	0.57	950.00
Total :	(0.99)	100.00	50.56	100.00	-51.55	-101.96



Financial ratio analysis (Balance sheet analysis):

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

In the year 2018 Net Assets Value (NAV) of the Company stood at Tk. 690.16 million which was Tk. 705.60 million in 2017. At the same time Net Asset Value per Share is Tk. 16.88, while it was Tk. 17.26 in 2017 a decrease 2.19%. 5-year Net Assets Value graph is given as under:



Report on GOING CONCERN

International Accounting Standard (IAS-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 IAS-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 3 June 2018 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 Commission to 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 set out below:



Financial Indications

• Positive Net Current Assets

Prime Insurance has positive current assets of Tk. 943.71 million as on 31 December 2018. 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 2018, there was no fixed term borrowing of the Company. Based on Company's functional procedure, the company has been paying fixed term borrowing if any, at first priority basis.

• Less reliance on short term borrowing/current liabilities:

At the end of the financial year 2018, total short term borrowing/current liabilities of the company are Tk. 613.82 million, representing 47.08% 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.

• Operating cash flows:

Cash flow statement of the company for the year 2018, shows negative operating cash flows of Tk. 3.30 million. Net operating cash flows per share is Tk. (0.08). This was because of large claim payment from the company's own source pending claim loss recoverable from our local reinsurer. The cash flow will be positive as soon as we receive share of loss from the reinsurer.

• 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 had been continuously paying stock dividend that reflects company's long-term viability in operational existence. The company has started to pay cash dividend to the shareholders from the year 2014. In 2018, it has recommended 10% cash dividend.

• **Performance growth:**

During the year the company's performance is also upward. Prime Insurance has notable growth in its overall performance in 2018. Profit before tax is Tk. 78.53 million and net profit after tax is Tk. 45.87 million. All those indicators support company's continuance in foreseeable periods.

• **Positive underwriting results and trends:**

Prime Insurance has excellent growth in its underwriting result/operating performance. Consolidated underwriting profit is Tk. 101.73 million in 2018 as against Tk. 85.54 million in 2017 which indicates 18.93% growth against last year although net profit after tax was slightly down due to heavy downturn of capital market.

Operating Indications

• **No key management turnover:**

In 2018, 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 around 10 years.

• **Product diversification:**

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 first priority. Whenever, 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 economic 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 2018, the company has achieved premium earning of Tk. 682.84 million where position of the company is among the remarkable 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. These are considered to be instrumental for employee satisfaction.

• **Maintenance of sufficient capital base as required by law:**

As on 31 December 2018, company's total equity stands at Tk. 690.09 million. While the minimum paid-up capital required by Insurance Development and Regulatory Authority (IDRA) is Tk. 400 million. Company's paid-up capital as on 31 December 2018 is Tk. 408.77 million. The board has recommended 10% cash dividend for the year 2018. Upon approval by the shareholders in the forthcoming AGM scheduled to be held on 31st March 2019, the paid-up capital would remain at Tk.408.77 million.

• **Strong Claims Paying Ability (CPA):**

In 2018, Credit Rating information and Services Limited (CRISL) has graded the Claim Paying ability (CPA) rating of the company to "AA-" (Pronounced as double AA minus) based on the audited financial statement for the year ended December 31, 2017 which was "A+" for 2016 financials. 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 nor 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.

Directors' Responsibility STATEMENT

The Directors are responsible for the governance of the company and in that capacity, the Directors confirm, to the best of their knowledge that:

- a) The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and change 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 that the accounting estimates are based on reasonable and prudent judgment;
- d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- e) The system of internal control is sound in design and has been effectively implemented and monitored;
- f) There is no doubt, whatsoever, upon the bank's ability to continue as a going concern;
- g) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- h) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that 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;
- i) The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the company's code of conduct.



Responsibilities Of CEO & CFO

Date: 7 February 2019

The Board of Directors of Prime Insurance Company Ltd

Subject: Declaration on Financial Statements for the year ended on 31 December 2018

Dear Sirs,


Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80: dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Prime Insurance Company Ltd for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:--

- i. We have reviewed the financial statements for the year ended on 31 December 2018 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 collectively present 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 knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mohammodi Khanam
Chief Executive Officer



Badal Chandra Rajbangshi
Chief Financial Officer

Report on CORPORATE GOVERNANCE CODE (CGC)

Bangladesh Securities and Exchange Commission (BSEC) rationalized the corporate governance code and repealed the existing corporate governance guideline on 3 June 2018 in order to enhance the corporate governance in the interest of the investors and the capital market. Listed Companies shall comply in accordance with the condition stipulated in the code.

Prime Insurance Company Ltd is one of the robust Non-life Insurance Companies in Bangladesh that complying full phase corporate governance code. The company is proactive in terms of quality business that helps for better future of the insurance industry in Bangladesh. Prime believe corporate governance for all i.e. investor, customers/clients, insured's, re-insurer, employees and staffs, suppliers and other stakeholders.

The first mentioned conditions stipulated in the corporate governance code is about the board of directors. board of directors includes sponsor directors, directors from amongst the public subscribers, directors strategically privileged by holding more than 5% shares, independent directors and any other type of directors defined by the law.

Board of Directors:

Size of the Board:

The board of the company is comprised of 19 members as on 31 December 2018. The managing director & CEO acts 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. 11 Members are 'A category Directors' titled as Sponsor Directors, 6 members are public shareholder directors and 2 are Independent directors. The formation of the Board is consisting of the Insurance Act 2010 and Bangladesh Securities Exchange Commission including Articles of Association of the company.

As per notification no. SEC/CMRRCD/2009-193/119/Admin/34-dated November 22, 2011 of Securities and Exchange Commission, the sponsors/promoters and directors of a listed company shall all time jointly hold minimum 30% share of the paid-up capital. Sponsors and directors of Prime Insurance Company Ltd all the year jointly hold more than 30% paid-up shares of the company.

The same notification stated that every sponsor director shall hold at least 2% paid-up share of the company which was strictly followed by the company.

Number of Sponsor Directors including strategic shareholder directors	11
Number of Shareholder Directors	6
Independent Directors	2
Total	19

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

Independent Directors:

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 the then BSEC's Corporate Governance Guidelines, his term as independent director expired on June 2017 and upon successful completion of the term, he was again appointed by the board for the second term and approved by the shareholders in the 22nd annual general meeting of the company for another 3 years.

Kazi Zahedul Hasan was appointed in the 279th board meeting held on 23 July 2016 for a period of 3 years. His appointment was effected upon consent given by the shareholders in the 21st AGM held on 30 March 2017.

Independent directors are neither matrimonial to sponsors and promoters, nominated directors and shareholders directors of the company nor connected (pecuniary or otherwise) with any of their associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.

Independent directors of the company were not the executives of the company in any time of the company incorporation. They are not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;.

Independent directors of the company are not a partner or an executive or was not a partner or an executive during the preceding three years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.

Independent directors of the company are not independent director in more than five listed companies; and they are not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a non-bank financial institution (NBFi); and they are not been convicted for a criminal offence involving moral turpitude. The independent director(s) appointed by the board and approved by the shareholders in the annual general meeting (AGM). The position of independent directors cannot be kept vacant for more than ninety days. Independent directors of the company are the directors of unlisted companies having minimum paid-up capital of Tk. 100 million and they are members of national and international chamber of commerce or business association.

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.

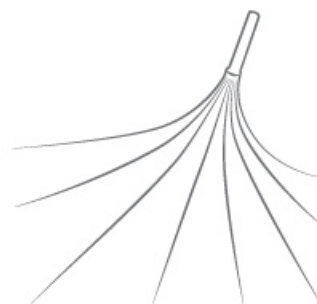
Appointment of Directors

Prime Insurance Company Ltd 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 and company's articles of association are strictly followed regarding this matter. Directors are appointed by the shareholders in the AGM and directors co-opted by the board members are subject to ratification from the Shareholders in the AGM. Casual vacancies were filled by the board in accordance with the stipulations of the Companies Act 1994, Bangladesh Securities and Exchange Commission 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.

The role and responsibilities of the Board

The board of directors is appointed to act on behalf of the shareholders to run the business affairs of the company. The board is directly accountable to the shareholders and each year the company holds an annual general meeting (AGM) at which the directors provided reports to shareholders on the performance of the company and its business.

The objects of the company are defined in the memorandum of association and regulations are laid out in the articles of association. The board of directors' key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders. In addition to business and financial issues, board of directors dealt with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.



In the Board meetings the directors discharge their responsibility to control the company's overall situation, strategy and policy, and monitor the exercise of any delegated authority, and so that individual directors reports on their particular areas of responsibility. Directors look after the affairs of the company, and are positioning of trust. Directors took responsibility and ensuring proper books of account.

The company's policy is to maintain optimum combination of directors from both sponsors and public subscribers. The chief executive officer of the company is an ex-officio director and the board has appointed prescribed number of independent directors as per Insurance Act, 2010. The 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 set vision, mission and strategies of the company to guide and set the pace for its current operations and future development and

- reviewed and evaluated present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company;
- determined strategic choices select those to be pursued, and decide the means to implement and support them and
- ensured that the company's organizational structure and their capabilities are appropriate for implementing the chosen strategies.

Board delegated the management to monitor and evaluate implementation of policies, strategies and business plans.

Chairperson of the board of directors

The chairperson of the board presides over all the meetings of the board and the company. Chairperson of the board and the managing director and chief executive officer (CEO) of the company are different individuals. As per Insurance Act 2010, CEO of the company is appointed by the board with approval from IDRA. The chairperson of the company is elected from amongst the non-executive directors of the board. Chairperson was present at all the board meetings of the company during 2018.

Role and responsibilities of the chairperson is to ensure that the meeting is conducted as per applicable laws and the business for which it was convened is properly maintained. The chairperson along with CEO and company secretary fix the agenda of the meeting and follow the minutes of proceedings. The minutes of one board meeting are confirmed in the next board meeting. Implementation of the earlier decisions were also confirmed and noted in the subsequent board meeting so that the board can ensure the effective compliances. The accumulated power of the board used to confirm the decision upon majority rule.

Individual directors have only those powers which have been given to them by the board. Such authority need not be specific or in writing and may be inferred from past practice. However, the board as a whole remains responsible for actions carried out by its authority and it was therefore ensured that executive authority is only granted to appropriate persons and that adequate reporting systems enabled it to maintain overall control.

The chairperson usually has a second or casting vote in case of equality of votes. Since the chairperson's position is of great importance, it is vital that his election is clearly in accordance with special procedure laid down by the articles. Usually there is no special procedure for resignation. As for removal, articles usually empower the board to remove the chairperson from office at any time. Proper and clear minutes are important in order to avoid disputes.

Role played by the Chairperson:

- Determines board composition and organization;
- Clarifies board and management responsibilities;
- Manages board and board committee meetings;
- Develops the effectiveness of the board;
- Chairs the board and shareholders' meeting;
- Provides leadership to the board in all affairs of the board's function;
- Ensures effective operation and 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;
- Ensures link between the board and the management and
- Ensures corporate social responsibilities (CSR) activities of the company.

Board meetings and proceedings

The board of directors holds meeting on regular basis: usually once in a month. Board meetings are normally held to discuss and decide on major corporate, strategic and operational issues as well as to evaluate major investment opportunities. At the meetings, chairperson of the board allocated sufficient time for the directors to consider each agenda in a prudent way and allowed them to freely discuss, enquire and express opinion 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 a meeting. The agenda and materials for each board meeting 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 were prepared by the company secretary in consultation with the chief executive officer of the company as per directives of the chairperson of the board.

12 meetings of the board were held in 2018, wherein policies and major business and strategic decisions were taken. At the invitation of the board, members of senior management or portion thereof attended board meetings for the purpose of participating in discussions.

Board Committee:

The board of directors is assisted by the following 3 main committees:

1. Executive committee
2. Audit committee
3. Nomination & remuneration committee

The board delegated some of its governance responsibilities to the board sub-committees, which operated and operating 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, were reviewed and updated as and when necessary to ensure ongoing compliances with code and other guidelines. The board kept fully informed of the work of those committees from time to time.

Directors' shareholding status

As per BSEC Notifications dated 22-11-2011 and 7-12-2011, each director other than independent director and public subscriber's directors of any listed company held minimum 2% shares of the paid-up capital and all time, jointly hold 30% shares of the paid-up capital of the company.

SL#	Name of Directors	Shares held	% of holding
01	Md. Zakiullah Shahid	1,111,371	2.72
02	Saheda Pervin Trisha	818,551	2.00
03	Sabiha Khaleque	1,174,277	2.87
04	Nazma Haque	1,111,372	2.72
05	Mahanur Ummel Ara	880,804	2.15
06	Rahela Hossain	1,111,372	2.72
07	Gole Afroz Banu	1,048,467	2.56
08	Dr. Fatema Raushan Jahan	881,491	2.15
09	Nilufar Hossain	980,312	2.40
10	Hasina Khan	1,111,372	2.72
11	Tahera Akhter	1,111,372	2.72
12	Mahabuba Haque	932,168	2.28
13	Dil Ara Begum	956,206	2.34
14	Mizanur Rahman Mostafa-Nominated by Makson Bay Ltd	2,500,000	6.11
15	Rubaiyat Khaled-Nominated by Prime Financial Securities Ltd	417,000	1.02
16	Abu Hasan Khan-Nominated by GQ Ball Pen Industries Ltd	241,700	0.59
17	Md. Ashaduzzaman-Nominated by Fareast Securities Ltd	403,178	0.99
	Independent Directors		
18	A. Z. M. Sazzadur Rahman	-	-
19	Kazi Zahedul Hasan	-	-

Separate role of the chairperson & the chief executive officer

The chairperson of the board and the chief executive officer of the company are different persons with different roles and responsibilities. The chairperson is responsible for the function of the board. He oversees the operation and effectiveness of the board. The chairperson approves the agendas for the board meetings with the assistance of the chief executive officer and the company secretary. He also ensured that there is effective communication with the stakeholders and the company promoted

compliances with the highest standards of corporate governance code.

The chief executive officer (CEO) 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

chairperson 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 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 board. She is accountable to the board for the financial and operational performance of the company.

Role Played by the chief executive officer

- Chaired meetings of management team.
- Run day to day business activities of the company.
- Implemented company's policies & strategies, as approved by the board of directors, in the most effective and efficient manner.
- Assigned individual responsibilities of the executives.
- Accountable for overall performance of the company.
- Reported to the board on progress against the strategic and annual business plans on a regular basis.
- Acted as bridge between the board and the management.
- Took a leadership role in establishing or developing company's culture, values and business progression.

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 of personnel for different sections of the company, review major compensation policies etc. Five meetings of the executive committee were held in the year 2018.

The board, in its 302nd Meeting held on 10 April 2018 reconstituted the executive committee with following non-executive directors:

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

Audit Committee

The audit committee is empowered to examine matters relating to financial affairs of the company and review all audit programs, internal control systems & 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 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 it gathered in course of carrying 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 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 within the country.

The audit committee aims to create efficiency, remain compliant in the operations, to add value to the Company and to ensure corporate governance. The committee also oversees the discharge of responsibilities of the external auditors. Four meetings of the audit committee were held in the year 2018.

The board, in its 302nd Meeting held on 10 April 2018 reconstituted the audit committee with following non-executive directors including independent director as chairperson of the committee:

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

While few members of the committee are from finance and accounting background, all members of the audit committee are erudite in matters relating to finance.

Salient Features of the Audit Committee

The audit committee composed of at least three members from the board, which included one independent director.

- All the members of this committee are non-executive directors.
- The chairperson of the audit committee is an independent director having professional knowledge and relevant financial expertise. All members of the audit committee adequately knowledgeable in finance and at members have expertise in finance & accounting.
- The quorum of the audit committee meeting constituted by majority members and all time with one independent director.
- The committee met at least four times a year.
- The chairperson of the board is not a members of the audit committee.
- The CEO or the chairperson of the board attended the audit committee meetings as invitee.
- Audit committee meeting held in every quarter to monitor internal and external audits.
- The company secretary and the Head of audit & internal control attended all the meetings.
- The chief financial officer (CFO) attended the meeting by invitation.
- Audit committee prepared reports on all meetings for the board of directors.

Nomination & Remuneration Committee

The Board at its 283rd Meeting held on 26-11-2016 formed a Remuneration Committee as sub-committee of the Board and the name and terms and condition of the committee rationalized on the third quarter of 2018 as per corporate governance code.

The remunerations paid to all level of employees are determined by the pay scales as approved by the Board of Directors subject to the recommendations of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee recommended the Board for the 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 ensured that all employees are remunerated fairly.

The Directors do not get any remuneration. They only get fees for attending Board/Committee Meetings. The Directors received Tk. 8,000 for attending Board Meeting and any Committee Meeting as per IDRA circular. Source tax is duly deducted from director's fee.

Chief Executive Officer and other contractual employees receive a negotiated remuneration. Senior Executives and other regular/permanent employees receive remuneration as per board recommended by Nomination and Remuneration Committee (NRC) within the approved pay scales of the company.

Composition of nomination & remuneration committee

SL#	Name of Directors	Position in the Committee
1	A Z M Sazzadur Rahman	Chairperson
2	Abu Hasan Khan	Member
3	Saheda Pervin Trisha	Member
4	Rahela Hossain	Member

Terms of Reference (TOR) of Nomination and Remuneration Committee

The role of nomination and remuneration committee is to assist and advise the board to fulfill its responsibilities to the staff of Prime Insurance Company Ltd (PICL) on matters relating to their compensation, bonuses, incentives and also nomination and remuneration issues of the chief executive officer (CEO) and other PICL staff.

The nomination and remuneration committee is not a policy making body; it assists the board/EC by implementing board's policy.

Objectives of the Committee include:

- To review and recommend nomination and 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 ex-gratia 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 nomination & 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 chairperson.
- The board shall approve all appointments to the committee including the appointment of the chairperson.
- 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

- One meeting of the nomination and remuneration committee held during 2018.
- The quorum was filled with attendance of at least four members.
- The notice and agenda of the meeting included relevant supporting papers, as appropriate.
- The Committee invited chairperson to attend the meeting 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 chairperson of the committee. It was duly complied.
- The chairperson of the committee will table the outcome of deliberations at the next Board meeting which was also complied.

Voting

- Any matters requiring a decision will be decided by a majority of votes of members present.
- The chairperson 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 its own 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 (CEO) to manage operation of the company. The CEO conducts the affairs of the company through further delegation down the line and in consultation with the

management committee. The CEO 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. Establishment & logistic
4. Finance & Accounts
5. Branch control department
6. Claims
7. Re-Insurance
8. Audit & internal control
9. Specialized business & market development and health insurance
10. Share trade & investment
11. Information technology
12. Public relation & corporate affairs
13. Customer care
14. Board affairs

The management committee is considered to be the highest decision making authority in the management of the company. The MANCOM is comprised of the chief executive officer and the departmental heads of the company. The members of the management committee are appointed by the board:

Composition of MANCOM	Position
Chief Executive Officer	Chairperson
DMD and Head of Operation	Member
AMD & Head of Specialized Business & Health Insurance	Member
Chief Financial Officer	Member
Head of Claims	Member
Head of Accounts	Member
Head of HRD & Administration	Member
Head of Public Relations, Corporate Affairs and Customer Care	Member
Head of Re-insurance Department	Member
Head of Audit and Internal Control	Member
Head of IT	Member
Company Secretary	Member Secretary

In the management committee, all members are well experienced and have dedication for the services to the business partners and the clients who are receiving services of the company. During any crisis moment, they work collectively with a strong bondage in the team. The MANCOM generally meets in regular successions, preferably once in every two months to discuss the business results, to review the prevailing business conditions and discuss implementation of policies conferred on the management from the board. 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 she uses the management committee as a consultative body to advise and assist her on issues under consideration. The management committee also advises the chief executive officer on new products & 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 status imposed by the BSEC, which has been shown in the compliance report on BSEC Corporate Governance Code. The authority of both the appointment and removal of the company secretary is vested on 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 irregularities and unethical practices. 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 those 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 an important opportunity 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, arranges 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 29 March 2018, 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 on 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 groups 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 makes 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 trainings and various learning an 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' wellbeing. 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 Code dated 3 June 2018 and international Accounting Standard (IAS 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 CGC

Status of Compliance with the Corporate Governance Code (CGC) [As per condition No. 1(5) (xxvii)] Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Report under Condition No. 9)

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(1)	The number of Board members shall not be less than 5 (five) and more than 20 (twenty);	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID);			As per insurance act
1(2)(b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company;	✓		Declared by independent directors
1(2)(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	✓		
1(2)(b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	✓		
1(2)(b)(iv)	ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	✓		
1(2)(b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;	✓		
1(2)(b)(viii)	ID shall not be independent director in more than five listed companies;	✓		
1(2)(b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBF;I;	✓		
1(2)(b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	Appointment of ID shall be done by Board and approved by shareholders in the AGM;	✓		
1(2)(d)	The position of IDs cannot remain vacant for more than ninety days;	✓		
1(2)(e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;	✓		
1(3)(a)	ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;	✓		
1(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		
1(3)(b)(iii)	ID was Former official of government in the position not below 5th	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA,CMA, CFA, CCA, CPA and CS or equivalent qualification;	✓		
1(3)(c)	The ID shall have at least Ten years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	✓		
1(4)(a)	Chairperson of the Board and the Chief Executive Officer of the company is different individual having clearly defined their respective roles and responsibilities by the board;	✓		
1(4)(b)	Chairperson of the Board and the MD and/or CEO of the company shall be different individuals;	✓		
1(4)(c)	Chairperson elected from among the non-executive directors of the company;	✓		
1(4)(d)	The board clearly defined respective roles of the chairperson and the Managing Director;	✓		
1(4)(e)	In absence of chairperson, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting;	✓		
1(5)(i)	An industry outlook and possible future developments;	✓		
1(5)(ii)	Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion and statement on related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of Directors remuneration;	✓		
1(5)(xi)	A statement on fair preparation of the financial statements by the management of the issuer company;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xiv)	IAS / BAS / IFRS / BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		As per company's Articles of Association
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)(a)	Parent / Subsidiary / Associated Companies and other related parties (name wise details);			Not applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and membership of board committees;	√		
	A Management's Discussion and Analysis signed by CEO or MD;	√		
1(5)(xxv)(a)	Presenting detailed analysis of accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Presenting detailed analysis of changes in accounting policies and estimation, if any;	√		
1(5)(xxv)(c)	Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xxv)(d)	Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	Presenting detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report and compliance certificate disclosed as per Annexure-B and Annexure-C;	√		
1(6)	Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	√		
1(7)(a)	Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company;	√		
1(7)(b)	Code of conduct as determined by the NRC shall be posted on the website of the company;	√		
2(a)	Composition of the board of the subsidiary company;			N/A
2(b)	Independent director of the holding company on the Board of the subsidiary company;			N/A
2(c)	Review of minutes of the subsidiary company's Board meeting by the holding company's Board;			N/A
2(d)	Statement as to the review of minutes of Subsidiary company by the holding company's Board;			N/A
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding company;			N/A
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	Respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s);	√		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	√		
3(3)(a)(i)	Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement;	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
3(3)(a)(ii)	Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws;	√		
3(3)(b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	√		
4(i)	Board Audit Committee (BAC);	√		
4(ii)	Nomination and Remuneration Committee;	√		
5(1)(a)	BAC as a sub-committee of the Board;	√		
5(1)(b)	BAC shall assist the Board of Directors as to the financial statements reflect true and fair view of the state of affairs of the company;	√		
5(1)(c)	BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing;	√		
5(2)(a)	BAC is composed of 3 (three) members;	√		
5(2)(b)	The Board appointed members of BAC who are non-executive directors and Chairperson is an ID;	√		
5(2)(c)	All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	Filling of casual vacancy in the BAC;	√		
5(2)(e)	The CS shall act as the Secretary of the Committee.	√		
5(2)(f)	The quorum of the BAC meeting have not constitute without ID	√		
5(3)(a)	The Board of Directors select 1 (one) ID as the Chairman of BAC;	√		
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes.	√		
5(3)(c)	Chairman of the BAC shall remain present in the AGM;	√		
5(4)(a)	BAC conducted four meetings in the financial year:	√		
5(4)(b)	The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher;	√		
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;	√		
5(6)(a)(i)	The BAC shall report on its activities to the Board;	√		
5(6)(a)(ii)(a)	The BAC shall immediately report to the Board if any report on conflicts of interests;	√		
5(6)(a)(ii)(b)	The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6)(a)(ii)(c)	The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	√		
5(6)(a)(ii)(d)	The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary;	√		
5(6)(b)	If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	√		
5(7)	Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	√		
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);	√		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	✓		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be chairperson of the committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the chairperson of the NRC, the remaining members may elect one of themselves as chairperson for that particular meeting, the reason of absence of the regular chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the cCommittee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	✓		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		



Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(5)(b)(i)(c)	NRC shall oversee, formulate & recommend to the Board regarding remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	NRC shall oversee & make report with recommendation to the Board regarding identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	NRC shall oversee & make report with recommendation to the Board regarding identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	NRC shall oversee & make report with recommendation to the Board regarding developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report;	✓		
	The issuer company shall not engage its external or statutory auditors:	✓		
7(1)(i)	-To perform the appraisal or valuation services or fairness opinions of the company.	✓		
7(1)(ii)	-To perform the financial information systems design and implementation of the company.	✓		
7(1)(iii)	-To perform book-keeping or other services related to the accounting records or financial statements of the company.	✓		
7(1)(iv)	-To perform broker-dealer services of the company.	✓		
7(1)(v)	-To perform actuarial services of the company.	✓		
7(1)(vi)	-To perform internal audit services or special audit services of the company.	✓		
7(1)(vii)	-To perform any service that the Audit Committee determines of the company.	✓		
7(1)(viii)	-To perform audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company.	✓		
7(1)(ix)	-To perform any other service that creates conflict of interest of the company.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√		
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
9(1)	Compliance Audit certification and its disclosure in the Annual Report;	√		
9(2)	Compliance certification professional shall be appointed by the shareholders in the AGM;	√		
9(3)	The directors of the company shall state, in accordance with the directors' report whether the company has complied with these conditions or not.	√		



The Pattern of SHAREHOLDING

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 held	% of holding	Name of the spouse	Share held	% of holding
1	Md. Zakiullah Shahid	1,111,371	2.72	Sonia Rahman	-	-
2	Saheda Pervin Trisha	818,551	2.00	Md. Shahnewaz	-	-
3	Nazma Haque	1,111,372	2.72	Md. Aminul Haque	-	-
4	Sabiha Khaleque	1,174,277	2.87	M.A Khaleque	-	-
5	Mahanur Ummel Ara	880,804	2.15	Mafiz A. Bhuiyan	59,571	0.15
6	Rahela Hossain	1,111,372	2.72	S.A.M. Hossain	-	-
7	Gole Afroz Banu	1,048,467	2.56	K.M.Khaled	-	-
8	Dr. Fatema Raushan Jahan	880,491	2.15	Kazi Sazid Ahmed	-	-
9	Nilufar Hossain	980,312	2.40	M.Shahadat Hossain	-	-
10	Hasina Khan	1,111,372	2.72	Nader Khan	77,835	0.19
11	Tahera Akhter	1,111,372	2.72	Dr.Mostafizur Rahman	-	-
12	Mahabuba Haque	932,168	2.28	Aynul Haque	-	-
13	Dil Ara Begum	956,206	2.34	Md. Shamsul Alam	-	-
14	Mizanur Rahman Mostafa- Representing Makson Bay Ltd	2,500,000	6.11	Nahida Sarmin	-	-
15	Abu Hasan Khan- Representing GQ Ball Pen Industries Ltd.	241,700	0.59	Mahbuba H.Khan	-	-
16	Rubaiyat Khaled- Representing Prime Financial Securities Ltd	417,000	1.02	-	-	-
17	Md. Ashaduzzaman-Representing Fareast Securities Ltd	403,178	0.99	-	-	-
18	A. Z. M. Sazzadur Rahman- Independent Director	-	-	Nilufar Rahman	-	-
19	Kazi Zahedul Hasan - Independent Director	-	-	Perween Hasan	-	-

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

1	CEO- Mohammodi Khanam	-	-	Mehmood Husain	-	-
2	CFO- Badal Chandra Rajbangshi	-	-	Nandita Rajbangshi	-	-
3	CS- Enamul Haque Khan	-	-	Shahanaz Parvin	-	-
4	HIA-Md. Zahid Hossain	-	-	Nurun Nahar Begum	-	-

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	Additional Managing Director	-	-
2	Syed Monirul Huq	Deputy Managing Director	-	-
3	Zahirul Islam	Deputy Managing Director	-	-
4	Sujit Kumar Bhowmik	Assistant Managing Director	-	-
5	Gouranga Chandra Misra	Senior Executive Vice President	-	-

v) Shareholders holding 10% or more voting interest:

		-	-
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Directors' Attendance IN MEETINGS

Board Meeting

Sl. No.	Name of the Directors	Position in the Board	Meeting Held	Present
1	Md. Zakiullah Shahid	Chairperson	12	12
2	Saheda Pervin Trisha	Vice Chairperson	12	8
3	Nazma Haque	Director	12	5
4	Sabiha Khaleque	Director	12	8
5	Mahanur Ummel Ara	Director	12	7
6	Rahela Hossain	Director	12	9
7	Gole Afroz Banu	Director	12	0
8	Dr. Fatema Raushan Jahan	Director	12	10
9	Nilufar Hossain	Director	12	0
10	Hasina Khan	Director	12	7
11	Tahera Akhter	Director	12	3
12	Mahabuba Haque	Director	12	5
13	Dil Ara Begum	Director	12	9
14	Mizanur Rahman Mostafa-Nominated by Makson Bay Ltd	Director	12	7
15	Abu Hasan Khan-Nominated by GQ Ball Pen Industries Ltd	Director	12	11
16	Rubuiyat Khaled-Nominated by Prime Financial Securities Ltd	Director	12	3
17	Md. Ashaduzzaman-Nominated by Fareast Securities Ltd	Director	12	7
18	A. Z. M. Sazzadur Rahman, Independent Director	Director	12	9
19	Kazi Zahedul Hasan, Independent Director	Director	12	2
20	Mohammodi Khanam (Ex-officio)	MD & CEO	12	11

Nomination & Remuneration Committee

Sl. No.	Name of the Directors	Position in the Committee	Meeting Held	Present
1	A.Z.M. Sazzadur Rahman	Chairperson	1	1
2	Rahela Hossain	Member	1	1
3	Saheda Pervin Trisha	Member	1	1
4	Abu Hasan Khan	Member	1	1
5	Md. Zakiullah Shahid	Special Invitee	1	1

Executive Committee Meeting

Sl. No.	Name of the Directors	Position in the Committee	Meeting Held	Present
1	Nazma Haque	Chairperson	5	5
2	Saheda Pervin Trisha	Member	5	3
3	Sabiha Khaleque	Member	5	4
4	Mahanur Ummel Ara	Member	5	3
5	Rahela Hossain	Member	5	3
6	Dr. Fatema Raushan Jahan	Member	5	4
7	Mahabuba Haque	Member	5	3
8	Mizanur Rahman Mostafa	Member	5	3
9	Abu Hasan Khan-Nominated	Member	5	4
10	A.Z.M. Sazzadur Rahman	Special Invitee	5	1
11	Md. Zakiullah Shahid	Special Invitee	5	4

Audit Committee Meeting

Sl. No.	Name of the Directors	Position in the Board	Meeting Held	Present
1	A.Z.M. Sazzadur Rahman	Chairperson	7	7
2	Sabiha Khaleque	Member	7	3
3	Rahela Hossain	Member	7	2
4	Dr. Fatema Raushan Jahan	Member	7	7
5	Hasina Khan	Member	7	4
6	Mizanur Rahman Mostafa-Nominated	Member	7	1
7	Abu Hasan Khan-Nominated	Member	7	7
8	Md. Ashaduzzaman	Member	7	3
9	Md. Zakiullah Shahid	Special Invitee	7	4





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M M Rahman & Co.
Chartered Accountants

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Islam Avenue, Bangla Motor Dhaka -1000
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**Report to the Shareholders of
Prime Insurance Company Limited
On compliance with the Corporate Governance Code
(As required under the BSEC Codes of Corporate Governance)**

We have examined the compliance status to the Corporate Governance Code by Prime Insurance Company Limited for the year ended on 31st December 2018. This Code relates to the gazette Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as well as the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the attached Compliance Statement:

- a) The Company has complied with the conditions of Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- c) Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- d) The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2018.

Date: Dhaka, 20 February 2019


M M Rahman & Co.
Chartered Accountants

Summary of Accounts Segment wise/Class 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 Corporate Governance Code of 2018. Prime Insurance Company has been presented segment wise operating performance accordingly.

The company has earned gross fire premium income of Tk. 313.25 million, marine premium income Tk. 200.53 million motor premium income Tk. 43.22 million and miscellaneous premium income Tk. 125.84 million respectively in 2018. During the year the Company earned total Gross Premium Income of Tk. 682.84 million including PSB premium income and Operating Income Tk. 79.51 million and net profit after tax Tk. 45.86 million respectively in 2018 which was Tk. 669.07 million and Tk. 60.11 million respectively in 2017. Segment Wise Financial Result of the Company for the year 2016 and 2015 are given below :

Segment Wise Financial Result (in Million Taka)

Details	Fire	Marine	Marine Hull	Motor	Misc	2018	2017	Growth	Growth %
Gross premium income	313.25	198.68	1.85	43.22	125.84	682.84	669.07	13.77	2.06
Less: R/I premium ceded	244.69	76.31	1.43	2.39	58.54	383.36	375.07	8.29	2.21
Less: R/I premium on PSB	6.18	10.36	0.15	0.15	41.37	58.21	39.46	18.75	47.52
Net Premium income	62.38	112.01	0.27	40.68	25.93	241.27	254.54	(13.27)	(5.21)
Add: Net R/I commission earned	32.59	15.46	0.35	1.7	14.93	65.03	107.77	(42.74)	(39.66)
Add: Net premium reserve retained	15.50	61.58	0.47	18.22	6.33	102.10	78.86	23.24	29.47
Total income	110.47	189.05	1.09	60.60	47.19	408.40	441.17	(32.77)	(15.40)
Less: Expenses									
Reserve for un-expired risk	24.95	44.80	0.27	16.27	10.38	96.67	102.10	(5.43)	(5.32)
Agent commission paid	45.73	27.68	0.25	6.06	12.52	92.24	93.07	(0.83)	(0.89)
Management expenses (Revenue A/c)	56.85	36.06	0.35	7.84	22.84	123.94	121.57	2.37	1.95
Management expenses (P&L A/c)	10.19	6.47	0.06	1.41	4.09	22.22	25.43	(3.21)	(12.62)
Net claims	2.03	(6.48)	(0.04)	-1.39	(0.30)	(6.18)	38.89	(45.07)	(115.89)
Operating profit (u/w result)	(29.28)	80.52	0.20	30.41	(2.34)	79.51	60.11	19.40	117.37
Interest income	-	-	-	-	-	14.14	12.02	2.12	17.64
Share investment income	-	-	-	-	-	(20.51)	31.94	(52.45)	(164.21)
Dividend received on investment	-	-	-	-	-	4.76	6.52	(1.76)	(26.99)
Other income	-	-	-	-	-	0.62	0.08	0.54	675.00
Profit before tax	-	-	-	-	-	78.52	110.67	(32.15)	(29.05)
Tax provision during the year	-	-	-	-	-	32.66	21.95	10.71	48.79
Profit after tax	-	-	-	-	-	45.86	88.72	(42.86)	(77.84)
Return on equity (%)	-	-	-	-	-	19.21	27.07	(7.87)	(29.05)
Return on shareholders fund & equity (%)	-	-	-	-	-	11.38	15.68	(4.31)	(27.46)
Shareholders fund & equity (in million Taka)	-	-	-	-	-	690.16	705.6	(15.44)	(2.19)
Shareholders' equity (in million Taka)	-	-	-	-	-	408.77	408.77		

Summary of Quarterly FINANCIAL PERFORMANCE

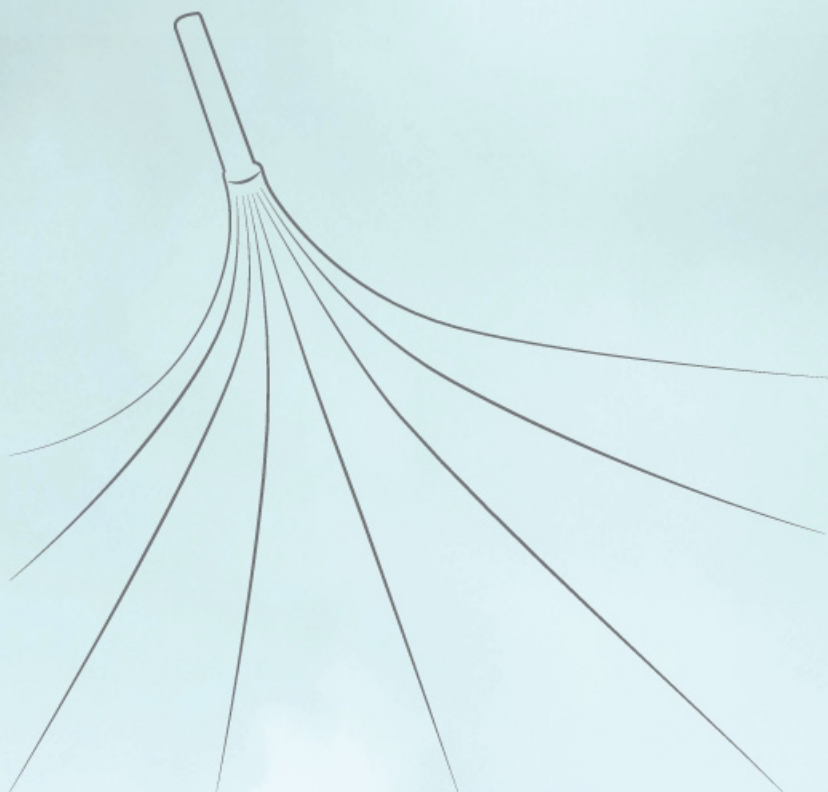
In accordance with para 20 of Bangladesh Accounting Standard (BAS-34) and as required by Bangladesh Securities & Exchange Commission Corporate Governance Code of 2018 Prime Insurance Company Limited has published quarterly financial statements for the stakeholders and shareholders every year. The company has also published financial statements in the news paper in English and Bangla, in one on-line news portal and has published in the Company's website accordingly.

In the year under review, the Company has earned total Gross premium income of Tk. 682.84 million and Operating income of Tk. 79.52 million and Net profit Tk. 45.87 million after tax respectively in 2018 which was Tk. 669.07 million, Tk. 60.11 million and Tk. 88.71 million respectively in 2017. During the year premium income has been increased by 2.06% over the year 2017. Details of quarterly profitability and yearly financial results of the Company for the year 2018 and 2017 are given below:

Segment Wise Financial Result (in Million Taka)

Particulars	2018				Total 2018	2017				Total 2017	Growth	%
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr		1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr			
Gross Direct Premium	202.65	100.57	155.25	156.45	614.92	196.28	201.28	127.47	95.44	620.47	(5.55)	(0.89)
Premium on PSB	16.63	14.56	7.22	29.09	67.50	11.30	18.75	9.13	9.10	48.28	19.22	39.81
R/I Premium on Acceptance	0.33	0.08	-	-	0.41	0.09	0.11	0.11	0.01	0.32	0.09	28.13
Total Gross Premium	219.61	115.21	162.47	185.54	682.83	207.67	220.14	136.71	104.55	669.07	13.76	2.06
Less: R/I Premium Ceded	102.20	102.91	100.65	77.60	383.36	171.77	54.21	88.15	60.95	375.08	8.28	2.21
Less: R/I premium on PSB	14.92	12.16	6.03	25.10	58.21	9.73	15.29	7.22	7.21	39.45	18.76	47.55
Net Premium	102.49	0.14	55.79	82.84	241.26	26.17	150.64	41.34	36.39	254.54	(13.28)	(5.22)
Add: Net R/I com.earned	14.54	11.67	13.39	25.43	65.03	39.86	(2.61)	12.46	58.06	107.77	(42.74)	(39.66)
Add: Net Premium Reserve Retained	10.48	60.42	16.58	14.62	102.10	11.37	29.48	18.43	19.58	78.86	23.24	29.47
Total Income:	127.51	72.23	85.76	122.89	408.39	77.40	177.51	72.23	114.03	441.17	(32.78)	(15.41)
Less Expenses :												
Reserve for Un-expired Risk	31.01	10.06	22.35	33.25	96.67	10.48	60.42	16.58	14.61	102.09	(5.42)	(5.31)
Agent Commission	30.40	15.08	23.29	23.47	92.24	29.44	30.19	19.12	14.32	93.07	(0.83)	(0.89)
Management Expenses (Revenue A/C)	27.18	31.22	31.24	34.28	123.92	26.86	31.25	30.90	32.57	121.58	2.34	1.92
Management Expenses (P&L A/C)	4.90	4.01	4.08	9.23	22.22	3.98	4.39	3.69	13.37	25.43	(3.21)	(12.62)
Net Claims Paid	4.54	30.92	1.37	(43.01)	(6.18)	4.50	44.64	1.38	(11.63)	38.89	(45.07)	(115.89)
Operating Profit (U/W Income):	29.48	(19.06)	3.43	65.67	79.52	2.14	6.62	0.56	50.79	60.11	19.41	32.29
Interest income	4.32	3.91	2.93	2.98	14.14	5.12	2.82	2.08	2.00	12.02	2.12	17.64
Investment income (Realized gain/loss)	1.98	(9.44)	4.70	(6.28)	(9.04)	6.78	3.47	0.87	12.99	24.11	(33.15)	(137.49)
Unrealized gain (loss) on shares	(14.72)	5.98	(6.22)	3.49	(11.47)	18.06	(9.12)	5.63	(6.73)	7.84	-	-
Dividend income	1.59	2.45	0.08	0.64	4.76	1.80	2.03	1.29	1.40	6.52	(1.76)	(26.99)
Other income	0.15	0.25	(0.09)	0.31	0.62	0.01	0.01	0.01	0.04	0.07	0.55	839.39
Profit before Tax.	22.80	(15.91)	4.83	66.81	78.53	33.91	5.83	10.44	60.49	110.67	(12.83)	724.83
Tax provision	8.52	(4.18)	1.43	26.89	32.66	2.93	(2.18)	6.83	14.38	21.96	10.70	48.72
Net Profit after Tax	14.28	(11.73)	3.40	39.92	45.87	30.98	8.01	3.61	46.11	88.71	(42.84)	(48.29)
Earnings Per Share after Tax (BDT)	0.35	(0.29)	0.08	0.97	1.12	0.76	0.20	0.09	1.13	2.18	(1.06)	(48.58)
Number of Weighted shares	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

Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These threats, or risks, can stem from a wide variety of sources, including financial uncertainty, underwriting liabilities, strategic management errors, accidents and natural disasters. IT security threats and data-related risks, and the risk management strategies to alleviate them, have become a top priority for digitized companies. As a result, a risk management plan increasingly includes the company's processes for identifying and controlling threats to its digital assets, including proprietary corporate data, a customer's personally identifiable information and intellectual property.

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

Uncertainty is at the heart of risk. You may be unsure if an event is likely to occur or not. Also, you may be uncertain about the consequences. Likelihood – the probability of an event occurring, and consequence – the impact or outcome of an event, are the two components that characterize the magnitude of the risk.

All risk management processes follow the same basic steps, although sometimes different jargon is used to describe these steps. Together these 5 risk management process steps combine to deliver a simple and effective risk management process.

Step 1: Identify the Risk.

Insurance company identifies and defines potential risks that may negatively influence a specific company process or project.

Step 2: Analyze the risk.

Once a specific type of risk is added, an insurance company - then determines its reasons and consequences, as well as its consequences. The area of the analysis is to further understand each specific instance of risk, and how it could influence the company's projects and objectives.

Step 3: Evaluate or Rank the Risk.

The risk is then further evaluated after determining the risk's overall likelihood of occurrence combined with its overall consequence.

Insurance company can then make decisions on whether the risk is acceptable and whether the company is willing to take it on based on its risk appetite.

Step 4: Risk mitigation.

During this step, companies assess their highest-ranked risks and develop a plan to alleviate them using specific risk controls. These plans include risk mitigation processes, risk prevention tactics and contingency plans in the event the risk comes to fruition.

Step 5: Monitor and Review the risk.

Part of the mitigation plan includes following up on both the risks and the overall plan to continuously monitor and track new and existing risks. The overall risk management process should also be reviewed and updated accordingly.

Risk is about uncertainty. If we put a framework around that uncertainty, then effectively de-risk the project. That means we can move much more confidently to achieve the project area. By identifying and managing a comprehensive list of project risks, unpleasant surprises and barriers can be reduced and golden opportunities discovered. The risk management process also helps to resolve problems when they occur, because those problems have been envisaged, and plans to treat them have already been developed and agreed. We avoid impulsive reactions and going into "fire-fighting" mode to rectify problems that could have been anticipated. This makes for happier, less stressed project teams and stakeholders. The end result is that we minimize the impacts of project threats and capture the opportunities that occur.

Risk Framework

A good risk framework should have a strong governance structure. That's why the board and the management of PICL significantly manage their risks. This 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 "AA-" Credit rating from CRISL for its financial strength, Stability and Risk Management. It is also an ISO Certified insurance company in Bangladesh.

The ISO recommended that added -following target areas, or principles, should be part of the overall risk management process:

- Create value for the organization.
- Make an integral part of the overall organizational process.
- The Company's overall decision-making process.
- Address any uncertainty. It should be systematic and structured.
- On the best available information.
- Tailored to the project.
- Consider human factors, including potential errors.
- Transparent and all-inclusive.
- Adaptable to change.
- Continuously monitored and improved upon.

Measuring Risk Framework Effectiveness

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

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, ability and motivation to ensure effective risk taking, challenge, influence and change.
- The above activities -improve risk management by 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 improving the risk management through effective and indicative activities.

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 and risk management plan. Risk associated with the company's future business plans and strategies. This includes failure of future business plans due to aggressive marketing of competitors' 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 documentation, 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 fines, 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 a moment. Accordingly, PICL maintains an underwriting strategy to achieve the company's mission and vision successfully and follow a process as below:

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

d. Reinsurance Risks

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

- Assessment of underwriting data and arrange suitable treaties and fac.;
- Working in close liaison with reinsurance companies and brokers;
- Meeting the minimum rating as prescribed by the Regulators and
- 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 and also change 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 to monitor and control the regulatory aspects in Bangladesh insurance market. The management of PICL carefully complies 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 operation of business is very much transparent and which compiles 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 to secure the information and system against the 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 maintains-

- 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. 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 present 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 positive benefit to the business portfolio. The Company considers this to be a low risk factor since no credit business is done by Prime. Only as per insurance act, some business are doing by Prime against Bank guarantee/deposit premium.

k. Liquidity Risk

Liquidity risk is the risk that a company may be unable 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 for 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 which provided by Bangladesh Bank regarding prevention of money laundering and combating financing of terrorism.
- To ensure correct and full documentation of Proposal Form (KYC), which will enable 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 instructions of the regulatory authority.

n. Reputation Risk

Reputation risk arises from negative opinion from clients, corporates, banks, financial institutions etc. The main causes of reputation risk are bad 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 to its employees with a view to control and improve the reputation risk.

Above all, risk management planning (RMP) 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 decision 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 . 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.

Insurance is a method of dispersal of the risk of one onto the shoulders of multiple consisting two integral characteristics: (i) shifting of risk from one individual to a group and (ii) express and notify the losses on equitable essence by bodily members of the group. From an individual point of view, insurance is an economic reference whereby the individual substitutes a small premium for a large financial risk 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.

Prime Insurance gives highest importance on financial security. Prime Insurance imparts technical capacity in a professional manner to the clients and loss adjusters. The handling of salvage at the heels of easing 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.

Besides, 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 a 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. Time, assets, income, property, and people are all expensive resources that can be saved if fewer claims occur. Thereby, this protects the nation, reputation and image of the clientele, preventing or reducing apprehended liability and damages. This protects the environment, enhancing the power to prepare for different circumstances, reducing liabilities, assisting in visibly defining insurance needs. Prime Insurance is committed to loss reduction or restraint and makes client a better risk to insure as well.



Disclosure of RISK REPORTING

Prime insurance maintains informative, transparent and consistent risk reporting for its valued clients, stake holders and the industry itself. 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:

- Clear, balanced and understandable.
- Includes all the insurer's key activities and risks.
- Presents relevant information.
- Consistent over time.
- Comparable among insurers.
- Provided on a timely basis.

It is important for standard setters and policymakers to consider the reporting and disclosure in the context of investor experiences and other matters which 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.

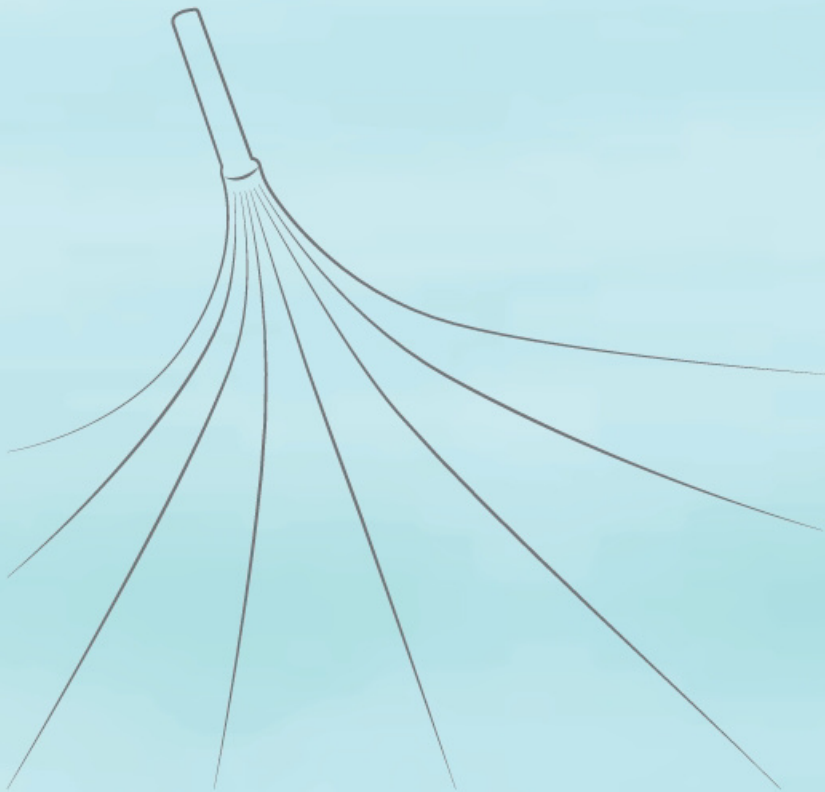
In order to ensure proper disclosure Prime Insurance clears the terms and conditions of each new policy issued. For new and valued clients Prime does this service through surveyors' report to the potential insured. The main principle of insurance, utmost good faith,

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. Moreover, 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. There is a growing agreement among users, preparers and advisers that risk reporting needs to improve; better risk registration is an integral part of good governance.

It is to confirm 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, 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. Bangladesh Bank and IDRA have given priority to Anti Money Laundering (AML) and Combat Terrorist Financing (CFT) issues. In view of arresting probable money laundering activities and combating terrorist financing, Prime Insurance is cautiously underwriting its insurance business through all its branches if there is any suspicious transaction to report to the BFIU of Bangladesh Bank on prescribed format of STR, if any.



STAKEHOLDERS & INVESTOR'S INFORMATION





6-Year

FINANCIAL HIGHLIGHTS IN ADDITION TO YEAR UNDER CONSIDERATION

6-years Key Operating Results and Financial Data (as on 31 December)

Particulars	Amount in Million (BDT)					
	2018	2017	2016	2015	2014	2013
Operational performance:						
Gross premium income (turnover)	682.84	669.07	535.01	579.55	550.45	544.94
Re-insurance ceded	441.57	414.54	337.95	367.72	249.47	295.17
Net premium income	241.27	254.53	197.06	211.84	300.98	249.77
Management expenses	123.92	121.58	115.28	132.26	128.90	106.11
Net claims	(6.18)	38.89	4.52	(4.91)	19.87	11.83
Reserve for un-expired business	96.67	102.10	78.86	90.27	120.41	107.54
Operating profit/(loss)	101.73	85.54	79.37	118.27	102.99	97.76
Interest income	14.14	12.02	21.51	28.88	39.11	42.83
Investment & dividend income	(15.75)	31.95	20.79	4.15	19.32	8.84
Other income	0.62	0.08	1.28	1.43	1.93	1.28
Gross profit/(loss) before tax	78.53	110.67	101.88	133.01	138.53	127.63
Current tax provision	29.50	15.67	26.30	46.53	40.18	41.12
Net profit/(loss) after tax	45.87	88.72	74.23	86.21	98.35	86.51
Earnings before interest, depr. & tax	89.20	122.81	111.27	143.24	147.56	136.05
Earnings per share (EPS) after tax	1.12	2.17	1.82	2.11	2.41	2.22

Profitability and performance ratios:

Gross profit margin ratio (%)	11.50	16.54	19.04	22.95	25.17	23.42
Operating income ratio (%)	24.89	20.93	19.42	28.93	26.45	28.88
Net profit/net income margin ratio (after tax)(%)	6.72	13.26	13.87	14.88	17.87	15.88
Return on assets ratio (%)	3.52	7.26	6.68	7.58	8.27	8.29
Return on equity ratio (%)	6.65	12.57	11.08	13.33	14.82	15.31
Operating cash flow to net profit ratio (%)	(7.19)	23.53	(74.66)	(82.15)	85.19	83.98
Earnings per share before tax (Taka)	1.92	2.71	2.49	3.30	3.56	3.72
Earnings per share after tax (Taka)	1.12	2.17	1.82	2.11	2.41	2.22

Liquidity ratios:

Current ratio (times)	1.54	1.70	2.13	2.03	1.88	1.48
Quick ratio (times)	1.52	1.67	2.12	2.02	1.87	1.50
External liability ratio%	47.08	42.48	40.00	43.00	44.00	46.00
Internal capital generation ratio%	78.00	79.00	78.00	77.00	77.00	73.00
Return on shareholders fund after tax (%)	6.65	12.57	11.08	13.33	14.82	15.31
Net operating cash flow per share Taka	(0.08)	0.51	(1.36)	(1.73)	2.15	1.87
Net operating cash flow (in million Taka)	(3.30)	20.88	(55.42)	(70.82)	83.78	72.65

Particulars	Amount in Million (BDT)					
	2018	2017	2016	2015	2014	2013

Operating ratios:

Retention ratio (%)	35.00	38.00	36.83	36.55	54.68	45.83
Net claims ratio (%)	(0.03)	15.28	2.29	(2.32)	6.60	4.74
Assets turnover ratio	101.06	105.47	125.24	111.62	120.52	103.69

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	1,000.00
Paid-up capital	408.77	408.77	408.77	408.77	389.31	338.53
Internal capital generation	540.16	555.60	520.03	496.90	513.42	415.07
Shareholders funds	690.16	705.60	670.03	646.90	663.42	565.07
Reserve & contingent accounts	281.38	296.83	261.26	303.41	274.11	226.54
Current liabilities	613.82	517.21	441.19	490.10	526.39	477.89
Current assets	943.71	872.97	940.61	995.19	992.14	583.23
Account receivable (amount due from other persons & sundry debtors)	772.70	637.10	516.97	537.97	410.35	292.99
Inventories (stationery & stamp)	4.60	4.79	5.02	5.66	4.95	4.46
Total Assets	1,303.97	1,222.82	1,111.22	1,137.00	1,189.81	1,042.96

Stockholders Information:

Cash dividend per share (%)	10.00%	15.00%	13.00%	12.50%	10%	0%
Stock dividend paid per share (%)	0%	0%	0%	0%	5%	15%
Total dividend paid per share (%)	10%	15%	13.00%	12.50%	15%	15%
Earnings per share (Taka) after tax	1.12	2.17	1.82	2.15	2.53	2.56
Price Earnings ratio (P/E)=(MV/EPS*100)	12.23	8.85	10.00	6.98	7.83	12.62
Dividend Payout ratio: (Dividends/NP*100)	89.29%	69.12%	71.43%	58.14%	59.29%	58.59%
Dividend yield ratio: (Dividend per share/Stock price*100)	7.30%	7.81%	7.14%	8.33%	7.58%	4.64%
Net Assets Value (Book Value)	690.16	705.60	670.03	646.90	663.42	565.07
Net Assets Value per share (Book Value) = (Equity/No. of shares)	16.88	17.26	16.39	15.83	16.23	16.69
Market shares capitalization	560.02	784.85	743.97	613.16	770.83	1,093.45
Market value closing price per share	13.70	19.20	18.20	15.00	19.80	32.30

Solvency Information:

Debt to equity ratio (times)	0.89	0.73	0.66	0.76	0.79	0.85
Required Solvency Margin	92.93	86.23	68.17	74.90	71.97	71.80
Available Solvency Margin	346.95	472.80	332.93	361.09	387.03	320.14
Solvency Margin ratio (times)	3.73	5.48	4.88	4.82	5.38	4.46

Particulars	Amount in Million (BDT)					
	2018	2017	2016	2015	2014	2013

Financial position (Balance sheet analysis):

Shareholders funds	690.16	705.60	670.03	646.90	663.42	565.07
Property, plant & equipments	199.15	211.89	57.94	57.65	45.49	46.29
Net current assets	943.71	872.97	940.61	993.31	992.14	707.43
Current liabilities	613.82	517.22	441.19	490.10	526.39	477.89

Investable assets quality:

Total investment	407.76	452.88	597.55	679.91	858.65	715.45
Cash at bank (STD & CD Account)	55.84	45.58	50.63	35.10	46.35	30.84
Fixed deposit receipts	86.40	164.94	164.40	294.80	406.30	353.00
Share Investment	136.12	128.96	103.67	75.16	152.19	177.33
10-year BGTB	25.00	9.00	9.00	9.00	9.00	9.00
Building property	104.40	104.40	269.85	265.85	244.81	145.28
Fixed Assets:						
Property, plant & equipments	199.15	211.88	57.94	57.65	45.49	46.29
Total assets	1303.97	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	40.88	38.93	33.85
Branch Offices/Booth	18	18	18	20	20	19
No. of shareholders as at December	2,193	2,001	2,238	2,941	3,752	3,920
Number of Employees as at December	188	189	211	256	297	303

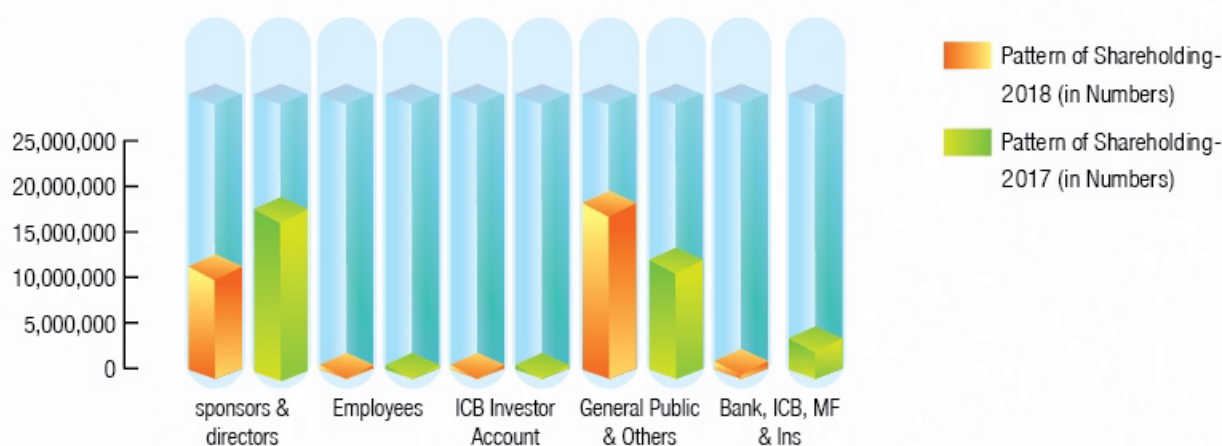


Position of SHAREHOLDING

The shareholding position of various stakeholders, institutions and promoter group etc has not increased as compared to its previous year due to its declaration of 15% of cash dividend on its exiting paid-up share capital. Distribution of shareholders number of shares as well as category wise share holding position comparison statements are given below:

Category of Shareholders	For the year-2018		For the year-2017	
	No. of Shares Holdin	% of holding	No. of share holding	% of holding
A. Group-A: Sponsors & Directors: 19,578,208 shares of Tk.10 each fully paid-up	14,005,276	34.26%	19,578,208	47.89%
B. Group-B: Public Shareholders: shares of Tk.10 each fully paid-up	26,872,222	65.74%	21,299,290	52.11%
1. Banks, ICB, MFs & Insurance Companies	922,818	2.25%	4,288,050	10.48%
2. Employees	-	0.00%	-	0.00%
3. ICB Investors' Accounts	-	0.00%	796,793	1.95%
4. Ramisha BD. Ltd.	2,500,000	6.12%	2,500,000	6.12%
5. Fareast Islami Securities Ltd	2,595,000	6.35%	-	0.00%
5. General public	20,854,404	51.02%	13,714,447	33.55%
Total Number of Weighted Shares	40,877,498	100.00%	40,877,498	100.00%

Pattern of Shareholding position are shown in graphs as under:



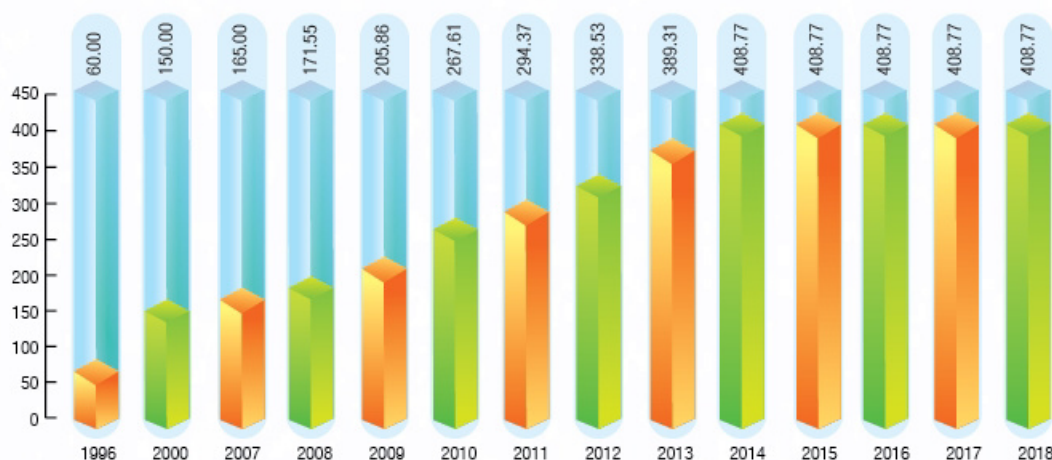
The Growth of PAID-UP CAPITAL

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 company has been maintaining a stable and attractive dividend policy in line with the sound underwriting and investment results.

After increasing paid-up capital by way of stock dividend the total paid-up capital at present stood at Tk. 408.77 million in 2018. 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	12.5% cash dividend		10		408,774,980
2016	13% cash dividend		10		408,774,980
2017	15% cash dividend		10		408,774,980
2018	10% cash dividend		10		408,774,980

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



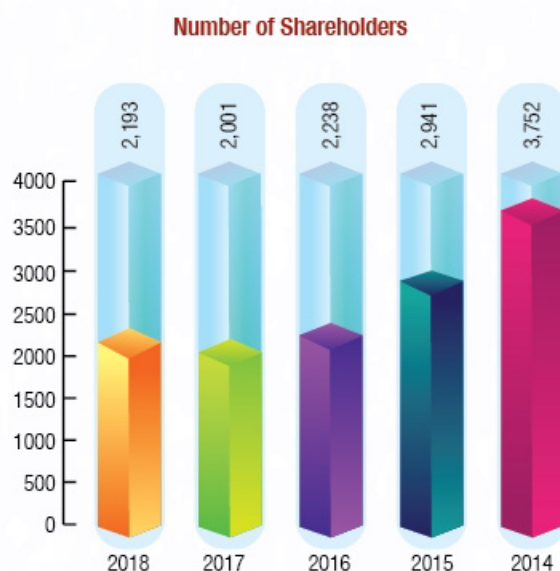
Number of SHAREHOLDERS

The shareholders are the ultimate owners of the company. The shares of a listed company are tradable in the Stock Exchanges. There are segregations of shares like sponsors, institutional and public shares. Generally, public shares are traded very often. The sponsor shareholders normally holds the shares for long time. They do not sell their shares every now and then like public shares. Sometimes, there are restrictions in selling shares by the sponsors.

Declarations are required as to when they want to sell or buy shares. The Directors' shares also required declaration in the stock exchanges to sell their shares. Public shareholders do not require any declaration to sell or buy any number of shares unless they become a Director on the Board. Thus the shareholders number vary from year to year as the shares are traded in the whole year at the market days of the stock exchanges.

The following table indicates number of Shareholders hold their shares as on December 31, 2018.

Year	No. of shareholders	Growth	% of growth
2014	3,752	(171)	(4.56)
2015	2,941	(811)	(27.58)
2016	2,238	(703)	(31.41)
2017	2,001	(237)	(11.84)
2018	2,193	192	8.76



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 assets value (NAV), market shares capitalization, reserve fund etc. Overall, equity statistics of Prime Insurance Company Ltd are stated below:



Particulars	Amount in Million Taka				
	2018	2017	2016	2015	2014
Authorized capital (million BDT)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Paid-up capital (million BDT)	408.77	408.77	408.77	408.77	389.31
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 issued so far (in million BDT)	258.77	258.77	258.77	258.77	239.31
Net assets value (in million BDT)	690.16	705.60	670.03	646.90	663.42
Net assets value per share (BDT)	16.88	17.26	16.39	15.83	17.04
Market shares capitalization (in million BDT)	560.01	784.85	743.97	613.16	770.83
Earnings per share (EPS)	1.12	2.17	1.82	2.11	2.41

Reserve & Contingent Liabilities

Particulars	Amount in Million Taka				
	2018	2017	2016	2015	2014
Reserve for exceptional losses	228.35	210.25	191.16	171.45	155.57
Investment fluctuation fund	-	-	-	-	50.85
General reserve	10.40	9.90	8.90	7.70	7.50
Retained earnings	42.57	76.68	61.19	58.97	60.20
Total	281.32	296.83	261.25	238.12	274.12



Investor-friendly/Stakeholder-Friendly Information ENQUIRIES & 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 about their stake related information. With a view to making the Annual General Meeting of the Company more participatory, Prime 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.

Prime is always unswerving 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.

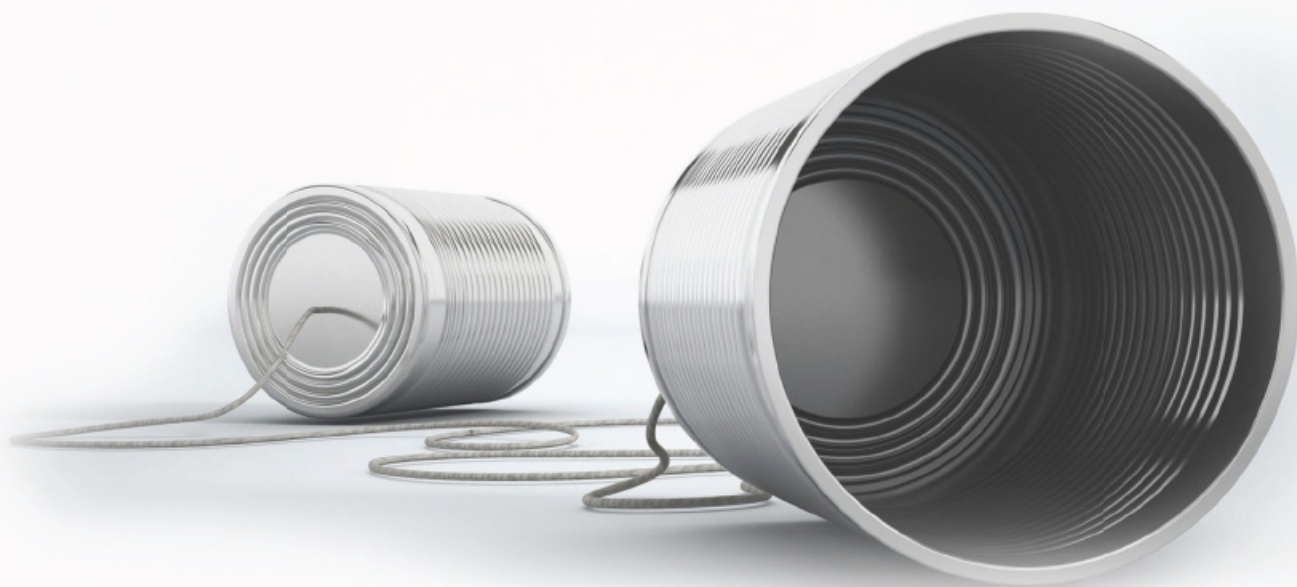
An investor can make a written complaint and also through e-mail. A serious complaint must be referred to the Chief Executive Officer (CEO) and even to the Board of Directors of the Company, if so warrants. Any queries relating to shareholders' transfer of shares, changes of name and addresses and payment 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
EVP & 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

Customer's feedback is the important phenomenon for a business organization. It may be positive and negative or both for partial positive and partial negative. If the organization mitigates it in a positive manner the organization must be able to maintain its bases for ensuring its going concern. Clients' complaints are expected, 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 and it is ruining indeed. 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 certainly something moral 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. The customers are always important for the livelihood of the organization. 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 through physical presence.

Prime Insurance is a service oriented company, therefore, the clients' satisfaction is always its first priority. It conducts survey to all of its clients for feedback on their experience. PICL has Customer

Feedback Form which it fill out through visit to clients. After that the Management go through the collected forms periodically and review them to identify recurring complaints.

Prime has also Customer Complaint Box as per instruction of IDRA. It is always ready with its 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. It encourages its clients to come forward with any complaint the clients may have and the top management is completely accessible to all of those. Complaints can be lodged with the management in writing, over telephone, fax, by e-mail or through the web site of the company.

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

Dividend PAYMENT POLICY

Prime Insurance Company Ltd has been maintaining a good and lucrative dividend payment policy to its shareholders and investors. Shareholders always expect maximum return of their investment and the Board of Directors of the Company 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. Prime Insurance has already fulfilled its minimum requirement of paid-up capital as per Insurance Act, 2010. From 2014 onward the company has been declaring only cash dividend after fulfillment of its paid-up capital requirement.

Considering the performance in 2018 of the Company the Board of Directors in its meeting No-311 held on 7 February 2019 has recommended 10% cash dividend for the year ended December 31, 2018 on paid-up capital of Tk. 408,774,980 subject to approval in the 23rd Annual General Meeting. The management tries to maintain the trust of shareholders and due to this, the Board of Directors allocates good dividend in a hard market situation and that dividend will be distributed among the shareholders within stipulated time as prescribed in the law. Last 5-year stock and cash dividend ratios and graphs are given below:

Cash and Stock dividend Ratios

Year	2018	2017	2016	2015	2014
Cash dividend ratio (%)	10.00%	15.00%	13.00%	12.50%	10.00%
Stock dividend ratio (%)	0.00%	0.00%	0.00%	0.00%	5.00%
Total dividend (%)	10.00%	15.00%	13.00%	12.50%	10.00%

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



Corporate It & WEBSITE INFORMATION

Prime Insurance Company Ltd has been operating 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 has also a Corporate Website: www.prime-insurance.net to publish the 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, Capital Structure, Assets and Investment, Corporate Governance, Future Prospects, Products and 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 the 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.



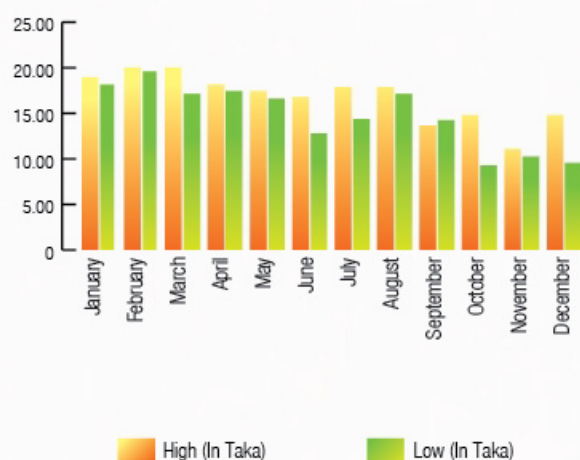
Market Share Price Of COMPANY'S PAID-UP CAPITAL (DSE & CSE)

The Company has been listed with both Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd (CSE) on March 21, 2001 and March 22, 2001 respectively. There was a direct relationship between the share price and trade volume. PICL's share price increases or decreases in line with the stock market indices.

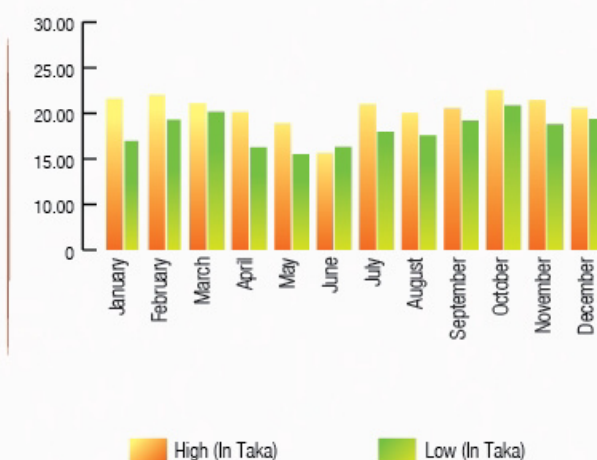
In 2018, PICL share price reached highest price of Tk. 20.80 in the month of February 2018 and lowest price of Tk. 12.50 in the month of October 2018 at Dhaka Stock Exchange (DSE). The shares of Prime Insurance have been traded in the bourses of DSE & CSE and the monthly highest and lowest price position in both the bourses are given below:

Months in 2018	Dhaka Stock Exchange (DSE)		Chittagong Stock Exchange (CSE)	
	High (Tk)	Low (Tk)	High (Tk)	Low (Tk)
January	19.60	18.00	21.00	17.20
February	20.80	20.10	22.40	19.50
March	20.60	16.60	22.00	20.70
April	18.00	17.10	20.60	18.20
May	17.80	16.90	19.90	17.00
June	17.50	16.20	17.50	17.50
July	16.30	13.60	21.50	18.50
August	15.50	14.30	20.00	18.00
September	14.50	14.40	21.50	19.40
October	15.20	12.50	23.00	20.80
November	13.60	12.90	22.00	18.50
December	15.40	13.70	20.50	19.00

Dhaka Stock Exchange (DSE)



Chittagong Stock Exchange (CSE)





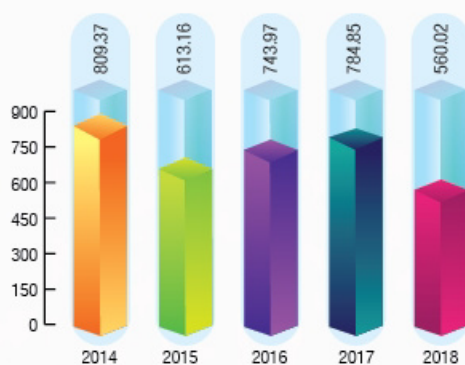
Market CAPITALIZATION OF SHARES

Share market is a volatile institution. There was direct relation between the share price of Prime Insurance Company Ltd and that of the turnover of Insurance sector for the year 2018. In the year 2018 Market capitalization of the company is Tk. 560.02million while it was Tk. 784.85 million in the year 2017. Overall, market trends has been going downward for more than 5 years. During the year 2018, it reveals that market trends has been going further downward to demotivate investment to all investors and stakeholders.

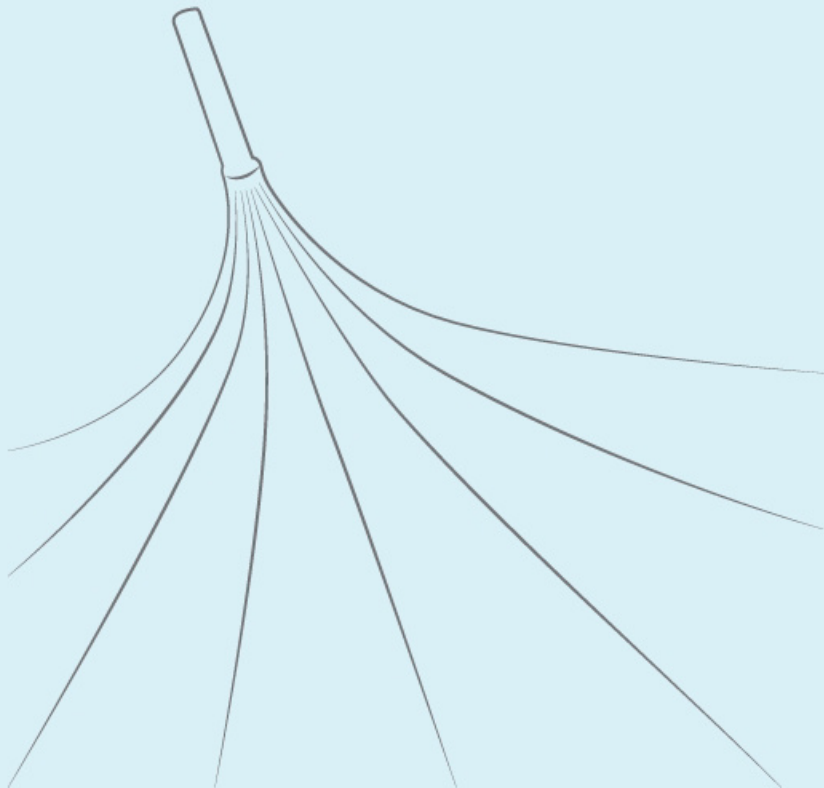
At a Glance 5 Years Market Capitalization status are given below:

Particulars	2018	2017	2016	2015	2014
Total number of shares outstanding	40,877,498	40,877,498	40,877,498	40,877,498	40,877,498
Market closing price as on 31 Dec (DSE)	13.70	19.20	18.20	15.00	19.80
Market Shares Capitalization (in BDT)	560,021,723	784,847,962	743,970,464	613,162,470	809,374,460

PICL Market Share Capitalization (in million Taka)



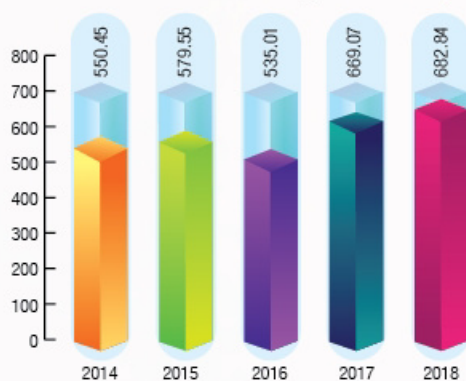
GRAPHICAL PRESENTATION



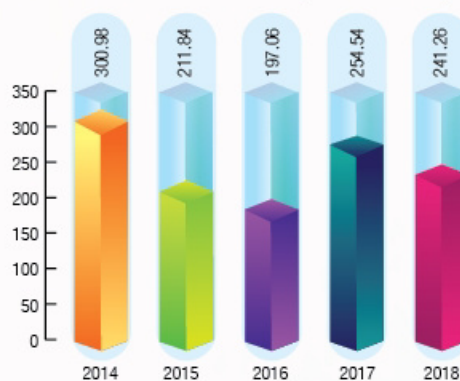


Graphical SEGMENT INFORMATION

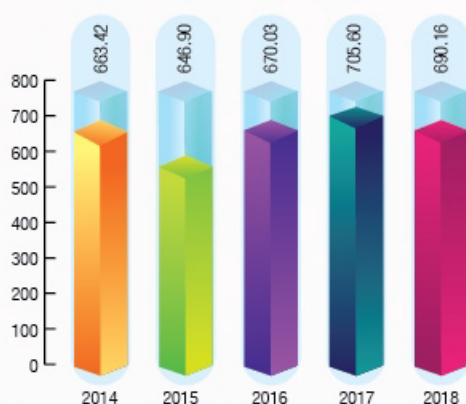
Gross Premium Income (in million Taka)



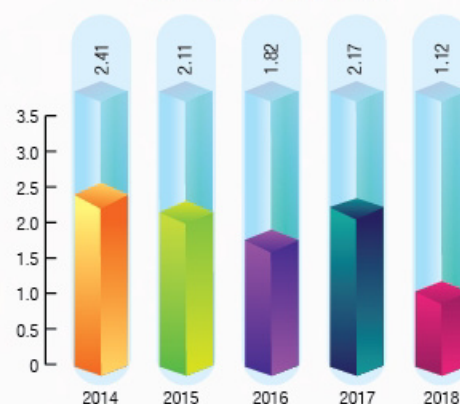
Net Premium Income (Taka in million)



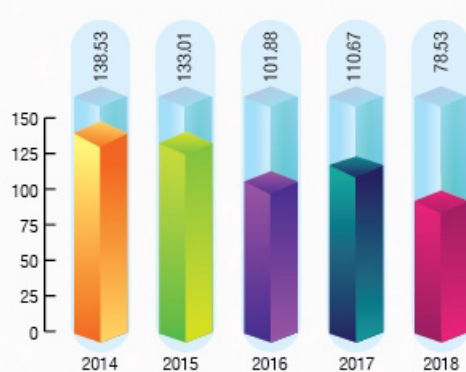
Net Assets Value (In million Taka)



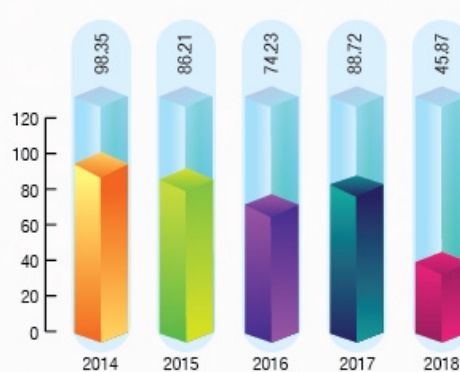
Earning Per Share (In Taka)



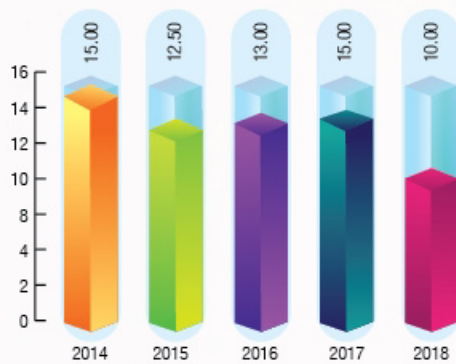
Profit Before Tax (in million Taka)



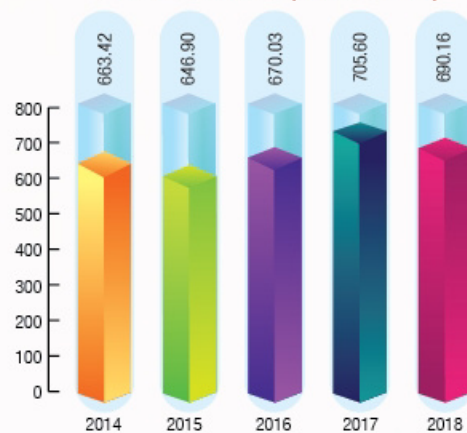
Profit After Tax (in million Taka)



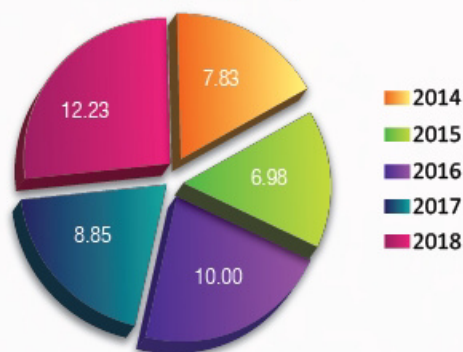
Stock & Cash dividend Paid Percentage



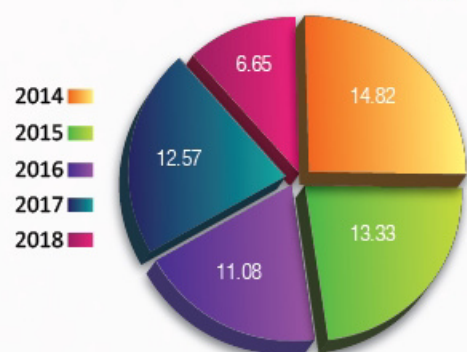
Shareholders Fund (Taka in million)



Price Earning Ratio (Times)

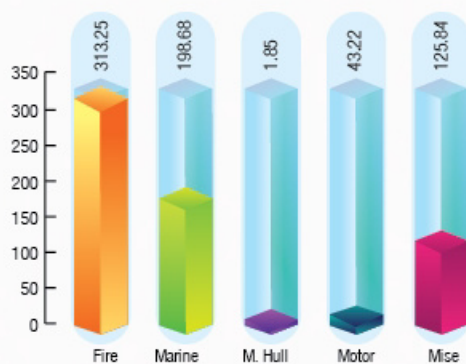


Return on Shareholders Fund/Equity(%)

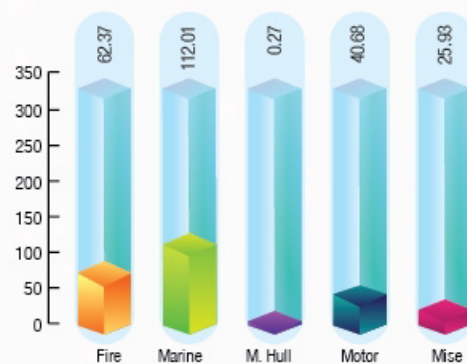


Segment Wise Operating Performance in Graphs

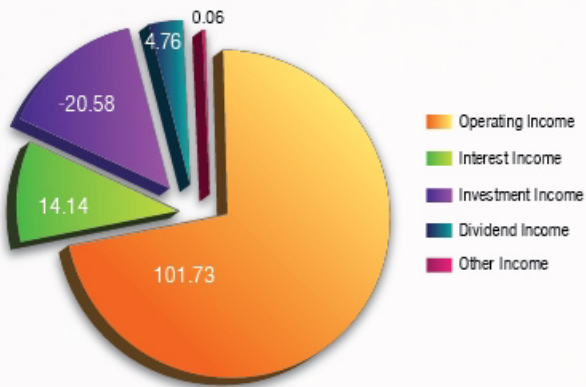
Class Wise Gross Premium Income-2018



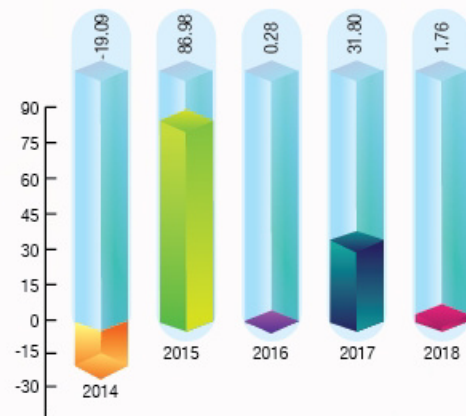
Class Wise Net Premium Income-2018



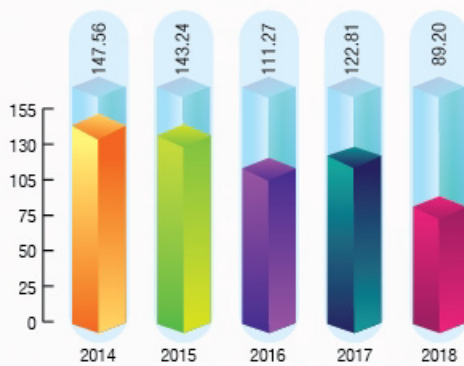
Segment Wise Income-2018 (In million Taka)



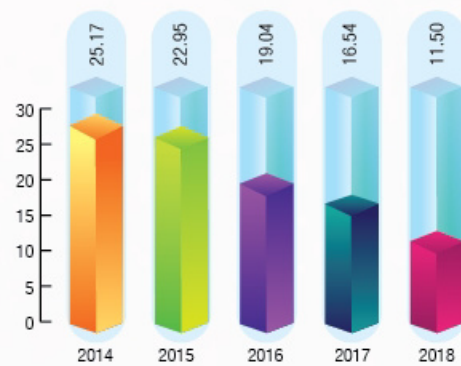
Class Wise Operating Income-2018



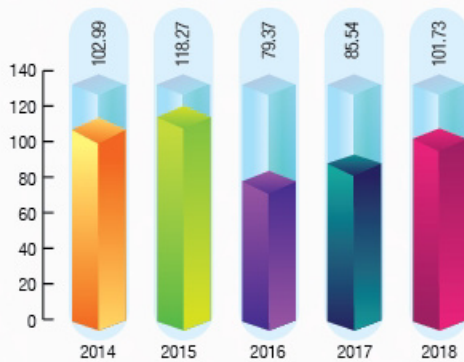
Earning Before Interest, Depreciation & Tax



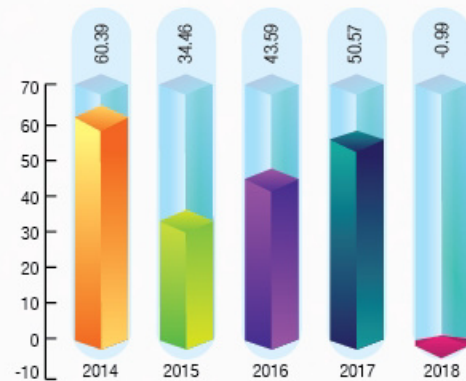
Gross profit Margin Ratio (%)



Operating Profit (Taka in million)

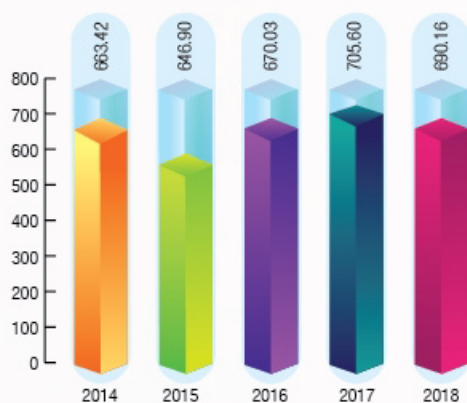


Investment & Others Income (in million Taka)

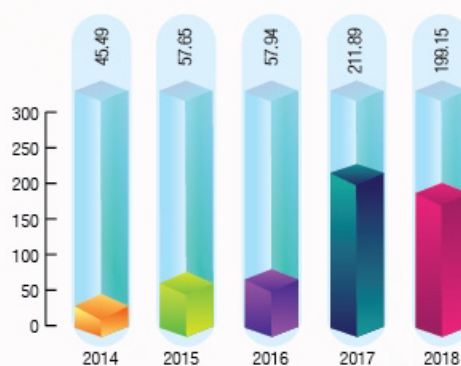


Statement of Financial Position (Balance Sheet)

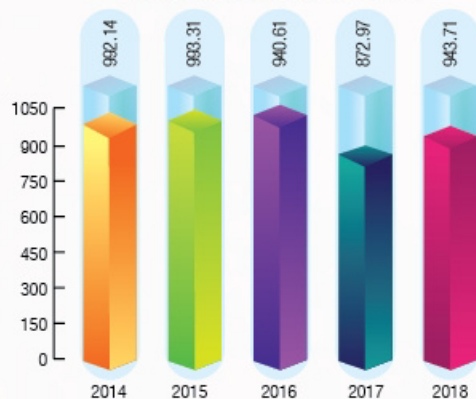
Shareholders Fund and Equity (In million Taka)



Property, Plant, Equipment (Taka in million)



Current Assets (Taka in million)

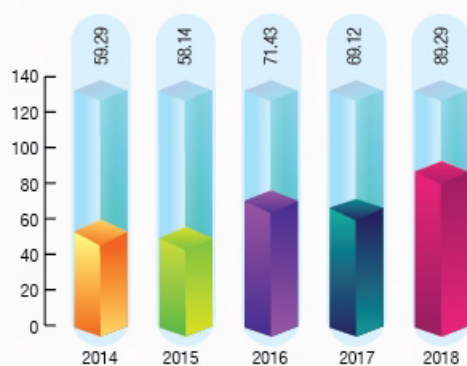


Current liabilities (in million Taka)

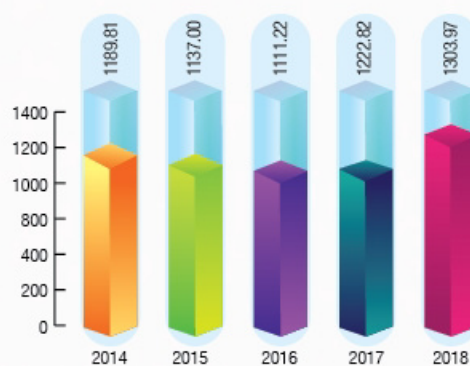


Other financial Information

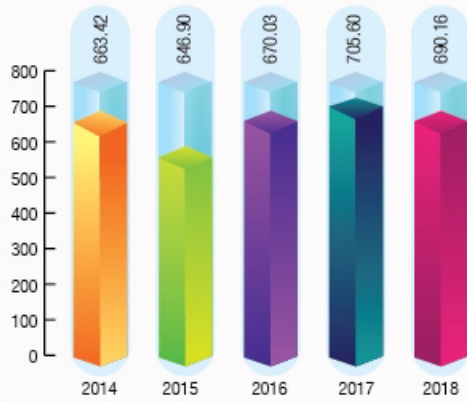
Stock Dividend Payout Ratio



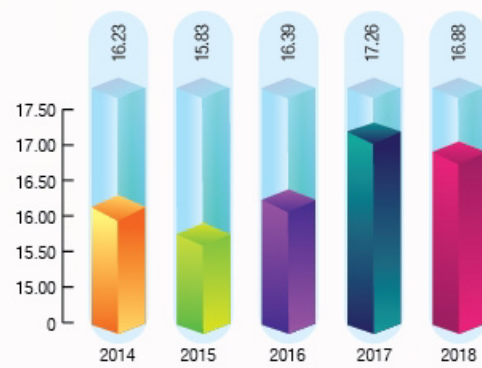
Total Assets (Taka in million)



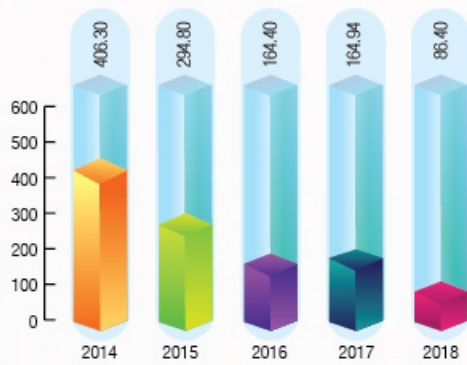
Net Assets Value (Taka in million)



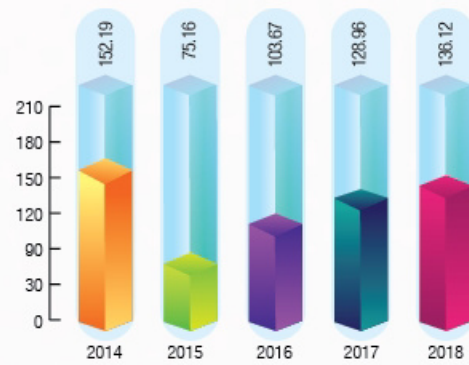
Net Assets Value Per Share



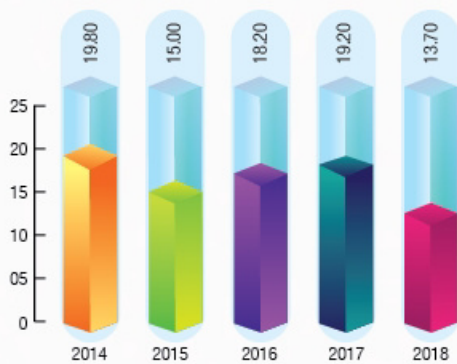
FDR Position : (Amount in Million)



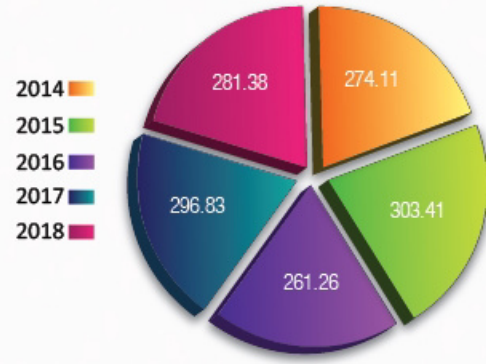
Share Investment (Taka in million)



Market Value Closing Price per Share



Reserve and Surplus (Amount in Million Taka)



Horizontal & Vertical Analysis Statement of OPERATIONAL PERFORMANCE OF THE COMPANY

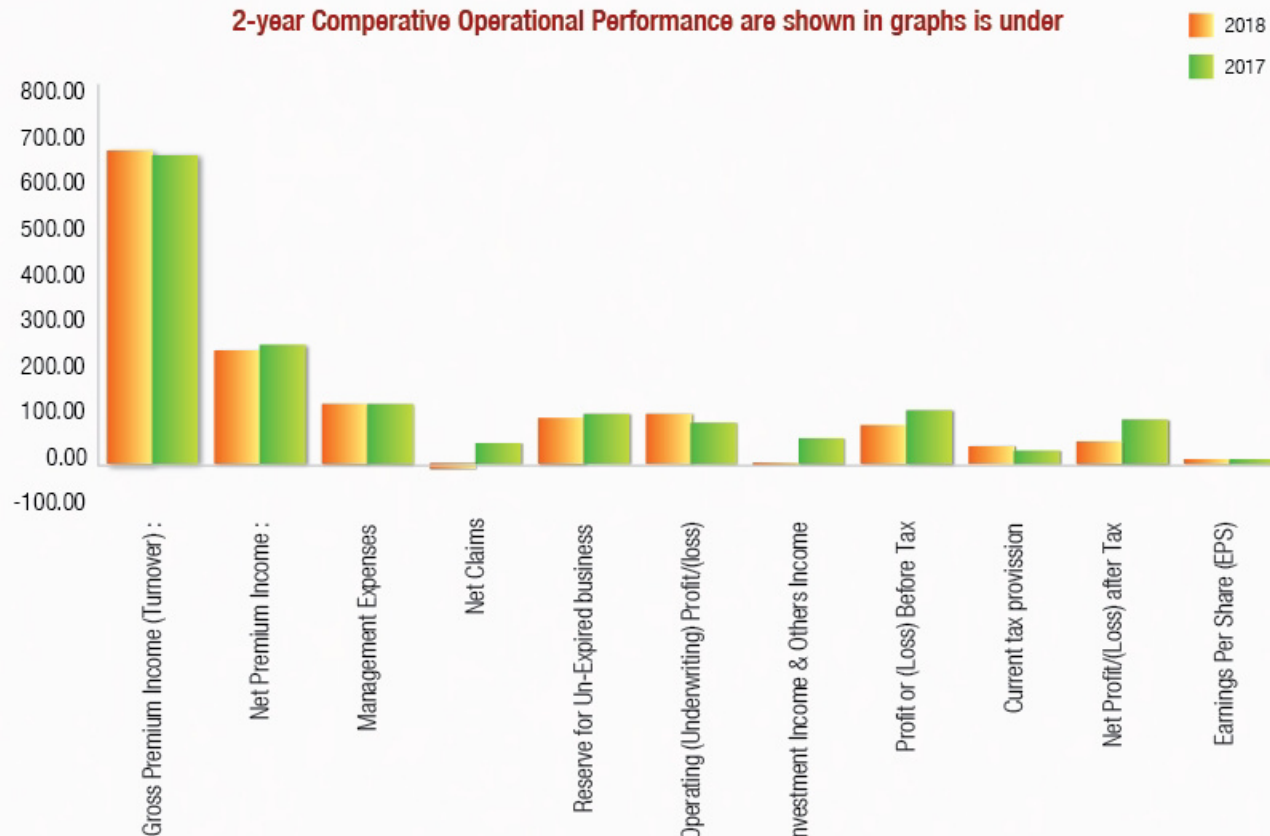
Prime Insurance Company Ltd has been maintaining a significant growth in the recent years in its financial position and performance of its business operation in the non-life insurance sector of Bangladesh. Under below statements and graphical composition of operational performance and financial position indicates its growth of performance of the company for the year ended December 31, 2018 and 2017

Performance of the Company

In million Taka

Particulars/Year	2018	2017	Growth	Growth %
Gross premium/Turnover	682.84	669.07	13.77	2.06
Net premium	241.26	254.54	(13.28)	(5.22)
Management expenses	123.92	121.58	2.34	1.92
Net claims	(6.18)	38.89	(45.07)	(115.89)
Reserve for un-expired risk	96.67	102.10	(5.43)	(5.32)
Operating/underwriting profit	101.73	85.54	16.19	18.93
Investment and other income	-0.99	50.57	(51.56)	(101.96)
Profit before tax	78.53	110.67	(32.14)	(29.04)
Current tax provision	32.66	15.67	6.33	24.04
Net profit after tax	45.87	88.72	(42.85)	(48.30)
Earnings per Share (EPS) in Taka	1.12	2.17	(1.05)	(48.39)

2-year Comparative Operational Performance are shown in graphs is under



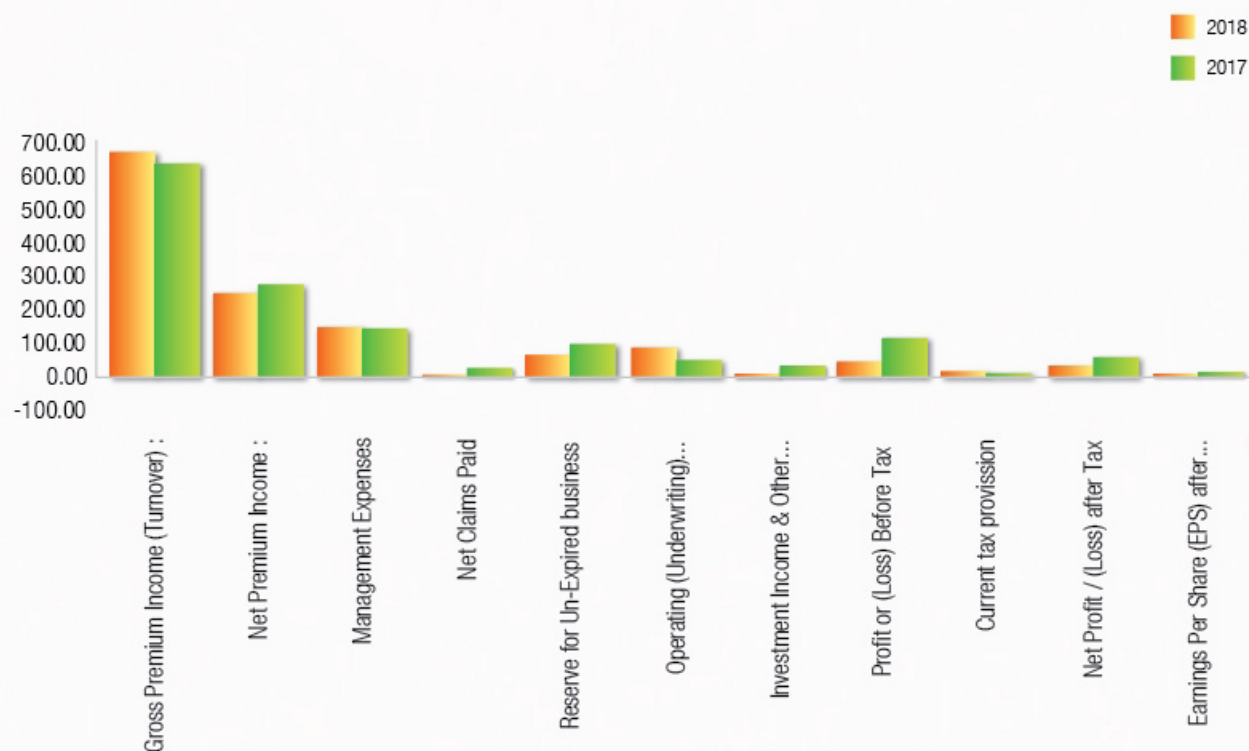
5 YEARS OPERATIONAL PERFORMANCE ARE GIVEN BELOW

Operational Performance

In million Taka

Particulars/Year	2018	2017	2016	2015	2014
Gross premium income (Turnover)	682.84	669.07	535.01	579.55	550.45
Net premium income	241.26	254.54	197.06	211.84	300.98
Management expenses	123.92	121.58	115.28	132.26	128.90
Net claims	(6.18)	38.89	4.52	(4.91)	19.87
Reserve for un-expired risk	96.67	102.10	78.86	90.27	120.41
Operating profit/(loss)	101.73	85.54	79.37	118.27	102.99
Investment & other income	-0.99	50.57	43.54	34.46	60.39
Gross profit/(loss) before tax	78.53	110.67	101.88	133.01	138.53
Current tax provision	32.66	15.67	26.33	46.53	40.18
Net profit/(loss) after tax	45.87	88.72	74.23	86.20	98.35
Earnings Per Share (EPS) in Tk.	1.12	2.17	1.82	2.11	2.41

At a Glance 2 Years Operational Performance (in graphs)

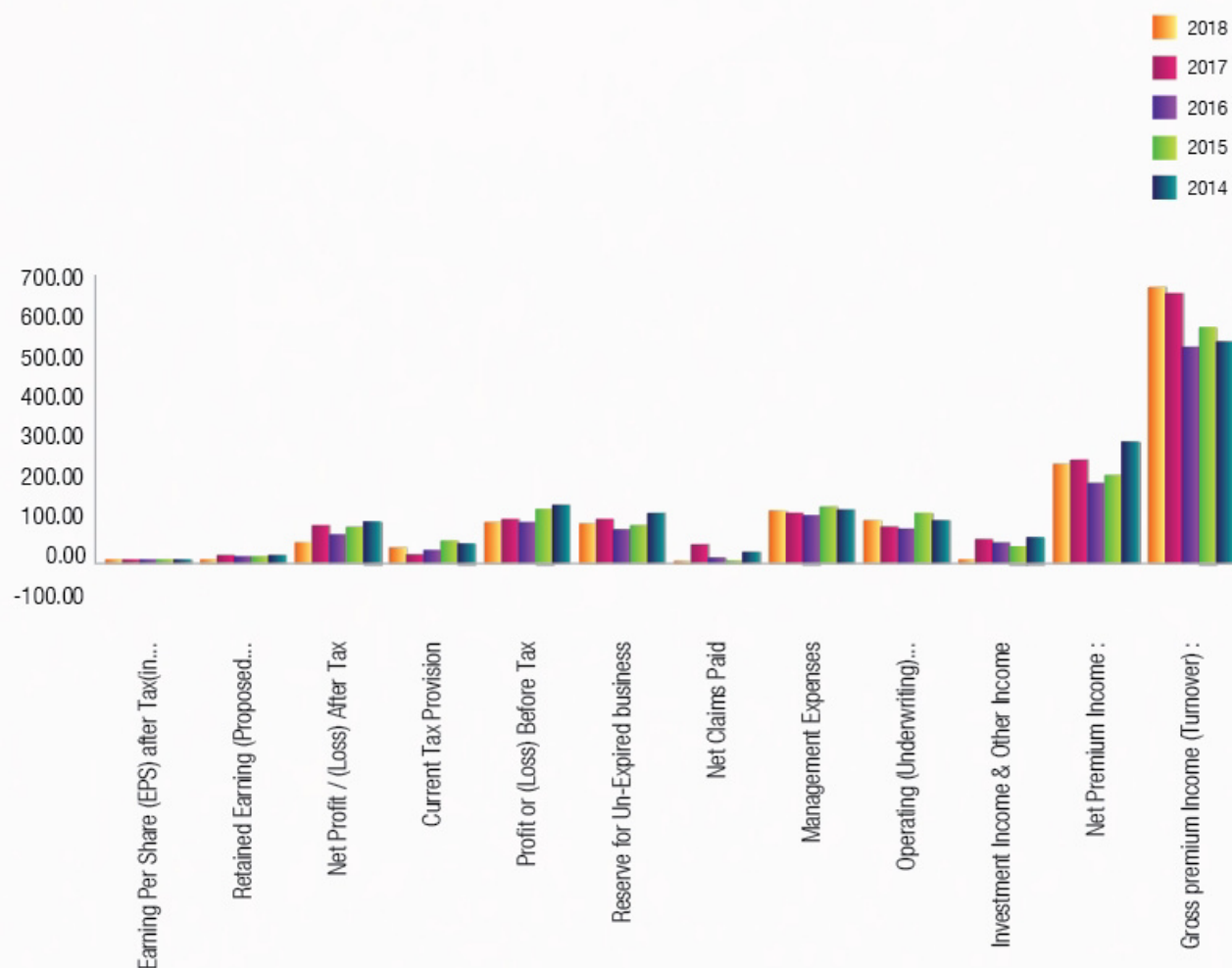


Operational Performance

In million Taka

Particulars/Year	2018	2017	2016	2015	2014
Earnings Per Share (EPS)	1.12	2.17	1.82	2.11	2.41
Proposed dividend %	10.00	15.00	13.00	12.50	15.00
Net profit/(loss) after tax	45.87	88.72	74.23	86.21	98.35
Current tax provision	32.66	15.67	26.33	46.53	40.18
Profit or/(loss) before tax	101.73	110.67	101.88	133.01	138.53
Reserve for un-expired risk	96.67	102.10	78.86	90.27	120.41
Net claims	(6.18)	38.89	4.52	(4.91)	19.87
Management expenses	123.92	121.58	115.28	132.26	128.90
Operating (underwriting) profit/(loss)	101.73	85.54	79.37	118.27	102.99
Investment & other income	-0.99	50.57	43.54	34.46	60.39
Net premium income	241.26	254.54	197.06	211.84	300.98
Gross premium income (Turnover)	682.84	669.07	535.01	579.55	550.45

5-year Operational Performance are shown in Graphs as under:



Financial Position

BALANCE SHEET ANALYSIS

Prime Insurance company has been enjoyed a steady growth in the recent years in its financial position. 2 Years comparative Financial position of the company are given below :

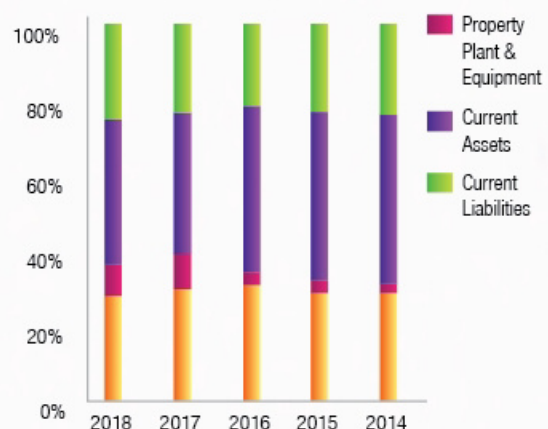
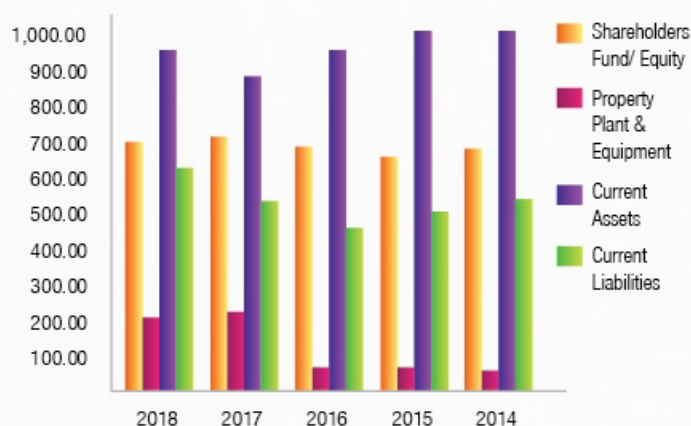
Financial Position (Balance sheet Items)

Year	2018	2017	Growth	Growth %
Shareholders fund/Equity	690.16	705.60	(15.44)	(2.19)
Property Plant & Equipment	199.15	211.89	(12.74)	(6.01)
Current assets	943.71	872.97	70.74	8.10
Current liabilities	613.82	517.22	96.60	18.68

5-year Financial Position (Balance Sheet Analysis)

Financial Position (Balance sheet Items)

Particulars/Year	2018	2017	2016	2015	2014
Shareholders fund/Equity	690.16	705.60	670.03	646.90	663.42
Property Plant & Equipment	199.15	211.89	57.97	57.65	45.49
Current assets	943.71	872.97	940.61	993.31	992.14
Current liabilities	613.82	517.22	441.19	490.10	526.39

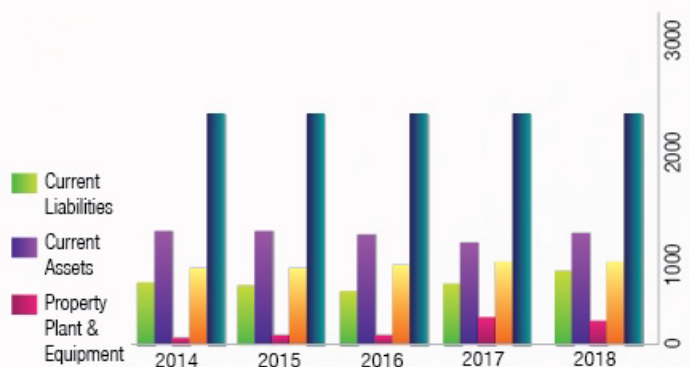
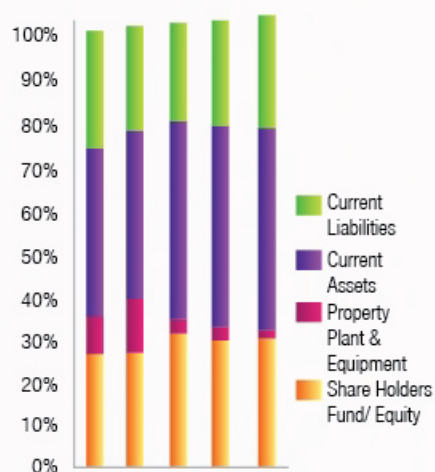


FINANCIAL POSITION BALANCE SHEET ANALYSIS

Financial Position (Balance sheet Items)

In million Taka

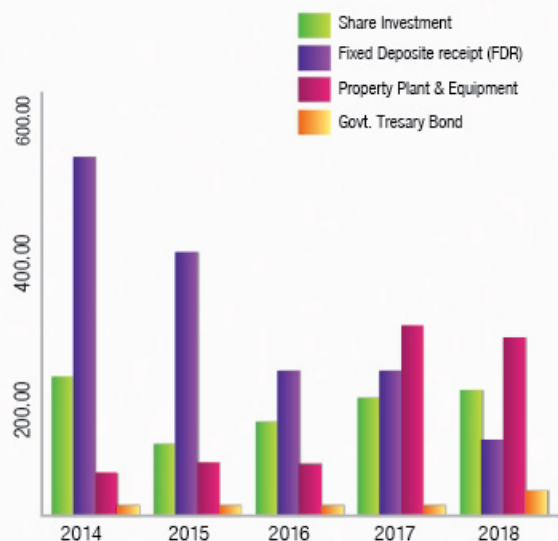
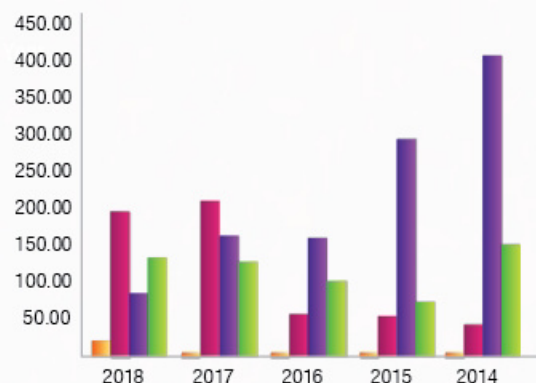
Year	2018	2017	2016	2015	2014
Shareholders funds	690.16	705.60	670.03	646.90	661.87
Property Plant & Equipment	199.15	211.89	57.97	57.65	45.49
Current assets	943.71	872.97	940.61	995.19	992.14
Current liabilities	613.82	517.22	441.19	490.10	526.39



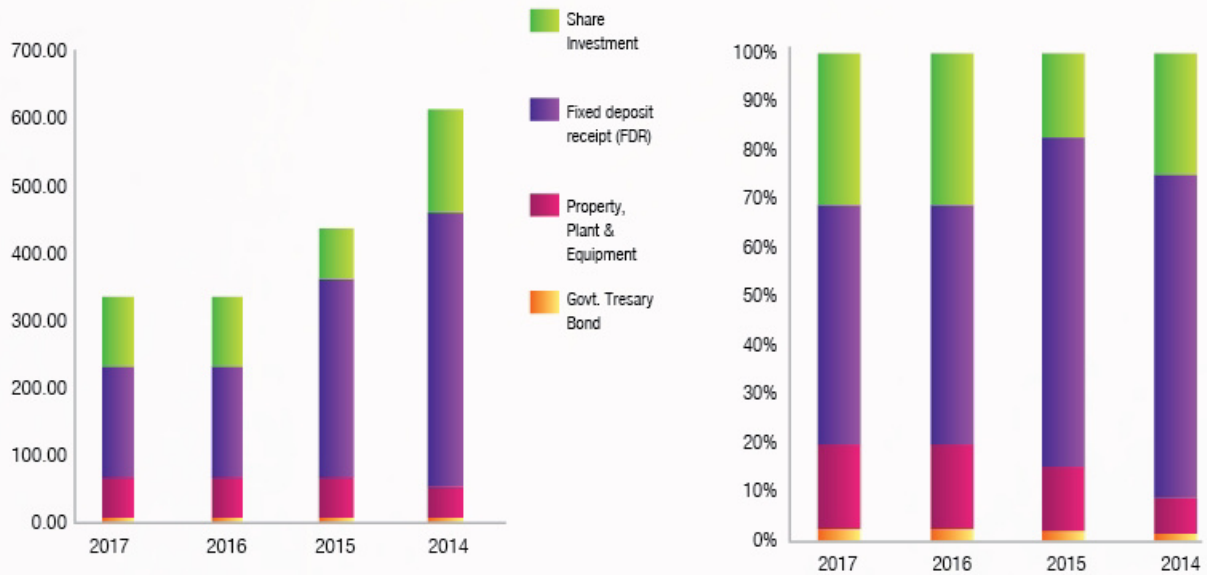
Investment (Taka in million)

In million Taka

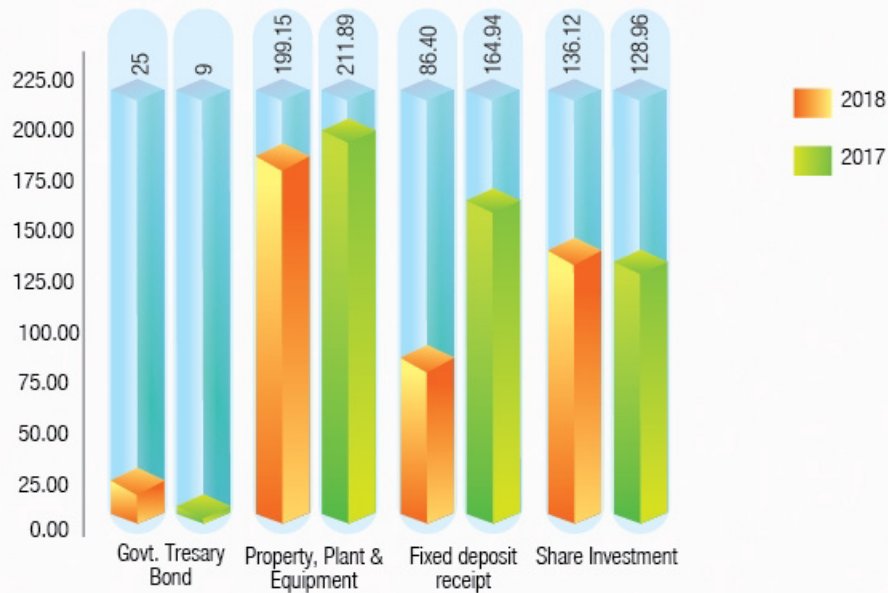
	2018	2017	2016	2015	2014
Govt. Tresary Bond	25.00	9.00	9.00	9.00	9.00
Property, Plant & Equipment	199.15	211.89	57.94	57.65	45.49
Fixed deposit receipt (FDR)	86.40	164.94	164.40	294.80	406.30
Share Investment	136.12	128.96	103.67	75.16	152.19



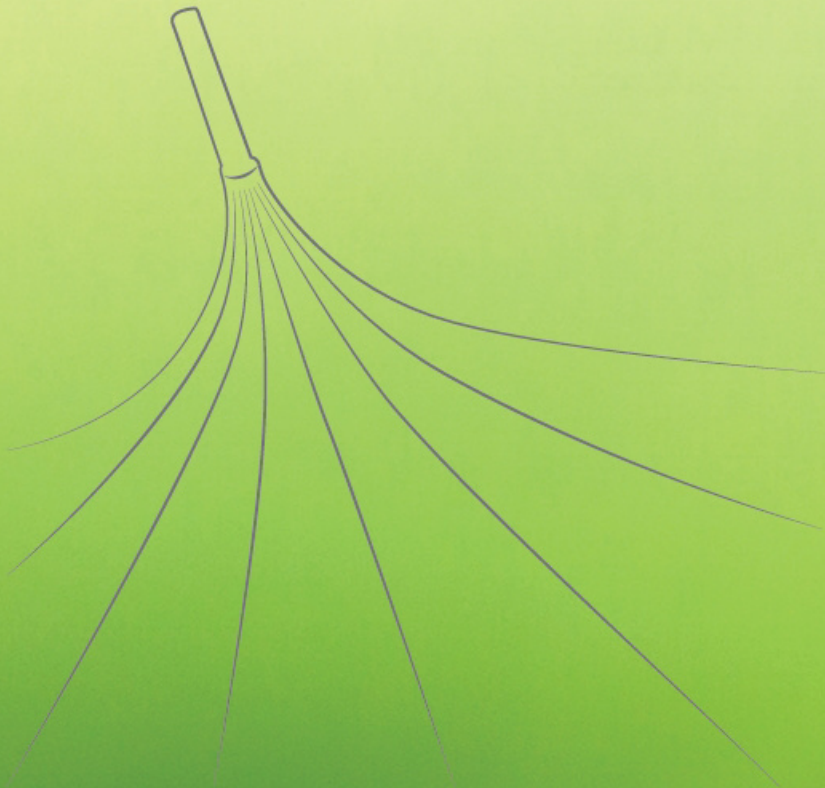
Investment Are Shown In Graphs (In Million Taka) As Under



Investment For The Year 2018 & 2017 Is 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 2018 and 2017 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)				Growth in Million	Growth
	2018		2017			
Value Added	Amount	%	Amount	%	(BDT)	%
Gross premium income	682.84	83.12	669.07	74.87	13.77	2.06
VAT, stamp duty & source taxes	74.70	9.09	66.24	7.41	8.46	12.77
Interest income	14.14	1.72	12.02	1.35	2.12	17.64
Investment & dividend income	(15.76)	-1.92	38.47	4.30	(54.23)	(140.97)
Other income	0.62	0.08	0.08	0.01	0.54	715.79
Re-insurance commission earned	65.02	7.91	107.79	12.06	(42.77)	(39.68)
Total Value Added during the year	821.56	100.00	893.67	100.00	(72.11)	(8.07)

Value Added Contribution to/application of the Value Added:

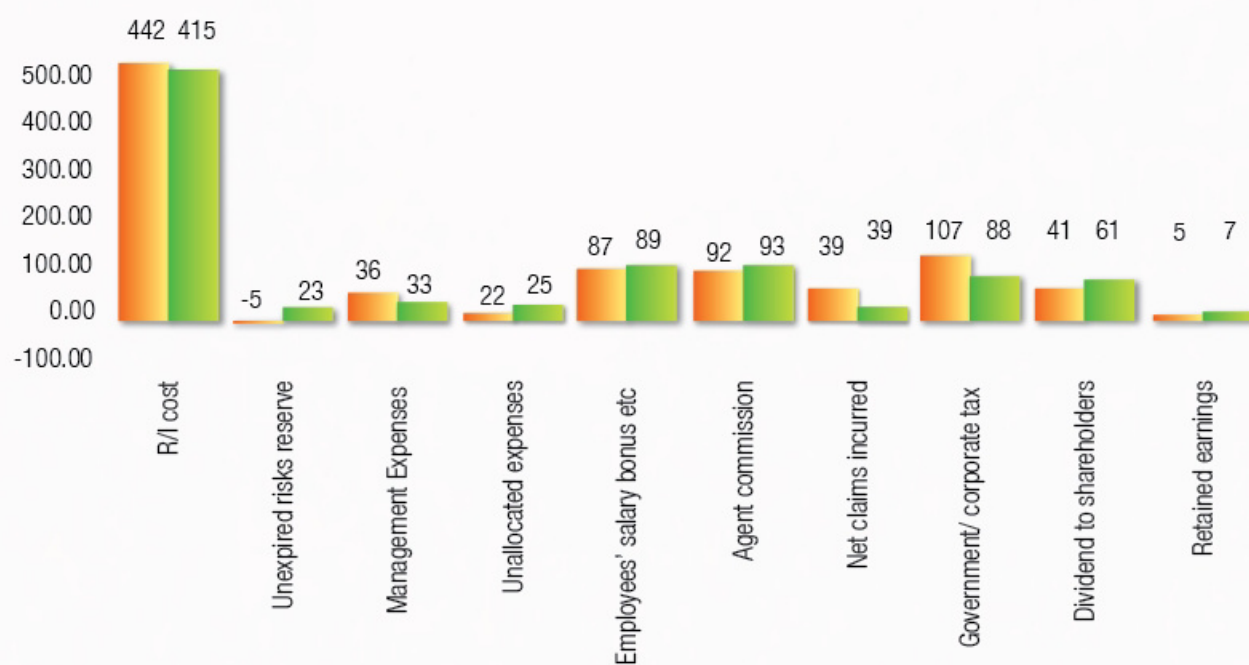
Reinsurance, claims & other	580.80	70.77	627.76	70.25	(46.96)	(234.67)
Re-insurance premium	441.57	53.81	414.54	46.39	27.03	6.52
Additional unexpired risks reserve retained	(5.43)	(0.66)	23.23	2.60	(28.66)	(123.37)
Management expenses (Excluding employee benefits)	36.38	4.43	32.60	3.65	3.78	11.60
Unallocated expenses	22.22	2.71	25.43	2.85	(3.21)	(12.62)
Agent commission	92.24	11.24	93.07	10.41	(0.83)	(0.89)
Net claims incurred	(6.18)	(0.75)	38.89	4.35	(45.07)	(115.89)

Employee benefits:	86.70	10.56	88.98	9.96	(2.28)	(19.61)
Salary & allowances	69.64	8.49	70.95	7.94	(1.31)	(1.85)
Incentive bonus	5.04	0.61	5.93	0.66	(0.89)	(15.01)
Festival bonus	5.37	0.65	5.38	0.60	(0.01)	(0.19)
Gratuity fund	4.00	0.49	4.00	0.45	-	-
Provident fund	2.65	0.32	2.72	0.30	(0.07)	(2.57)

Government/National Exchequer:	107.35	13.08	88.20	9.87	19.15	61.45
Corporate tax paid	32.65	3.98	21.96	2.46	10.69	48.68
VAT, stamp duty & source taxes paid	74.70	9.10	66.24	7.41	8.46	12.77

Provider of Capital:	45.81	5.58	88.72	9.93	(42.91)	(327.67)
Dividend to shareholders	40.88	4.98	61.32	6.86	(20.44)	(33.33)
Retained earnings	(13.66)	(1.66)	7.31	0.82	(20.97)	(286.87)
Reserve & surplus	18.59	2.27	20.09	2.25	(1.50)	(7.47)
Total distribution & growth:	821.56	100.00	893.66	100.00	(73.00)	(520.50)

Distribution of Value added are shown in Graphs for the year 2018 and 2017 (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

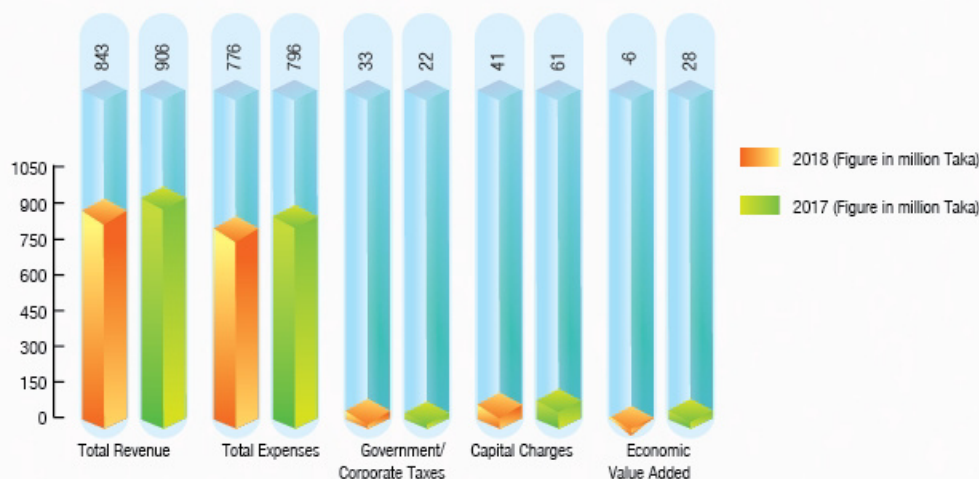
The goal of EVA is to quantify the charge, or cost, for investing capital into a certain project, and then assess whether it is generating enough cash to be considered a good investment. The charge represents the minimum return that investors require to make their investment worthwhile.

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 2018 and 2017.

For the year ended 31st December	Amount in Million (BDT)			
	2018	2017	Growth in BDT	Growth %
Total revenue	843.18	906.30	(63.21)	(6.97)
Total expenses	775.88	795.61	(19.73)	(2.48)
Government/corporate taxes	32.66	21.96	10.70	48.72
Capital charges	40.88	61.32	(20.44)	(33.33)
Economic Value Added (EVA)	(6.24)	27.50	(33.74)	(122.69)

Economic Value Added are shown in Graphs for the year 2018 and 2017 (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.

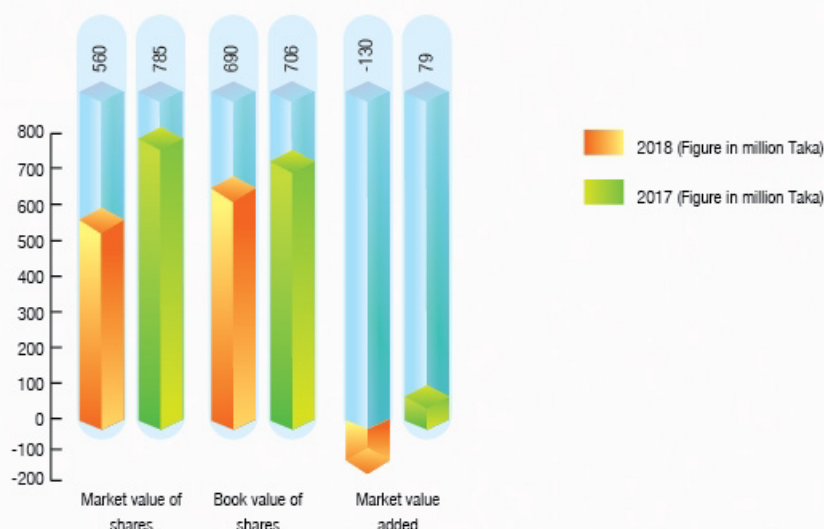
Market Value Added (MVA) is the difference between the total Market Value (based on the quoted price in the main bourse) and total book value of the Company's equity shares.

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 2018, the market value of total outstanding shares of Prime Insurance Company Ltd stood at Tk. 560.02 million whereas the book value of the shares outstanding or shareholder's equity of the same period stood at Tk. 690.09 million.

Particulars	For the year 2018			For the year 2017			Growth	Growth %
	No. of shares	Value per share (Tk)	Total value in Taka	No. of shares	Value per share (Tk)	Total value in Taka		
Market value of shares outstanding	40877498	13.70	560,021,723	40877498	19.20	784,847,962	(224,826,239)	(29)
Book value of shares outstanding	40877498	16.88	690,094,609	40877498	17.26	705,604,794	(15,510,185)	-2.20
Market Value Added			(130,072,886)			79,243,168	(209,316,054)	-0.026

Market Value Added are shown in Graphs for the year 2018 and 2017 as below:



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 2018, company contributed Tk. 89.74 million to the National Exchequer as against Tk. 111.68 million in 2017.

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 188 employees as on 31st December 2018. During the period the company has spent TK. 0.13 million for training and HR development. Company also paid Tk. 86.92 million as salary and allowances to its employees. The employees of the company paid Tk. 3.26 million as taxes to the Government with highest payment of Tk. 1.75 million by an individual employee.

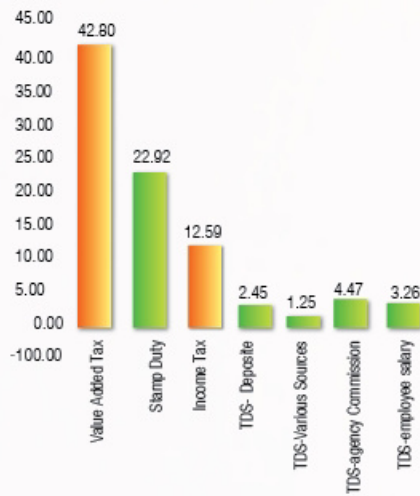
Contribution to National Exchequer/Government Fund:

Particulars	Figure in Million (BDT)			
	2018	2017	Growth	Growth (%)
Value Added Tax	42.80	46.44	(3.64)	(0.07)
Stamp duty	22.92	20.93	1.99	0.09
Income tax	12.59	33.59	(21.00)	(0.56)
TDS-deposits	2.45	2.70	(0.25)	(0.08)
TDS-various sources	1.25	1.05	0.20	0.17
TDS-agency commission	4.47	4.87	(0.40)	(0.07)
TDS-employee salary	3.26	2.10	1.16	0.49
Total amount paid	89.74	111.68	(21.94)	(19.65)

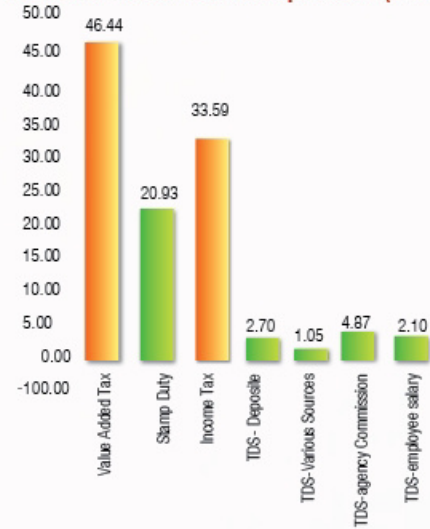


Contribution to the National Exchequer/Government Fund is shown in Graphs for the year 2018 and 2017 as below:

Contribution to National Exchequer-2018 (in million Taka)



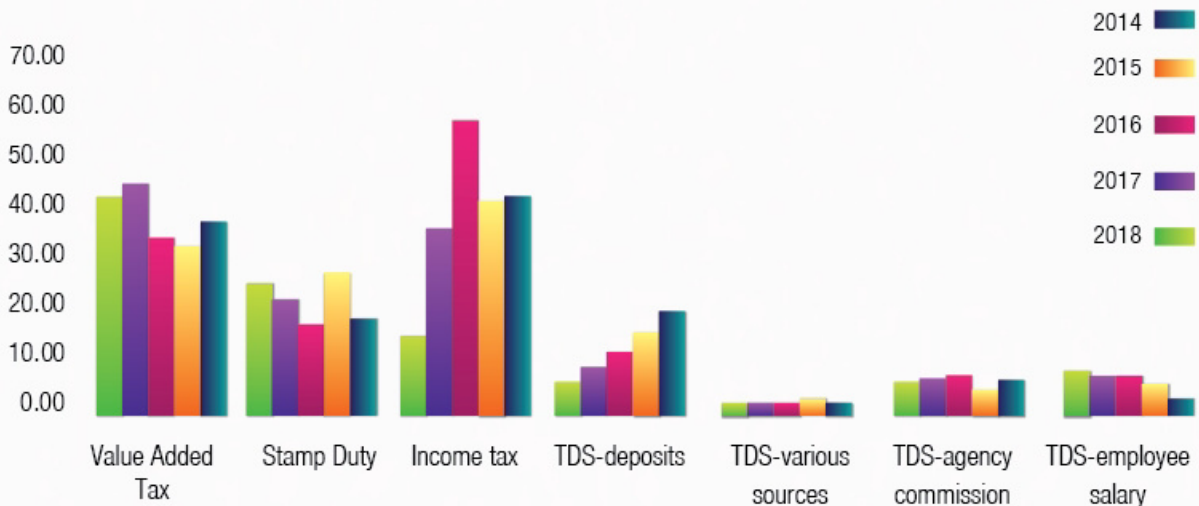
Contribution to National Exchequer-2017 (in million Taka)



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

Particulars	Figure in Million (BDT)				
	2018	2017	2016	2015	2014
Value Added Tax	42.80	46.46	34.94	33.25	39.64
Stamp duty	22.92	20.93	21.86	25.99	20.69
Income tax	12.59	33.59	53.20	40.18	40.96
TDS-deposits	2.45	2.70	3.87	5.40	5.98
TDS-various sources	1.25	1.05	1.26	1.13	1.01
TDS-agency commission	4.47	4.87	4.54	2.79	3.78
TDS-employee salary	3.26	2.10	1.94	1.81	1.66
Total	89.74	111.68	121.61	110.55	113.72

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



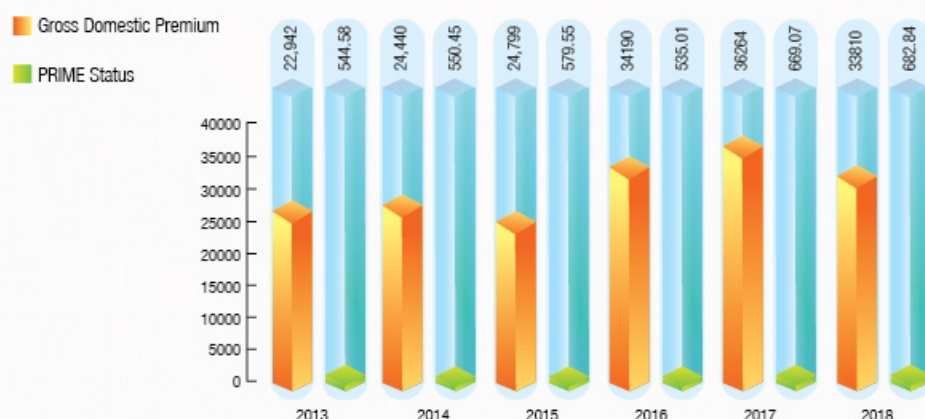
Market Share Position of INSURANCE BUSINESS OF THE COMPANY

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 insurance companies of other non-life insurance companies.

The non-life Insurance provisional premium income in 2018 was approximately Tk. 33,810 million where PICL's contribution was Tk. 682.84 million. In 2017, the company earned Tk. 669.07 million. Last 9-year non-life insurance premium as a % of GDP shown in the chart below:

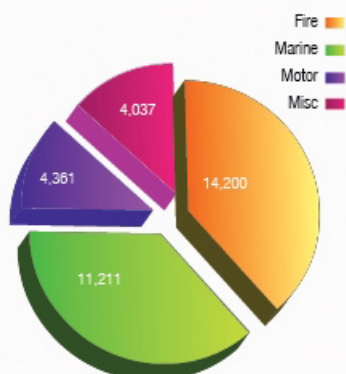
Year	Gross Domestic Premium Income	PICL's status on Gross Domestic Premium	% PICL's status on GDP
2010	16,544	200.10	1.21
2011	19,249	305.37	1.59
2012	21,188	440.24	2.08
2013	22,942	544.58	2.37
2014	24,440	550.45	2.25
2015	24,799	579.55	2.34
2016	34,190	535.01	1.56
2017	36,264	669.07	1.84
2018	33,810	682.84	2.02

At a glance year wise private sector Bangladesh non-life insurance companies' gross premium and Prime Insurance Company's gross premium position are given below:

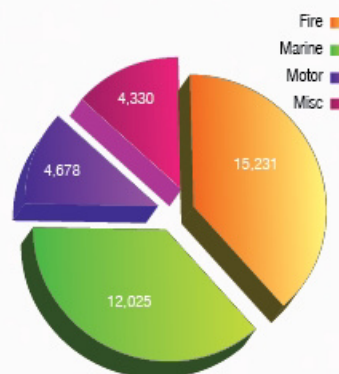


Approximate class wise premium income of non-life insurance is as follows:

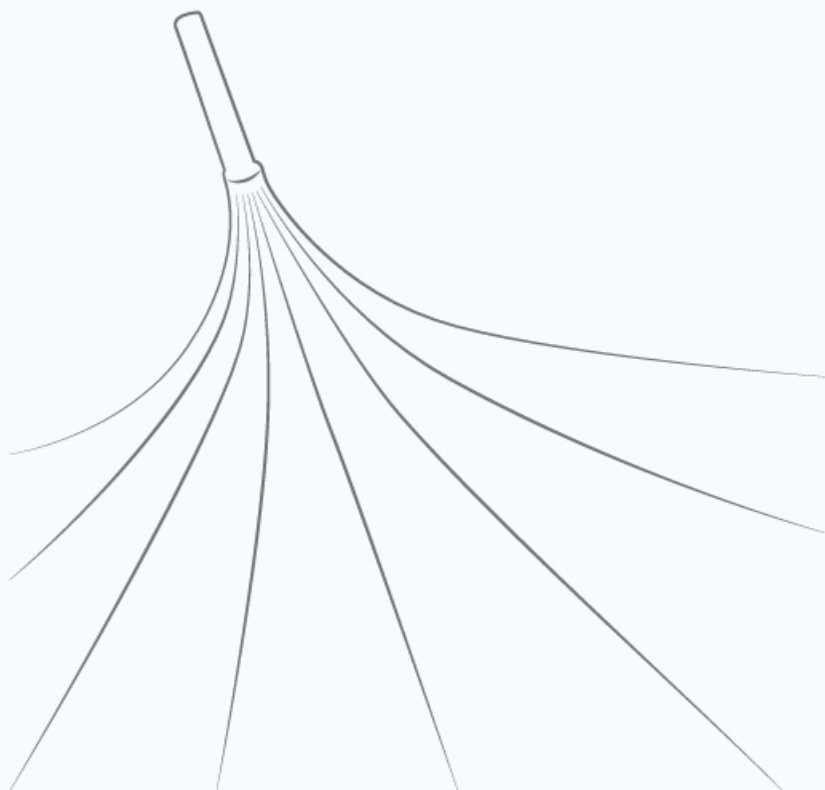
Gross Premium Income for the year 2018 (in million Taka)



Gross Premium Income for the year 2017 (in million Taka)



SPECIFIC AREAS FOR INSURANCE SECTOR





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

The prime customers of an insurance company are its insured and potential insured. They expect hassle free underwriting of their risks and also quick settlement of claims on the happening of any accident that affect their property underwritten. An insurance company is mainly adjudged on the basis of its claims payment. In view of maintenance of goodwill of the company Claim Management should follow in that manner otherwise reputation of the company will be prejudiced. Therefore, efficient claim management is vital for the success for an insurance company.

Claim Management of Prime Insurance is always an important issue and the company practices extremely and regulated their services to the clients by giving adequate insurance coverage and where needed takes pre-risk inspection before underwriting as a preventive measure. As a result, happening of claims become limited. Prime always advises the insured and the potential insured at the time of underwriting of the risk to inform the Claims Department on time of the happening of any claim and also to submit the required papers and documents that are mandatorily required for quick settlement of claims. PICL believes that speedy settlement of claims would certainly help increase the business of the company. To speeding up action for claims payment Prime maintains a wonderful communication between the Underwriting, Claims and Finance & Accounts Departments. It also follows the rules & regulations of IDRA regarding claims payment.

Outstanding Claims reserve (IBNR & IBNER) with ageing thereof

The need for outstanding claim reserve arises from the delay in time between the event resulting in the claim to the reporting of that claim to an insurer and the subsequent settlement of that claim.

This is irrespective of whether the settlement involves the payment of an amount by the insurer or whether no payment is made by us when a liability successfully denied. Outstanding claim which arises or will arise from events which have occurred on or before the valuation date and include claims which have been reported and have not yet been finalized or settled, claims which have been incurred but not yet reported (IBNR) and claim which have been administratively finalized and which may be reopened.

An outstanding claim provision is the amount set aside in the insurer's accounts, to provide for the outstanding claim liability. The precise amount required is almost always unknown but a fixed amount must be set aside.

Under the law an insurer shall disclose its provision in respect of claim outstanding at the beginning and end of the financial year. Claim outstanding is defined as being an amount likely to be sufficient to meet claim in respect of incident occurring.

Outstanding claim liability is an insurer's obligation to make further payment in respect of claim which have already occurred. Outstanding claim position is the amount, which an insurer sets aside to meet those liabilities.



IBNR i.e., incurred but not reported called for claim reserve that was the provisional for any unknown claim. IBNR is similar to the reserve provision made for claim in transit.

The estimated process for unpaid claims begins with the insured reporting a claim. This is also known as first notification of loss (FNOL). Once, the claim is reported, an insurer recognizes the liability and established a reserve against that claim. It is difficult for the insurer to ascertain the financial value of the loss immediately, once a claim is reported. Hence, a reserve is created.

Claims can be known claims (that are reported to insurer) and unknown claims (claim which has occurred, but there is a delay in reporting to the insurer). The increase in reserve created for a known claim can be classified as "incurred but not enough reported". This is also called as development on known claims. This segregation is very critical to evaluate measure of profitability of the insurer.

As per directions of Insurance Development & Regulation Authority (IDRA) it is very much mandatory to send Quarterly Report showing delay in settlement with ageing thereof, but under the insurance law of the country it is obligatory to reserves for IBNR or IBNER claim. Appended below year wise claim paid & outstanding picture of Prime Insurance Company Limited:

Claims Settlement over the year

Description	2018	2017	2016	2015	2014
Claim outstanding beginning of the year	69,287,456	49,671,371	57,355,958	45,976,138	39,694,999
Claim intimation during the year	151,477,507	115,646,353	48,561,276	153,747,661	35,385,961
Total Claim (1+2)	220,764,963	165,317,724	105,917,234	199,723,799	75,080,960
Claim paid during the year	151,846,963	96,030,268	56,245,863	142,367,841	29,104,822
Claim Paid as % of total claim	68.78%	58.09%	53.10%	71.28%	38.76%
Claim outstanding the end of the year	68,918,000	69,287,456	49,671,371	57,355,958	45,976,138



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 loss 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 2018, Prime Insurance Company Limited achieved solvency margin above the required level. PICL's required solvency was BDT 92.93 million whereas the Company's available solvency margin was BDT 346.95million which means the value of assets had been more than the liabilities. Therefore, the available solvency was 3.73times of required solvency margin in 2018 as against 5.48 times in the year 2017. Assets, Liabilities and Solvency Margin of the Company for the year ended 31 December 2018 are as under:

Statement of Solvency Margin based on Premium Income for the year 2018:

For 2018		RSM-1					Million Taka	
SSL#	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	62.37	313.25	0.50	156.63	31.33	12.47	31.33
2	Marine cargo	112.01	198.68	0.70	139.08	27.82	22.40	27.82
3	Marine hull	0.27	1.86	0.50	0.93	0.19	0.05	0.19
4	Motor	40.68	43.22	0.85	36.74	7.35	8.14	8.14
5	Miscellaneous	25.93	125.83	0.70	88.08	17.62	5.19	17.62
	Total	241.26	682.84					85.08

Statement of Solvency Margin Based on Assets & Liabilities for the year 2018

For 2018		RSM-1						Million Taka	
SL#	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
a	Fire	2.03	130.58	0.50	65.29	0.61	39.17	39.17	39.17
b	Marine cargo	(6.48)	9.29	0.70	6.50	(1.94)	2.79	2.79	27.82
c	Marine hull	(0.04)	0.11	0.50	0.06	(0.01)	0.03	0.03	0.19
d	Motor	(1.39)	4.46	0.85	3.79	(0.42)	1.34	1.34	8.14
e	Miscellaneous	(0.30)	29.27	0.70	20.49	(0.09)	8.78	8.78	17.62
	Total	(6.18)	173.71					52.11	92.93

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

Amount in Million Taka					
Particulars			Particulars		
Total assets as per balance sheet		1,303.98	Assets to cover liabilities		883.01
Less: Assets assumed to be zero value			Liabilities:		
Amount due from others	378.22		Sundry creditors	56.50	
Premium collection control account	8.97		Amount due to others	77.16	
Advance, deposits & prepayments	11.46		Provision for income tax	272.73	
Computers	2.71		Deposit premium	33.00	
Furniture & fixtures	19.61		Reserve for unexpired risk	96.67	
Total		420.97	B. Total Liabilities		536.06
A. Total assets		883.01	Available Solvency Margin (ASM)		346.95

Statement of Solvency Margin Based on Assets & Liabilities for the year 2018

Particulars	2018	2017	Growth	%
Solvency Margin Available (ASM) (A-B)	346.95	472.80	(125.85)	(0.27)
Required Solvency Margin (RSM)	92.93	86.23	6.70	0.08
Solvency Ratio (ASM/RSM) (Times)	3.73	5.48	(1.75)	(0.32)



At a glance 5 years Required Solvency Margin and Available Solvency Margin position of the Company are given below:

Particulars	2018	2017	2016	2015	2014
Required Solvency Margin	92.93	86.23	68.17	74.90	71.97
Available Solvency Margin	346.95	472.80	332.92	260.69	387.03
Solvency Margin Ratio (Times)	3.73	5.48	4.88	3.48	5.38

Required Solvency Margin is BDT 92.93 million in the year 2018 where it was BDT 86.23 million in 2017.

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

Particulars	2018	%	2017	%	Growth	%
Reserve for exceptional claims losses	228.35	81.17	210.25	70.83	18	8.61
General reserve fund	10.40	3.70	9.90	3.34	1	5.05
Retained earnings	42.57	15.13	76.68	25.83	(34)	-44.4
Total reserves and surplus	281.32	100.00	296.83	100.00	(16)	8

Reserve and Surplus-2018 & 2017 (in million Taka)



Accounting Ratios Pertaining TO INSURANCE BUSINESS

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:

Particulars	Amount in Taka					%
	2018	Ratios-2018	2017	Ratios-2017	Growth	
Gross premium income/turnover	682,835,182		669,071,015		13,764,167	2.06
Net premium income	241,264,153		254,534,964		(13,270,811)	(5.21)
Re-insurance premium ceded as % of GP	441,571,029	64.67	414,536,051	61.96	27,034,978	6.52
Net R/I commission earned as % of GP	65,029,673	9.52	107,786,712	16.11	(42,757,039)	(39.67)
Net R/I commission earned as % of NP	65,029,673	26.95	107,786,712	42.35	(42,757,039)	(39.67)
Agent Commission as % of GP	92,238,727	13.51	93,070,316	13.91	(831,589)	(0.89)
Management Expenses allocated as % of GP	123,924,866	18.15	121,584,320	18.17	2,340,546	1.93
Management Expenses allocated as % of NP	123,924,866	51.36	121,584,320	47.77	2,340,546	1.93
Un allocated expenses as % of GP	22,218,281	3.25	25,429,122	3.80	(3,210,841)	(12.63)
Un allocated expenses as % of NP	22,218,281	9.21	25,429,122	9.99	(3,210,841)	(12.63)
Gross Claims as % of GP	173,704,761	25.44	96,030,268	14.35	77,674,493	80.89
Gross Claims as % of NP	173,704,761	72.00	96,030,268	37.73	77,674,493	30.52
Net Claims as % of GP	(6,175,657)	(0.90)	38,891,821	5.81	(45,067,478)	(115.88)
Net Claims Paid as % of NP	(6,175,657)	(2.56)	38,891,821	15.28	(45,067,478)	(115.88)
Combined Expenses as % of GP	232,206,217	34.01	278,975,579	41.70	(46,769,362)	(16.76)
Combined Expenses as % of NP	232,206,217	96.25	278,975,579	109.60	(46,769,362)	(16.76)
Operating income as % of GP	101,734,851	14.90	85,537,105	12.78	16,197,746	18.94
Operating income as % of NP	101,734,851	42.17	85,537,105	33.61	16,197,746	18.94
Gross Profit Ratio on Turnover	78,525,901	11.50	110,671,530	16.54	(32,145,629)	(29.05)
Net Profit Ratio (after tax) on Turnover	45,867,601	6.72	88,715,175	13.26	(42,847,574)	(48.30)

Review on 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.

Year wise investment and assets quality of the Company are given below:

in Million Taka

Year	PPE	Building Property	Share Investment	BGTB	FDR	Cash & cash equivalent	Debtors	Other assets	Total assets
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
2018	199.15	104.4	136.12	25.00	86.4	59.3	394.48	299.12	1,303.97



Investable Asset Quality of the Company

Particulars	Amount in Taka					%
	2018	%	2017	%	Growth	
Share investment & debentures						
Long Term (BGTB)	25,000,000	6.13	9,000,000	1.99	16,000,000	177.78
Share investment					-	
Share investment listed companies	128,615,399	31.54	125,677,687	27.75	2,937,712	2.34
Share investment non listed companies	7,507,175	1.84	1,569,450	0.35	5,937,725	378.33
Investment in mutual fund	-	0.00	1,715,485	0.38	(1,715,485)	(100.00)
Total	161,122,574		137,962,622		23,159,952	16.79
Cash at bank	142,240,050		210,500,854		(68,260,804)	(32.43)
Fixed deposit receipts (FDR)	86,400,000	21.19	164,944,478	36.42	(78,544,478)	(47.62)
STD & CD account balance	55,840,050	13.69	45,556,376	10.06	10,283,674	22.57
Building property						
Advance against building property	104,400,000	25.60	104,400,000	23.05	-	-
Total investable assets	407,762,624	100	452,863,476	100	(45,100,852)	(15.64)
Property, plant & equipment and other fixed assets	199,145,772		211,887,457		(12,741,685)	-6.01

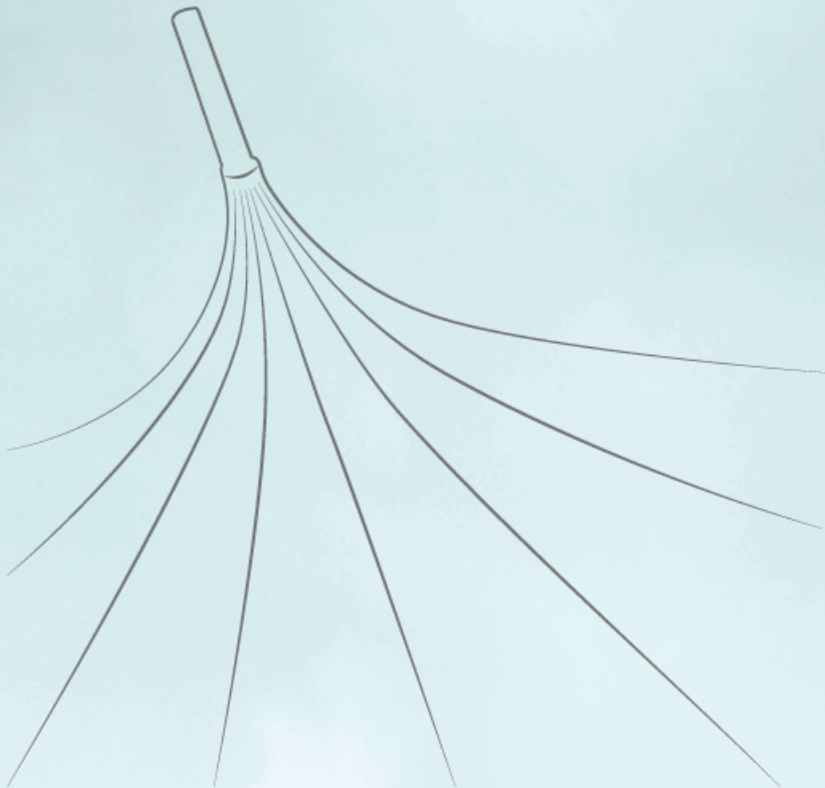
In the year 2013 Company purchased two unit floor space measuring 11,500 sft with 5 car parking at Unique Heights (9th floor): 117, Kazi Nazrul Islam Avenue, Ramna Dhaka. The book value of the floor at cost was Tk.129.94 million .

In the year 2014 the Company has purchased another 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 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 against building property of Unique Heights has been recognised as property, plant and equipment under cost model and accordingly depreciation has been charged.



REPORT ON OTHER ACTIVITIES





Report on CLAIMS SETTLEMENT

Settlement of Claims is the main and sensitive issue for an insurance company. In the present scenario with ruthless competition in the insurance market and with a view to grabbing more insurance business the clients have to be kept satisfied by quick and easy settlement of their claims, if any, as per their expectation irrespective of availing undue commission from the insurance companies at the time of issuing policies. Prime Insurance Company may be proud for its quick settlement of claims.

Whenever Prime Insurance gets any information of casualty to the insured's property it instantly appoints an authorized surveyor and it takes around 5 to 7 days' time to settle the claim upon having the minimum documents from the Insured relating to the loss like Fire Brigade report in case of happening of a fire damaging insured's property. In some cases, there occurs delay only due to delay in submission of the documents by the insured. Prime Insurance always keeps in mind that due to delay in settlement of claim, if a client/customer is lost once, it is most likely a loss forever.

Besides, Prime Insurance renders its best services constantly through Customer Care Department equipped with highly experienced professionals to the clients after happening of loss by any occurrence to the Insured's properties.

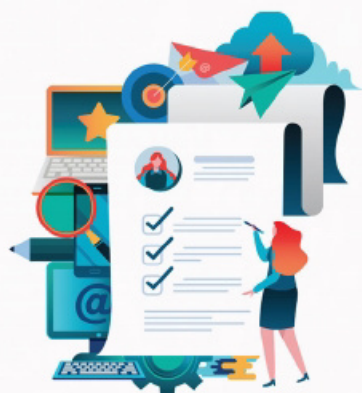
Prime Insurance has been awarded a credit rating of "AA-" for higher claim paying ability by the Credit Rating & Information Services Limited (CRISL).

Prime Insurance Company always follows the rules, regulations and guidelines of Insurance Development & Regulatory Authority (IDRA).

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 23 years.

Claims Settlement over the year

Description	2018	2017	2016	2015	2014
Claim outstanding beginning of the year	69,287,456	49,671,371	57,355,958	45,976,138	39,694,999
Claim intimation during the year	151,477,507	115,646,353	48,561,276	153,747,661	35,385,961
Total Claim (1+2)	220,764,963	165,317,724	105,917,234	199,723,799	75,080,960
Claim paid during the year	151,846,963	96,030,268	56,245,863	142,367,841	29,104,822
Claim Paid as % of total claim	68.78%	58.09%	53.10%	71.28%	38.76%
Claim outstanding the end of the year	68,918,000	69,287,456	49,671,371	57,355,958	45,976,138



Claims Settlement Over the Year



Ms. Mohammadi Khanam Managing Director & CEO of Prime Insurance Company Limited handed over marine claim cheque to Mr. Bijoy Kumer Mondal FCA, CFO & Company Secretary of M/s. HMCL Niloy Bangladesh Limited. In the picture Md. Delwar Hossain head of claims, PICL and Mr. Shuvajit Sur of M/s. HMCL Niloy Bangladesh Limited are also seen.



Ms. Mohammadi Khanam Managing Director & CEO of Prime Insurance Company Limited handed over the cheque against their group hospitalization prime policy to Mr. Rizwan D Shams, Deputy Managing Director, IPDC Finance. Md. Zahirul Islam, DMD & head of gulshan branch, PICL and Md. Sayeed Iqbal, Assistant General Manager of IPDC Finance were also present.

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 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

REPORTING STRUCTURE



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

1 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 and half-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 and 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 an 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.



Global Reporting INITIATIVE (GRI)

GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

Energy & Climate

Prime Insurance has been underwriting business of power sectors but for a transition from a carbon-based economy to a sustainable economy, it is important to reduce energy demand, to use energy as efficiently as possible, and to focus our business massively in renewable energy systems, while switching to low carbon fuels. Prime Insurance considers energy to be a basic human need and therefore something that it needs to ensure that is being generated and used on a sustainable basis for future generations.

The impact on Energy & Climate

By focusing company's attention on the deployment of mature technologies such as solar power, we are able to make a meaningful contribution to the necessary transition to our energy system. As there are a lot of entrepreneur are doing business of renewable energy projects, Prime has set up its goal to insure those products with a view to ensuring renewable power to save the fossil-fuel energy thus safeguarding the climate.

The GRI Sustainability Reporting Standards are the first and most widely adopted global standards for sustainability reporting. Since GRI's inception in 1997, GRI was adopted by a growing majority of organizations. The practice of disclosing sustainability information inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities. Reporting with the GRI Standards supports companies protect the environment

and improve society while at the same time thriving economically by improving governance and stakeholder relations, enhancing reputations and building trust.

GRI works for positive change and the impact of its work on social well-being, through better jobs, less environmental damage, access to clean water, less child and forced labor and gender equality.

GRI FOCUS AREAS

In order to deliver on its mission, GRI has identified four focus areas for the coming years:

1. Create standards and guidance to advance sustainable development:

Provide the market with leadership on consistent sustainability disclosures, including engaging with stakeholders on emerging sustainability issues.

2. Harmonize the sustainability landscape:

Make GRI the central hub for sustainability reporting frameworks and initiatives, and select collaboration and partnership opportunities that serve GRI's vision and mission.

3. Lead efficient and effective sustainability reporting:

Improve the quality of disclosures made using the GRI Standards, reducing reporting burden and exploring reporting processes that aid decision making.

4. Drive effective use of sustainability information to improve performance:

Work with policy makers, stock exchanges, regulators and investors to drive transparency and enable effective reporting.



Report On ISO CERTIFICATION

Prime Insurance Company 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 continuously improving company's operations. In continuation of ISO certification 9001:2008, we have adopted ISO certification 9001:2015 for the year 2018 and on ward. By maintaining the certification since 2012, we are ensuring all requirements for quality management of the product or service are covered in ISO 9001: 2008 & 9001: 2015 respectively, 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 maximizes quality.
- Improves employee morale and satisfaction.
- Saves time and money.
- Improves accountability of management.
- Increases employees' understanding of their roles in success of their work and the company.
- Creates greater motivation and dedication.

What we did in 2018

At the beginning of 2018, 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 External Auditors 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 2019

We will continue with our Internal Audit and Surveillance Audit program for Our ISO 9001:2015 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 to ensure 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.

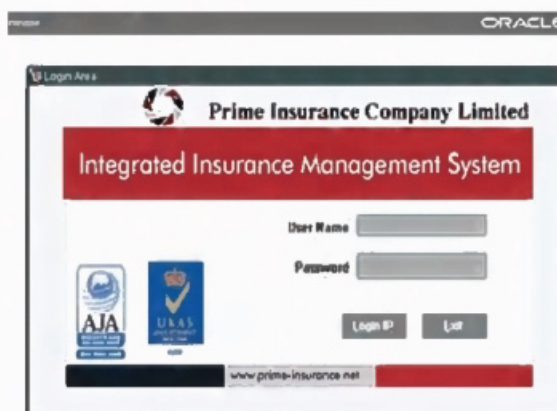
We have 17 branches and 1 booth, and all of them are online based and operating under automated system. These branches and booth are also monitored and controlled online from the Head Office. We underwrite our policies through online insurance automation process which helps our business partners –clients 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 and 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 9001:2015 documentation standard.

Mobile App:

For the first time in the insurance company 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 and 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 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 bring 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 Insurance Policy

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 uninterrupted' 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.

These four products have been launched in Bangladesh in the year 2018. The products have been launched in Bangladesh in the year 2018. The products have been launched in Bangladesh in the year 2018.

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Report On RE-INSURANCE

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 alternative 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 46 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. 441.57 million to our reinsurer in the year of 2018 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 about the interest of its stakeholders on the company including the potential investors. The following historical information would help our present and potential investors for their decision making:

Financial Year-2018	
Publication of First Quarter Financial Statements (Un-audited)	May 14, 2018
Publication of Second Quarter Financial Statements (Un-audited)	July 19, 2018
Publication of Third Quarter Financial Statements (un-audited)	October 30, 2018
Announcement of 2018 Final Results	February 7, 2019
Record date	March 7, 2019
Annual Report 2018 to dispatch	March 16, 2019
Date of 23rd Annual General Meeting	March 31, 2019
Dividend declared cash (Proposed)	10%

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	February 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	15%

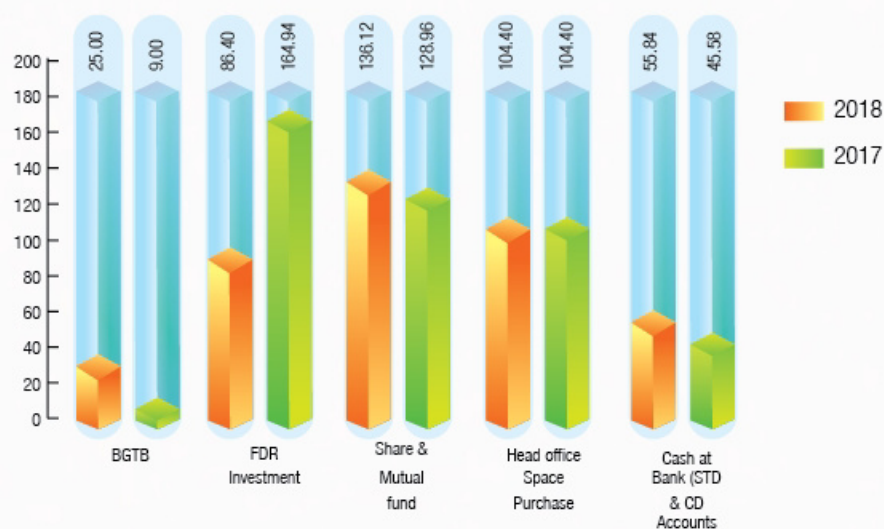
Financial Year-2016	
Publication of First Quarter Financial Statements (Un-audited)	May 07, 2016
Publication of Second Quarter Financial Statements (Un-audited)	July 27, 2016
Publication of Third Quarter Financial Statements (un-audited)	October 30, 2016
Announcement of 2016 Final Results	February 20, 2017
Record date	March 14, 2017
Annual Report 2016 dispatched	March 16, 2017
Date of 21st Annual General Meeting	March 30, 2017
Dividend declared cash	13%



Investment Profile

In the year 2018 the investment portfolio of Prime Insurance Company Ltd has decreased by 9.96% as against total investment of 2017. The decrease of investment was due to decrease in FDR investment mainly settlement of large claim. The Company has been investing its major fund in FDR in Banks and non-banking 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:

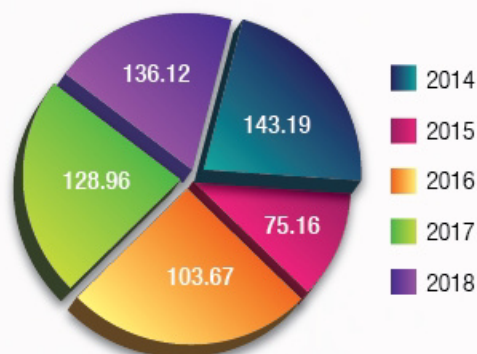
Financial Year-2018	2018		2017		Change in amount	Change in %
	Amount (in million Tk.)	Total %	Amount (in million Tk.)	Total %		
Bangladesh Govt Treasury Bond	25.00	6.13	9.00	1.99	16.00	177.78
Investment in FDR	86.40	21.19	164.94	36.42	(78.54)	(47.62)
Shares & mutual fund	136.12	33.38	128.96	28.48	7.16	5.55
Advance against building property	104.40	25.60	104.40	23.05	-	-
Cash at bank	55.84	13.69	45.58	10.06	10.26	22.51
Total Investment	407.76	100.00	452.88	100.00	(45.12)	(9.96)
PPE	199.15	48.84	211.89	46.79	(12.74)	(6.01)



a. Share Investment:

The Company registered total share investment of Taka 136.12 million in 2018 which was Taka 128.96 million in 2017, an increase of 5.55%. The major investment of the company is in the fundamental shares of various companies. Last 5-year Share Investment graph is given below:

Year Wise Share investment (in Million Taka)



b. FDR Investment:

The investment in FDR of the company is Tk. 86.40 million in 2018 which was Tk. 164.94 million in 2017 which decreased by 47.62% due to payment of large claim settlement namely M/s. Maq enterprises. The major investment of FDR of the company are made in the scheduled banks and a few in NBFIs. 5-year FDR Investment is given in the graph below :

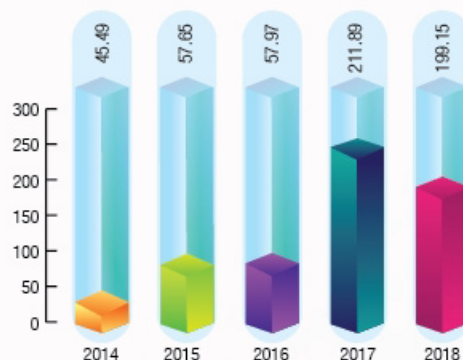
FDR (in Million Taka)



c. Property plant & equipment:

In the year 2018, the company's Property, plant & equipment value is Tk. 199.15 million which was Tk. 211.89 million in 2017. A decrease of 6.01% was registered due to charging of depreciation.

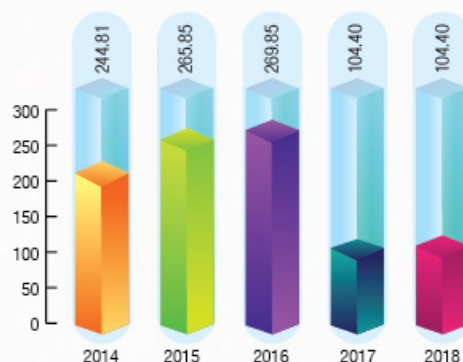
Property, Plant & Equipment (in Million Taka)



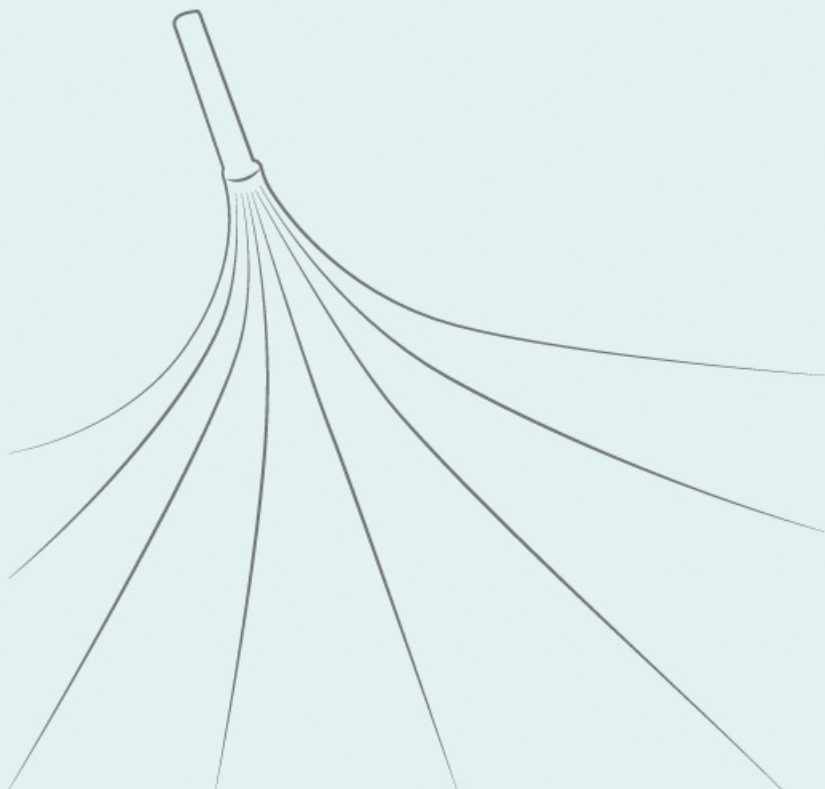
d. Advance against building property:

In the year 2018 the company's advance against floor space value is Tk. 104.40 million which was Tk. 104.40 million in 2017 also. In 2017 Tk.165.45 million was recognised as PPE under BAS-16.

Floor space (In million Taka)



AUDITORS' REPORT AND FINANCIAL STATEMENTS





Auditors Reports to the Shareholders OF PRIME INSURANCE COMPANY LIMITED

**Independent Auditor's Report
To
The Shareholders of
Prime Insurance Company Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Prime Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at December 31, 2018, the Statement of Profit or loss and Other Comprehensive Income, Profit and Loss Appropriation Account, Consolidated Insurance Revenue Accounts, Fire Insurance Revenue Account, Marine and Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Statement of Expenses of Management, Classified Summary of Assets as at December 31, 2018 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 39.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our key audit matters

Risk	Our Response To The Risk
<p>Premium Income</p> <p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> • The design and operating effectiveness of key controls around premium income recognition process. • Carried out analytical procedures and recalculated premium income for the period. • Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. • On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. • Ensured on a sample basis that the premium income was being deposited in the designated bank account. • Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. • For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.

Risk	Our Response To The Risk
	<ul style="list-style-type: none"> • Applying specialist judgment ensured if there is any impairment of the reinsurer. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

Estimated liability in respect of outstanding claims whether due or intimated and claim Payment	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> • Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. • Obtained a sample of claimed policy copy and cross check it with claim. • Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. • Reviewed the claim committee meeting minutes about decision about impending claims. • Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

Risk	Our Response To The Risk
<p>Investment In shares</p> <p>Insurance company makes a number of investments in the listed and unlisted capital market with required regulatory permission. Income generated from the investments (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain or loss if any is transferred to the Investment Fluctuation Fund subsequently or as per the policy of the company.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> • Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.

Risk Investment In shares	Our Response To The Risk
<p>This item has significant impact on the earnings performance of the company and return to the shareholders and might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.</p>	<ul style="list-style-type: none"> • Ascertained the valuation of the holding as per IFRS 13. • Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. • Recalculated unrealized gain or loss at the year end. • Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. • Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss. • Check the subsequent positioning of this unrealized amount after the year end. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit
- Evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief 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 report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report 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 its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Rahman Mostafa Alam

Dated: Dhaka
February 07, 2019

Rahman Mostafa Alam & Co.
Chartered Accountants

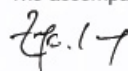
Prime Insurance Company Limited

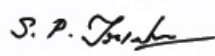
Statement of Financial Position (Balance Sheet)

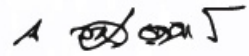
As at December 31, 2018

Particulars	Notes	Amount In Taka	
		2018	2017
Shareholders' Equity & Liabilities			
Share capital			
Authorized share capital			
100,000,000 ordinary shares of Tk. 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed & paid-up capital			
40,877,498 ordinary shares of Tk. 10 each	6.00	408,774,980	408,774,980
Reserve and contingent account		281,381,169	296,829,814
Reserve for exceptional losses	7.00	228,345,309	210,250,498
General reserve fund	8.00	10,400,000	9,900,000
Profit & loss appropriation account		42,635,860	76,679,316
Shareholders' equity:		<u>690,156,149</u>	<u>705,604,794</u>
Balance of funds and accounts	9.00	96,669,632	102,098,593
Fire insurance business		24,949,683	15,500,512
Marine insurance business		44,803,588	61,579,448
Marine hull insurance business		273,285	474,346
Motor insurance business		16,270,440	18,214,934
Miscellaneous insurance business		10,372,636	6,329,353
Premium deposits	10.00	32,931,099	23,632,146
Liabilities and provisions		484,218,016	391,482,403
Estimated liability in respect of outstanding claims whether due or intimated	11.00	68,918,000	69,287,456
Amount due to other persons or bodies carrying on insurance business	12.00	77,161,945	15,438,205
Sundry creditors	13.00	56,497,961	57,774,932
Income tax provision	14.00	272,735,091	243,238,890
Deferred tax liability	14.02	8,905,019	5,742,920
Total shareholder's equity & liabilities		<u>1,303,974,896</u>	<u>1,222,817,936</u>

The accompanying notes 1 to 39 form an integral part of these financial statements.

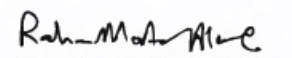

Md. Zakiullah Shahid
Chairman


Saheda Pervin Trisha
Vice Chairman


A.Z.M Sazzadur Rahman
Director


Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 07, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

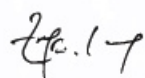
Prime Insurance Company Limited

Statement of Financial Position (Balance Sheet)

As at December 31, 2018

Particulars	Notes	Amount In Taka	
		2018	2017
Property and Assets			
Non-current assets		360,268,346	349,850,078
Property, plant and equipment	15.00	199,145,772	211,887,457
Bangladesh Govt Treasury Bond	16.00	25,000,000	9,000,000
Investment (at fair value)	17.00	136,122,574	128,962,621
Current assets		943,706,550	872,967,858
Stock of printing & stationery	18.00	3,226,453	3,753,670
Insurance stamp in hand		1,371,310	1,044,182
Premium collection control account	19.00	8,968,848	8,020,079
Interest accrued but not received	20.00	11,734,629	8,583,666
Amount due from other persons or bodies carrying on insurance business	21.00	378,223,659	259,129,285
Sundry debtors (including advances, deposits & pre-payments)	22.00	394,482,756	377,967,471
	23.00	145,698,895	214,469,505
Cash and cash equivalents		3,459,421	3,944,989
Cash in hand		55,839,474	45,580,038
Cash at Bank		86,400,000	164,944,478
Fixed deposit receipt (FDR)			
Total assets		1,303,974,896	1,222,817,936

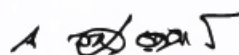
The accompanying notes 1 to 39 form an integral part of these financial statements.



Md. Zakiullah Shahid
Chairman



Saheda Pervin Trisha
Vice Chairman



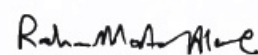
A.Z.M Sazzadur Rahman
Director



Mohammudi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.

Dated: Dhaka
February 07, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

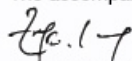
Prime Insurance Company Limited


Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account)

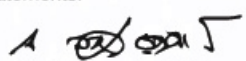
For the Year Ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Operating profit/(loss) transferred from:		101,734,851	85,537,105
Fire insurance revenue account		(19,095,369)	1,927,459
Marine insurance revenue account		86,985,451	51,417,968
Marine hull insurance revenue account		283,609	(144,526)
Motor insurance revenue account		31,804,137	26,581,476
Miscellaneous insurance revenue account		1,757,023	5,754,728
Non-operating income:			
(Interest, dividend and rents not applicable to any particular fund or account)		(990,669)	50,563,546
Interest income	24.00	14,141,384	12,022,498
Realized gain/(loss) on share investment.	25.00	(9,047,308)	(6,853,986)
Dividend income	26.00	4,763,374	6,517,138
Increased/(Decreased) of fair value on investment in shares	17.04	(11,472,550)	38,800,957
Other income	27.00	621,892	67,298
Foreign exchange gain	27.05	2,539	9,641
Total income		100,744,182	136,100,651
Less: Expenses of management			
(not applicable to any particular fund or account)		22,218,281	25,429,121
Director's fees	28.00	1,599,000	1,240,000
Advertisement & publicity		1,275,863	874,801
Audit fees	29.00	625,000	555,000
Donation & subscriptions		103,400	435,754
Legal & professional fees		963,940	1,819,554
Depreciation	15.00	10,678,247	12,131,568
Registration fees	30.00	769,432	1,922,531
Meeting expenses		1,164,441	516,678
Incentive/Performance bonus for employees	13.06.01	5,038,958	5,928,070
Interest on margin loan		-	5,165
Foreign exchange loss		-	-
Profit before tax		78,525,901	110,671,530
Provision for tax	14.01	29,496,201	15,669,455
Deferred tax expenses/(income) for the year	14.02	3,162,099	6,286,900
Profit after tax transferred to profit & loss appropriation account		45,867,601	88,715,175
Total		100,744,182	136,100,651
Earnings per share (EPS)	5.01	1.12	2.17

The accompanying notes 1 to 39 form an integral part of these financial statements.

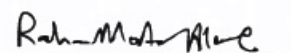

Md. Zakiullah Shahid
Chairman


Saheda Pervin Trisha
Vice Chairman


A.Z.M Sazzadur Rahman
Director


Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.
Dated: Dhaka
February 07, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

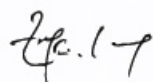
Prime Insurance Company Limited

Profit & Loss Appropriation Account

For the Year Ended December 31, 2018

Particulars	Notes	Amount In Taka	
		2018	2017
Opening balance of appropriation accounts		76,679,316	61,195,010
Profit/(loss) carried forward during the year		45,867,601	88,715,175
Total profit after tax		122,546,917	149,910,185
Appropriation			
Reserve for exceptional losses	7.01	18,094,811	19,090,122
Cash dividend payable/paid for the year		61,316,247	53,140,747
General reserve fund	8.00	500,000	1,000,000
			-
Retained earnings transferred to balance sheet		42,635,860	76,679,316
Total		122,546,917	149,910,185

The accompanying notes 1 to 39 form an integral part of these financial statements.



Md. Zakiullah Shahid
Chairman



Saheda Pervin Trisha
Vice Chairman



A.Z.M Sazzadur Rahman
Director

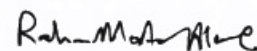


Mohammodi Khanam
Chief Executive Officer

Signed in terms of our separate report of even date.

Dated: Dhaka

February 07, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

Prime Insurance Company Limited

Consolidated Insurance Revenue Account

For the Year Ended December 31, 2018

PARTICULARS	Amount in Taka					
	2018			2017		
	Fire	Marine	Motor	Misc.	Total	Total
Claims under policies/insurance:	2,029,397	(6,475,133)	(39,202)	(296,502)	(6,775,537)	38,891,821
Claims paid during the year	128,927,820	7,949,681	-	10,676,830	151,846,963	91,012,882
Add: RI claims paid / adjusted on PSB	1,654,036	1,340,630	112,108	18,380,422	21,850,035	5,010,948
Add: Claims paid on re-insurance acceptance	-	-	-	7,763	7,763	6,428
Less: RI loss claims recovered / (adjusted) on RI balance	7,489,440	13,404,397	-	4,383,213	25,277,050	12,052,604
Less: Claims paid/recoverable on on RI	124,950,747	1,576,599	-	6,520,048	133,948,294	60,570,570
Add: Claims outstanding at the end of the year	14,888,725	43,487,774	-	9,755,509	68,918,000	69,287,456
Add: Outstanding claims recoverable on RI	-	-	-	-	-	-
Less: Claims recovered on PSB	1,021,261	745,925	151,310	18,367,122	20,285,618	4,131,358
Less: Claims outstanding at the end of the previous year	9,979,536	43,526,277	-	10,046,643	69,287,456	49,671,371
Expense of management	56,849,783	36,058,105	336,430	22,836,830	123,924,866	121,584,320
Agent commission	45,729,922	27,677,013	248,376	6,066,956	12,516,460	92,238,727
Profit/(loss) transferred to profit & loss account	(19,095,369)	86,985,451	283,609	31,804,137	1,757,023	101,734,851
Balance of account at the end of the year as shown in the balance sheet	24,949,683	44,803,588	273,285	16,270,440	10,372,636	96,669,632
(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	110,463,616	189,049,025	1,102,497	60,590,834	47,186,447	408,392,419
Total	110,463,616	189,049,025	1,102,497	60,590,834	47,186,447	441,182,155

The accompanying notes 1 to 39 form an integral part of these financial statements.

Zf. 17

Md. Zakiah Shahid
Chairman

S. P. Trisha

Saheda Pervin Trisha
Vice Chairman

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam

Mohammodi Khanam
Chief Executive Officer

Rahman Mostafa Alam & Co.

Rahman Mostafa Alam & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka

February 07, 2019



PRIME INSURANCE COMPANY LIMITED

ANNUAL REPORT 2018

Prime Insurance Company Limited

Fire Insurance Revenue Account

For the Year Ended December 31, 2018

PARTICULARS	Amount in Taka		PARTICULARS	Amount in Taka	
	2018	2017		2018	2017
Claims under policies less re-insurances:	2,029,597	2,741,399	Balance of account at the beginning of the year:	15,500,512	11,619,670
Claims paid during the year	128,927,820	32,321,854	Premium less re-insurances	62,374,207	38,751,281
Add: R/I claims paid / adjusted on PSB	1,654,036	7,632	Premium underwritten	304,866,148	305,139,230
Add: Claims paid on re-insurance acceptance	-	-	Less: Premium refunded	-	1,102,767
Less: R/I loss claims recovered / adjusted on R/I cedence	7,489,440	4,213,283	Add: Premium on PSB	8,380,364	5,890,144
Less: Claims paid recoverable on R/I	124,950,747	26,804,455	Less: Re-insurance premium ceded	244,691,329	266,444,503
Add: Claims outstanding at the end of the year	14,888,725	9,979,536	Less: Re-insurance premium on PSB	6,180,976	4,730,823
Less: Claims recovered on PSB	1,021,261	-	Add: Premium on re-insurance accepted	-	-
Add: Outstanding claims recoverable R/I	9,979,536	8,549,885			
Less: Claims outstanding at the end of previous year	56,849,783	56,320,204	Commission earned on re-insurances	32,588,897	71,724,092
Expenses of management	45,729,922	45,605,469	Commission earned on R/I ceded	31,421,104	71,113,856
Agent commission	(19,095,369)	1,927,459	Less: Commission paid on R/I accepted	-	-
Profit/(Loss) transferred to Profit & Loss Account.			Add: Commission earned on PSB	708,419	610,236
Balance of account at the end of the year as shown in the Balance sheet.	24,949,683	15,500,512	Add: Profit commission	459,374	-
(Reserve for unexpired risks being 40% of premium income on Fire of the year).					
Total	110,463,616	122,095,043	Total	110,463,616	122,095,043

The accompanying notes 1 to 39 form an integral part of these financial statements.

E. P. Shah

Md. Zakullah Shahid
Chairman

S. P. Shah

Saheda Pervin Trisha
Vice Chairman

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

Mohammodi Khanam

Mohammodi Khanam
Chief Executive Officer

Rahman Mostafa Alam & Co.

Rahman Mostafa Alam & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka

February 07, 2019

Prime Insurance Company Limited

Marine & Marine Hull Insurance Revenue Account

For the Year Ended December 31, 2018

PARTICULARS	Amount in Taka			PARTICULARS	Amount in Taka		
	2018		2017		2018		2017
	Marine	Marine Hull	Total		Marine	Marine Hull	Total
Claims under Policies less Re-insurances:	(6,475,133)	(39,202)	(6,514,335)	Balance of account at the beginning of the year:	61,579,448	474,346	62,053,794
Claims paid during the year	7,949,661	-	7,949,661	Premium less re-insurances	112,008,971	273,285	112,282,256
Add: R/I claims paid/adjusted on PSB	1,340,630	112,108	1,452,738	Premium underwritten	193,775,712	1,655,838	195,431,550
Add: Claims paid on re-insurance acceptance	-	-	-	Less: Premium refunded	9,262,292	-	9,262,292
Less: R/I loss claims recovered / adjusted on R/I cedece	13,404,397	-	13,404,397	Add: Premium on PSB	14,169,414	197,914	14,367,328
Less: Claims paid recoverable on R/I	1,576,599	-	1,576,599	Less: Re-insurance premium ceded	76,314,119	1,432,090	77,746,209
Add: Claims outstanding at the end of the year	43,487,774	-	43,487,774	Less: Re-insurance premium on PSB	10,359,744	148,377	10,508,121
Less: Claims recovered on PSB	745,925	151,310	897,235	Add: Premium on re-insurance accepted	-	-	-
Add: Outstanding claims recoverable R/I	43,526,277	-	43,526,277				
Less: Claims outstanding at the end of the previous year	-	-	-				
Expenses of management	36,058,106	336,430	36,394,536	Commission earned on re-insurances	15,460,606	354,866	15,815,472
Agent commission	27,677,013	248,376	27,925,389	Commission earned on R/I ceded	11,207,365	300,698	11,508,063
Profit/(loss) transferred to profit & loss account	86,985,451	283,609	87,269,060	Less: Commission paid on R/I accepted	-	-	-
Balance of account at the end of the year as shown in the balance sheet	44,803,588	273,285	45,076,873	Add: Commission earned on PSB	1,986,604	8,160	1,994,764
(Reserve for unexpired risks being 40% of premium income on Marine, and 100% of premium income on Marine Hull of the year).	-	-	-	Add: Profit commission	2,206,637	46,008	2,312,645
Total	189,049,025	1,102,497	190,151,522		189,049,025	1,102,497	190,151,522
				Total			208,886,958

Life 17

Md. Zakiah Shahid
Chairman

S. P. Shaha

Saheda Pervin Trisha
Vice Chairman

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

U. Khanam

Mohammodi Khanam
Chief Executive Officer

Rahman Mostafa Alam

Rahman Mostafa Alam & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka

February 07, 2019



PRIME INSURANCE COMPANY LIMITED

ANNUAL REPORT 2018

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Prime Insurance Company Limited

Motor Insurance Revenue Account

For the Year Ended December 31, 2018

PARTICULARS	Amount in Taka		PARTICULARS	Amount in Taka	
	2018	2017		2018	2017
Claims under policies less re-insurances:	(1,394,417)	3,144,997	Balance of account at the beginning of the year:	18,214,934	16,884,385
Claims paid during the year	4,292,652	6,516,586	Premium less re-insurances	40,676,101	45,537,334
Add: R/I claims paid/adjusted on PSB	162,839	154,271	Premium underwritten	40,451,178	46,817,683
Add: Claims paid on re-insurance acceptance	-	-	Less: Premium refund	4,802	-
Less: R/I loss claims recovered / adjusted on R/I cadence	-	-	Add: Premium on PSB	2,773,084	2,364,895
Less: Claims paid recoverable on R/I	900,900	1,387,500	Less: Re-insurance premium ceded	2,390,248	3,544,202
Less: Claims outstanding at the end of the year	785,992	5,735,000	Less: Re-insurance premium on PSB	153,111	101,042
Less: Claims recovered on PSB	-	-	Add: Premium on re-insurance accepted	-	-
Add: Outstanding claims recoverable R/I	-	-			
Less: Claims outstanding at the end of the previous year	5,735,000	7,873,360			
Expenses of management	7,843,717	8,937,512	Commission earned on re-insurances	1,699,799	1,479,852
Agent commission	6,066,956	7,022,652	Commission earned on R/I ceded	1,699,799	1,479,852
Profit/(loss) transferred to profit & loss account	31,804,138	26,581,476	Less: Commission paid on R/I accepted	-	-
Balance of account at the end of the year as shown in the balance sheet	16,270,440	18,214,934	Add: Commission earned on PSB	-	-
(Reserve for unexpired risks being 40% of Motor premium income of the year)			Add: Profit commission	-	-
Total	60,590,834	63,901,571	Total	60,590,834	63,901,571

Signature

Md. Zakullah Shahid
Chairman

Signature

Saheda Pervin Trisha
Vice Chairman

Signature

A.Z.M Sazzadur Rahman
Director

Signature

Mohammadi Khanam
Chief Executive Officer

Signature

Rahman Mostafa Alam & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka

February 07, 2019

Prime Insurance Company Limited

Miscellaneous Insurance Revenue Account

For the Year Ended December 31, 2018

PARTICULARS	Amount in Taka		PARTICULARS	Amount in Taka	
	2018	2017		2018	2017
Claims under policies less re-insurances:	(236,502)	1,250,965	Balance of account at the beginning of the year:	6,329,353	6,997,225
Claims Paid during the year	10,676,830	34,606,970	Premium less re-insurances	25,931,589	15,823,383
Add: R/I claims paid / adjusted on PSB	18,580,422	36,558	Premium underwritten	83,939,721	89,103,029
Add: Claims paid on re-insurance acceptance	7,763	6,428	Less: Premium refunded	496,655	803,319
Less: R/I loss claims recovered / adjusted on R/I cedence	4,383,213	5,495,734	Add: Premium on PSB	41,978,550	19,887,331
Less: Claims paid recoverable on R/I	6,520,048	26,548,027	Less: Re-insurance premium ceded	58,532,995	73,726,771
Add: Claims outstanding at the end of the year	9,755,509	10,046,643	Less: Re-insurance premium on PSB	41,368,040	18,959,977
Less: Claims recovered on PSB	18,367,122	1,622	Add: Premium on re-insurance accepted	411,008	323,090
Add: Outstanding claims recoverable R/I	-	-			
Less: Claims outstanding at the end of the previous year	10,046,643	11,400,251			
Expenses of management	22,836,830	19,718,580	Commission earned on re-insurances	14,925,505	23,477,975
Agent commission	12,516,460	13,244,957	Commission earned on R/I ceded	9,144,968	20,987,023
Profit/(Loss) transferred to Profit & Loss Account.	1,757,023	5,754,728	Less: Commission paid on R/I accepted	143,853	113,081
Balance of account at the end of the year as shown in the Balance sheet.	10,372,636	6,329,353	Add: Commission earned on PSB	5,384,502	2,604,033
(Reserve for unexpired risks being 40% of Miscellaneous premium income of the year).			Add: Profit commission	539,888	-
Total	47,186,447	46,298,583	Total	47,186,447	46,298,583

Zf.17

Md. Zakullah Shahid
Chairman

S. P. Shah

Saheda Pervin Trisha
Vice Chairman

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

U. Khanam

Mohammodi Khanam
Chief Executive Officer

Rahman Mostafa Alam

Rahman Mostafa Alam & Co.
Chartered Accountants

Signed in terms of our separate report of even date.
Dated: Dhaka
February 07, 2019

Prime Insurance Company Limited

Statement of Changes in Shareholders' Equity

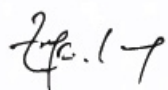
For the Year Ended December 31, 2018

For the year 2018

Particulars	Amount In Taka				
	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2018	408,774,980	9,900,000	210,250,498	76,679,316	705,604,794
Cash dividend for the year 2017	-			(61,316,247)	(61,316,247)
Profit after tax for the year	-		-	45,867,601	45,867,601
Appropriation made during the year	-	500,000	18,094,811	(18,594,811)	-
Balance as at December 31, 2018	408,774,980	10,400,000	228,345,309	42,635,860	690,156,149

For the year 2017

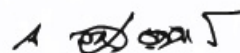
Particulars	Amount In Taka				
	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2017	408,774,980	8,900,000	191,160,376	61,195,010	670,030,366
Cash dividend for the year 2016	-	-	-	(53,140,747)	(53,140,747)
Profit after 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



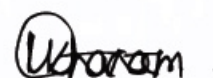
Md. Zakiullah Shahid
Chairman



Saheda Pervin Trisha
Vice Chairman



A.Z.M Sazzadur Rahman
Director



Mohammudi Khanam
Chief Executive Officer

Prime Insurance Company Limited

Statement of Cash Flows

For the Year Ended December 31, 2018

Particulars	Amount in Taka	
	31.12.2018	31.12.2017
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from premium and other income	678,918,782	693,013,520
Payment for management expenses, re-insurance and claims	(606,605,417)	(635,850,544)
Income tax, VAT & Stamp paid	(75,617,716)	(36,285,871)
Net cash flows from operating activities	(3,304,351)	20,877,105
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(241,550)	(627,811)
Investment in shares	(283,376,512)	(358,869,321)
Sale proceeds of investment in shares	264,744,010	372,381,353
Sale proceeds of fixed assets	1,224,163	11,000
Interest received	9,689,179	9,870,318
Dividend received	3,810,698	5,215,953
Interest paid on margin loan	-	(5,165)
Net cash flows from investing activities	(4,150,012)	27,976,327
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividend paid	(61,316,247)	(53,140,747)
Net cash flows from financing activities	(61,316,247)	(53,140,747)
Increase/(decrease) in cash and cash equivalent (A+B+C)	(68,770,610)	(4,287,315)
Cash and cash equivalent at the beginning of the year	214,469,505	218,756,820
Cash and Cash Equivalent at the closing of the year	145,698,895	214,469,505
Net operating cash flow per share	(0.08)	0.51

Md. Zakiullah Shahid
Chairman

Saheda Pervin Trisha
Vice Chairman

A.Z.M Sazzadur Rahman
Director

Mohammudi Khanam
Chief Executive Officer

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

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 2018 under review.

1.03 Date of financial statements authorised for issue

Financial Statements of the Company for the year ended December 31, 2018 were authorised for issue on February 07, 2019 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 provision of "The International Accounting Standards Committee" (IASC). According to the "International Accounting Standard (IAS)-1" and in accordance with the Bangladesh Accounting Standard (BAS) as adopted by the Institute of Chartered Accountants on Bangladesh (ICAB) Presentation of Financial Statements" the complete set of Financial Statements include the following components:

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

- 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 Ordinance 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 2018 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, 2018

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).

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

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
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 2018 to 31 December 2018.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

Viii) Branch accounting

The company has 18 branches/ Booth under its umbrella without having any overseas branch up to the year ended December 31, 2018. 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 47 private sector insurance companies.

The premium in respect of Company's share of Public Sector insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Sadharan Bima Corporation is received. The statements of account for the period from July 2017 to June 2018 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 Sadharan 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

Interest on FDRs and 15-years 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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

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 maintenance 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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

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 wherever necessary, to confirm to current years presentation 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.

3.01 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.

3.02 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.

3.03 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, 2018.

3.04 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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

4.00 Deferred taxes

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilised. Adequate provision has been made for deferred tax to profit or loss and other comprehensive income.

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	Amount in Taka	
		2018	2017
a.	Earnings attributable to the ordinary shareholders	45,867,601	88,715,175
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	1.12	2.17

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning plus the number of ordinary shares issued during the year multiplied by a time-weighted factor. The time weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days during the year.

5.02 Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

At December 31, 2018 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

Sl. No.	Particulars	Amount in Taka	
		2018	2017
	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	150,000,000	150,000,000
	1,50,00,000 ordinary share of Tk. 10 each		
	Bonus shares issued in different years:	258,774,980	258,774,980
	25,877,498 bonus shares of Tk. 10 each	408,774,980	408,774,980

Category of Shareholders	2018		2017	
	No. of Shares holding	% of holding	No. of Shares holding	% of holding
A. Group-A: Sponsors & Directors: 14,005,276				
shares of Tk.10 each fully paid-up	14,005,276	34.26%	19,578,208	47.89%
B. Group-B: Public Shareholders: 26,872,222				
shares of Tk.10 each fully paid-up	26,872,222	65.74%	21,299,290	52.11%
1. Banks, ICB, MFs & Insurance Companies	922,818	2.26%	4,288,050	10.49%
2. Employees	-	0.00%	-	0.00%
3. ICB Investors' Accounts	-	0.00%	796,793	1.95%
4 Ramisha BD. Ltd.	2,500,000	6.12%	2,500,000	6.12%
5 Fareast Islami Securities Ltd.	2,595,000	9.66%	13,714,447	33.55%
6 General Public & Others	20,854,404	51.02%		
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, 2018

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

Group-A: Sponsors & Directors

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	-	-	-	-
5001-10000	-	-	-	-
10001-300000	634873	3	4.53	1.55
300001-600000	403,178	1	2.88	0.99
600001-1500000	12,967,225	13	92.59	31.72
1500001-5000000	0	0	0.00	-
Total	14,005,276	17	100	34.26

Group-B: Public shareholders

Class Interval	No. of share	No. of share Holders	% of Total holding	% of Total paid up capital
001-5000	1,789,024	1,860	6.66	4.38
5001-10000	830,785	107	3.09	2.03
10001-300000	7,647,924	191	28.46	18.71
300001-600000	4,001,153	9	14.89	9.79
600001-1500000	4,161,679	4	15.49	10.18
1500001-5000000	8,441,657	5	31.41	20.65
Total	26,872,222	2,176	100.00	65.74
Grant Total (A+B):	40,877,498	2,193		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:

	AMOUNT in Taka		
	Notes No.	2018	2017
Opening balance as on 1 January	7.01	210,250,498	191,160,376
Add: Transferred during the year (tax exempted)		18,094,811	19,090,122
Closing balance as on 31 December		228,345,309	210,250,498

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

7.01 Class wise exceptional loss reserve

This represents profit set-aside during the year under review at 7.50% (2017 : 7.50%) 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.

7.50% Exceptional Loss Reserve on Net Premium	Amount in Taka		
	Net Premium	2018	2017
01. Fire Insurance Business	62,374,207	4,678,066	2,906,346
02. Marine Insurance Business	112,282,256	8,421,169	11,581,722
03. Motor Insurance Business	40,676,101	3,050,708	3,415,300
04. Miscellaneous Insurance Business	25,931,589	1,944,869	1,186,754
Total	241,264,153	18,094,811	19,090,122

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.

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	9,900,000	8,900,000
Add: Transferred during the year	500,000	1,000,000
Closing balance as on 31 December	10,400,000	9,900,000

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	Amount in Taka			
	Net Premium	Percentage	2018	2017
01. Fire	62,374,207	40%	24,949,683	15,500,512
02. Marine	112,008,971	40%	44,803,588	61,579,448
03. Marine Hull	273,285	100%	273,285	474,346
04. Motor	40,676,101	40%	16,270,440	18,214,934
05. Miscellaneous	25,931,589	40%	10,372,636	6,329,353
Total	241,264,153		96,669,632	102,098,593

10.00 Premium deposit

The below mentioned amount includes premium received against cover notes for which policies have not been issued within 31 December, 2018. 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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

Particulars	Amount in Taka	
	2018	2017
	32,931,099	23,632,146
Premium deposits	32,931,099	23,632,146

11.00 Estimated liability in respect of outstanding claims whether due or intimated

Class wise estimated liabilities in respect of outstanding claims whether due or intimated during the year are given bellows.

Class wise outstanding claims whether due or intimated	Amount in Taka	
	2018	2017
Fire	14,888,725	9,979,536
Marine	43,487,774	43,526,277
Motor	785,992	5,735,000
Miscellaneous	9,755,509	10,046,643
Closing balance as on 31 December	68,918,000	69,287,456

All the claims of which the Company received intimations within December 31, 2018 have been taken into consideration while estimating the liability in respect of outstanding claims.

12.00 Amount due to other persons or bodies carrying on insurance business

This amount is payable to Sadharan 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:

Particulars	Amount in Taka	
	2018	2017
1 Re-insurance ceded premium to SBC	54,332,472	1,505,538
2 Re-insurance ceded premium to Abroad	11,028,494	5,880,841
3 Co-insurance premium payable to other insurance companies	11,800,979	8,051,826
Closing balance as on 31 December	77,161,945	15,438,205

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:

Particulars	Notes no:	Amount in Taka	
		2018	2017
	13.01	1,411,091	1,029,508
Audit fees payable	13.02	6,223,325	4,914,805
VAT payable		280,667	177,678
Employees' tax deduction at source		624,352	529,348
Income tax deduction at source			

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

Particulars	Notes no:	Amount in Taka	
		2018	2017
Bills payable		119,820	119,820
Insurance stamps on deposit premium	13.03	33,227,522	33,574,507
Security deposit		605,082	1,805,082
Unclaimed dividend	13.04	3,139,105	2,783,185
Gratuity fund	13.05	1,180,243	2,699,699
Accrued expenses	13.06	6,785,400	7,429,254
Provident fund payable	13.07	162,317	199,249
Salary payable		2,227,642	2,316,642
Service charge payable (Hansa management)		511,395	196,155
Closing balance as on 31 December		56,497,961	57,774,932

13.01 Audit fees payable

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

Particulars	Amount in Taka	
	2018	2017
Opening balance as on 1 January	1,029,508	694,925
Add: Provision made during the year	625,000	555,000
Total	1,654,508	1,249,925
Less: Paid during the year	243,417	220,417
Closing balance as on 31 December	1,411,091	1,029,508

13.02 VAT payable

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

Particulars	Amount in Taka	
	2018	2017
Opening balance as on 1 January	4,914,805	6,459,230
Add: Payable during the year	41,425,722	41,437,729
Total	46,340,527	47,896,959
Less: Paid during the year	40,117,202	42,982,154
Closing balance as on 31 December	6,223,325	4,914,805

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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

13.03 Insurance stamp on deposit premium

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

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	33,574,507	33,016,042
Add: Payable during the year	22,568,212	21,487,079
Total	56,142,719	54,503,121
Less: Paid during the year	22,915,197	20,928,614
Closing balance as on 31 December	33,227,522	33,574,507

13.04 Unclaimed dividend

Unclaimed dividend amounting to Tk.3,139,105 payable to the Shareholders to whom dividend warrants were issued but not placed for collection up to the date of Balance Sheet.

	Amount in Taka	
	2018	2017
1 Dividend payable for the year 2017	355,920	-
2 Dividend payable for the year 2016	1,631,527	1,631,527
3 Unclaimed dividend previous year	1,151,658	1,151,658
Total unclaimed dividend	3,139,105	2,783,185

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".

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	2,699,699	4,883,364
Add: Provision made during the year	4,000,000	4,000,000
Total	6,699,699	8,883,364
Less: Transferred to the gratuity fund	4,000,000	2,652,877
Less: Paid to the employees from company's own fund	1,519,456	3,530,788
Closing balance as on 31 December	1,180,243	2,699,699

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

13.06 Accrued expenses

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

Particulars of accrued expenses	Notes No:	Amount in Taka	
		2018	2017
Incentive	13.06.01	5,648,398	6,290,518
Health insurance		365,955	365,955
Mobile		68,300	68,300
Telephone (resident)		17,130	17,130
Telephone (office)		20,000	20,000
Electricity		225,450	225,450
Car allowance		217,410	197,900
Car fuel		115,557	115,101
Car maintenance		107,200	128,900
Closing balance as on 31 December		6,785,400	7,429,254

13.06.01 Incentive/performance bonus for employees

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	6,290,518	6,248,613
Add: Provision made during the year	5,038,958	5,928,070
Total	11,329,476	12,176,683
Less : Paid during the year	5,681,078	5,886,165
Closing balance as on 31 December	5,648,398	6,290,518

13.07 Provident fund payable

All the permanent employees contributed @10% of each basic salary and the employers also contributed @10% recognised Employees Provident fund. During the year, provision made for Employees Provident Fund as per Bangladesh Accounting Standard (BAS)-19 under "Employees Retirement Benefit Scheme".

	Amount in Taka	
	2018	2017
Opening balance as on 1 January	199,249	174,349
Add: Provision made during the year	5,304,072	5,444,402
Total fund	5,503,321	5,618,751
Total Provident fund transferred & paid	5,341,004	5,419,502
Less: Transferred to the Employees Provident fund Account.	5,341,004	5,419,502
Less: Paid to the employees from company's own fund	-	-
Closing balance	162,317	199,249

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

14.00 Corporate income tax provision

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

	Amount in Taka	
	2018	2018
Opening balance as on 1 January	243,238,890	227,569,435
Add: Provision made during the year (14.01)	29,496,201	15,669,455
Total	272,735,091	243,238,890
Less: Adjustment made for Assessment year	-	-
Closing balance as on 31 December	272,735,091	243,238,890

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)		79,519,109	18,094,811	61,424,297
Interest income from FDR & STD Accounts (U/s 22)	24.00	14,141,384	-	14,141,384
Capital gains from share trading (U/s 31)	25.00	(9,047,308)	(9,047,308)	-
Gain (unrealised) on investment in securities	17.04	(11,472,550)	(11,472,550)	-
Dividend income from investment in securities (U/s 54 Rule 19)	26.00	4,763,374	-	4,763,374
Fixed assets sales (Motor car) U/S -16(3)	27.00	119,174	-	119,174
Other income (U/S-33)	27.00	502,718	-	502,718
Total Profit/Income (before Tax)		78,525,901	(2,425,047)	80,950,947

Computation of current year tax provision

Particulars of using Tax payable rate on taxable income against various heads as per Income Tax Ordinance, 1984. Details are given below:

Particulars	Taxable income	Rate of Tax percentage	Tax provision
Income tax on business @ 37.50%	61,424,297	37.50	23,034,112
Income tax on interest income @ 37.50%	14,141,384	37.50	5,303,019
Income tax on capital gains from share trading @10%	-	10	-
Income tax on dividend income @ 20%	4,763,374	20	952,675
Income tax on capital gains from share trading @10%	-	10	-
Gain from sale of motor car @15%	119,174	15	17,876
Gain from sale of furniture & fixture @15%	-	15	-
Other income @37.50%	502,718	37.50	188,519
Total tax liability during the year	80,950,947		29,496,201

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

14.02 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the year ended December 31, 2018 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"

	Amount in Taka	
	2018	2017
Carrying amount of property, plant and equipment excluding land	199,145,772	211,887,457
Tax base	164,718,351	183,728,509
Total difference	34,427,421	28,158,948
Less: Permanent difference	3,689,745	4,612,181
Taxable temporary difference	30,737,676	23,546,767
Provision for gratuity	1,180,243	2,699,699
Provident fund payable	162,317	199,249
Provision for incentive bonus	5,648,398	6,290,518
Deductible temporary difference	6,990,958	9,189,466
Total (taxable)/deductible temporary difference	(23,746,718)	(14,357,301)
Tax rate	37.50%	40%
Deferred tax assets/(liability) as at 31 December	(8,905,019)	(5,742,920)
Deferred tax assets in previous year	(5,742,920)	543,980
Deferred tax (expense)/income for the year	(3,162,099)	(6,286,900)

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

15.00 Property, plant and equipment (at cost less accumulated depreciation) Tk. 199,145,772

All fixed assets are stated at cost less accumulated depreciation as per Bangladesh Accounting Standard (BAS)- 16, "Property, Plant and Equipment". Details are shown as under:

Figures in Taka

PARTICULARS	COST			DEPRECIATION					WRITTEN DOWN VALUE (WDV)		
	Opening balance as at 01-01-2018	Addition during the year	Disposal during the year	Balance as on 31-12-2018	Rate	Opening balance as at 01-01-18	Charged during the year	Adjustment during the year	Balance as on 31-12-18	Balance as on 31-12-2018	Balance as on 31-12-2017
Land				-	0%		-		-	-	
Building	165,451,600	-		165,451,600	2%	3,309,032	3,242,851		6,551,883	158,899,717	162,142,568
Motor car	44,167,050	-	7,417,000	36,750,050	20%	26,956,001	3,442,210	5,112,011	25,286,200	11,463,850	17,211,049
Motor cycle	1,999,090	-	-	1,999,090	20%	1,628,552	74,108	-	1,702,660	296,430	370,538
Bi-cycle	27,550	-	-	27,550	20%	14,853	2,539	-	17,392	10,158	12,697
Furniture & fixtures	37,705,714	-	-	37,705,714	10%	15,919,124	2,178,659	-	18,097,783	19,607,931	21,786,590
Electrical fans	278,995	2,950	-	281,945	15%	237,106	6,505	-	243,611	38,334	41,889
Air cooler	6,098,240	-	-	6,098,240	15%	3,448,064	397,526	-	3,845,590	2,252,650	2,650,176
Electrical equipment	3,558,980	-	-	3,558,980	15%	1,933,481	243,825	-	2,177,306	1,381,674	1,625,499
Typewriters	739,700	-	-	739,700	15%	739,699	0	-	739,699	1	1
Photocopy machine	642,979	-	-	642,979	15%	517,026	18,893	-	535,919	107,060	125,953
Office equipment	5,362,969	9,500	-	5,372,469	15%	3,360,376	301,101	-	3,661,477	1,710,992	2,002,593
Computer	13,676,078	152,900	-	13,828,978	20%	10,463,836	657,738	-	11,121,574	2,707,404	3,212,242
Telephone & mobile installation	4,011,036	76,200	-	4,087,236	15%	3,493,872	83,290	-	3,577,162	510,074	517,164
Fax machine	704,290	-	-	704,290	15%	612,559	13,760	-	626,319	77,971	91,731
Camera & television	213,415	-	-	213,415	15%	131,183	12,335	-	143,518	69,897	82,232
Generator	48,360	-	-	48,360	20%	33,825	2,907		36,731	11,629	14,535
Total Taka - 2018	284,686,046	241,550	7,417,000	277,510,596		72,798,589	10,678,247	5,112,011	78,364,824	199,145,772	211,887,457
Total Taka - 2017	118,606,635	166,079,411	-	284,686,046		60,667,022	12,131,568	-	72,798,589	211,887,457	

Prime Insurance Company Limited

Notes to the Financial Statements

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16.00 Investment on Bangladesh Government Treasury Bond (BGTB)

The investment represents investment made in Bangladesh Government Treasury Bond (BGTB) at statutory deposit with Bangladesh Bank as required by Insurance Act. 2010. Details are as under:

Name of the Securities	Value at Cost (Tk.) as on 31/12/2018	Fair value (Tk.) as on 31/12/2018	Value at Cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
a). 10-Years Bangladesh Govt Treasury Bond @ 9.45% Prime Bank Ltd, Islami Banking branch, Dhaka	9,000,000	9,000,000	9,000,000	9,000,000
b). 15-Years Bangladesh Govt Treasury Bond on average @ 8.12% Bank Asia Ltd. Dhaka.	16,000,000	16,000,000	-	-
Total	25,000,000	25,000,000	9,000,000	9,000,000

17.00 Investment on listed, non-listed securities and mutual funds

The investment represents investment made in Bangladesh Government Treasury Bond (BGTB) at statutory deposit with Bangladesh Bank as required by Insurance Act. 2010. Details are as under:

	Amount in Taka	
	2018	2017
Held for trading	-	-
Fair value through profit & loss	136,122,574	128,962,622
	136,122,574	128,962,622

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

Investment particulars	Notes	Value at Cost (Tk.) as on 31/12/2018	Fair Market Value(Tk.) as on 31/12/2018	Value at Cost (Tk.) as on 31/12/2017	Fair Market Value (Tk.) as on 31/12/2017
a) Listed Securities	17.01	166,224,546	128,615,399	151,424,158	125,677,687
Non-listed Securities	17.02	7,507,175	7,507,175	1,569,450	1,569,450
Shares in Central Depository (BD) Ltd & Others					
c) Mutual Fund	17.03	-	-	2,105,610	1,715,485
Closing balance		173,731,721	136,122,573.70	155,099,219	128,962,622

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, 2018 the company had the following securities:

Prime Insurance Company Limited

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17.01 Investment in listed securities

Name of Company/Securities	No. of shares	Average cost price (Tk)	Value at cost (Tk.) as on 31/12/2018	Fair Value (Tk.) as on 31/12/2018	Value at cost (Tk.) as on 31/12/2017	Fair value (Tk.) as on 31/12/2017
AB Bank Ltd		0.00			7,351,838	5,746,000
Advent Pharma Limited	345	0.00	-	14,111		
AAMRANET	15,000	87.34	1,310,115	882,000		
Active fine Chemical	58,800	34.04	2,001,682	1,658,160		
Baraka Power Limited	293,700	37.56	11,030,460	8,223,600	9,113,734	7,120,800
BBS Cables Ltd.			-	-	4,048,897	3,789,345
Beximco Pharma	15,000	111.86	1,677,926	1,186,500		
Eastern Housing Ltd.					14,047,770	12,677,167
Fareast Finance & Investment	3,540	4.88	17,287	18,762		
First Finance Ltd.	1,500	52.05	78,071	8,550	78,071	17,400
First Security Islami Bank	40,000	14.07	562,931	436,000	6,192,240	6,120,000
Fortune shoes Limited	0		-	-	5,744,229	4,468,632
Golden Harvest Agro	182,838	44.89	8,208,410	5,357,153	8,208,410	6,997,736
IDLC Finance Limited	130,000	76.58	9,955,192	9,061,000	554,377	597,100
IFIC Bank					4,130,091	3,780,000
Ido-Bangla Pharma	3,238	9.09	29,433	100,701		
Intraco Refueling Station	5,600	9.52	53,340	150,080		
IT Consultants Limited.					3,843,933	2,714,437
Kattaku Textile	888	0.00	-	22,466		
KPCL	66,000	117.04	7,724,490	3,913,800		
Lankabangla Finance	1,307,800	35.05	45,832,505	29,948,620	24,305,839	19,621,900
Linde Bangladesh Ltd					4,964,229	4,712,280
MJL Bangladesh Ltd.					2,828,284	2,531,120
M.L. Dyeing Ltd.	4,227	10.00	42,270	125,542		
Mercantile Bank Ltd	105,000	23.68	2,486,201	1,890,000		
National Bank					11,859,650	6,500,000
Pubali Bank Ltd.					4,345,555	2,740,651
Shahjibazar Power Co.Ltd.(SPCL)	341,703	108.44	37,053,943	32,393,444	18,038,536	16,369,520
SIM Tex Industries	112,010	39.62	4,438,695	3,696,330		
Summit Power					8,978,254	7,251,800
Square Pharma	9,095	284.17	2,584,502	2,311,949		
United Power Co Ltd (UPGDCL)	92,785	334.40	31,027,414	26,972,600		
United Finance Ltd					1,468,164	1,428,000
Uttara Finance Ltd					11,322,058	10,493,800
SS Steel Limited	6,748	10.00	67,460	-		
VFS Thread Dyeing Ltd.	4,222	10.00	42,220	244,031		
Total	2,800,039		166,224,545.95	128,615,398.70	151,424,158.45	125,677,686.70

Prime Insurance Company Limited

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17.02 Investment in non-listed securities

Name of Company/Securities	No. of shares as	Average cost price (Tk)	Value at cost (Tk.) as on 31/12/2018	Fair Value (Tk.) as on 31/12/2018	Value at cost (Tk.) as on 31/12/2017	Fair market value (Tk.) as on 31/12/2017
Central Depository (BD) Ltd	571,181	2.75	1,569,450	1,569,450	1,569,450	1,569,450
Runner Auto Mobile Ltd	-	-	2,503,575	2,503,575	-	-
AND Telecom Ltd (IPO)	-	-	1,430,575	1,430,575	-	-
GENEX INFOSYS LTD	-	-	2,003,575	2,003,575	-	-
Total	571,181	2.75	7,507,175	7,507,175	1,569,450	1,569,450

17.03 Invested in Mutual Fund

Name of Company/Securities	No. of shares as	Average cost price (Tk)	Value at cost (Tk.) as on 31/12/2018	Fair Value (Tk.) as on 31/12/2018	Value at cost (Tk.) as on 31/12/2017	Fair market value (Tk.) as on 31/12/2017
Prime Bank 1st ICB	-	-	-	-	1,724,649	1,406,000
PHP First Mutual Fund	-	-	-	-	380,961	309,485
Total	-	-	-	-	2,105,610	1,715,485
Grand Total: (b+c+d)	-	-	173,731,721	136,122,574	155,099,219	128,962,622

17.04 Changes in fair value of shares:

	Amount in Taka	
	2018	2017
Fair value of investment in shares	136,122,574	128,962,622
Cost price of the investment	173,731,721	155,099,219
Total unrealised loss	(37,609,147)	(26,136,597)
Total unrealised loss recognised in previous years as created fluctuation fund	26,136,597	64,937,555
Fair value adjustment made for the year	(11,472,550)	38,800,958

Previously the difference between cost and fair value of investment in securities amounting Tk.26,136,597.00 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 2018, the company has been provisioned fair value reserve an amount of Tk.11,472,550.00 from current year income through Profit and Loss account as a fluctuation fund. Presently, the fluctuation fund has arrived an amount of Tk.37,609,147.00

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For the Year Ended December 31, 2018

18.00 Stock of printing & stationery (inventories)

	Amount in Taka	
	2018	2017
Opening balance	3,753,670	3,843,461
Add: Purchase during the year	1,723,283	1,906,826
Total inventories	5,476,953	5,750,287
Less: Total utilisation/consumption	2,250,500	1,996,617
Closing balance	3,226,453	3,753,670

19.00 Premium collection control account

Outstanding premium of Marine cargo for the year 2017 subsequently was collected/adjusted and during the year Tk.8,968,848 has been added against Marine Cargo against Bank Guarantee which will be adjusted within the following year.

Break-up of the above amount is given below:

	Amount in Taka	
	2018	2017
1 Fire insurance business	-	-
3 Marine insurance business	8,968,848	8,020,079
4 Marine Hull insurance business	-	-
5 Motor & Miscellaneous insurance business	-	-
Closing balance	8,968,848	8,020,079

Prime Insurance Company Limited

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20.00 Interest accrued but not received

This represents interest amount receivable against FDR & BGTB but not received as at balance sheet dated. Details are given below:

	Amount in Taka	
	2018	2017
a) Fixed deposit receipts (FDR) with different banks		
Opening balance	3,118,154	4,167,310
Add: Accrued during the year	3,175,467	3,118,154
Total:	6,293,621	7,285,464
Less: Received during the year	3,118,152	4,167,310
Total accrued interest on FDR	3,175,469	3,118,154
b) 10-year Bangladesh Govt Treasury Bond		
Opening balance	398,452	398,453
Add: Accrued during the year	398,454	398,452
Total:	796,906	796,905
Less: Received during the year	398,453	398,453
Total accrued interest on BGTB	398,453	398,452
c) 15-year Bangladesh Govt Treasury Bond		
Opening balance	-	-
Add: Accrued during the year	696,682	-
Total:	696,682	-
Less: Received during the year	-	-
Total accrued interest on BGTB	696,682	-
d) Opening balance on fixed deposit with double benefit scheme		
Opening balance	5,067,060	2,931,680
Add: Accrued during the year	2,396,965	2,135,380
Total:	7,464,025	5,067,060
Less: Received during the year	-	-
Total accrued interest on FDR with double benefit scheme	7,464,025	5,067,060
Closing balance (a+b+c+d)	11,734,629	8,583,666

21.00 Amount due from other persons or bodies carrying on insurance business

This represents amount receivable from local reinsurers SBC and various foreign reinsurers, Co-insurance premium and co-insurance claims receivable other insurance companies. Which are given below:

Head of Amounts Receivable/due from	Amount in Taka	
	2018	2017
1 Co-insurance premium receivable from other insurance companies	3,545,425	4,151,205
2 Co-insurance claims receivable from other insurance companies	1,273,003	1,273,003
3 Claims receivable from SBC & abroad	373,405,231	253,705,077
Closing balance as on December	378,223,659	259,129,285

Prime Insurance Company Limited

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For the Year Ended December 31, 2018

22.00 Sundry debtors (including advances, deposits and pre-payments)

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

Segment wise Advances, deposits & pre-payments items	Notes No.	Amount in Taka	
		2018	2017
Advances for Unique Heights (Head office floor space)	22.01	-	-
Advances for Tropical Homes Ltd(Two Floor Space in Tropical Mollah Tower)	22.02	104,400,000	104,400,000
VAT receivable on collection control premium	22.03	2,855,678	2,148,796
Stamp receivable on collection control premium	22.04	593,130	809,364
Advance income tax	22.05	278,624,870	263,587,434
Advance office rent		3,763,965	3,183,158
Advance against salaries		1,461,655	1,055,261
Security deposit		228,574	228,574
Advance to suppliers		137,300	137,300
Advance against travel expenses		297,443	297,443
Advance against expenses		20,141	20,141
Other advances (Co-operative fund Unique Heights)	22.06	2,100,000	2,100,000
Closing balance as on December		394,482,756	377,967,471

22.01 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 eighty-eight 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 fifty-four lac fifty-one thousand and six hundred) only by instalments and balance amount of Tk.11,837,200 (Taka one crore eighteen lac thirty-seven 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 subsequently has charged depreciation on the cost of the said floor space in the accounts.

22.02 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:

	Amount in Taka	
	2018	2017
Payment movement		
Opening balance	104,400,000	104,400,000
During the year paid (including utility charges)	-	-
Total amount paid	104,400,000	104,400,000

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22.03 VAT receivable on collection control premium

	Amount in Taka	
	2018	2017
Opening balance	2,148,796	3,870,625
Add: Receivable during the year	41,428,263	41,565,881
Total	43,577,059	45,436,506
Less: Received during the year	40,721,381	43,287,710
Closing balance as on December	2,855,678	2,148,796

22.04 Stamp receivable on collection control premium

	Amount in Taka	
	2018	2017
Opening balance	809,364	7,494,367
Add: Receivable during the year	31,568,787	21,487,079
Total	32,378,151	28,981,446
Less: Received during the year	31,785,021	28,172,082
Closing balance as on December	593,130	809,364

22.05 Advance income tax

Notes No.	Amount in Taka	
	2018	2017
22.05.1	232,570,854	219,985,537
22.05.2	46,054,016	43,601,897
	278,624,870	263,587,434

22.05.1 Corporate advance tax

	Amount in Taka	
	2018	2017
Opening balance	219,985,537	186,396,947
Add: Tax paid during the year	12,585,317	33,588,590
Total advance tax paid	232,570,854	219,985,537
Less: Adjustment made during the year for assessment year	-	-
Total corporate advance tax as on December	232,570,854	219,985,537

22.05.2 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/SND Accounts, Bangladesh Government Treasury Bond (BGTB) dividend income and company's cars maintained in the name of the company.

	Notes No.	Amount in Taka	
		2018	2017
Balance on different sources			
Balance on FDR account	22.05.2.a	28,938,293	28,102,114
Balance on BGTB account	22.05.2.b	1,383,750	1,383,750
Balance on STD account	22.05.2.c	1,931,031	1,802,767
Balance on cash dividend received account	22.05.2.d	10,925,890	9,973,214
Balance on company's car	22.05.2.e	2,875,052	2,340,052
Total balance as on December		46,054,016	43,601,897



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22.05.2.a Tax deducted at source on FDR interest

	Amount in Taka	
	2018	2017
Opening balance	28,102,114	27,190,097
During the year deduction	836,179	912,017
Balance as on December	28,938,293	28,102,114
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	28,938,293	28,102,114

22.05.2.b Tax deducted at source on interest of Bangladesh Govt Treasury Bond

	Amount in Taka	
	2018	2017
Opening balance	1,383,750	1,383,750
During the year deduction	-	-
Balance as on December	1,383,750	1,383,750
Less: Adjustment made during the year	-	-
Closing balance as on December	1,383,750	1,383,750

22.05.2.c Advance tax deducted at source on STD/SND account interest

	Amount in Taka	
	2018	2017
Opening balance	1,802,767	1,683,668
During the year deduction	128,264	119,099
Balance as on December	1,931,031	1,802,767
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	1,931,031	1,802,767

22.05.2.d Advance tax deduction at source cash dividend received account

	Notes No.	Amount in Taka	
		2018	2017
Opening balance		9,973,214	8,672,029
During the year deduction (including corporate dividend tax)		952,676	1,301,185
Balance as on December		10,925,890	9,973,214
Less: Adjustment made during the year for assessment year		-	-
Closing balance as on December		10,925,890	9,973,214

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22.05.2.e Advance tax paid against Company's car

	Amount in Taka	
	2018	2017
Opening balance	2,340,052	1,975,052
During the year deduction	535,000	365,000
Balance as on December	2,875,052	2,340,052
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	2,875,052	2,340,052

22.06 Other advance (Co-operative fund of Unique Heights)

	Amount in Taka	
	2018	2017
Total Co-operative fund of Unique Heights	2,100,000	2,100,000

The above advance has been made to the Borak Real Estate for Unique Heights Co-operative Fund against service charge purpose.

23.00 Cash & cash equivalents

This represents amount cash in hand and cash at bank balance equivalents in Taka (STD/SND, FC, CD and FDR Accounts) as at balance sheet date. Which are given below:

	Notes No.	Amount in Taka	
		2018	2017
01. Cash in hand		3,459,421	3,944,989
02. Balance with banks:		142,239,474	210,524,516
Cash at Bank		55,839,474	45,580,038
a) Short term deposits		49,055,883	39,012,721
b) Foreign currency account (USD 2,265.46 equivalent @ TK.83.92)		190,117	187,578
c) Current deposits		6,593,474	6,379,739
d) Fixed deposit receipt	23.01	86,400,000	164,944,478
Closing balance as on December		145,698,895	214,469,505

23.01 Fixed deposit receipt (FDR)

	Amount in Taka	
	2018	2017
Opening balance	164,944,478	164,400,000
Add: Placed during the year	69,700,000	58,144,478
Less: Encashed during the year	(148,244,478)	(57,600,000)
Closing balance as on December	86,400,000	164,944,478

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24.00 Interest income

This represents the amount received or accrued during the year on interest bearing account with different banks under the following category accounts:

Head of interest accounts	Amount in Taka	
	2018	2017
1 10-years Bangladesh Treasury Bond (9.45% on Tk.9,000,000)	850,500	850,500
2 15-years Bangladesh Treasury Bond (8.12% on Tk.16,000,000)	1,474,170	-
3 On fixed deposits receipts	8,401,676	10,273,075
4 On fixed deposits receipts (Double Benefit Scheme)	2,396,965	-
5 On short term deposits	1,018,073	898,923
Total	14,141,384	12,022,498

25.00 Investment income/(loss) from share trading

This represents the amount realized gain/(loss) during the year from sales of investment shares and mutual fund in different securities of listed or non-listed company's investment BO accounts.

	Notes No.	Amount in Taka	
		2018	2017
Income from share trading		18,547,979	24,109,734
Less: Loss on share sale	25.01	27,595,287	30,963,720
Net income/(loss) from share trading		(9,047,308)	(6,853,986)

25.01 Loss on shares sale

This represents the amount of loss incurred during the year from sale of shares.

	Amount in Taka	
	2018	2017
Total loss on shares sale	27,595,287	30,963,720

26.00 Cash dividend income on investment

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

	Amount in Taka	
	2018	2017
Cash dividend received from share investment	4,763,374	6,517,138

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27.00 Other non-operating income

	Notes No.	Amount in Taka	
		2018	2017
Gains on sale of motor car	27.01	184,942	-
Gains/(loss) on sale of motor car	27.02	(18,605)	-
Gains/(loss) on sale of motor car	27.03	(15,390)	-
Gains/(loss) on sale of motor car	27.04	(31,773)	-
Gains on sale of Furniture & Fixture			11,000
Total gain/(loss) on sale of motor car		119,174	11,000
Other income		502,718	56,298
Total		621,892	67,298

27.01 Profit from sale/transfer of Motor Car:

Amount in Taka		
	2018	2017
Cost price	1,380,000	-
Less: Accumulated depreciation	1,148,474	-
Written down value	231,526	
Sale/Transfer of Car No-DM-GA-31-9123	416,468	-
Profit /(Loss):	184,942	-

27.02 Profit from sale/transfer of Motor Car:

Amount in Taka		
	2018	2017
Cost price	1,680,000	-
Less: Accumulated depreciation	1,398,143	-
Written down value	281,857	
Sale/Transfer of Car No-DM-GA-31-9124	263,252	-
Profit/(Loss):	(18,605)	-

27.03 Profit from sale/transfer of Motor Car:

Amount in Taka		
	2018	2017
Cost price	1,680,000	-
Less: Accumulated depreciation	1,398,143	-
Written down value	281,857	
Sale/Transfer of Car No-DM-GA-31-9127	266,467	-
Profit/(Loss):	(15,390)	-

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27.04 Profit from sale/transfer of Motor Car:

	Amount in Taka	
	2018	2017
Cost price	1,477,000	-
Less: Accumulated depreciation	1,167,251	-
Written down value	309,749	
Sale/Transfer of Car No-DM-GA-33-2869	277,976	-
Profit/(Loss):	(31,773)	-

27.05 Gains / (loss) on foreign exchange

	Amount in Taka	
	2018	2017
Gains/(loss) on foreign exchange	2,539	9,641

28.00 Directors fees

The company pays fees to its Directors for attending the Board meeting and its Committee meetings as permitted by Insurance Development and Regulatory Authority. As per IDRA circular no-Pro:Bi:Ni:-15/01/96/Part-1 dated 26-08-2010, a Director may be paid fees for attending Board meeting or its Committee meetings which shall not exceed Tk.5,000 (five thousand) per attending each meeting since 2010. This year, IDRA has issued new circular No-53.03.0000.009.014.18.123 dated 31-05- 2018 to be paid Director's fees per attending Tk.8,000.00 (Eight thousand) only effected from May 31, 2018. Details are as given below:

Particulars	Attendance fee per meeting	Meeting held	Total attended	Amount in Taka	
				31.12.2018	31.12.2017
Board meeting		13	139	929,000	695,000
Executive Committee meeting		4	67	247,000	335,000
Audit Committee meeting		7	23	253,000	115,000
Remuneration Committee		1	5	-	15,000
Claims Review Committee		4	16	60,000	80,000
Election committee & others		6	-	110,000	-
Total			250	1,599,000	1,240,000

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).

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29.00 Audit fees

	Amount in Taka	
	2018	2017
Statutory audit	250,000	195,000
Corporate governance audit	25,000	30,000
Special audit	350,000	330,000
Total	625,000	555,000

30.00 Registration renewal fee

As per SRO No.186-law/2018 on June 11, 2018, Finance Ministry of Bangladesh, as excise authorized power by the Government Republic of Bangladesh, Insurance Act 2010 (Insurance Act-2010 and Rules-13) Section 146, subsection 9(4) Insurance Act 2010, has been amended Insurance Rules-2012. As per amended Insurance Rules 2012, under Section-3 of subsection-2 against Insurance business renewal registration rating fees has been refixed per thousand Taka 1.00 (One) only instead of per thousand Taka 3.50 (Three taka and paisha fifty) only. 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.1.00 per thousand of gross direct premium written in Bangladesh during the immediate preceding year of the Company.

	Amount in Taka	
	2018	2017
Registration renewal fee	769,432	1,922,531

31.00 Employee's salary and other allowances

	Amount in Taka	
	2018	2017
1 Employees salary and allowances (including CEO's salary)	69,636,112	70,948,475
2 Employees provident fund (Company's contribution)	2,652,036	2,722,201
3 Employees gratuity fund	4,000,000	4,000,000
4 Employees group insurance	225,765	264,274.00
5 Employees incentive/performance bonus	5,038,958	5,928,070
6 Employees festival bonus	5,368,387	5,378,907
Total	86,921,258	89,241,927

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

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32.00 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 vehicles, cell phone, and other allowances as per the terms of appointment or reappointment or agreement. The Chief Executive Officer's salaries and allowances status are given below:

Basic Salary and allowances	Amount in Taka	
	2018	2017
1 Basic salary	3,437,500	3,128,225
2 House rent	1,718,750	1,473,225
3 House maintenance	1,031,250	885,000
4 Responsibilities charges	687,500	550,000
5 Entertainment	-	120,000
6 Leave encashment	550,000	550,000
7 Medical charge	183,658	100,000
8 Festival bonus	577,500	550,000
9 Performance bonus & other allowances	2,200,000	2,000,000
Total	10,386,158	9,356,450

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

33.00 Agent commission

As directed by the Insurance Development & 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:

Basic Salary and allowances	Amount in Taka	
	2018	2017
1 Fire insurance business	45,729,922	45,605,469
2 Marine insurance business	27,677,013	27,006,797
3 Marine Hull insurance business	248,376	190,440
4 Motor insurance business	6,066,956	7,022,652
5 Miscellaneous insurance business	12,516,460	13,244,957
Total	92,238,727	93,070,316

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.

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

34.00 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.

	Amount in Taka	
	2018	2017
Shareholders' equity	690,156,148	705,604,794
Weighted average number of shares	40,877,498	40,877,498
Net assets value per share at the balance sheet date	16.88	17.26

35.00 Net operating cash flows

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.

	Amount in Taka	
	2018	2017
Net cash used in operating activities	(3,304,351)	20,877,105
Weighted average number of shares	40,877,498	40,877,498
Net operating cash flows per share on shares at balance sheet date	(0.08)	0.51

36.00 Number of employees engaged

Total number of 187 employees engaged for whole year whose service has been confirmed and drawn salary as per the company's approved Service Rules and pay scale as at December 31, 2018.

37.00 Event after the reporting period (balance sheet date)

The Board of Directors has recommended 10% cash dividend totaling Tk.40,877,498.00 on paid-up capital of Tk.408,774,980 for the year ended December 31, 2018 at its 311th Board Meeting held on February 07, 2019 subject to the approval of the AGM. After allowing this dividend, the balance in accumulated profit/(loss) of the company will be Tk.1,758,362.00

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.

38.00 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, 2018 are as follows:

Name of the related party	Relationship	Name of transaction	Premium earned	Premium outstanding against Bank Guarantee	Amount realized subsequently	Claim Paid
GQ group	Common Director	Insurance	721,930	-	-	28,800
Dekko group	Common Director	Insurance	35,019,319	1,874,000	-	-
Getco	Common Director	Insurance	81,986	-	-	-
Popular Pharma	Common Director	Insurance	693,155	58,000	-	145,000
Electra	Common Director	Insurance	1,891,738	-	-	33,979

Prime Insurance Company Limited

Notes to the Financial Statements

For the Year Ended December 31, 2018

39.00 Useful information for the shareholders

39.01 Contingent liability

There are some reference appeals and applications made from July 1999 to December 2001 (3½ years) pending against imposition of additional VAT and penalty thereof the company and no verdict has yet been received. Therefore, contingent liabilities of the company in respect of disputed additional VAT and penal VAT demanded by VAT authorities are as follows.

Particulars	Amount in Taka	
	2018	2017
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.

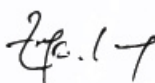
39.02 Miscellaneous claims

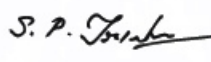
The above claim being company's 85% share in the loss was repudiated by the Executive Committee in the meeting # 26 held on 06/07/2005. Upon receipt of letter of repudiation from this company, the Insured M/s. Sigma Sea Foods Ltd instituted a Money Suit against the leading insurer (Prime Insurance Company Limited) and other Co-Insurer in the Court of Joint Dist. Judge, Khulna. The Claim is now under Subjudice.

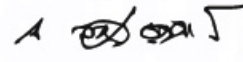
39.03 The history of raising of paid-up share capital

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 only)	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


Saheda Pervin Trisha
Vice Chairman


A.Z.M Sazzadur Rahman
Director

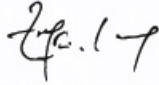
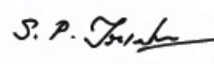
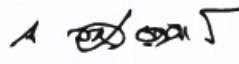
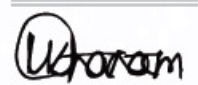

Mohammodi Khanam
Chief Executive Officer

Prime Insurance Company Limited

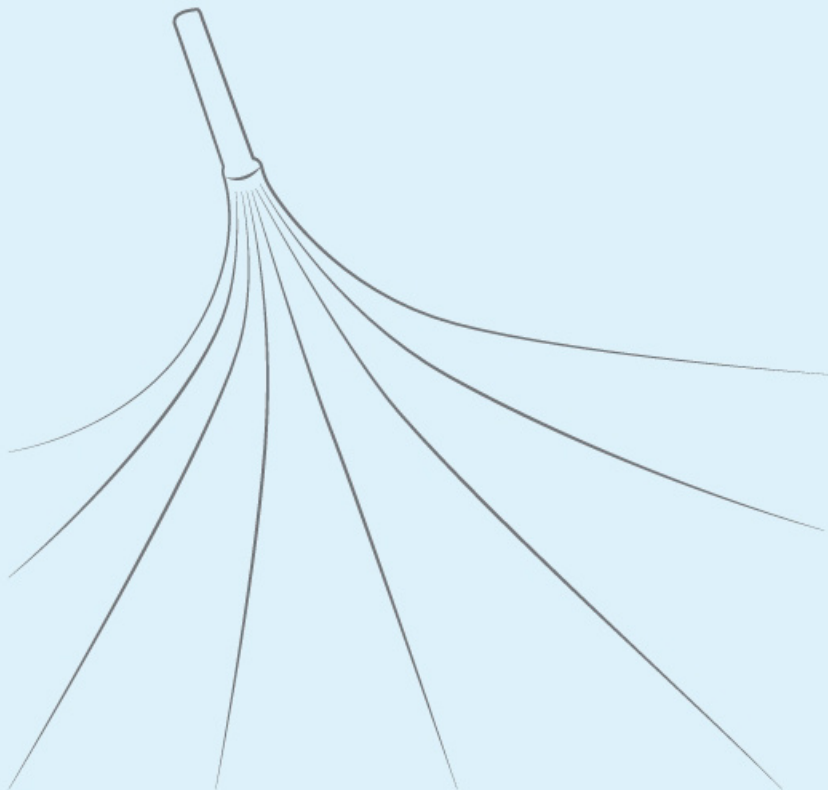
Classified Summary of Assets

as at December 31, 2018

Form "AA"

Sl. No.	Class of Assets	Amount in Taka	
		31.12.2018 Book Value	31.12.2017 Book Value
A. NON CURRENT ASSETS			
i) Property, plant & equipment		199,145,772	211,887,457
(a)	Building floor space	158,899,717	162,142,568
(b)	Motor car	11,463,850	17,211,049
(c)	Motor cycle	296,430	370,538
(d)	Bi-cycle	10,158	12,697
(e)	Furniture & fixtures	19,607,931	21,786,590
(f)	Electric fans	38,334	41,889
(g)	Air cooler	2,252,650	2,650,176
(h)	Electrical equipment	1,381,674	1,625,499
(i)	Typewriters	1	1
(j)	Photocopy machine	107,060	125,953
(k)	Office equipment	1,710,992	2,002,593
(l)	Computer	2,707,404	3,212,242
(m)	Telephone & mobile installation	510,074	517,164
(n)	Fax machine	77,971	91,731
(o)	Camera & television	69,897	82,232
(p)	Generator	11,629	14,535
(ii) Investment		161,122,574	137,962,622
(a)	Bangladesh Government Treasury Bond	25,000,000	9,000,000
(b)	Shares of Listed Company	128,615,399	125,677,687
(c)	Investment in Non Listed Company	7,507,175	1,569,450
(d)	Mutual funds	-	1,715,485
Total non current assets =(i+ii)		360,268,346	349,850,078
B) CURRENT ASSETS		943,706,550	872,967,858
(a)	Investment in fixed deposits receipts (FDR)	86,400,000	164,944,478
(b)	STD Accounts balance with banks	49,055,883	39,012,721
(c)	Current accounts balance with banks	6,783,591	6,567,317
(d)	Cash in hand	3,459,421	3,944,989
(e)	Premium collection control account	8,968,848	8,020,079
(f)	Interest accrued	11,734,629	8,583,666
(g)	Sundry debtors	394,482,756	377,967,471
(h)	Amount due from other persons or bodies carrying on insurance business	378,223,659	259,129,285
(i)	Stock of printing materials in hand	3,226,453	3,753,670
(j)	Stamps in hand	1,371,310	1,044,182
C) OTHER ASSETS			
Deferred tax assets		-	-
TOTAL ASSETS =(A+B+C)		1,303,974,896	1,222,817,936
 Md. Zakiullah Shahid Chairman		 Saheda Pervin Trisha Vice Chairman	 A.Z.M Sazzadur Rahman Director
 Mohammodi Khanam Chief Executive Officer			

OTHER EVENTS





Events!

Event HIGHLIGHTS



Mr. Md. Zakiullah Shahid , Chairperson of Prime Insurance Company Limited is addressing the 22nd Annual General Meeting (AGM) 2017 at PSC Convention Hall, Mirpur, Dhaka on March 29, 2018. Vice Chairperson Ms. Shaheda Pervin Trisha, Managing Director & CEO Ms. Mohammodi Khanam and Directors of the company are also seen.



Shareholders of PICL proposing and seconding the ordinary resolutions in the 22nd Annual General meeting held on 29th March 2019 at the PSC convention Hall, Mirpur, Dhaka.



Honorable Chairperson of the Board of Directors of Prime Insurance Company Limited Mr. Md. Zakiullah Shahid, Managing Director & CEO Ms. Mohammodi Khanam and Vice-Chairperson Saheda Pervin Trisha are seen among others in the two-day long Annual Branch Conference of Prime Insurance Company Limited held at its Head office in Dhaka.



Prime Insurance Company Limited celebrated its business review meeting 2018 on 6th April 2018 at Royal Tulip Sea Pearl Beach Resort, Inani, Cox's Bazar. Md. Zakiullah Shahid, Chairperson, Ms. Shaheda Pervin Trisha, Vice Chairperson, Ms. Nazma Haque, EC Chairperson, Ms. Mohammodi Khanam, Managing Director & CEO of Prime Insurance are seen above along with the other Directors of the board.



Photo shows Ms. Mohammad Khanam, Managing Director and Chief Executive Officer is receiving second best 18th ICAB National Award for best presented annual report under insurance category from Honorable Minister, Ministry of Finance People's Republic of Bangladesh His Excellency Mr. Abul Maal Abdul Muhith, MP in a local hotel of Dhaka on 24th December, 2018. Mr. Dewan Nurul Islam, FCA President ICAB, Chairman of Financial Reporting Council (FRC) Chairman CQK Mustaq Ahmed, Comptroller and Auditor General of Bangladesh Mohammad Muslim Chowdhury, Abdur Rouf Talukder, Finance Division Secretary, Md. Ashadul Islam Secretary, Financial Institutions Division and Md. Mofizul Islam, Secretary of Ministry of Commerce were present at the event.



Prime Insurance Company Limited wins the Silver Award in the Insurance category of 5th ICSB National Award for Corporate Governance Excellence 2017. Mr. Badal Chandra Rajbangshi, SEVP & Chief Financial Officer & Mr. Enamul Haque Khan, EVP & Company Secretary, Prime Insurance Company Limited have received the award on behalf of the company from Mr. Abul Maal Abdul Muhith, Honorable Finance Minister, People's Republic of Bangladesh on Saturday, November 10, 2018 at Radisson Blue Dhaka Water Garden, Dhaka.



Ms. Mohammodi Khanam, CEO of Prime Insurance Company Ltd received the Winner Award for Best Product innovation in General Insurance at the Emerging Asia Insurance Awards & Conclave-2018, held at Hotel Rembrandt, Bangkok on May 8, 2018 from Mr. Amit Roy, the Director of Insurance & Allied Businesses PwC, India



Prime Insurance Company Ltd on 8 March 2018 celebrated International Women's Day. Mohammodi Khanam, CEO, inaugurated the ceremony cutting a cake together with the participants-family members of Prime and business partners clients. The program was designed only for women on health awareness. Dr. Nargis Fatema Consultant, Dept. of Gynaecology and Obstetrics, Square Hospital and Dr. Afrin Sultana, Specialist Registrar, Breast Cancer, Holy Family Red Crescent Medical College & Hospital and Consultant, City Hospital Ltd gave presentation on Gynaecology and Breast Cancer respectively.



Prime Insurance Company celebrated the Bima Unnayan Mela by the start up really along with the IDRA authority.



Ms. Mohammodi Khanam, Managing Director & CEO, Prime Insurance Company Limited congratulating Engineer Md. Shamsuzzaman Nasim, Managing Director, Micro Fibre Group for being awarded as CIP. Mr. Syed Monirul Huq, Deputy Managing Director, Sujit Kumar Bhowmik, Asstt. Managing Director of Prime Insurance Company Limited and S.R AHMED AZAD, Executive Director, Micro Fibre Group were also present in the picture.



Ms. Mohammodi Khanam, Managing Director & CEO, Prime Insurance Company Limited handed over the policy lottery ticket to Md. Shafiqur Rahman Patwary, Chairman, IDRA in the Bima Mela 2017 at Sylhet.



Ms. Mohammodi Khanam, Managing Director & CEO, Prime Insurance Company Limited along with Mr. Syed Monirul Huq, Deputy Managing Director greeting Mr. Borhan Uddin Ahmed, Member, IDRA after being refreshed from illness. B M Yousuf Ali, President, Bangladesh Insurance Forum were also seen.



Ms. Mohammodi Khanam, Managing Director & CEO, Prime Insurance Company Limited along with Mr. Enamul Haque Khan ,EVP & Company Secretary participated an roundtable discussion in the UNDP Innovation Hub,Dhaka. In the above Mr. Ashfaqul Haq Chowdury along with the team from UNDP also seen.



Prime Insurance Company Limited celebrated New Year 2018. Md. Zakiullah Shahid, Chairperson, Prime Insurance Company Limited, Ms. Shaheda Pervin Trisha, Vice Chairperson, Ms. Mohammodi Khanam, Managing Director & CEO and all other Board of Directors and prime family also present in the ceremony.



The above picture is the certificate giving ceremony of the in house Training Program of Prime Insurance Company Limited for their employees and new clients where Ms. Mohammodi Khanam, Managing Director & CEO of Prime Insurance Company Limited conducted the program. Mr. Bibekananda Saha, General Manager, Sadharan Bima Corporation and Mr. Nirmal Chandra Roy, country head of JB BODA & CO(S) PTE Ltd. were the special guests and external trainers of the program. Along with others some top executives of Prime Insurance Company Limited were also present on the occasion.



An Insurance Awareness Program has been arranged by Prime Insurance Company Limited (PICL) in the premises of Eastern Bank Limited where Ms. Mohammodi Khanam, Managing Director & CEO (PICL) delivered the presentation about various types of non life insurance products in favor of bank loan & health insurance coverage for hospitalization. Mr. Ahmed Shaheen Deputy Managing Director, Eastern Bank Limited, Mr. Sujit Kumar Bhowmik, AMD, PICL and some other top management executives of both organizations were also present on the program.



Prime Insurance Company Limited celebrated its 22nd anniversary on 6th April 2018 at Royal Tulip Sea Pearl Beach Resort, Inani, Cox's Bazar. Md. Zakiullah Shahid, Chairperson, Ms. Shaheda Pervin Trisha, Vice Chairperson, Ms. Nazma Haque, EC Chairperson, Ms. Mohammodi Khanam, Managing Director & CEO of Prime Insurance are seen above along with the other Directors on the board.



January 24, 2019: ISO Certified Prime Insurance Company Ltd has become the WINNER (1st Position) of the prestigious South Asian Federation of Accountants (SAFA) Award in the Insurance Category for the Best Presented Annual Report for 2017. Ms. Mohammodi Khanam, Managing Director & CEO received the Award from Dr. Ashok Joshi, Honorary Director General and Professor (INDSEARCH) and CMA Dr. PVS Jagan Mohan Rao, President SAFA in a program held in Pune, India on 22 January 2019.

Prime Insurance Company Ltd has become SAFA Winner for consecutive second year. It is a matter of proud that First Runner-up and Second Runner-up Award for 2017 also bagged from Bangladesh in the Insurance Category.

Disclosure Checklist: SECRETARIAL STANDARD

Title	Compliance status		Remarks
	Complied	Not - complied	
Convening of a Meeting			
<p>Authority</p> <p>Any Director of a company including the Chairman may, and the Secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board unless the Articles of the company provide otherwise.</p>	✓		
<p>Notice</p> <p>Every Director of the Company shall be entitled to get the Notice of every Meeting in writing in any mode including by hand or by post or by facsimile or by e-mail or by any other electronic mode. A director may specify any particular mode to receive such notices. If any of the Directors so specifies, - the Notice shall be sent to him by such mode.</p>	✓		
The Notice of the Meeting shall specify the day, date, time and full address of the venue wherein the Meeting be held.	✓		
A Meeting may be held at any place, any time, on any day	✓		
The Notice of a Meeting shall be given in respect of all meetings including the Meetings which are held on pre-determined dates or at pre-determined intervals.	✓		
Notice shall be given at least seven (7) days before scheduled date of the Meeting unless the Articles of the company denote a longer period for such notice.	✓		
Notice need not to be given of an adjourned Meeting other than a Meeting that has been adjourned "sine die". However, Notice of the reconvened adjourned Meeting shall be given to those Directors who were absent in the Meeting which had been adjourned.	✓		
Unless a Notice has not been given to the directors then no business shall be transacted at a Meeting.	✓		
The Agenda as to be transacted at the Meeting along with Notes to the Agenda shall be circulated or sent at least three (3) days before the date of the Meeting.	✓		
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. 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. The proposal to hold the Meeting at a shorter notice shall be stated in the Notice and the fact that consent thereto was obtained shall also be recorded in the Minutes. Notice, Agenda and Notes on Agenda shall be given to all Directors or to all Members of the Committee, as the case may be, at their respective addresses as provided by them, whether in Bangladesh or abroad, and shall also be given to the Original Director, even when the Notice, Agenda and Notes on Agenda have been sent to the Alternate Director.	✓		
<p>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. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information shall be taken up by the Board without prior written Notice.</p> <p>The items of business to be transacted shall be arranged in order of those items that are of a routine or general nature or which merely require to be noted by the Directors, and those items which require discussions and specific approval.</p> <p>Besides the items of business that are required by the Act or any other applicable law to be considered at a Meeting of the Board 'and all material items having a significant bearing on the operations of the company, there are certain items which, if applicable, shall also be placed before the Board. An illustrative list of such items is given at Annexure 'A'.</p> <p>There are certain specific items which shall be placed before the Board at its first Meeting and there are certain items which shall be placed before the Board at the Meeting held for consideration of the year-end accounts.</p>	✓		

Title	Compliance status		Remarks
	Complied	Not - complied	
Frequency of Meetings			
<p>Meetings of the Board</p> <p>The Board shall meet at least once in every quarter of a calendar year i.e in three months, and at least four Meetings are to be held in each year. The maximum interval between any two Meetings shall not be more than 90 days.</p> <p>Each Meeting shall be of such duration to enable proper deliberations to take place on agenda or items placed before the Board.</p>	√		
<p>Meetings of Committees</p> <p>Committees shall meet at least as often as stipulated by the Board or as prescribed by any other authority.</p>			
Quorum			
<p>Meetings of the Board</p> <p>Quorum shall be present throughout the Meeting. No business shall be transacted unless the Quorum is so present.</p> <p>The Quorum for a Meeting of the Board shall be one-third of the total strength of the Board (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher.</p> <p>Where the requirements for the Quorum, as provided in the Articles, are stricter, then the Quorum shall conform to such requirements. If the number of Interested Directors exceeds or is equal to two-thirds of the total strength, the remaining Directors present at the Meeting, being not less than two, shall be the quorum during such time.</p>	√		
<p>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.</p> <p>If a Meeting of the Board could not be held for want of quorum, then, unless the Articles otherwise provide, the Meeting shall automatically stand adjourned to the same day in the next week, at the same time and place.</p>	√		
<p>Meetings of Committees</p> <p>The presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such Committee unless otherwise stipulated by the Board while constituting the Committee.</p> <p>Certain guidelines. Rules and Regulations framed under the Act or by any statutory authority may contain provisions for the Quorum of a Committee and such stipulations shall then be followed.</p>	√		
<p>Attendance at Meetings</p> <p>An Attendance Register shall be maintained containing the names and signatures of the Directors present at the Meeting.</p> <p>If an attendance register is maintained in loose-leaf form, it shall be bound at reasonable intervals.</p>			
<p>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.</p>	√		
<p>Chairman</p> <p>Meetings of the Board.</p>	√		
<p>Every company shall have a Chairman who will preside over the Meetings of the Board.</p>	√		
<p>It will be the duty of the Chairman to 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.</p>	√		
<p>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.</p>	√		

Title	Compliance status		Remarks
	Complied	Not - complied	
In the case of a public company, if the Chairman himself is interested in any item of business, he shall entrust any other dis-interested Director present to conduct the proceedings in respect of such item. After the transaction of the item of business is over then the Chairman may resume his position.	✓		
Meetings of Committees	✓		
The Board, while constituting any Committee, shall also appoint the Chairman of the Committee so constituted.	✓		
Passing of Resolution by Circulation 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.	✓		
It only those matters, which are of an urgent nature, are approved through the Resolutions by circulation.	✓		
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.	✓		
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.	✓		
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.	✓		
The annual accounts of a company shall be approved at a Meeting of the Board and shall not be by a Resolution by circulation.	✓		
Quarterly or half-yearly financial results shall be approved at a Meeting of the Board or its Committee and shall not be by a Resolution by circulation.	✓		
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.	✓		
Minutes 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.	✓		
The Directors shall forward their comments on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalized and entered in the Minutes Book within the specified time limit of thirty days.	✓		
The Minutes of proceedings of a Meeting shall be entered in the Minutes Book within thirty days from the conclusion of the Meeting.	✓		
In any case a Meeting is adjourned; the Minutes shall be entered in respect of the original Meeting as well as the adjourned Meeting within thirty days from the date of the respective Meetings. In respect of a Meeting adjourned for want of Quorum, a statement to that effect shall be recorded in the Minutes Book by the Chairman or any Director as designated by the Board who was physically present at the Meeting.	✓		
The date of entering the Minutes shall be specified in the Minutes Book by the Secretary.	✓		
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.	✓		
While the law requires that Minutes of the proceedings shall be entered in the Minutes Book within thirty days of the Meeting, there is no prescribed time limit within which such Minutes have to be signed. They could be signed beyond a period of thirty days if the succeeding Meeting is held after a period of thirty days from the date of the earlier Meeting. However, it is also not obligatory to wait for the next Meeting in order to have the Minutes of the previous Meeting signed. Such Minutes may be signed by the Chairman of the Meeting at any time before the next Meeting is held.	✓		
The Minutes of Meetings of the Board can be inspected by the Directors only. While the Auditors of the company or Chartered Secretary in Practice appointed by the company can also inspect the Minute Books in the course of their audit or certification. A member of the company or any other person has no right to inspect the Minutes of Meetings of the Board or any Committee thereof.	✓		

Title	Compliance status		Remarks
	Complied	Not - complied	
Officers of the Registrar of Joint Stock Companies & Firms, other duly authorized in this behalf under law, during the course of an inspection, can also inspect the Minutes for discharging of their official duties.	✓		
Minutes shall not be pasted or attached to the Minutes Book.	✓		
Minutes, if maintained in loose-leaf form, shall be bound at intervals coinciding with the financial year of the company. The pages of the Minutes Book shall be serially numbered and there shall be proper locking device to ensure security and proper control to prevent any sort of removal of the loose leaves of the Minutes Book.	✓		
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.	✓		
Minutes of an earlier Meeting shall be noted at the next Meeting.	✓		
Any alteration, other than grammatical, typographical or minor corrections, 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.	✓		
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.	✓		
At the time of circulating the Agenda for the Meeting of the Board, if the Minutes of Meetings of any Committee are pending noting by the Committee on such Minutes shall be circulated to the Board in draft form.	✓		
Attendance in Meetings and their Recording in the Minutes	✓		
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.	✓		
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.	✓		
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.	✓		
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.	✓		
Preservation of Minutes and Supporting Papers The Minutes of all Meetings shall be preserved permanently.	✓		
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.	✓		
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.	✓		
Disclosure 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.	✓		



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 23rd Annual General Meeting of the Company to be held on Sunday,
March 31, 2019 at 11:00 AM at Hotel Purbani International Ltd, 1, Dilkusha C/A, Dhaka-1000 and any adjournment thereof.

Signature of Proxy-----

Signature of Shareholder-----

Registered Folio/ BO ID -----

Registered Folio/ BO ID -----



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 23rd Annual General Meeting of the Company to be held on Sunday,

March 31, 2019 -----

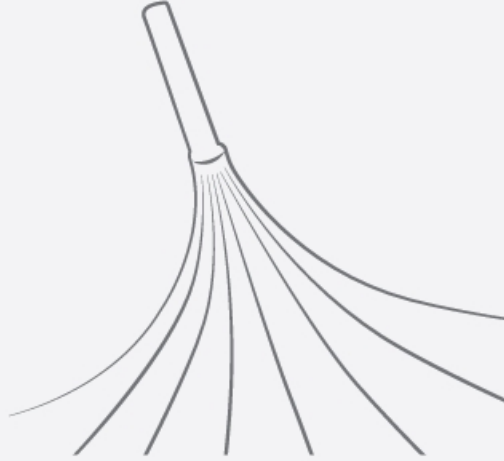
Name of the Member/Proxy -----

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 BSEC 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.



PRIME INSURANCE COMPANY LIMITED

Unique Heights (9th Floor)117, Kazi Nazrul Islam Avenue, Dhaka-1000.

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Email : info@prime-insurance.net