



Bonding
Together



**ANNUAL
REPORT
2019**



PRIME INSURANCE COMPANY LIMITED

www.prime-insurance.net



CONTENTS

• Letter of Transmittal	04
• Notice of the 24 th Annual General Meeting	05
• Awards, Recognitions	06
• Credit Rating Report	19
• Membership Affiliation	20
• Forward Looking Statement	21

Preamble to Prime Insurance Company Ltd

• Our Mission	23
• Our Vision	24
• Overall Strategic Objectives	25
• Core Values	26
• Ethical Principles	27
• Our Goal	28
• Business Model	29
• Profile of the Company	32
• Company Information	34
• Organizational Chart	36
• Corporate Chronicle	37
• Future Prospects / Thinking Ahead	38
• Our Branches	39
• Profile of Head of Branches	41
• Corporate Operational Team	47

Board of the Directors & the Management

• Chairperson's Statement	51
• CEO's Round up	55
• Profile of the Chairperson	60
• Board of Directors' Profile	61
• Profile of the CEO	71
• Directors' Report	72
• Management Committee	78
• Profile of the Department Heads	79
• Products & Services	85
• Product Diversification & Innovation	86

Sustainability Reporting

• Why Sustainability Reporting?	90
---------------------------------	----

• Corporate Social Responsibilities (CSR)	92
• Environment Related Initiatives	97
• Environment & Social Obligations	99
• Investor-friendly Information	100
• Human Resource Development	101
• Integrated Reporting	104
• Human Capital	108
• Human Resource Accounting	109
• Company's Contribution Towards its Staff	112
• Regulatory Review	113
• National Integrity Strategy	114
• Our Sustainability Reporting	122

Information about Corporate Governance

• Report of the Chairperson	
Audit Committee	126
• Management Committees and their Responsibilities	128
• Management Business Review and Financial Analysis	132
• Report on Going Concern	137
• Directors' Responsibility Statement	139
• Responsibilities of CEO & CFO	140
• Report on Corporate Governance Code (CGC)	153
• Compliance Report on SEC Notification	161
• Certificate on Compliance of CGC	165
• Summary of Accounts (Segment wise/Class wise Operating Profit) Performance	166
• Summary of Quarterly Financial Performance	167

Risk Management & Control Environment

• Report on Risk Management	170
• Report on Insurance Risk and its Mitigation	177
• Disclosure of Risk Reporting	179

Stakeholders & Investor's Information

• 6-Year Financial Highlights in addition to year under consideration	182
---	-----



CONTENTS

• Position of Shareholding	184
• Growth of Paid-up Capital	185
• Number of Shareholders	186
• Equity Statistics	187
• Investors / Stakeholders Friendly Information Enquiries and Communication	188
• Clients Complaints and Communication	189
• Dividend Payment Policy	190
• Corporate IT & Website Information	191
• Market Share Price of Company's Paid-up Capital (DSE & CSE)	192
• Market Capitalization of Shares	193

Graphical Presentation

• Graphical Segment Information	196
• Graphical Horizontal & Vertical Analysis	204
• Financial Position Analysis	208

Value Added Statement

• Value Added Statement	214
• Economic Value Added Statement	216
• Market Value Added Statement	217
• Contribution to the National Exchequer/government Fund	218
• Market Shares Position of Insurance Business	221

Specific Areas for Insurance Sector

• Claims Management and Details of Outstanding Claims (IBNR & IBNER) with ageing thereof	224
• Solvency Margin Status	226
• Accounting Ratios Pertaining to Insurance Business	229
• Review on Assets Quality	230

Report on other Activities

• Report on Claims Settlement	234
-------------------------------	-----

• Internal Audit Report	236
• Global Reporting Initiative (GRI)	238
• Report on ISO Certification	240
• Report on Online Business System	241
• Spreading out Prime Innovative Insurance Products	243
• Report on Re-Insurance	244
• Report on Pre Survey Risk Inspection	246
• Financial Calendar	247
• Investment Profile	249

Auditors' Report and Financial Statements

• Auditors Reports to the Shareholders	254
• Statement of Financial Position (Balance Sheet)	259
• Statement of Comprehensive Income (Profit & Loss Account)	261
• Profit & Loss Appropriation Account	262
• Consolidated Insurance Revenue Accounts	263
• Fire Insurance Revenue Account	264
• Marine & Marine Hull Insurance Revenue Account	265
• Motor Insurance Revenue Account	266
• Miscellaneous Insurance Revenue Account	267
• Statement of Changes in Shareholders' Equity	268
• Statement of Cash Flows	269
• Notes to the Financial Statements	270
• Classified Summary of Assets (From AA)	310

Others Events

• Event Highlights	314
• Checklist of Secretarial Standard Disclosure	325
• Checklist for Corporate Governance Disclosure	
• Proxy Form	

LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Insurance Development and Regulatory Authority (IDRA)
Registrar of Joint Stock Companies & Firms (RJSC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)
Central Depository Bangladesh Limited (CDBL)
Other stakeholders

Dear Sir(s):

Re: Annual Report for the year ended on December 31, 2019.

Please find the enclosed Annual Report/s together with the annual audited financial statements of the Company including the Statements of Financial Position and Statements of Comprehensive Income, Statements of Cash Flows and Statement of Changes in equity for the year ended on December 31, 2019 along with the notes thereon of Prime Insurance Company Limited for your kind information and perusal.

Yours sincerely,



Enamul Haque Khan
Company Secretary

Feb 24, 2020



REVISED NOTICE OF THE 24th ANNUAL GENERAL MEETING

Virtual Shareholder Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of Prime Insurance Company Ltd will be held on Wednesday, 20 May 2020 at 11:00 am (Dhaka Time). The AGM will be held virtually by using digital platform to transact the following businesses:

1. Consideration and adoption of the Director Report and the Audited Financial Statements of the Company for the year ended 31 December 2019 together with the Auditors' Report thereon.
2. Declare dividend for the year ended 31 December 2019 as recommended/not recommended by the Board of Directors.
3. Election/Re-Election of Directors.
4. Appointment/re-appointment of Independent Director.
5. Appointment of Statutory Auditor and fixation of their remuneration.
6. Appointment of Compliance Auditor and fixation of their remuneration.

By Order of the Board of Directors



Enamul Haque Khan
Company Secretary

5 May, 2020.

Notes:

- a. The Members, whose names appeared on the Members/Depository Register as on Record Date i.e. 12th March 2020, are eligible to attend and vote at the 24th Annual General Meeting (AGM) and receive dividend, if any.
- b. Pursuant to the Bangladesh Securities Exchange Commission's Order No. SEC/SRMIC/04-231/932 dated 24 March 2020, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using digital platform.
- c. The members will be able to submit their question / comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system, the Members need to put their 16 digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link given to the website of the Company i.e. www.prime-insurance.net. The link also sent/be sent to the email addresses of the respected shareholders.
- d. The detailed procedures to participate in the virtual meeting and Frequently Asked Questions (FAQs) have been provided in the Annual Report and published in the Investor Relation Section of the company's website at www.prime-insurance.net
- e. We encourage the members to log into the system prior to the meeting start time of 11:00am (Dhaka time). Please contact +88011755597215 for technical difficulties in accessing the virtual meeting.
- f. Members entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her stead. The Proxy Form "duly filled, signed and stamped at BDT 20 must be sent through email to PICL Share Office at info@prime-insurance.net no later than 72 hours before commencement of the AGM.
- g. Pursuant to the Bangladesh Securities and exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the Soft copy of the Annual Report-2019 is being sent to the email addresses of the Members available in their beneficiary Owner accounts maintained with the Depository. The Members are requested to update their email address through their respective Depository Participant. The soft copy of the Annual Report 2019 will also be available on the investor Relations section of the Company's website at www.prime-insurance.net

AWARDS
RECOGNITIONS *&*







SOUTH ASIAN FEDERATION OF ACCOUNTANTS (SAFA)
(An Apex Body of SAARC)
BPA Report Awards and SAARC Anniversary Awards
for Corporate Governance Disclosures 2018
1ST RUNNER-UP
Insurance Sector
PRIME INSURANCE COMPANY LTD. (BANGLADESH)
30 November 2019, Dhaka, Bangladesh

SAFA Award 2018

"1st Runner-up" of SAFA Best Presented Annual Reports
Award and SAARC Anniversary Awards
for Corporate Governance Disclosers, 2018.



CA  INSTITUTE OF COST ACCOUNTANTS
19TH ICAB NATIONAL AWARDS
BEST PRESENTED ANNUAL REPORTS 2018
THIRD PRIZE
Category: Insurance Sector
PRIME INSURANCE COMPANY LTD.
30 November 2019, Dhaka

ICAB Award 2018

3rd Prize in the 19th ICAB National Award
for Best Presented Annual Report for the year 2018.



ICSB Award 2018
ICSB Bronze Award for Corporate Governance Excellence 2018.



Emerging Asia Insurance Award 2019
Special recognition for Health Insurance Company of the Year.



Emerging Asia Insurance Award 2019
Women in Insurance Leadership.



SAFA Award 2017
Winner of SAFA Best Presented Annual Reports Award and SAARC Anniversary Awards for Corporate Governance Disclosers, 2017.



ICAB Award 2017
2nd Prize in the 18th ICAB National Award for
Best Presented Annual Report for the year 2017.



ICSB Award 2017
ICSB Silver Award for Corporate Governance Excellence 2017.



Emerging Asia Insurance Awards 2018

Special recognition for product innovation in General Insurance



SAFA Award 2016

Winner of SAFA Best Presented Annual Reports Award and SAARC Anniversary Awards for Corporate Governance Disclosers, 2016.



ICAB Award 2016
1st Prize in the 17th ICAB National Award for Best Presented Annual Report for the year 2016.



ICSB Award 2016
ICSB Silver Award for Corporate Governance Excellence 2016.



ISO Certificate 2015



SAFA Award 2015

"Certificate of Merit" award under the category Insurance Sector for
"Best Presented Annual Reports Award and SAARC Anniversary
Awards for Corporate Governance Disclosure 2015."



ICAB Award 2015
3rd prize in the 16th ICAB National Award for Best Presented Annual Report for the year 2015.



ICSB Award 2014
ICSB Silver Award for Corporate Governance Excellence 2014.



SAFA Award 2013
 "Certificate of Merit" award under the category Insurance Sector for
 "Best Presented Annual Reports Award and SAARC Anniversary
 Awards for Corporate Governance Disclosure 2013."



ICAB Award 2013
 3rd prize in the 14th ICAB National Award for
 Best Presented Annual Report for the year 2013.



ICSB Award 2013
ICSB Silver Award for Corporate Governance Excellence 2013.



SAFA Award 2012
"Certificate of Merit" award under the category Insurance Sector for "Best Presented Annual Reports Award and SAARC Anniversary Awards for Corporate Governance Disclosure 2012."



ICAB Award 2012
3rd prize in the 13th ICAB National Award for Best Presented Annual Report for the year 2012.



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



ISO Certificate 2008



AA- RATING HAS BEEN ENDORSED TO PRIME BY CRISL

Credit Rating Information and Services Ltd (CRISL) confirmed very "High Claims Paying Ability" (HCPA) i.e. AA- (pronounced as double A minus) for the year 2018 based on the financial and other relevant qualitative and quantitative information.

Credit Rating in this category is adjudged as very high claim paying ability where protection factors for the insureds, investors and stakeholders are recognized and established. This rating reflects a good financial and underwriting performance, sound liquidity, good fixed assets, efficient investment, experienced board members and prudent management team of the Company.

It should be mentioned that in the year 2017, Prime Insurance was rated 'AA-' (double A minus).

The aforementioned rating from 2017 to 2018 confirmed that the Company operates its financial activities in a very professional, transparent and ethical manner which results in steady growth of the company's business and goodwill.

Last four years CRISL rating at a glance

2018 AA- (double A minus) CPA Rating
2017 AA- (double A minus) CPA Rating
2016 A+ (single A plus)
2015 A+ (single A plus)
2014 A+ (single A plus)
2013 A+ (single A plus)

MEMBERSHIP AFFILIATION

Prime Insurance Company Ltd is affiliated with the following different Chambers of Commerce and Associations with aims to expand national and international trade as well as promotion of social and international relationship among the participants of the globe.



Bangladesh German Chamber
of Commerce & Industry



Dutch-Bangla Chamber of Commerce & Industry



France Bangladesh Chamber
of Commerce & Industry



Canada Bangladesh Chamber
of Commerce and Industry



Bangladesh-Malaysia Chamber
of Commerce & Industry



ঢাকা চেম্বার অব কমার্স ইন্ডাস্ট্রি
Dhaka Chamber of Commerce & Industry



Bangladesh Insurance Association



Bangladesh Association of
Publicly Listed Companies



Central Depository Bangladesh Limited (CDBL)

Forward Looking **STATEMENT**

Since the inception, Prime Insurance Company Ltd is always looking forward to achieving its vision and mission. Therefore, forward looking statement and forecasted information considered as one of the most important factors of the forecasted growth of the company business and organizational culture.

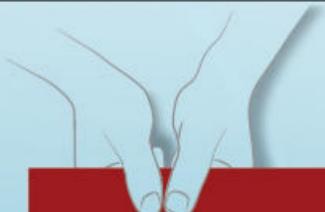
This is a strategic statement to focus on the company's future operation on the basis of current activities of the management. Although the yearly turnover of the Company is not as large as that of the other leading non-life insurance companies, Prime is always highly optimistic about its business growth. 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 improvise 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 the Company operates.
- Fresh and young employee recruitment policy for the betterment of the Company.

However, there are numbers of risk factors affects the insurance business, Prime Insurance Company Ltd capitalized those risks and mitigate the risk associated with the clients. Risk is the only product of the insurance business. Future of Prime Insurance Company Ltd forecasted controlled by the management team from internal and external economic and environmental risk factors which defined as micro risk and macro risks.

Recently, IDRA again regularized a vital decision to eliminate the excess commission from the market; all Insurance companies therefore have great changes to earn more underwriting profit. If excess commission eliminated, clients would chose PICL because of its brand image, past commitment mitigated to its clients and stakeholders, and on the basis of the potential future growth of the Company. Clients will pursue their business towards Prime Insurance Company Ltd. and future growth of the Company will be higher. However, Board of Directors' decided not to provide any dividend this year, the future liabilities of the Company automatically be reduced. Provisioning of taxes reduced the liabilities of the company. Therefore, Management of PICL planned for long term growth instead of taking short term outcomes. As a result, it can be stated that the future of Prime Insurance Company Ltd. put-forth aligning with the vision of the company that is to be the leader of the non-Life insurance companies in Bangladesh.



PREAMBLE TO
PRIME INSURANCE COMPANY LTD



OUR VISION

Be the Non-life Insurance Market Leader of Bangladesh ensuring stakeholders' interest by prudent insurance services and 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 among the mass people in the country introducing non-traditional social insurance products to bring them under the insurance umbrella and enhance social security.
- Introduce contemporary insurance products with international standard.
- 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 numbers 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.
- Improve 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 business partners. 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, employees, clients/business partners and stakeholders as a whole.

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 other 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 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 and other public disclosures timely	Welcome any suggestion from the shareholders	Ensure equal honor and respect and protect minority interest	Attempt to achieve the commitments	Assure confidentiality of all the private information
Business Communities	Ascertain strong relationship with the Stakeholders	Keep our community well-informed about us	Implement healthy and fair business	Respect core values and business ethics of others	Maintain friendly attitude towards others	Refrain from disclosing others' sensitive issues



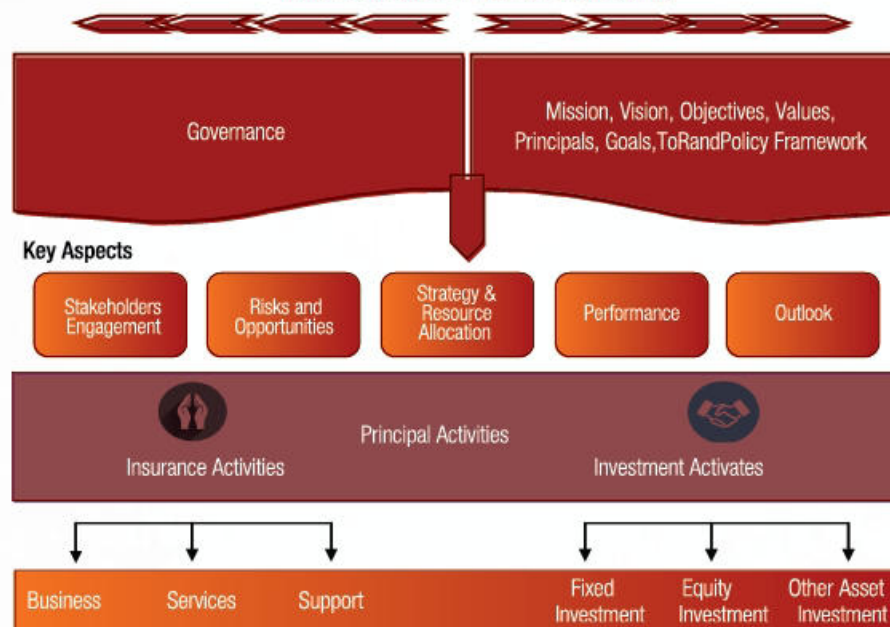


- Maximize insurance coverage at a minimum cost but certainly within legal boundary.
- Establish a long term relationship with our clients and business partners built on our prudent underwriting and personalized professional service with trust.
- Respond quickly to new opportunities.
- Maintain strong 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.

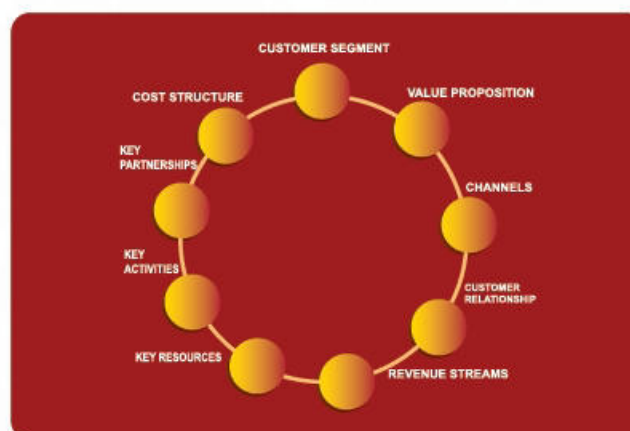
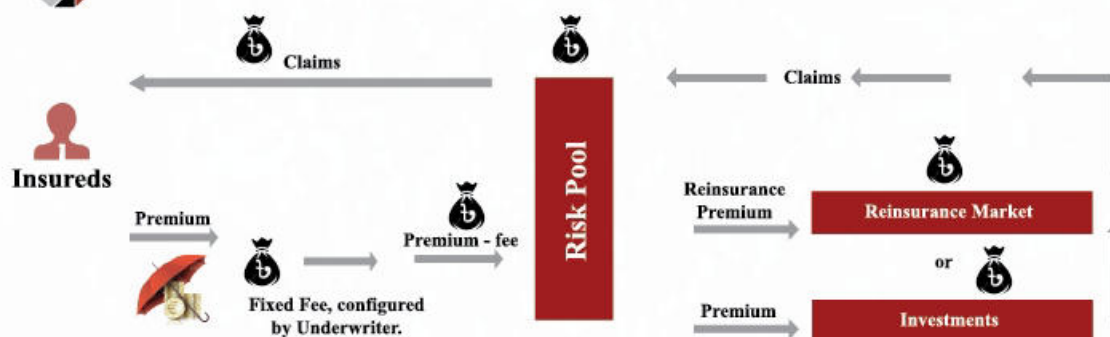


Business Model

Business Model Showing Principal Activities



Business Model of PICL depicted funds flow



INPUTES

Financial Capital

- Funds from shareholders and providers of capital

Human Capital

- Knowledge, skills and attitudes of employees
- Skilled and committed co-workers motivated by mission of the Company
- Expertise in social, cultural and environmental sectors
- Supported by training and development activities
- Specialist expertise and track record in delivering, assessing and communicating sustainable insurance services

Intellectual Capital

- Brand image and Reputation
- Company culture
- Expertise knowledge
- Systems and Processes

Capital for service production

- Premises
- IT infrastructure

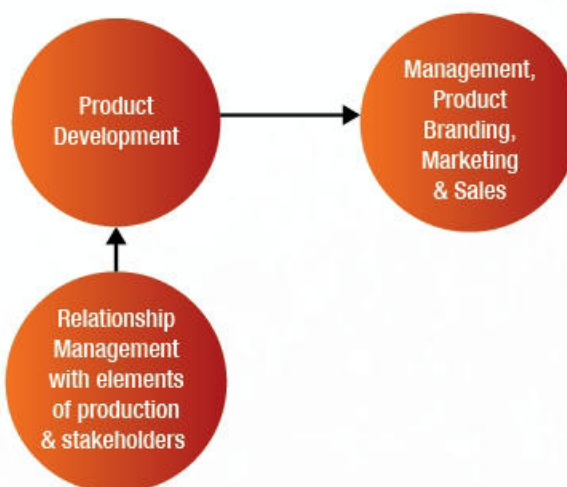
Social and Relationship Capital

- Customers
- Cross-functional departments
- Other Business Stakeholders and partners
- Community
- Networks, within and between the insurance sector

BUSINESS CONTEXT

External Variables Impacting Value

- Monetary and Fiscal Policy changes
- Fluctuation in trade deficit, Capital market
- Political instabilities
- Regulatory changes
- Global economic changes
- Change in demographics
- IDRA Monitoring, BIA Support
- Other company's policies and market share



OUR PROFIT FORMULA

Revenues	Costs
<ul style="list-style-type: none"> • Insurance premiums • Investment income • Reinsurance commission and Other income 	<ul style="list-style-type: none"> • Reinsurance premiums • Business acquisition cost • Staff costs • Administrative costs • Marketing, business development and promotion costs • Finance costs • Taxes

OUR VALUE PROPOSITIONS

Customer

Providing superior protection to all customers by meeting their insurance needs professionally with a spirit of caring.

Shareholders

Consistently delivering superior returns to shareholders through well managed business operations and investment management

Our Material Risks

- Volatility in Interest rates affecting investment income, liability valuations and customer preference for savings over insurance
- High inflation and falling disposable incomes affecting demand for insurance
- Severe price competition and substitutes for insurance solutions offered by other financial institutions
- Increasing the risk of man-made and act of God.
- Performance in equity markets and Exchange rate volatilities affecting investment income
- Sophisticated customer expectations with technological developments changing demographics affecting nature of products offered
- High costs involved with implementation of new regulations and Governance

OUT PUTS

Financial Capital

- Delivering attractive shareholder returns
- Ensuring financial stability and growth
- Ensuring growth with better claim paying ability

Human Capital

- Ensuring employee satisfaction and motivation
- Ensuring a rewarding and progressive careers
- Fair treatment and provision of equal opportunities
- Safe working environments

Intellectual Capital

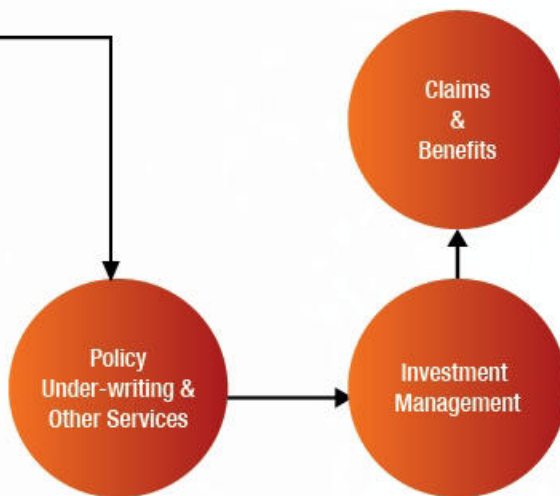
- Building the right organizational and governance structure
- Inculcating values promoting a performance culture
- Enhancing knowledge and building internal capabilities
- Investing in systems and refining processes

Capital for service production

- Creating long term value through investments in building premises, IT infrastructure and other equipment

Social and Relationship Capital for people and planet

- Delighting our customers
- Creating win-win partnerships
- Creating employment opportunities
- Developing communities around us through CSR and other activities
- Aware community about social change
- respond to societal challenges with innovative products.
- Maintain transparent finances
- Enabling value-driven enterprise
- Products for Sustainable enterprise and Economy
- Communication with stakeholders
- Sustainable reinsurance.



OUR PRODUCTS AND OUTPUTS

Fire Insurance , Marine Insurance, Motor Insurance, Engineering Insurance, Cash In Transit Insurance, Bank Lockers Insurance, Fidelity Guarantee Insurance, Bankers' Blanket Bond Insurance, Money Insurance including Cyber Crime Insurance , Hajj & Umrah Insurance, Contractors' All Risks Insurance (CAR), Erection All Risks Insurance (EAR), Health Insurance, Shipbuilders liability coverage, power plant and miscellaneous insurance

Employees

Ensure superior work-life balance and personal development through inculcating a culture of learning and growth to achieve personal and professional development

Society

Delivering sustainable value to all stakeholders through superior corporate stewardship



PROFILE OF THE COMPANY

Prime Insurance Company Ltd is, a second generation private non-life insurance company in Bangladesh, established in 1996 under the purview of Companies Act 1994 and listed with Dhaka Stock Exchange Ltd. in 2001. The Company is one of the leading non-life insurance companies in the country with specialized and significant expertise both in traditional and non-traditional insurance businesses ethically 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:

The Company has a competent and reputed Board of Directors including two independent directors. Almost all of them are elite class business personalities of Bangladesh. Board members of the Company always support and encourage the Management to comply with the rules and regulations of the land.

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 and 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.

Chief Executive Officer (CEO) :

Syed Monirul Huq, the Chief Executive Officer (CEO) (cc) of the Prime Insurance Company Limited, is a 32 years' experienced and an outstanding insurance professional who is leading the company to make it as one of the most trustworthy insurance houses in Bangladesh. Syed Monirul Huq, being the Chief Executive Officer in Current Charge with his most updated knowledge in all the departments of insurance, outstanding professional leadership and excellent managerial charisma, is commanding the company to place itself to the unique height in the insurance industry of Bangladesh.

Head of Departments:

Prime Insurance has appointed experienced and qualified professional persons as heads 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 and subsequently ISO 9001:2015 certifications in 2018 which indicates its high claims paying ability, good protection ability and expectation of variability in risk over time due to economic and or underwriting conditions. The Company has also been rated AA- (Double A Minus) by the Credit Rating Information & Services Limited (CRISL).

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, 2017 and 2018 among the SAARC countries. Prime Insurance grabbed the first position and second position by the ICAB BPA National Award in 2016, 2017 and 2018 respectively and also won the SILVER Award at the ICSB National Award 2016 & 2017 and BRONZE Award 2019 from the same for Corporate Governance Excellence.

Products:

Prime Insurance Company Limited is authorized to transact all classes of general insurance business. The Company offers all conventional general insurance products along with innovative products in the field of Fire Insurance, Marine Insurance, Motor Insurance, Engineering Insurance, Cash In Transit Insurance, Bank Lockers Insurance, Fidelity Guarantee Insurance, Bankers' Blanket Bond Insurance, Money Insurance including Cyber Crime Insurance, Hajj & Umrah Insurance, Contractors' All Risks Insurance (CAR), Erection All Risks Insurance (EAR), Health Insurance, Shipbuilders liability coverage, power plant and miscellaneous insurance etc.

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 practicing the modernize way for it. 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 financial loss and (iv) Ship builder's liability coverage.

Reinsurance Strategy:

Prime Insurance Co Ltd sincerely and effectively deals with reinsurance matters making every insured protected. Prime Insurance Co Ltd has its reinsurance support from the first line overseas reinsurers. 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 Reinsurer is Trust Insurance Management WLL, Bahrain, and follow liners is Qatar General Insurance and Reinsurance Co., Qatar. Other than the Treaty Partners, Prime Insurance Co Ltd is connected with many more reputed Reinsurers such as SWISS RE, XL Group plc, Ping an Insurance, ICICI Lombard India, Hannover Re, Korean Re, Sart Re, Munich Re etc.

Settlement of Claims:

As Prime Insurance Company Limited deployed proper reinsurance protection for all re-insurable policies, so claim settlement cannot come as a big issue to the Company. Prime Insurance Company Ltd with its experienced claims settlement personnel handle all the claims with due care and advise the claimants with professional support to settle the claims within stipulated time.

Website and IT Facilities:

Prime Insurance Company Limited is managing efficiently automated IT enabled website. The website is very satisfying to the stakeholders. Investor can get all updated financial information from the Company website.

Insureds can get information related to products, services, insight of the policy and claim settlement procedures. They can also get required information regarding the Citizen Charter as a part of the National Integrity Strategy (NIS) of the Government. The website also includes e-tender, advertisements and other online facilities including obtaining free consultation regarding any insurance matters.

Growth:

Established in 1996 with Tk. 150 million paid-up capitals, the Company has become worth of Tk. 408.77 million from the internal generation of capital. From its internal resources, the Company has purchased 15,736 sft area at 9th floor of Unique Heights, 117, Kazi Nazrul Islam Avenue, Dhaka-1000 where the Company has its Head Office and also 15,000 sft at 4th & 5th floor of Tropical Molla Tower at 15/1-4, Progati Saroni, Badda, Dhaka as investment in property.

CSR Activities:

Prime Insurance Co Ltd operates a diverse range of CSR activities on different social issues, various risks and safety-security matters through trainings, seminars, workshops, rallies, publications (Fire Guide Book, Traffic Guide Book, Health Guide Book, Hajj & Umrah Guidebook etc.) and also conducts free consultation services on insurance. The Company continues to extend its hands towards the underprivileged people and meritorious students providing them with financial supports. Prime Insurance Co Ltd started tree plantation to protect the environment since long. The Company distributes indoor plants to the respected clients to encourage them towards enhancing a sustainable environment by beautifying the surroundings.

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 and 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 and 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 and Regulatory Authority (IDRA).

Prime Insurance is listed with Dhaka Stock Exchange Ltd (DSE) and Chittagong Stock Exchange Ltd (CSE) as a publicly traded company. It is the first ISO certified Company of its kind in the country and carries its insurance activities through eighteen on-line branches/booths 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

Year	Sponsors/Directors	Gov't	Institutional	Foreign	Public	Shares
2019	61.39%	0	12.13%	0	26.48%	100%
	25094696	0	4958441	0	10824361	40,877,498
2018	34.26%	0	29%	0	36.74%	100%
	14004631	0	11854474.42	0	15018393	40,877,498



INFORMATION ABOUT THE COMPANY

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, 2019	:26.00 29.00
Market Category	: "A" Category
Taxpayer's Identification Number (TIN)	:768008223459
VAT Registration Number (BIN)	:000162206
Chairperson	:Md. Zakiullah Shahid
Vice Chairperson	:Saheda Pervin Trisha
Chief Executive Officer (CC)	:Syed Monirul Huq
Company Secretary (CS)	:Enamul Haque Khan
Chief Financial Officer (CFO) & Head of Accounts Department	:Md. Lokman Hossain
Credit Rating Information	: "AA-"
Auditors	:M/s. Ahmed Zakir & Co. Chartered Accountants
Tax Advisor	:M/s. Ahmed Zakir & Co. Chartered Accountants
Legal Advisor	:Law & Remedy
Number of Employees	:173
Number of Branches/booth	:17
Number of Shareholders on 31.12.2019	:2045

Principal Bankers:

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

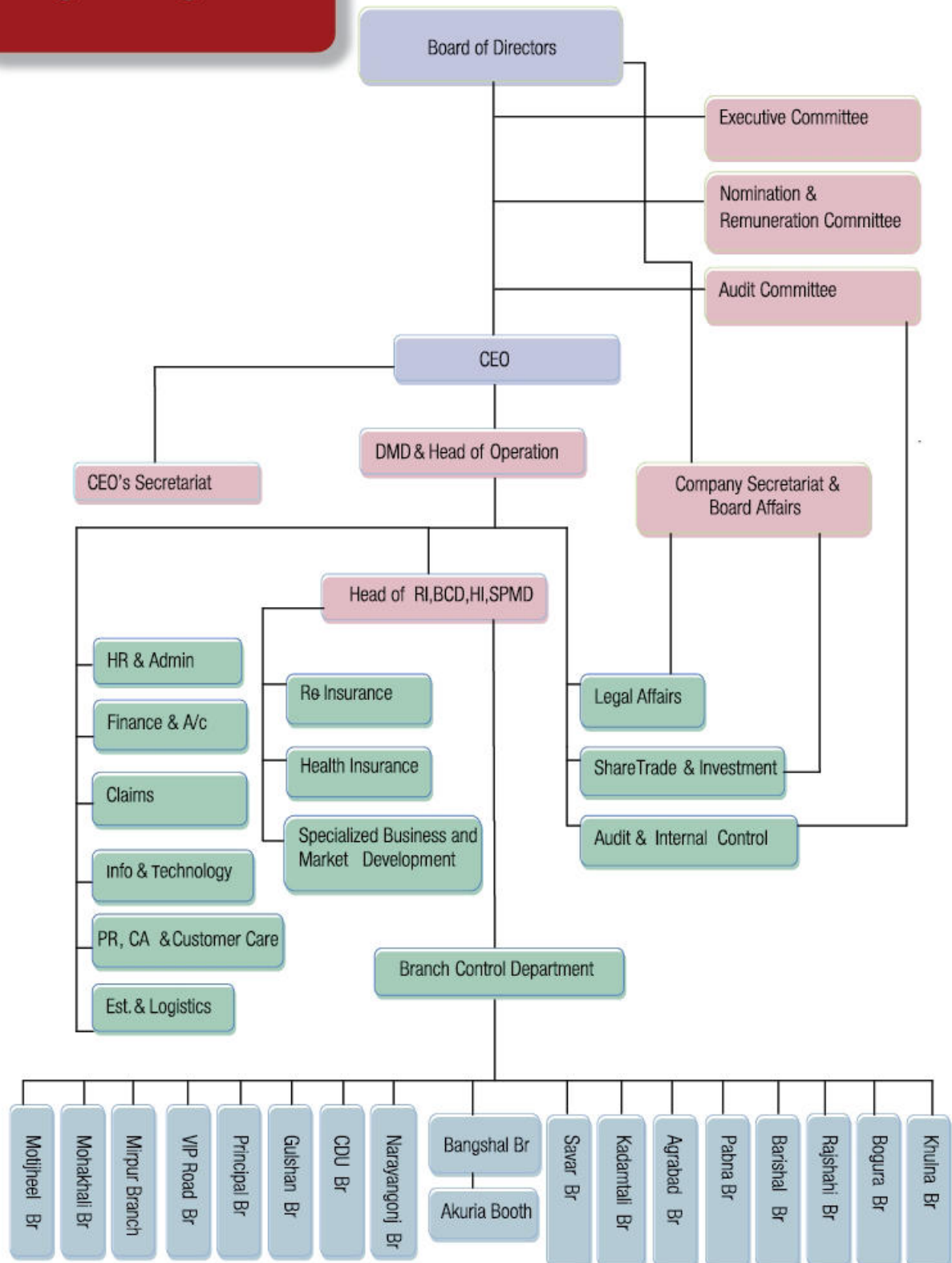
Investor Inquiry (Stakeholder)

Enamul Haque Khan
SEVP & 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

Inquiry (Business Related)

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

Organogram



CORPORATE CHRONICLE

Incorporation of the Company	March 21,1996
Certificate of Commencement of Business	March 31,1996
License issued for operating the first branch	March 21,1996
Received consent from SEC for issuance of public share of BDT 90 Million	August 28,2000
Publication of prospectus	October 27,2000
Listed with Dhaka Stock Exchange Ltd.	March 21,2001
Subscription Opened	Nov, 07,2000
Subscription Closed	Nov, 21,2000
First Trading of share on DSE	March 21,2001
Listed with Chittagong Stock Exchange Ltd.	March 22,2001
First Dividend Declared to the Sponsor Directors by the Board 10% cash on Account of December 31,1999	February 2,2000
First dividend declared in the AGM 14% cash to all shareholders	August 01,2001
Issuance of First Bonus share 10% on Account of 2007	July 17,2008
Agreement sign with CDBL	March 7,2005
15 Years celebration of the Company	August 07,2010
Athorized Capital increase 25 crore to 100 crore	October 31,2010
Completion of 15 Years of service to the clients	March 20,2011
Two floor space purchase from "Tropical Homes Ltd" (Agreement signing date)	August 14,2012
Memorandum of Understanding (MOU) signed with Standard Chartered Bank for Cash Management solution .	August 21,2013
Head office space purchase from "Unique Heights" (Agreement signing date)	November 7 ,2013
Certificate of Merit-ICMAB Best Corporate Award 2012	January 12,2013
Third Prize ICAB National Award on Best presented Annual Report 2012	December 21,2013
Starting of Operation of IBCS-Primax on Software	January 1,2014
Certificate of Merit-SAFA Best Presented Annual Reports Award 2012	March 11,2014
Opening of Mobile Apps for public download	September 28,2014
Third Prize ICAB Best National Award on Annual Report 2013	November 30,2014
Certificate of Merit-SAFA Best Presented Annual Reports Award 2013	December 04,2014
Silver Award ICSB National Award 2013 on Corporate Governance Excellence	December 04,2014
Silver Award ICSB National Award 2014 on Corporate Governance Excellence	November 04,2015
Third Prize ICAB National Awards on Best Presented Annual Report 2015	November 29,2016
Certificate of Merit-SAFA Best Presented Annual Reports Award 2015	January 27,2017
Silver Award ICSB National Award 2016 on Corporate Governance Excellence	January 10,2017
First Prize ICAB BPA National Awards on Best Presented Annual Reports 2016	November 25,2017
Silver Award ICSB National Award 2016 on Corporate Governance Excellence	November 30,2017
Winner in SAFA Best Presented Annual Reports Award 2016	January, 31,2018
Silver Award ICSB National Award 2017 on Corporate Governance Excellence	November 10,2018
Second Prize ICAB National Awards on Best Presented Annual Reports 2017	December 24,2018
Winner in SAFA Best Presented Annual Reports Award 2017	January, 22,2019
3rd position of 19th ICAB National Award for best presented Annual report 2018	November, 30,2019
1st Runner-up SAFA best presented Annual Report Award 2018	November, 30,2019
Silver Award ICSB National Award 2018 on Corporate Governance Excellence -2018	December, 21, 2019



THINKING AHEAD

Development of Bangladesh 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 the 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 the 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 the annual rates of GDP growth to average 7 percent between 2018 and 2033. This will see the country climb 19 or 17 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 benefit for all communities under its cover. All of our 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 economies found that around 50 percent of Bangladeshi, age 15 or above, or having accounts either through financial institutions or mobile money providers. It presupposes half of Bangladeshi do not have any formal access to finance and it is many times 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) 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 customers.

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 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 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 insurances that have got a widespread acceptance from high end clients and customers 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 customers 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 service 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	Mr. Basudev Chakrabarty Additional Managing Director	01713331821 Tel: 7631936
Gulshan Branch Hosna Center (2nd Floor), Suite # 207, 106 Gulshan Avenue, Gulshan # 2, Dhaka-1212. E-mail: gulshan-branch@prime-insurance.net	Mr. Mahbubur Rahman Senior Vice President	01713331847 Tel: 9890263 02-55068946-47 Ext: 145, 149
V I P Road Branch Paramount Heights, 65/2/1, Box Culvert Road, (2nd Floor), Flat # 2C1, Purana Paltan, Dhaka. E-mail: viproad-branch@prime-insurance.net	Mr. Gouranga Chandra Misra Sr. Executive Vice President	01713331856 Ext:229
Mohakhali Branch G P F – 93(2nd Floor), Mohakhali, Dhaka. E-mail: mohakhali-branch@prime-insurance.net	Mr. Mohammed Monirul Alam, Senior Executive Vice President	01713331820 Tel: 9886177
Principal Branch 12, Dilkusha C/A, Phoenix Bhaban (3rd Floor), Dhaka-1000. E-mail: principal-branch@prime-insurance.net	Mr. Uttam Kumar Bhowmick Senior Vice President	01711628695 02-9561361 02-9514126 47111806
Central Development Unit (CDU) Unique Heights (9th floor), 117 kazi Nazrul Islam Avenue, Dhaka-1000 E-mail: cdu@prime-insurance.net	Mr. Anwar Shameem Assistant Vice President	01713331831 Ext: 105 & 161
Bangshal Branch 91 Shahid Nazrul Islam Sarani (3rd floor), North South Road, Dhaka E-mail: bangshal-branch@prime-insurance.net	Mr. Md. Mozammel Hossain Vice President	01713331841 Tel: 9563197 Ext:137
Motijheel Branch 72, Dilkusha (4th Floor) C/A, Dhaka. Email: motijheel-branch@prime-insurance.net	Mr. A. Z. M Rezwanul Haque Senior Assistant Vice President	01713331840 Tel: 9564100
Savar Branch Biswas Tower (3rd Floor), Baipail, Ashulia, DEPZ, Savar, Dhaka. E-mail: savar-branch@prime-insurance.net	Mr. Md. Nurul Absar Manager	01755630972
Mirpur Branch 184 Razia Plaza (3rd floor), Senpara Parbata, Rokeya Sarani, Mirpur#10, Dhaka. E-mail: mirpur-branch@prime-insurance.net	Mr. Monobrata Roy Senior Vice President	01713331837

	Branch Name & Location	Head of Branch/ In-Charge	Contact No.
Chittagong	Kadamtoli Branch D. T. Road, Rahat Centre (1st Floor), 295, Kadamtali, Chattogram E-mail: kadamtali-branch@prime-insurance.net	Mr. Mainul Islam Chowdhury Executive Vice President	01730358444 Tel: 031-2529225
	Agrabad Branch Akhteruzzaman Center, Agrabad Commercial Area, Plot no-21 & 22, 6th Floor, Mouza-Ghosaildanga, Double Mooring, Chattogram E-mail: agrabad-branch@prime-insurance.net	Ms. Mehrunnesa Shimul, Deputy Manager	01711158224 Tel: 031-715907
Rajshahi	Rajshahi Branch Molla Plaza (3rd floor), Shaheb Bazar, Natore Road, Rajshahi. E-mail: rajshahi-branch@prime-insurance.net	Mr. Fazal Mahmud Senior Assistant Vice President	01711855776 Tel: 0721-775277
	Bogra Branch 1st Floor, Tip top Traders, Zilder Market, Ideal School Lane, Boragola, Bogura. E-mail: bogra-branch@prime-insurance.net	Mr. Md. Tozammel Haque (Ashik), Manager	01711860008 Tel: 051-60960
Khulna	Khulna Branch Nizam Chamber (3rd Floor), 7, Old Jessore Road, Khulna. E-mail: khulna-branch@prime-insurance.net	Ms. Sabina Yasmin Assistant Manager	01920336379 Tel: 041-731420
Barisal	Barishal Branch 95, Sadar Road (2nd Floor), Barishal. E-mail: barisal-branch@prime-insurance.net	Mr. Abdul Halim Khan Vice President	01713331844 Tel: 0431-64426
Booth Office	Ekuria Booth House: 4 (2nd floor) , Block-A, Ward-09, Container Port Road, Hasnabad, Keraniganj Dhaka:1311 E-mail: ekuria-booth@prime-insurance.net	Mr. 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 after its commencement in July 1996 as an AVP and Head of Narayanganj Branch. Subsequently, he was promoted as Additional Managing Director of the Company. He has been working for the same Branch since his joining. His longstanding pursuit to the occupation in the Company for 23 years is an outcome of loyalty towards the Company, profession and society at large. During his service career, he received a number of awards for his excellent performance. Besides, he was awarded foreign tours for several times for his excellent performance in the Company. He is a veteran devotee towards the works for humankind, which results him associated with various social, cultural and religious organizations in Narayanganj District.

MD. MIJANUR RAHMAN

Senior Executive Vice President and
Head of Pabna Branch

Mr. Md. Mijanur Rahman has been with Prime Insurance Company Limited since its commencement of business in 1996. He has over 29 years of working experience in general insurance in diversified areas and has very good reputation in the insurance industry. After successfully passing a long period of 23 years of his dedicated services to the company, now, Mr. Rahman is holding the position of Senior Executive Vice President and Head of Pabna Branch. Mr. Rahman is associated with many social organizations in Pabna District. He is a life member of Anjuman Mofidul Islam. He obtained his MBA (HRM) from South East University.



GOURANGA CHANDRA MISRA

Senior Executive Vice President and
Head of VIP Road Branch

Since the advent of the Prime Insurance Company Limited in 1996, Mr. Gouranga Chandra Misra has a very successful span of continuous service for 23 years and at the moment; he is contributing to the Company as Executive Vice President and Head of VIP Road Branch. During his service life at Prime Insurance, he has participated in various seminars and workshops on insurance in Bangladesh Insurance Academy (BIA). Besides, he attended various in-house and external training programs and workshops. During span of career, he received a lot of 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 Head 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 has enriched his career through completing successfully the 'Qualifying Examination' in Bangladesh Insurance Academy. During his long career, he also participated in a number of workshops and diverse training programs. Mr. Alam was a veteran sportsman and he represented Bangladesh internationally in rowing several times. He is a good sports organizer, and now he is the Vice President of Bangladesh Rowing Federation. He obtained B.Sc (Hons.) and M.Sc. degree in Economics from Jahangir Nagar University. His work has taken him to several countries including 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 in 2010 as Senior Vice-President and Head of Kadamtoli Branch. He has a glorious 27 years of experience as a Branch Head in several private insurance companies. Throughout his long career, he was awarded several annual best performance awards. Thus, he has been assessed as a result oriented, strong team player, activator and developer. Now Mr. Chowdhury is discharging his responsibility as Executive Vice-President and Head of Kadamtoli Branch of the Company. He graduated 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. His career spans over three decades of proven experience in Insurance sector. He achieved best performance award several times from Prime Insurance Company Ltd. Thus, Mr. Roy has built a successful track record being consistent in general insurance business. At this moment, he is serving the company as Senior Vice President and Head of Mirpur Branch. Prior to joining Mirpur Branch, he served Prime Insurance as Senior Vice President, Head Office. He also worked as Head of Savar Branch and Central Development Unit (CDU) of the Company.

Mr. Roy participated in various insurance related trainings from BIA and attended various workshops relating to Insurance marketing and underwriting. At his youth he was a renowned footballer and played in Dhaka First Division League. Mr. Roy graduated from the University of Dhaka in 1987.



UTTAM KUMAR BHOWMICK

Senior Vice President and
Head of Principal Branch, Dhaka

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 position of Senior Vice President and heading the Prime's Principal Branch. He has 25 years working experience in underwriting. During his insurance career, he took several professional trainings from BIA, DCCI, FBCCI, and Bdjob.com. Beside these, he participated in various seminars and workshops in the field of insurance including in-house training programs.

MAHBUBUR RAHMAN

Senior Vice President and
In-Charge of Gulshan Branch

At the beginning of Prime Insurance Company Limited, Mr. Mahbubur Rahman joined here as a Junior Executive Officer of the Company. Currently, he holds the position of Senior Vice President and In-Charge of Gulshan Branch. Before joining Prime Insurance Company Limited, he worked for Green Delta Insurance Company Ltd. He has over three decades of diverse proven experience in insurance sector. Mr. Rahman completed his graduation from the University of Dhaka in 1985.



ABDUL HALIM KHAN

Vice President and
Head of Barishal Branch

Mr. Abdul Halim Khan joined Prime Insurance Company as an Executive Officer in 1996 at Barishal Branch. Before beginning his career with Prime Insurance, he spent 6 years with Bangladesh General Insurance Limited as In-Charge of Barishal Branch totaling 29 years of experience in this sector. At present, Mr Khan is holding the position of Vice President & Head of Barishal Branch of the Company. He is associated with various social, cultural & religious organizations. Besides, he is a Member of Barishal Club Ltd.



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 outstanding business performance in 2009, Mr. Hossain was awarded as the Head of Bangshal Branch. Currently, he is discharging his responsibilities in the Company as Vice President and Head of Bangshal Branch. He is also monitoring the activities of Ekuria booth under Bangshal Branch successfully.

A.Z. M. REZWANUL HAQUE

Senior Assistant Vice President and
Head of Motijheel Branch

Mr. A. Z. M. Rezwatul Haque is holding the rank of Senior Assistant Vice President and Head of Motijheel Branch of the Company. Before becoming the Head of Motijheel Branch, he 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 and Financial Management organized by ICSB, DBI and bdjobs.



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 enrolled at his Masters in Political Science at Rajshahi University. During his insurance career, he participated in different training program on General Insurance with special emphasis on Marketing, Fire Insurance, Underwriting and Claims from Bangladesh Insurance Academy (BIA). Right now, he is holding the desk of Senior Assistant Vice President and Head of Rajshahi Branch.



ANWAR SHAMIM

Assistant Vice President and
In-Charge of CDU

Mr. Anwar Shameem joined Prime Insurance Company Limited in Human Resources & Logistics Department in 2008. He completed his BBA (Hons) and MBA degree in Management from the University of Chittagong. In 2018, Mr. Shameem was awarded and entrusted with special assignment as the In-Charge of Central Development Unit (CDU) for his outstanding managerial capacity apart from his regular duties and responsibilities as Head of the Establishment & Logistics department.

MUHAMMAD NURUL ABSAR

Manager and
Head of Savar Branch

Mr. Muhammad Nurul Absar joined Prime Insurance Company Limited in July 2011 as an Assistant Manager in Business Development Cell. He was promoted as Deputy Manager and assigned as the Head of Savar Branch in September 2014. Later, for his outstanding performances, he was promoted to the rank of Manager in 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 (Master in Business Studies) with major in Accounting from National University. During his insurance career, he attended in-house trainings on General Insurance, Customer Relationship and Health Insurance from various local and foreign insurance experts.



MD. TOZAMMEL HAQUE (ASHIK)

Manager and
In-Charge of Bogura Branch

Mr. Md. Tozammel Haque (Ashik) joined Prime Insurance Company limited in 2019 as Manager and In-Charge of Bogura Branch. Prior to his joining in Prime Insurance Company limited, he served at Islami Insurance Bangladesh limited as Manager (Business Promotion) since May 2018. Mr. Haque started his career with Fareast Islami Life Insurance Company limited as Branch Coordinator in 2014. He graduated with Bachelor of Arts from Shibgonj M.H. Degree College, Bogura.



MEHRUNNESA SHIMUL

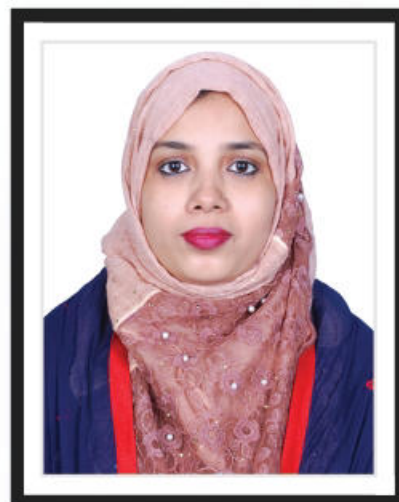
Deputy Manager and
In-Charge of Agrabad Branch

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

MS. SABINA YASMIN

Assistant Manager and
In-charge of Khulna Branch

Ms. Sabina Yasmin joined Prime Insurance Company Limited as Senior Officer in 2012 at Motijheel branch and gathered experience in various departments of Insurance for around 7 years. She was transferred to Khulna branch in 2018 and was assigned as In-Charge of the branch. Ms. Sabina has completed her M.A. in History from National University.





Corporate Operational Team

Chief Executive Officer (CC)

Syed Monirul Huq

Additional Managing Director

Basudev Chakrabarty

Assistant Managing Director

Sujit Kumar Bhowmik

Company Secretary & SEVP

Enamul Haque Khan

SVP & CFO

Md. Lokman Hossain

Senior Executive Vice President

Gouranga Chandra Misra

Md. Mijanur Rahman

Md. Delwar Hossain

Executive Vice President

Mainul Islam Chowdhury

Senior Vice President

Md. Amin Uddin

Uttam Kumar Bhowmick

Monobrata Roy

Kazi Farjana Rahman

Mahbubur Rahman

Vice President

A.A.M. Zahed Nizam

Abdul Halim Khan

Md.Mozammel Hossain

Uttam Kumar Saha

Rouksana Malack

Asaduzzaman

Md.Noor- Ul-Alam , ACS, LL.B

Md. Razib Sarwar

Senior Assistant Vice President

Fazal Mahmud

Abu Zergam Md. Rezwanul Haque

Abdul Halim

Mst. Jaheda Khatun

Shamima Nasrin

Bahadur Hossain

Assistant Vice President

Zahid Hossain

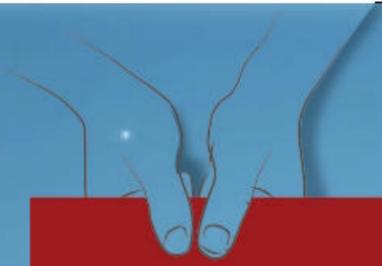
Syed Mokbul Ahmed

Anwar Shameem

Khodeja Khatoun

Rezaul Karim

Abdullah Al- Mamun



BOARD OF
**THE 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 24th Annual General Meeting 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 24th AGM of the Shareholders of Prime Insurance Company Ltd, I would like to draw your attention to some major achievements by the Company in 2019. 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 2018. Prime Insurance declared 10% dividend in 2014, 12.5% in 2015, 13% in 2016, 15% in 2017, 10% in 2018 but no dividend in 2019. Dividend yield ratios of the company were very high until 2018. It was unfortunate that the Company decided to hold the dividend this year due to make the tax provision which reduced the retained earnings. Another reason is the provision on share invests provision on unrealized loss. Therefore, forecasted debt reduction, loss of income from share investments and weak amount of retained earnings was the drawbacks not to declare the dividend. EPS of PICL was Tk.0.43 which was Tk.1.12 in 2018. Retained earnings was Tk. 5.51 million which is very poor amount. However, the liability of the company reduced in terms of future tax provision.

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 2020 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 2020. 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 Company 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 hard competition.

Prime Insurance Company this year earned moderate underwriting profit. But we have paid significant amount of claim in 2019 which lead to a significant decrease in net profit. Capital market condition was also unstable during the year 2019.

In 2019, 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 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.

Shareholders' positive response in 2019 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 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, reduce re-insurance costs, increase 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, our well-built IT and online support, existing and new innovative products, and quality customer service.

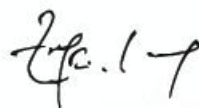
We have settled big claims from our own sources through encashment of FDRs at the starting month of the year 2019 but the FDR increased enormously at the end of the year. However, investment in shares due to emergency and rationally the expected profit from share investment has reduced in 2019.

Our credit rating turned into AA- in 2018 which was same in 2017 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 have implemented smart card policy 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 our insured's 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 2019 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 is 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







CEO's **ROUND UP**

Our pursuit is to bring unique perspective to business through
socially responsible business.



A QUEST FOR EXCELLENCE

Our intend is to skillfull navigating of external challenges and seizing the opportunities to deliver company's success along with receiving status of socially responsible insurer in the Country.

Honorable Shareholders, Assalamualikum

On behalf of the Management Team, I am pleased to report you the company's performances of 2019 and welcome you all at the 24th Annual General Meeting of Prime Insurance Company Limited. First of all, I would like to express my deepest gratitude to you all, for being with us, throughout the year and joining to the journey of another year with plenty of optimism and vision.

In reality, the year ended 2019 was consisting of both favourable and unfavourable outcomes achievement year. Amidst business challenges we have passed another challenging business year. However the government has already started with new promises for the insurance sector. It shows beacons of hope for Bangladesh to reaching its desired roads to prosperity. At Prime Insurance Company Limited (PICL), our synergy of success is striving to ethical business standard, due diligence, vibrant insurance product and business services cater to clients and customers need for safer feeling and faster delivery of insurance product and services for customers satisfaction.

Global Insurance Scenario – “Digitization”:

Globally, the insurance sector has been undergoing digitization and platforms are being created to optimize customer service and streamline processes. New players and companies in developing economies like ours are at an advantage – they are able to develop digital-first infrastructures that incorporate the latest technologies from the outset. Now Insurance companies are adopting digital strategies. Not just for savings and efficiency, but for increased customer satisfaction with a whopping 61% of customers confirming they prefer to check their applications online as supported in a market survey.

Our Insurance Industry – “Reshaping for untapped opportunities”

In spite of having all favorable indicators for insurance sector development, insurance coverage in Bangladesh is still lowest in emerging Asia. The insurance industry in the country is evolving to be a vibrant industry with 78 players including 46 Non-life insurers recording positive growth, albeit slowly.

Besides, the insurance sector's contribution to GDP is not up to the expected level, not in line with the economic development and sizes of GDP. Despite numerous initiatives to increase awareness on insurance products; the insurance industry continues to remain significantly under penetrated during the year 2019 as well.

A research shows that increase in the penetration rate can create widespread benefits for the economy. It is estimated that a 1% increase in Bangladesh's insurance penetration rate can reduce uninsured losses and markedly contribute to its GDP growth.

Additionally, the insurance sector can contribute towards Economy of the country by funding infrastructure. Infrastructure development requires long-term investments and insurance companies tend to make such investments. This synergy is leveraged by other countries, which make it mandatory for pension funds to allocate a part of their funds to infrastructure investments. Currently, in Bangladesh, infrastructure projects are funded by borrowing from the public and other measures. As Bangladesh's economy expands, so will its need to fund infrastructure projects, and other means of funding will reduce the financial burden on public funds.

In view of the above the Government has taken some initiatives to reshape the insurance industry. So the structure of the industry has witnessed a notable transformation during the last couple of months of this year started in August 2019, stemming mainly from the regulatory changes implemented by IDRA, aimed at improved governance and the efficient use of capital. The industry, during the recent past, experienced a challenging period in meeting these requirements. Though IDRA instructed to operate whole cash flow through the Banking Channel, the year also saw an escalation of challenges faced by the insurance industry. We have observed that throughout the current year too, stiff competition was a defining factor in the insurance industry, with some players resorting to price undercutting.

Performance Overview – “Positive Growth”:

The General Insurance business of PICL recorded a healthy growth in terms of both its top and bottom lines. The many adverse scenarios, which proved Challenging in 2018, were successfully managed in 2019.

You know, general Insurance, by its nature, is highly susceptible to unforeseen shocks and hence, the management's capability to make timely judgments well in advance to be in a state of preparedness to meet such challenges is a critical necessity for success. Such preparation was executed effectively in 2019 through our Enterprise Risk Management strategies focusing on risk selection, pricing and expense management.

These three core elements were handled exceptionally by the team, resulting in the development of a sustainable business model for the future, and also making a material contribution towards the growth of consolidated revenue and profits in 2019. Accordingly, the Company recorded a 4.22% growth in Gross Premium to reach TK 711.67 Million, for the year 2019. I am certain that the resolve of a committed workforce, invigorated by the sweet scent of success, led by a dynamic team of executives who in turn are guided by a Board with far-sighted thinking, will provide a springboard to leap towards sustained profitability at Prime Insurance in the future.

Investment – “Positive investment income growth”

Despite a challenging business environment, we are extremely happy to share that our fund management efforts during the year resulted in outperforming market benchmarks for both fixed income and equity investments. Our investment portfolios recorded a positive investment income growth of 46.80% to reach Tk 1.46 million for the year.

Governance and Regulations – “Towards soundness in the insurance industry”:

Prime Insurance Company Limited (PICL) is a company well-respected for its transparency in corporate governance. Continuing to uphold this reputation, I note with pleasure that PICL has both regulatory and voluntary governance best practices. A detailed report on the governance aspects of the Company appears on the separate pages. [see: page 126-167]

Way forward- “Profit through Customers Satisfaction”:

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, specially the non-life category. Moreover, there are 46 non-life operators are playing in this small country. 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.

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) and Insurance Development and Regulatory Authority (IDRA). [see Report on Risk Management page 170]

We are researching for continuous improvement of existing products and bent on to bringing innovation in insurance solutions through our research team. It is an 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 to 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 clients and customers satisfaction.

Human Capital -“Motivated 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. PICL'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 staffs 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. [see: page 101,108 & 109]

Investing in Future -“Innovative Products”:

In insurance perspective, it is necessary to be insured mean remain protected from risks and hazards regardless their classes whether they are natural or 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 has 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, PICL 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 big 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 – “Opportunities ahead”:

Our research and development (R&D) team relentlessly is researching for new products. One of them is a special policy designed against bonds 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, Live Stocks, Bankassurance policy, terrorism, home loan and auto loan coverage.

Looking Through the Prism of Insurance-“Becomes a tech-based insurer”:

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 insureds, the Company has established a separate specialized business unit comprising the operation of all types of insurance business, 'Central Development Unit (CDU)' at Head Office, approved by Insurance Development and Regulatory Authority (IDRA), so that the clients can 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 – “Recognitions”:

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 bagged prestigious SAFA Award in the Insurance Category which is an apex forum of professional accountancy of South Asian Association for Regional Cooperation (SAARC) for the year 2018, 2017 and 2016 respectively and National Award of Institute of Chartered Accountants of Bangladesh (ICAB) Second best in 2018 & 2017 and Best Presented Annual Report-2016 concurrently under insurance category. We are also awarded in the 6th, 5th and 4th Corporate Governance Excellence Award of Institute of Chartered Secretaries of Bangladesh (ICSB) for our Excellence in Corporate. All of these achievements prove the consistency of our persistent efforts towards reaching the point of excellence in terms of service, functional expertise, corporate governance, transparency and accountability. I would like to thank all the team members and members of the Board especially the Chairman to encourage us always for moving forward, without which our company would not be able to hold its top position in the market.

Investment in Social and Relationship Capital – “Committed”:

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 Business 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. That is part of our commitment towards society.

Looking ahead and beyond-“Optimistic”:

In the year 2020 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, through 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 Insurance family.

I believe the gains made during the preceding years will be instrumental for better positioning of the Company in the future. Our strategy is to enhance strength by focusing on areas where we have an advantage today and where we can grow faster than our competitors in the days ahead. We shall endeavor to ensure excellent services in every spheres of business to our clients.

Overall, as we look forward to 2020, Prime Insurance Company limited is well-placed to meet the challenges of continuing to improve the service we provide to our customers, and to realize our ambition to remain as the most preferred general insurance investment platform for our shareholders.

Acknowledgements-“Thank You”:

Before I conclude, I would like to express my sincere thanks and gratitude to IDRA including other regulators, respectable shareholders, valued clients, reinsurers and well wishers for reposing their rock solid trust and confidence in making the year 2019 a success. My sincere gratitude and propound thanks to the honorable Chairperson and the respectable Directors of the Board for their judicious guidance, pragmatic vision, valuable input, patronage round the year and I look forward to receive the same in future. I also like to thanks the prudent Management Team for the commitment in expediting and implementing our strategy; over and above, and unwavering support that enabled Prime Insurance Company Limited emerge as a country's uniquely tech-driven and financially sound insurer.

With best regard,
Thanking You All



Syed Monirul Huq
Chief Executive Officer (cc)





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 Limited 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. SahedaPervin 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.

Mahanur Ummel Ara

Director

Ms. Mahanur Ummel Ara was elected as the Chairperson of the Executive Committee (EC) of the company at its 310th meeting held on 17 January 2019. 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.





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.

Md. Nazrul Islam

Director

Md. Nazrul Islam is a nominated Director of Prime Insurance Company Limited, representing Fareast Islami Securities Ltd. He is a prominent industrialist and successful business entrepreneur of the country. His brilliance and business foresight has added a new dimension to the industrial revolution in Bangladesh. He contributes a lot to develop the country's economy via Bank, NBFI and Insurance Company. His professional and business affiliation is versatile and diversified. He earned notable fame in the business community for his integrity and remarkable business performance. He proves himself as a successful Chairperson in several companies namely Fareast Islami Life Insurance Company Limited, Fareast Islami Securities Limited, Fareast Islami Properties Limited and Primeasia University Board of Trustees. Mr. Md. Nazrul Islam is the Vice Chairman of Bangladesh Institute for Professional Development (BIPD) and Prime Multimedia. He is the Director of Meghna Bank Limited, Prime Islami Securities Limited and PFI Properties Limited.

Apart from that, he is the Managing Director of Apsara Holding Limited, Ramisha Cold Storage Limited, Punot Cold Storage Limited, Fareast Cold Storage Limited, Fareast Securities Limited, Ramisha BD Limited, Rimsha BD Limited and Ramisha Composite Textiles Mills Limited (proposed). He is also Sponsor of CVC Finance Limited, proprietor of M/s. Ramisha Enterprise and M/s. Rimsha Enterprise. As a very prominent entrepreneur, he has received many prestigious awards from the institutions at home and abroad for his remarkable contribution to the contemporary business.

He is the Executive Committee member of Bangladesh Insurance Association (BIA), Bangladesh Association of Publicly Listed Companies, member of FBCCI, member of Cold Storage Association, member of Australia Bangladesh Chamber of Commerce, Canada Bangladesh Chamber of Commerce & Industry, Bangladesh Thai Chamber of Commerce & Industry (BTCCI) & Bangladesh German Chamber of Commerce & Industry (BGCCI).



His contribution to the society through the Corporate Social Responsibility activities is remarkable. As a very widely travelled person, he has the detailed idea of contemporary business and technologies through cross country cultural activities. He has an amiable personality having the track record of making contributions in the social and educational development activities of the country.

His contribution towards government exchequer is notable and he received the highest tax payer's award several times from the Munshigonj DCT. In a word he is observed as a man of successful entrepreneur with socially responsible personality.



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 MoklesurRahman Foundation, Chittagong.

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.





Rahela Hossain

Director

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

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.





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.

Dil Ara Begum

Director

Ms. Dil Ara Begum, after completion of education, involved herself in import, wholesale and retail business of electronics goods. She is the managing partner of M/s. Super Electronics, Chittagong. Apart from her involvement in Prime Insurance Company Limited, she is the chairperson of Shell Properties Corporation Limited and also the director of Pam Complex (Pvt.) Limited. Ms. DilAra takes part in various social activities, she especially contributes offering donations to a number of Schools, Colleges, Old Homes, Orphanage Centre at Raozan, Chittagong.





Mohd. Showkot Ali

Director

Mr. Mohd. Showkot Ali is a Director of Prime Insurance Company Ltd. He completed graduation from Jagannath University, Dhaka. He started business just after obtaining graduation on 1989. At the very first outset, he started Fabric Manufacturing business. Further he extended business and engaged in Yarn Manufacturing as well. Side by side his business career, he is working as the deputy Managing Director of Maksons Group. He is also a member of Bangladesh Textile Mills Association (BTMA) and Bangladesh German Chamber of Commerce & Industry (BGCCI). Mr. Ali is a permanent member of Gulshan Club Limited, Bangladesh Flying Club, Uttara Club Ltd, Gulshan Society and Rotary Club.

Md. Ashaduzzaman

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.





AKM Monirul Islam

Director

AKM Monirul Islam is a nominated Director of Prime Insurance Company Limited, representing Ramisha BD Limited. He has obtained his Bachelor of Arts degree from a reputed Public University. Mr. AKM Monirul Islam is a Director of Fareast Islami Life Insurance Company Limited and nominated Director of CVC Finance Limited, representing Apsara Holding Limited. He has attachment with various socio cultural activities.

Ms. Ayesha Husne Jahan

Director

Ms. Ayesha Husne Jahan is a nominated Director of Prime Insurance Company Limited, representing Fareast Islami Properties Limited. She was born in a respectable Muslim family in Bangladesh. She had her schooling in the local educational institutions and obtained B.Com. degree. She is a Sponsor Director of Fareast Islami Life Insurance Company Limited and member of Trustees Board of Primeasia University. She is associated with many other socio-cultural activities.





Ms. Rabeya Begum

Director

Ms. Rabeya Begum is a nominated Director of Prime Insurance Company Limited, representing Fareast Islami Life Insurance Company Limited. She has completed her post-graduation from Government Tularam University & College, Narayanggonj. She has dynamic business skills; her comprehensive, collaborative and consultative attitude helps her taking entrepreneurial decision in the business community. Her footsteps with the peer group for developing company's vision and achieving the ultimate goals is notable. At present, she is the Director of Fareast Islami Life Insurance Company Limited and Bangladesh Institute of Professional Development Ltd (BIPD). She is a Member of Trustees Board of Primeasia University and director of Bengal Commercial Bank Ltd. She is also engaged with many socio-cultural activities of the country.

Asif Iqbal

Director

Asif Iqbal is a nominated Director of Prime Insurance Company Limited, representing Rimsha BD Limited. Asif Iqbal obtained Bachelor of Commerce degree from a reputed Public University of Dhaka. He is one of the Directors of the Fareast Islami Life Insurance Company Limited, representing Fareast Securities Limited. He has attachment with various socio cultural activities as well.



Mr. Mohammad Salim Mahmud

Director

Mr. Mohammad Salim Mahmud is a Director of Prime Insurance Company Ltd. He is the Nominated Director of Prime Islami Life Insurance Limited and member of the trustee board of Primeasia University.

He completed Master of Commerce (M.Com) from Dhaka College. After completion of the Master's Degree, he engaged himself in various businesses and become a young promising entrepreneur in the Country. He established good number of Companies and earned notable fame in the business community for his integrity and remarkable business performance. He is a Director of Mofiz Flour Mills Ltd, Desh Flour Mills Ltd, Bhai Bhai Flour Mills Ltd, Islam Food and Allied Industries Ltd, Advance Sweater Ltd, Prime Polymer Industry PVT Ltd and Bangladesh Institute of Professional Development Ltd. Apart from that, he is a member of Narayangonj Club, Capital Club Ltd (Gulshan-2), Legend Club Ltd (Uttara) and Bangladesh Flour Mills Association, Narayangonj. He traveled many Countries of Asia and Europe, for business conferences, meetings and other purposes. He also associated with number of charity organizations and cultural activities.



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

Mr. 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



SYED MONIRUL HUQ

Chief Executive Officer (CC)

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 Chief Executive Officer (Current Charge).





DIRECTOR'S REPORT 2019

**Dear Shareholders,
Assalamu Alaikum ,**

It gives me a great pleasure to welcome you to the 24th Annual General Meeting of the Prime Insurance Company Limited on behalf of the Board of Directors of the Company and on my behalf. I am also pleased to present the Annual Report of the Directors for the year that ended in December 31, 2019 along with the Audited Accounts containing Statement of Financial Position, Statement of Profit & Loss and Other Comprehensive Income, Revenue Accounts, and other relevant Financial Statements for the year 2019 for your information, consideration and approval. The documents already sent to you in compliance with referral stated below.

The reports of the Board of Directors of the Company be and is hereby approved vide resolution no.7 of the Board of Directors' meeting no. 326 held on 14 March, 2020.

In compliance to the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange (BSEC) Rules 1987 including code no. 5 of the Corporate Governance Code 2018 issued by BSEC, IAS-1 and referring to 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 Annual Report of the Directors containing the Audited Financial Statements are already submitted.

At the very beginning of this report stated the global economic position which narrowed down to Bangladesh economy and later concentrated to the analysis of Insurance sector in Bangladesh that finally compared position of Prime Insurance Company Ltd. In summary, the global economic output is projected weaker however the expert researcher has forecasted slightly higher economic growth in national economy. But the insurance industry, however, showing slow growth in business which practically not observed according to industry perspective. Contribution of the Insurance Industry in the GDP is pitiable comparing other income generating sector in Bangladesh.

Revenue earning of Prime Insurance Company limited in 2019 has shown steady growth; however, Directors took strategy not to providing the dividend, instead creating percussion for tax provision to meet future liabilities.

Global Economy

Overall world economic development set to climbed by 2.5 percent in the year 2020, a little mount from an estimated 2.4 percent growth in 2019. Emerging market and developing economies are anticipated to see growth accelerate to 4.1 percent in 2020 from 3.5 percent in the year-2019. However, that acceleration will not be broad-based; the pickup is anticipated to come largely from a handful of large emerging economies stabilizing after deep recessions or sharp slowdowns.

Global growth is projected to reach 2.5 percent in 2020, slightly faster than the post-crisis low index last year, 2019. While growth could be stronger if reduced trade tensions lead to a sustained reduction in uncertainty, the balance of risks to the outlook is to the downside. Growth in emerging market and developing economies is also expected to remain subdued, continuing a decade of disappointing outcomes. These circumstances add urgency to the need to implement measures to rebuild macroeconomic policy space and to undertake reforms to rekindle productivity growth. These efforts need to be supplemented by policies to promote inclusive long-term growth and accelerate poverty alleviation.

Emerging Asia forecasted the reasonable development to convalesce the global economic position while observed down trend since 2017. The regional growth estimated higher growth but declined in 2018 to 5.9% in the middle of the year which continued 5.7% up to the end of the year 2019 and forecasted to be slowed growth up to 5.6% in 2020. Estimated regional growth remains strong but slowed in 5.9% in 2018, 5.7% in 2019 and forecasted to be 5.6% in 2020.

The cascading economic impact of the new corona virus outbreak in China is becoming more apparent worldwide, with Apple's surprise cut to its sales forecast due to supply chain disruptions spooking global markets and Asian governments downgrading growth prospects. German investor sentiment, meanwhile, is collapsing amid fears the outbreak will kneecap the incipient recovery in global manufacturing.



The Chinese tension affected Bangladesh Economy due to less facilitates of import supply. Products cost raises and import from China reduced. Further, it will impact the marine insurance business directly and other insurance business in due course.

Bangladesh Economy

Bangladesh's economy will outperform the economy of Malaysia, Hong Kong and Singapore with its presence as the 30th largest economy in the world by 2024, says a new report. The global report, titled World Economic League Table 2020, of the Centre for Economics and Business Research (Cebr) also says that Bangladesh's economy will further climb from the 40th place in the World Economic League Table in 2020 to 26th and 25th position respectively by 2029 and 2034. The world economic league table with forecasts for 193 countries to 2034 was published recently.

Bangladesh's economy performed well last year, recording a 7.8 per cent growth, according to the report. The country recorded 7.9 per cent growth in 2018. The population increased at a rate of 1 per cent per year since 2014. This has meant that per capita incomes have grown considerably in recent years. The government debt as a share of GDP rose to 34.6 per cent last year. This is up from 34 per cent in 2018.

Despite this increase, the public sector finances remain in good shape. The relatively low debt burden has provided the government with the fiscal headroom to operate a budget deficit of 4.8 per cent in 2019.

The annual rate of GDP growth is forecast to slow to an average of 7.3 per cent between 2020 and 2025, according to the report.

Over the subsequent nine years, experts' forecasts that the economy will remain at this impressive rate, which will see Bangladesh climb from 40th place in the World Economic League Table in 2020 to 25th place by 2034. The dramatic forecasts of Bangladesh economy however did not consider the growth of insurance market and its contribution in the national economy. As usual, the research and forecasts of the insurance business are officially unofficial.

Industry outlook and possible future Developments:

Bangladesh insurance market is in unpredictable upward revenue trend despite the low penetration rate and unsafe underwriting profit condition. It has potentialities to growth and advancement as opined by the insurance experts from home and abroad. Quite often the insurance professionals of the country require insurance information associated with Bangladesh insurance market, however, the information are not available in the market during the analysis. Lack of proper research is as extreme as insurance sector is neglected by the public and officials of Bangladesh. However, the desks of IDRA and BIA officials published very basic yearly report on insurance data; those are as late as not workable during the research hour. The lack of information affects to setting up short term objective of the Company.

Besides, 46 Non-Life Insurance Companies are competing with each other for paying more agent commission on premium income. Subsequently, shareholders wealth maximization is a challenge for all insurance companies. This existing missing process is increasing day after day. But the scope of the Non-life insurance sector has less focused to the government and private counterpart.

However, we see more effective results from our future prospects. Government and World Bank have possibility to sign an agreement to automate the Insurance Industry and its policy and accounts so that every information and financial figure will be possible to identify. Commission problem will automatically be reduced. Prime Insurance Company Ltd is concentrating based on those prospects, focused on long term plan rather than short term survivable mechanism.

Non-Life Insurance businesses are compulsory in some sectors and this sector has no more motivated sector other than traditional compulsory insurance business. Health Insurance is pretty attractive to the corporate sector but profit making from this business is difficult due to the nature of frequent claim. However, this business is ornamental to Non-life Insurance Business and PICL forecasted a big profit plan in this sector within next five years period. Auto Third Party Liability for bodily injured and property damaged (limited cover) is compulsory in Bangladesh. Aviation liability and Imports must be insured in Bangladesh with state-owned Sadharan Bima Corporation or a private insurer, unless an exemption is obtained. The more insurance products required to be mandate to ensure the industry development which will increase the scope of revenue income. Placing reinsurance home and abroad is a technical matter and underwriters are playing with rate in this area to show their skills. It was noted that most of the Non-Life Insurance Companies in Bangladesh has less profit in the underwriting department but the profit enhanced by the other income generating sector like investment income. Big companies have more FDR which was less in PICL that results poor net profit.

Non-Life Insurance industry revenue in Bangladesh was 16,147 million in 2019 which was 15,643 million in 2018 and 3.22% business growth was compare between 2019 and 2018. Net underwriting profit was 4483.63 million in 2019 compare to 3360.27 million in 2018. However, the market forecast in 2020 is not possible due to lack of market data. We assume that the year 2020 will be more profitable compare to 2019 due to elimination of excess commission from the middle of the year 2019. But, in reality, we have loose attractive business because Prime Insurance Company were strictly followed the agent commission limitations. As a result, revenue losses was the destiny. Gross premium of Prime Insurance Company Ltd is Tk711.67 million and underwriting profit reached at Tk106.53 in 2019 from 101.73 million in 2018.

Segment-wise or product-wise performance:

Prime Insurance Company's traditional insurance business is Fire Insurance, Marine Insurance, Motor and Miscellaneous business. Recently, Health Insurance Business is in increasing trend.

Haji Insurance, Travel Policy Insurance, Triple B Insurance and Potential Financial Insolvency Insurance for the property and Institutions are available in the Company. Performance in 2018 related segment wise products and services are available here as under:

Fire Insurance Business

Fire insurance business is most hazardous and risky business in non-life insurance sector. Huge amount premium is ceded for re-insurance protection. As a result, it is very tough to earn an underwriting profit from fire insurance business.

The Company wrote fire insurance business with a gross premium income of Tk.263.13 million in 2019 against Tk.313.25 million in 2018. After ceding of the re-insurance premium, the net premium earned from fire insurance business stood at Tk.8.66 million. The Company earned an underwriting profit of Tk.13.13 million from its fire insurance business in 2019.

Marine Insurance Business

The gross premium income from marine insurance business increased to Tk.180.07 million in 2019 from Tk. 254.54 million in 2018, yielding a net premium of Tk.85.83 million, after re-insurance cession. The Company earned an underwriting profit of Tk.92.98 million against Tk. 87.26 million in 2018.

Motor Insurance Business

In Motor, the gross premium income was slightly decreased to Tk.37.63 million from Tk. 43.22 million in 2018. After ceding of the re-insurance premium, the net premium of the Motor Department amounted to Tk.35.00 million. The Company earned underwriting profit from Motor insurance business Tk.22.95 million as against Tk.31.80 in 2018.

Miscellaneous Insurance Business

Premium income from miscellaneous insurance business increased to Tk.230.84 million against Tk.125.83 in 2018. Prime Insurance earned a loss of Tk. 22.73 million during the year under review.

Investment Income

At the year-end 2019, the interest earning was slightly higher compare to 2018. Interest income from Banks and Non-Bank Financial Institutions increased to Tk.19.39 million in 2019 against Tk.14.14 million in 2018.

Claim ratio in 2019 was high above compare to regular payment and therefore, the significant amount of Tk 63.04% be given for claim payment from share and investment account. Side by side clumsy capital market growth.

Income from dividend has also reduced significantly from Tk.5.51 million in 2019 from Tk. 4.76 million in 2018 because total dividend declared ratio of the public listed companies have reduced comparatively.

Gross Profit Margin and Net Profit Margin, where applicable; Profit and Loss Account

The salient features are given below:

Particulars	2019 (Tk in Million)	2018 (Tk in Million)
Gross Premium	711.67	682.84
Net premium	137.35	241.26
Underwriting profit	106.54	101.73
Interest income	19.39	14.14
Dividend income	5.51	4.76
Provision for tax	67.36	32.65
Retained earnings	5.51	42.63

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 2019 was Tk.1.10 million against Tk. 2.22 million in 2018.

The total number of vehicles was 17 against 23 in 2018. The total cost of vehicle as at 31 December 2019 was Tk.28.81 million against Tk.36.75 million in 2018.

Dividend

From the less amount of retained earnings on 2019, the Board of Directors is regretful not to recommend any dividend for its shareholders for the year 2019. Tax provisioning was one of the liability for which retained earnings reduced in a point that signified not to provide the dividend for the year 2019. However, Board thinks that the year 2020 will be more reserve for dividend and liquid asset will be higher in comparison with last 6 years. [Ref: page: 182]

Cash Flow from Operating Activities

In 2019 the operating cash flow was Tk.174.69 million against Tk. (3.30) million in 2018. In 2019, Prime Insurance could underwrite around 16.80% higher premium over 2018 and this helped the operating cash flow increased.

Significant deviation from previous period:

Higher positive Net operating cash flow per share at the same period of preceding year due to increased direct premium income, control management expenses and nonpayment of provisional expenses i.e.payable to Reinsurance ceded premium, claims, pending and current(Tax payable and others dues payable) etc.

Investment

As per section 23 of the Insurance Act, 2010 and "Schedule I" every non-life insurance company had to maintain a mandatory deposit of Tk.25.00 million as statutory deposit in the Bangladesh Government Treasury Bond (BGTB).

Total investment of the company comprising of investment in shares, BGTB and FDRs stood at Tk.398.44 million against Tk. 247.52 million in 2018. Like previous years, investment in shares has been stated at fair value as per Bangladesh Financial Reporting Standard-9.

Assets

The assets of the company increased to Tk.1365.40 million from Tk.1303.97 million in 2019. The value of the assets increased mainly due to increase in investment in shares and overall growth of company's insurance business.

Reserves

The Company kept provision for exceptional loss reserve of Tk13.74 million for the year 2019 against Tk.18.09 million in 2018 and the total reserve for exceptional losses of the company stood at Tk.242.08 million against Tk.228.35 million in 2018.

Transferring Tk. 0.00 million to the general reserve fund has been increased to Tk.0.50 million in the year under review from Tk. 10.40 million in 2018.

Internal and External Risk Factors:

Excess commission involved in the non-life insurance sector in Bangladesh is the only key external risk factor to Prime Insurance Company Ltd for which prime insurance company ltd overlooked lots of underwriting business which results poor underwriting profit for the year 2019. We have no such internal risk because we have quality manpower, experienced Management and Prudent Board compare to the market. Our future prospect will be assisting regulator to eliminate excess agents' commission and inspiring insured's about the consequences of non-compliance with agent allowable commission.

Excess commission involved in the insurance market in the first 7 months of the year 2019, later on most of the Company avail the 14.25% agent commission; however, many are the most and some of the worst indicators switched the revenue business from one to other. Therefore, assisting regulator towards eliminating excess commission was one of the most important tasks to set up the future prospect of the Company.

Prospects For 2020 (Extraordinary activities and their implications):

Prime Insurance is more focused on underwriting income enhancement in 2020 and different strategy will be implemented to attract the institutional buyer of the insurance product. The Company will disclose the ins and out of the insurance business related to expense and profit so that clients will not think about receiving excess commission but will focus on potential risk covering strategy. To train the insured's and delivering the information related to non-life insurance business through seminar and focus group discussion may be the revenue earning mechanism.

Prime Insurance Company Ltd is focusing on revenue earning from quality business and therefore, it has planned to recruit number of more qualified Marketing Executives in 2020 to ensure high volume of quality insurance business.

Prime Insurance Company Ltd continuously informing clients about the benefits of insurance and information related to IDRA circular and regulatory changes as and when required. Updating clients through regular communication has no such alternatives of promotional campaign. Based on these initiatives, Prime Insurance Company Ltd has conducted digital insurance marketing via Face-book page and regularly communicating to the clients through telecommunication and sms services. Digital marketing activities reduced time and cost of the marketing Department which enhances brand loyalty of the Company. Clients are becoming educated on insurance matters and sooner they will feel comfortable attaining insurance policy subscription.

Providing smart card to the insured against the motor insurance policy is another development of the company products towards implementing paperless user-friendly instrument during travelling of the insured.

Auditors

Pursuant to the Section 210 of the Companies Act 1994, the Company's statutory auditors M/s. Ahmed Zaker & Co, Chartered Accountants will retire and being eligible for re-appointment, they have applied to conduct the audit for the year 2020. Board in its 325th meeting recommended the appointment of the same audit firm to conduct the audit of the Company subject to the approval of the shareholder in the ensuing Annual General Meeting after completion of due process and formalities.

Directors

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

SL#	Name of Directors retired and applied for re-elected Non-executive Directors	Position on the Board
1	Md. Zakiullah Shahid	Chairperson
2	Saheda Pervin Trisha	Vice Chairperson
3	Dr. Fatema Raushan Jahan	Director
4	Nilufar Hossain	Director
5	Hasina Khan	Director
6	Mahabuba Haque	Director
7	Dil Ara Begum	Director
8	Mohd. Showkat Ali Alternate Director of Mrs. Taslima Islam	Director
9	AKM Monirul Islam nominated by Ramisha BD Ltd	Director
	Independent Directors	
	Kazi Zahedul Hasan for re-appointment	Director

There are other four shareholders who applied to become the Board of Director of Prime Insurance Company Ltd subject to the results of the election.

SL#	Name	Position
1	Md. Abdur Rahim Bhuiyan	Shareholder
2	Md. Mazedul Islam	Shareholder
3	Md. Hemayet Ullah	Shareholder
4	Fareast Islami Life Insurance Employees Provident Fund Trustee Board	Shareholder

Independent Directors:

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

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

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

In compliance with the guidelines of Bangladesh Securities & Exchange Commission (BSEC) notification no:-SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, Mr. A.Z.M. Sazzadur Rahman was re-appointed on 26 June 2017

Kazi Zahedul Hasan was appointed on 23 July 2016 for the first tenure as another Independent Director of the Company.

Board Meeting Attendance

During the year, 13 Board Meetings were held. The attendance of the Directors is shown in Corporate Governance Chapter. Statement of remuneration paid to the directors including independent directors;

A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;

This report has significance in compliance with the chapter regarding Balance Sheet, Statements, Books etc. from section 181 to 191 i.e. a statement that proper books of account of the issuer company have been maintained as per Companies Act 1994.

The annual report of the Company has stated a statement that 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; International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed. The statement that the system of internal control is sound in design and has been effectively implemented and monitored; minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;

Significant deviations from the last year are operating results and current years are highlighted below:

A statement where key operating and financial data of last 5 (five) years summarized; in the page no. 182

Cash dividend is not possible to declare this year due to negative operating cash flow and less operating income. Assistance of local re-insurer is not satisfactory and claim payment this year was beyond expectation. Subsequently, the net operating cash increased to Tk.171.87 in 2019 from Tk.(3.30) in 2018.

Traditionally Prime Insurance Company declared dividend at the year end on 2018, the retain earning was high but this year retain earning decreased.

The total number of Board meetings held during the year is 13 and attendance by each director has stated in the corporate governance chapter. However, more than couple of Directors resigned from the Board due to noncompliance of the Companies Act 1994 and regulation and notification of Bangladesh Securities and Exchange Commission.

All over the year the shareholding position of the sponsors and Directors of the Company was in an increased fashion. Public and institutions shareholding position was also deviated much during the period. Significant shareholding position of the Company has given in the corporate governance chapter of the Company.

Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); As previous.

"Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance and their remuneration was fixed by the Remuneration committee and approved by the Board of Directors of the Company.

All the Directors of the Company are highly qualified entrepreneur. They are managing different organizations and their profile has been given in the Directors Profile Chapter along with their expertise.

Management's discussion and detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: (page no. 259-269).

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 have given in the interpretation of the annual accounts chapter for the better understanding of the shareholders'.

The Company has complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Corporate Governance Code Pursuant to the clause 5 of the SEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 3 June 2018 August 2012 we attach the Company's compliance status has been in Corporate Governance Chapter.

Accordingly, the Directors are pleased to confirm the following:

(a) The financial statements together with notes thereon have been prepared in conformity with the Companies Act, 1994, Insurance Act, 2010 and in some applicable cases Insurance Act, 1938 and Securities & Exchange Commission Rules, 1987.

These statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

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

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

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

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

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

(g) The company earned gross premium income of Taka 711.67/- million against Tk. 682.84 million in 2018.

The Company's summarized key operating and financial data for the last six years are shown on stakeholders and investor's information

The pattern of shareholding is shown in Corporate Governance Chapter.

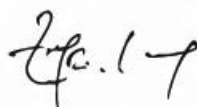
Acknowledgement

We gratefully acknowledge the trust of the shareholders of the Company including our clients for their brand loyalty. We deeply value the generous and complete support and cooperation of our business partners and we assure them that it will be our constant effort to prove worthy of the trust they have reposed on us. We also sincerely appreciate the help and cooperation that we have received from the relevant Ministries, SadharanBima Corporation and its staff, our overseas re-insurers and their brokers, Bangladesh Bank and scheduled banks, financial institutions, Local and Foreign Chamber Bodies, the Institute of Chartered Accountants of Bangladesh (ICAB), the Institute of Chartered Secretaries of Bangladesh (ICSB), the Institute of Cost and Management Accountants (ICMAB), South Asian Federation of Accountants (SAFA), Registrar of Joint Stock Companies and Firms, Central Depository Bangladesh Ltd, Bangladesh Association of Public Listed Companies (BAPLC), Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd and Bangladesh Securities & Exchange Commission (BSEC).

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

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

For The Board of Directors



Md. Zakiullah Shahid
Chairperson



MANAGEMENT COMMITTEE



Seating (Left to Right)

1. **Enamul Haque Khan**
Senior Executive Vice President & Company Secretary
2. **Sujit Kumar Bhowmik**
Assistant Managing Director
3. **Syed Monirul Huq**
Chief Executive Officer (CC)
4. **Md. Delwar Hossain**
Senior Executive Vice President & Head of Claims Department
5. **Md. Lokman Hossain**
Senior Vice President & Head of Accounts Department and CFO
(Additional Charge)

Standing (Left to Right)

1. **Anwar Shameem**
Assistant Vice President and Head of Establishment & Logistics
Department
2. **Asaduzzaman**
Vice President and Head of Public Relations, Corporate Affairs &
Customer Care Department
3. **Md. Amin Uddin**
Senior Vice President & Head of HR & Admin
4. **Md. Zahid Hossain**
Assistant Vice President and Head of Audit & Internal Control
Department
5. **Md. Abu Rokan**
Manager
Head of Information and Technology Department



PROFILE OF THE HEAD OF DEPARTMENTS

Sujit Kumar Bhowmik
Assistant Managing Director

Versatile experienced Mr. Sujit Kumar Bhowmik started his career journey with Prime Insurance in 1999 as AVP. Before joining Prime, he served Green Delta Insurance Company Limited as a Senior Executive Officer. In a career spanning over three decades, he has got a great working experience in general insurance in diversified areas and has very good reputation in the insurance industry. Currently, he holds the position of AMD and Head of Specialized Business & Market Development, Health Insurance Department and Chief of Branch Control & Re-insurance Department. During his service life, he enriched himself by participating in various seminars and workshops at home and abroad. He obtained extensive training in Underwriting, Claims & Re-Insurance. He attended training programs on "Introduction to Lloyd's and the London Market, Introduction to Marine Insurance, Introduction to Fire Risks, Aspects of Reinsurance" in London, training programs on "Re- Insurance Fundamentals, Practice & Trends" in Mumbai, India and training programs on "Re-Insurance Contract Treaty Wording, Individual Clauses & Contract Certainty" in Singapore.

Mr. Bhowmik is a regular trainer of in-house training programs of Prime Insurance Company Limited. Besides, he is also a regular trainer of Pubali Bank Training Institute. He has completed his BSS (Hons) in Economics from the University of Dhaka. He is associated with Rotary International.



Md. Delwar Hossain

Senior Executive Vice President & Head of Claims Department

Vastly experienced Mr. Md. Delwar Hossain commenced his 52 years career journey in the insurance industry in 1968 at Homeland Insurance Company Limited. After liberation in 1971 five corporations were established to absorb, own and control the businesses of the then 75 existing insurance companies. Since Homeland Insurance Company Limited was nationalized as the Karnafuli Bima Corporation, he joined there in the same department. Later, when all the undertakings of Karnafuli Bima Corporation were vested in Sadharan Bima Corporation (SBC) on 14 May 1973, his services were absorbed in Claims Department of SBC as well. Thus, his career spans over more than five decades where he has held many senior positions in several insurance companies and this makes him a man with sound knowledge in claims settlement.

After retiring from Sadharan Bima Corporation (SBC), Mr. Delwar joined Prime Insurance Company Limited in 2006 as a Vice President in Claims Department. By virtue of an experience of more than half a Century in the insurance sector, he is currently discharging his responsibility as Senior Executive Vice President & Head of Claims Department of the company. He participated in the training on In-Service Training Specialized Course on Claims from Bangladesh Insurance Academy (BIA) and has been awarded Grade "A". He also participated in in-house training program on "Bankers Blanket Bond, Directors' and Officers' Liability Insurance". Moreover, he participated in the training course on Effective Office Management & Filing System from DCCI Business Institute, Dhaka. Overall, his experience and vision have been a source of inspiration for the team and the company.



Enamul Haque Khan

Senior 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 14 years of working experience in the field of Company Secretariat and Administration, of which, more than 6 years of experience he received from the insurance sector in Bangladesh.

He completed a Non-Degree programme on International Business and Language from Hanzehoge School Gronngen, The Netherlands in 2008 and it inspired him to study further in Europe. He earned MBA in Management from Umea University Sweden. He attended a numbers of trainings and seminars at home and abroad. He has completed Middle Management Training Programme from IIT, Kharagpur, India and IIM Calcutta in 2006. He received a fellowship from Royal Danish Embassy, Dhaka. Currently he is a student of Professional Master Programme of Actuarial Science in Dhaka University and The Institute of Chartered Secretaries of Bangladesh (ICSB).

Md. Lokman Hossain

Senior Vice President and Head of Accounts Department & CFO (In-Charge)

Mr. Md. Lokman Hossain started his career with Prime Insurance Company Limited in 1996. With over 23 years' experience in Prime, he is currently holding the position of Senior Vice President and Head of Accounts Department of the company from 1st December, 2015. Besides, he has also been holding the position of CFO (In-Charge) for the second time in addition to his normal duties and responsibilities as Head of Accounts since 9th July, 2019. Previously, the Company relied on him assigning the position of SVP & CFO and Head of Finance & Accounts Department from 1st April, 2008 to 30th November, 2015.

He has more than three decades of practical experience in Finance & Accounts, Internal Audit Department and Marketing. He obtained his M.Com in Management from the University of Dhaka. Besides, 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 HR & Administration. Spanning more than 36 years, he possesses an extensive experienced career in Administration Department in the banking and insurance industry.

Before joining Prime Insurance Company Limited, he held important positions in several Government organizations like Bangladesh Krishi Bank, Karmasangsthan Bank and lastly in Bangladesh House Building Finance Corporation functioned as General Manager. He graduated from Bangladesh Agricultural University, Mymensingh in the year 1982. Later, he completed his MBA with major in Human Resource Management from Stamford University Bangladesh. He has also enriched himself and his career by obtaining professional certificate from DAIBB.

During his long career, Mr. Amin has taken up several successful training and workshops held locally and globally on career management, leadership, Disciplinary Charges & Inquiry Procedures, Human Resource Management, Management Development Course, Proper Utilization of Financial & Business Power etc, that have enabled him to gain a more holistic and globalized viewpoint and inspired him to attain greater heights. He has extensive experience of conducting training program as well.



Asaduzzaman

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

Mr. 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 31 years in different distinguished organizations like Dhaka Chamber of Commerce and Industry (DCCI), Jamuna Future Park, Rahim afrooz 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 Limited as officer in 1996 at the then Elephant road branch. He gathered experience in various branch & departments of the company for around 23 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 the Prime Insurance Company Limited in Human Resources & Logistics Department in 2008. He has completed his 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 Manger and Head of Information and Technology Department. He is 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.

Md. Saiful Hasib

Advisor

Vastly experienced Mr. Saiful Hasib joined Prime Insurance Company Limited (PICL) as an Advisor in 2019. Before joining in PICL, he discharged his responsibility as the Director General (Additional Secretary), Bangladesh Standards and Testing Institution. He retired from the same as well as the Government service in 2018.

He completed his BA (Hons) and MA in English Literature from the University of Rajshahi. Immediately after completing his formal education, he joined in BCS (Admin) cadre service in 1984. His career spans over three and a half decades where he has held many important positions in various divisions of government service.

During his long public service career, Mr. Hasib has taken up a number of successful trainings and workshops held locally and globally on different issues. After retiring from the government service, he joined Prime Insurance Company Limited on December 8, 2019 as an Advisor of the Company.

Moreover, he is a veteran devotee towards the works for humankind, which results in him being associated with various social, cultural and educational organizations. He has been holding the position of President- Greater Jashore Welfare Association, Gazipur, Advisor- Greater Jashore Association, Dhaka, Advisor- Magura Association, Dhaka and Member- Rajshahi University English Alumni Association. Besides, he is the life member of the above. Last but not the least; he has involved himself in various charitable activities, for example, setting up a primary school in his village in Magura and so on. Furthermore, he is a good writer with excellent analytical skill. A good number of his articles, short stories were published in various news papers and journals.

Above and beyond, his service with government has taken him to several countries including India, China, Singapore, Indonesia, Malaysia, Japan, United Kingdom, Thailand, South Korea, Russia, Germany, Poland, Italy and Vatican City.





PRODUCTS &
SERVICES

A hand is shown holding several interlocking puzzle pieces. Each piece features a different image: Mickey Mouse, a lighthouse, a person in a white lab coat, a city street scene, a blue car, a white hard hat, a commercial airplane, and autumn leaves. The background is a soft, out-of-focus grey.

- ## Marine Insurance

- ## Motor Insurance

- ## Engineering Insurance

- ### Industrial Category

- ### Medical Category

- ### Miscellaneous Accident 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
- Agro 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 has 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 keeps 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**

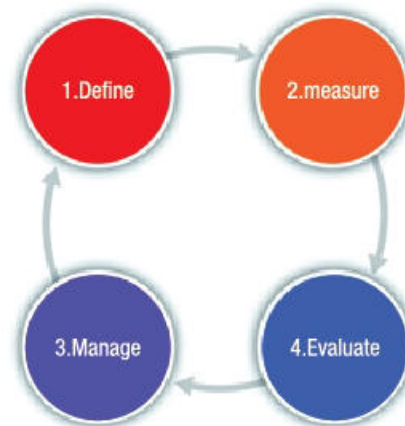


NEED FOR SUSTAINABILITY REPORTING

By proposition, the sustainability concept holds up a narrative to improve the environment and quality of life by the business entity through different initiatives for preserving the environment and developing the life of communities among which it works. Due to the host of reasons the business entity has a lengthier lifespan than that of human beings. For sustenance and feeding of the human beings, the industries are used to produce goods, and the service sectors are engaged in delivering these to the consumers or client's end. It is an indispensable part of an incessant process and cycle. In the case of the service industry for maintaining the process requires movement and transportation of goods many cases of which are detrimental to the environment and eco-system. So maintaining a striking balance between the two requires an all-out effort for the preservation of environment and protection from pollutions and degradations of the environment. It, in turn, qualifies the efforts to attain sustainability. Due to this sustainability it bears overriding importance to any business whatever might be the genre that is. So sustainability is a fundamental requirement for any business entity. By the nature of business insurance companies are for bearing the risks, and of course sustainability has got the supreme concern in its domain of operations. Consecutively, it is the real ground for sustainability reporting for any business.

The need for sustainability reporting is that it ensures business to consider its impacts on the sustainability issues and subsequently enables it to be more transparent about the risks and opportunities it faces. The TBL (Triple Bottom Line) concept or the Triple-P's are elaborately centering on the People, Planet, and Profit. It has an indispensable impact on the effect of the business performance with respect to the economic, ecological, and social paradigm. At Prime Insurance Company Limited, we are working with sustainability reporting in a holistic sense. To us, sustainability reporting helps us to measure, understand and communicate our economic, environmental, and social and governance performance effectively to our internal and external stakeholders. We follow the four steps for the sustainability reporting process: a. defines performance goals and metrics, b. measures performance, c. evaluates performance, and finally d. manages performance. Holistically, any business entity needs to take into account the financial, human, and information technology resources for the Sustainability Process Indicators (SPIs) and that involves the steps of goal setting, measurement, analysis, and subsequent actions.

Sustainability Reporting Cycle is given below:



The steps in the sustainability reporting cycles are the fixing of the performance goals and metrics, measurement of the performance (data collections), the evaluation of the performance (includes analysis and reporting), and finally managing the performances.

The Performance Goals and Metrics of the Sustainability Reporting:

The Performance goals and Metrics are comprised of the important actions and work as a guideline for the rest of the process. The next is the fixation of the Key Performance Indicators (KPIs) and those are used to measuring the progress towards those defined goals. Although there are different methods for setting up KPIs, the SMART criterion is an accepted one. It signifies Specific, Measurable, Attainable, Relevant and Timely (SMART) targets. In sustainability reporting, a KPI is referred to as a Sustainable Performance Indicator (SPI) and is used as a tool to measure our sustainability performance and to monitor and report on future progress under a defined time frame.

At Prime Insurance Company Limited, sustainability is bearing much importance than that of quick profit and horrendous expansion. Over the years, it has earned a solid foundation and reasonable achievement of the Compound Annual Growth Rate (CAGR) which made it more sustainable. At Prime Insurance, we remained very stick to the practice of the ethical business. Due to these practices, it has earned a solid foundation of business and goodwill over the years to its stakeholders both internal and external. Our corporate sustainability policies are for achieving the long term shareholder value and harnessing the market potentials for sustainable products and services. At the same time, we are quite successful to reduce and avoid the costs of risks bearing. The quality of a business entity's strategy lies in its performance to deal with the opportunities and risks deriving from economic, environmental and social developments and successfully identifying the fields of investments.

Our sustainability strategy comprises operational risks management, resource productivity, maintaining a sustainable workforce, sustainable consumption and long term investment planning.

At Prime Insurance, we are counting up and summarizing that the true benefits of a high return on equity arise when retained earnings are reinvested into the business's operations. Such reinvestment shall, in turn, lead to a high rate of growth for the business entity. Such reinvestment produces, in turn, a high rate of growth for the business.

The internal growth rate is a formula for calculating maximum growth in which a business entity can be achieved without resorting to external financing. It can be described as: the retained earnings/total assets, or conceptually as the total amount of internal capital available compared to the current size of the business entity. The sustainable growth is defined as the annual percentage of increase in sales that is consistent with a defined financial policy, such as the target debt to equity ratio, target dividend payout ratio, target profit margin, or target ratio of total assets to net sales. At Prime Insurance, we define the sustainable growth rate by dividing net income by shareholder equity (or finding return on equity) and subtracting the rate of earnings retention. The internal growth rate assumes no financing; the sustainable growth rate assumes to make some use of outside financing that will be consistent with whatever financial policy being followed.





CORPORATE SOCIAL RESPONSIBILITIES

Do Well for Doing Good

Corporate Social Responsibility (CSR) is a management policy whereby business companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple Bottom Line), at the same time it is understood to be addressing the expectations of shareholders and stakeholders.

TBL (Triple Bottom Line) concept was conceived in 1987 in Brundtland Commission and was officially named by Elkington in 1994. It is also known as the Three P's or three pillars. It states that a company should be responsible for three features: Profit, People and Planet and those are economic, social and environmental responsibilities. Only if a company cares for three aspects for Triple Bottom Line, it can be called sustainable, because all of those are extremely closely related. Caring for profit and for people makes it equitable and fair, simultaneously environmental protection needs to be taken into consideration because without this protection the planet leads to be doomed. On the other hand, tending only to Planet and People and forgetting about the Profit, makes the CSR Policy bearable, but business needs profit to survive. Again, if a company pays attention to Profit and Planet, discarding the People then it is viable and profitable, but in the long term can lead to the fall of employee's morale and the breach of social contract. So, the CSR has external and internal stakeholders.

In this sense, it is important to draw a distinction between CSR which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, and the concept of CSR clearly goes beyond. That is why United Nations Industrial Development Organization (UNIDO) based its CSR program on the Triple Bottom Line (TBL) concept which has been proven to be a successful tool for small and medium-sized enterprises (SMEs) in the developing countries to assist them in meeting social and environmental standards without compromising their competitiveness. The TBL concept is used as a framework for measuring and reporting corporate performance against economic, social and environmental performances.

It is an attempt to align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone.

Corporate Social Responsibility is the commitment of companies to provide resources and support activities focused on enhancing economic, social and human resources development. It is the effort made by companies to improve the living condition of the local areas in which they operate and of the society. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

A business can only become sustainable when it conducts its operations keeping in mind the preservation of environment and development of the community in which it operates. The CSR is a way towards sustainable business by creating long term value for the stakeholders, the environment and the community as a whole. At Prime Insurance, we believe that responsible and sustainable business organization as one that does its business responsibly by keeping in mind the interest of its internal and external stakeholders. We believe that, our conscious choice of protecting the environment today will lead to a better and sustainable tomorrow. Prime Insurance Company Limited's priority sectors for CSR initiatives are education, health care, standing by the disadvantaged group of people, distributing warm clothes and blankets to cold stricken people, patronizing the Bengali culture, working for green environment, enthusing people for taking green and formalin free food, making insurance awareness at large, and finally, making an I-community to plug in the virtual community and make them conscious of insurance.

Our CSR strategies are based on the fundamental conviction of sustainable business that integrates good governance and social priorities with a view to enhancing community empowerment in a sustainable manner. CSR has been a long-standing commitment at Prime Insurance, and forms an integral part of our activities. Being a responsible corporate citizen, Prime Insurance Company Limited is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well being of the community. Its contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company, and the broader community.

Being an ISO 9001:2015 certified Company, our CSR objective is to pro-actively support meaningful socio-economic development. The Company works towards developing an enabling environment that will help citizens realize their aspirations towards leading a meaningful life.

Prime Insurance aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time. The Corporate Social Responsibility Policy (CSR Policy) sets out the framework guiding the company's CSR activities. The policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

We are placing below the tidbits of our CSR activities:

Planet to Care:

In view of saving our planet, planting trees is an obligation. Trees are a part and parcel of our environment. Tree plantation on street-side, parks, playgrounds and backyards of homesteads 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 due to insufficient tree plantation. It's a high time to do something to make the city a better living place and the planet as well. With an aim to make this city a livable place with healthy atmosphere, Prime Insurance Company is giving different kinds of plantation plants, for both indoor and outdoor plantation, 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 Company is also giving various kinds of fruit plants and shade trees to its corporate clients for their factories so that the factory surroundings remain environment friendly; the workers can also be benefited by in taking 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. We are also inspiring women by presenting indoor plants, and plants for making environment green.

One Tree One Life:

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

Free Insurance Awareness Training:

Our Assistant Managing Director renders training to the corporate houses, our business partners and clients for keeping them abreast of the need of insurances. It is a free service rendered by his 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, People are succumbed to different disease due to taking adulterated food or contaminated fruits. Health consciousness is badly required here. Being an insurer we are very active in Health Insurance and our comprehensive Health plans, Group Health plans Oversea Medi Claim(OMC) are highly acclaimed. So as a part of our CSR, we are giving complementary gifts to the business partners and clients or prospective client Carbon Green Kits. The 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 use in fruits and vegetables may cause cancer, diabetes, heart diseases. Carbon Green is the safe way to get rid of such poisons.

Stand by the cold Stricken People:

The miserable situation of the floating people is beyond descriptions. The bone chilling cold made them really helpless, and they took shelters in the open footpaths and railway stations. There are also disadvantaged people of the different slums(Basti)of the Dhaka city, especially, the old people who do not have any choices but to surrender to destiny. Understanding the depth of the plight Prime Insurance Company Management decided to distribute warm clothes and blankets to the cold stricken people of Dhaka City. We are not always thinking business only, but caring the peoples of the society. In the previous years, we stood by such people around us, and we also distributed winter clothes among the distressed people of the cold stricken districts of Bangladesh.

Partnering Reception to the Unsung Heroes:

As a part of CSR activities, Prime Insurance Company Limited partnered with Protiphako Sanmanona (Recognitions of the unsung Heroes-2019) arranged by the weekly Protiphako at its 37th year celebration of publication. It is also a celebration of life. The event was held on 24th April, 2019. A huge number of guests and invitees from cross section of people attended the function. This was a drive to honor people who have contributed a lot for the society. Prime Insurance Company Limited is feeling honored by facilitating the unsung heroes of the society. The Protiphako is a magazine which already celebrated its 37th Year of Publications.

Celebrating life and initiatives toward celebrations and Society:

We live by the people of our society and we are also accredited that the noble initiatives of the Bakura Kali Mandir for celebrating Sharadia Durga Puja where huge number of people attended. Our drive also supported that celebration of people and life. As a part of our partnering with people and their organization, we contributed to Insurance Reporters Forum for publications of their annual souvenir.

It is an organization of the working journalists of all media of the insurance sector. We also partnered with the anniversary celebration of Daily Kaler Kantho is one of the most popular Bengali newspapers in Bangladesh.

We also participated in the get together program with flower bouquets. Peoples from all sections such as Ministers, Lawmakers, Journalist, Social workers, Intellectuals, and Public Relations professionals gathered there. We also contributed through advertisement to the initiatives of The Institute of Chartered Accountants of Bangladesh (ICAB) awarding companies and Social entities. Apart from this we also contributed the initiatives of the Institute of Chartered Secretaries of Bangladesh (ICSB) to award companies for their achievements in corporate governance.

Upholding the Bengali Culture:

Chitra Snakranti (the last day of Bangla Calendar year) bears special significance to the business and community relationship building in Bengali Culture. 'Halkhata' is a tradition in Bengali culture. It means opening of new accounts of business. Here old accounts are closed and those are brought to new accounts through a Celebration of functions which is known as 'Halkhata'. Through this function the old year is bid farewell and the New Year is welcomed. 'Halkhata' is observed on the first day of Bangla New Year. The Chitra Snakranti has a huge significance in Bengali Culture.

To celebrate this occasion a cultural function was organized by the famous musical and social organization, 'Shurer Dhara', the school of music in Lalmatia, Dhaka was founded in 1992 by celebrated and legendary Rabindra Sangeet artiste Rezwana Chowdhury Bannya. This prominent organization arranged this celebrations of this conventional Chitra Sankranti on 30th Chitra 1425 Bangla era and (13 April, 2019 Christian Era) in association with Channel I and under the theme, 'Loko Sura Bangla Gan' (Bangla Song in indigenous Tune). It was a gala evening of Bangla Folk Songs to say good bye to Bengali New Year. The event depicted the conventional love and sorrows of the homesteads of Bengali People and society. It also expressed deep rooted ethos and feelings of the people through songs. There were also the calls to embrace the Boishakh, the beginning month of the New Year and bid farewell to the old year. The event stirred the citizens to renew their pledges for the New Year through Bangla songs and culture. We feel honored to be a part of it.

Inspiring Education:

Giving financial aid to the insolvent but meritorious students are a regular task taken by our company. At Prime Insurance, we are working for knowledge sharing and helping others for imparting education.

A couple of years back, the Board of Directors of the Prime Insurance Company Limited gave concurrence for creating an endowment fund of Tk. 10 Lacs with a view to extending their hands towards the poor but meritorious students. The profit of this fund was spent to provide scholarship to the insolvent but meritorious students. In the year 2017 the Board increased the fund to 15 Lacs. The company has been providing Scholarships to three poor but bright students of Dhaka University and all are from the Department of Banking and Insurance.

Md. Alamgir Hossain is getting monthly scholarship, and Shuvo Costa, Jannatul Ferdous and Sharif Mia are getting six monthly scholarship. We are also facilitating scholarships and merit awards to brilliant children of our employees. This year one child of an employee got the award for brilliant results in PEC examination. We also enthrust internship to students on different occasion. This year one student did the internship on insurance in our company.

Health awareness:

Free Health camp: As part of our health awareness, we are arranging free health camp. On the occasion of the Women's day we arranged special health care facilities for women. Our special care for these kinds of activities has put the Prime Insurance Company to an outstanding position among the Insurance operators of the country. Moreover, we arranged a free health camp at National Finance Company Limited, and there were regular health check up of the employees of National Finance Company Limited, and the Managing Director and CEO of NFCL was present in that event.

An Employee-Caring Insurance Company:

As CSR is concerned with internal and external stakeholders. Prime Insurance Company Limited is an employee-caring company, and with other regular benefits there are also Prime Health Plan and Health Insurance benefits for the Employees of the Prime Insurance Company Limited. It has created a unique position for the Prime Insurance among the Insurance operators in Bangladesh.

Partnering with CRP:

Rekindling the Hope of Serving Humanity: The 40th Anniversary Celebration of the Centre for the Rehabilitation of the Paralysed (CRP) was held at Savar CRP Centre on 11th December, 2019. Mr. Asad Uz Zaman, Head of Public Relations, Corporate Affairs and Customer Care greeted Ms. Valerie Ann Taylor for serving the humanity since decades. Among others Mr. Benoit Prefontaine, Canadian High Commissioner in Bangladesh, Mr. Robert Chatterton Dickson, British High Commissioner in Bangladesh and Mr. Saidur Rahman the President of the Trust for the Rehabilitation of the Paralysed (TRP) were present on the occasion.

During these four decades, the CRP worked tirelessly for the rehabilitation of the paralysed in Bangladesh. We, at Prime Insurance, would like to congratulate its founder Ms. Valerie Ann Taylor, as well as everyone associated with the organization, for the terrific effort they have all put towards the wellbeing of others. Valerie who counted as Mother Teresa of Bangladesh has been serving the people of Bangladesh for 50 years and her organization CRP had started off small room of a two- storied building of Shaheed Suhrawardy Hospital in Dhaka, in 1979.

Today, it provides an extensive range of services to persons with disabilities through 13 CRP sub-centres across Bangladesh. The example set by the CRP has been very inspirational. It has already inspired many to pursue similar initiatives that could help people with disabilities to overcome adversity and become strong and self-dependent, and we believe it will continue to inspire many more.

As an ISO9001:

2015 certified Company, Prime Insurance Company Limited is working for the safety of the insureds. We are also working for the health insurance and any kinds of accident insurance. We are very committed to keeping our promises to pay the claims. We also feel honored to be an event partner of the 40th Anniversary Celebration of CRP.

Call for using Roads and maintaining Road Safety:

Every 24 seconds one person die in accident across the globe. According to the data of The World Health Organization, nearly 1.25 million people die in road crashes each year, on average 3,287 deaths a day. That means in an addition 20-50 million people are injured or disabled in a year. More than half of all road traffic deaths occur among young adults ages 15-44. Being an ISO9001:2015 certified Non-Life Insurance Company, Prime Insurance Company Limited has taken many initiatives round the year to make people aware of the techniques and consequences of the road accidents. Prime Insurance Company, through social media and digital media, is working to make people aware of techniques of using of roads and consequences of road accidents. As the part of our Corporate Social Responsibility (CSR), Prime Insurance Company Limited partnered with, 'Road Safety Foundation', organized an awareness seminar titled, 'Compensation For Road Accident Victims: Need of Road Safety Insurance and Separate Road Safety Funds' for creating public opinion for making third party insurance mandatory held on 29th June, 2019 at the VIP Lounge of the National Press Club, Dhaka.

Professor Al Mahub Uddin Ahmed presided over the seminar where Professor Moazzem Hossain Phd., Ex Director, Accident Research Institute (ARI), Bangladesh University of Engineering and Technology (BUET) presented the Key note paper., Professor Mizanur Rahman,

Former Chairman of National Human Rights Commission, Legal economist and Vice President of Road Safety Foundation, Osman Ali General Secretary of Bangladesh Road Transport Workers Federation, Ramesh Chandra Gosh, Chairman of Bangladesh Bus Truck Owners Association and former Managing Director and CEO of Prime Insurance Company Limited Ms. Mohammodi Khanam spoke on the occasion. All the speakers gave emphasis on compulsory third party insurance. Ms. Mohammodi Khanam emphasized for the NIRAPAD Insurance Policy that has raised the insurance benefits many times higher than that of earlier. It includes vehicle's damage, Liability or Third Party Injury/Death and Property Damages and Personal Accidents.

The speakers also spoke for compensation fund and cooperation from all stakeholders including vehicles owners, drivers, passengers and pedestrians. They emphasized that all have to abide by the traffic rules. Prime Insurance Company Limited felt much honored to be the part of this mass awareness seminar which was covered by newspapers, online portals and also by different electronic media.

Educative Video and Insurance Awareness:

In Bangladesh's perspective insurance awareness is very important. Our insurance penetration as well as the density is very low. As Prime Insurance Company Limited is one of the premier operators in the non-life sector and strives to maintain the ethical standard, we have many products and services that touch the human life. At Prime Insurance Company Limited our focus is to build insurance awareness. The awareness is offered through guidebooks, leaflets and stickers. As part of this, we have published guide books and soft copies of which are hosted in our web address so that people can get it through click or touch on mouse. We are relentlessly working for building insurance awareness. We have made a fourteen minutes(14) sound assisted educative and hosted that in our webpage which contains whole gamut of insurance. The issues answered in the educative videos include many frequently asks questions. Of these are noteworthy are: What is an insurance? How to do insurance? What is a reinsurance? What is a claim? How to settle claim? These educative videos shall make enormous impacts for building insurance awareness.

Health Guidebook:

The purpose of the health guide book is leading a stress free life with a healthy living, and it has contributed to create health awareness. The health guide book that includes health tips for healthy living 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 help people to live a healthy life.

Fire and Safety Guidebook: The fire safety guidebook is mainly for creating mass awareness on fire incidents 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 of 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 of the drivers and also of the people who are using the roads. The booklet contains all sorts of necessary precautions 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 detailed 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 doing 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.





ENVIRONMENT RELATED INITIATIVES

Across the globe, taking initiatives for preserving the environment along with precautionary processes to eradicate pollutions are the major issues of grave concern for the global citizens. It is a downright global concern. By the very nature of the business, across the globe, Insurance Companies are opting to take steps to mitigate risks of future of business and people. Insurers are important partners in mitigating economic losses to communities, businesses, and individuals. Reasonably in consonance with the global trends, at Prime Insurance, we are using a slogan, 'Think Green before you print'. We attach this slogan with our official mail template for the internal and external users of our mail across the globe. 'Let's Go green to Keep our Earth Clean' is one of our mottos and we put it in our every envelope to make people aware of the environment. We are committed to working for preserving the environment, and round the year we usually take various initiatives to attain it in practice.

At prime Insurance Company Limited, taking initiatives for preserving the environment is our goal. So, we usually give paramount importance to TBL(Triple Bottom Line)concept which in details contains the Triple Pillars, and is a combination of economic, environmental and social imperatives, while at the same time it is understood to be addressing the expectations of shareholders and stakeholders. It states that a company should be responsible for three features: Profit, People and Planet, and those are expressed through interrelated initiatives in economic, social and environmental responsibilities.

In unison with Global Compact:

The United Nations Global Compact, is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Being a business entity, we are opting for using the essence of a global compact in everyday practices of our activities. By the nature of the businesses, the Insurers are concerned about the damage caused by frequent and severe extremities of the climate, floods, and mudslides likely to result from significant global warming. A higher risk of extreme events due to climate change could lead to higher insurance premiums or even restrictions or unavailability of property coverage in the most vulnerable areas. Because the insurance industry operates by managing long-term savings and investments prudently, it cannot ignore the possible effects of climate change and other environmental problems in long-term.

The Initiatives to Contain the Emission of Greenhouse Gas: The Government of Bangladesh is a signatory of the Kyoto Protocol which is an international treaty extending the 1992 United Nations Framework Convention on Climate Change that commits state parties to reduce greenhouse gas emissions and others. Honorable Prime Minister of the Government of the People's Republic of Bangladesh Sheikh Hasina called upon the international community to adopt a time-befitting climate action plan and implement all provisions of Paris Agreement and other relevant global instruments and mechanisms to stop further degradation of the environment. She also added that any consequence of failure to deliver a climate action plan must fall equally in every country, especially on the countries which are more responsible for contributing to climate change, and the cost of our inaction is devastating for every living person. She told it in the general roundtable at the Conference of the Parties (COP25), the UN Climate Change Conference, in Madrid of Spain on 2nd December 2019. As a Bangladeshi Non-Life Insurance operator, we are very vigilant at the impact of climate change, and we have engaged our utmost drive in every practice and endeavor not to harm the environment.

Round the year, we are striving to take initiatives and implement it as a part of our commitment to our mother earth and preserving the environment. We are giving more importance to planting trees and present trees to our clients and business partners as a part of our responsibilities to the environment, enthrusting women for planting fruit producing trees and rooftop gardening.

Our Environmental Initiatives:

The Environmental Related Initiatives of Prime Insurance Company Limited:

- To integrate the considerations of environmental concerns and its impacts on decision making and implementing our activities.
- To develop and improve operations and technologies to minimize waste and other pollutions, minimize health and safety risks, and dispose of waste safely and responsibly.
- To minimize energy and water use within our premises through a process in order to conserve supplies and minimize the consumption of natural resources.
- To identify and purchase preferable products, supplies, and services for all our daily operational needs that do not harm or damage the environment.
- To conserve natural resources by adopting pollution prevention practices and extending the life of the equipment through preventive maintenance scheduling, purchasing and reworking of the equipment are regularly.
- To remain compliant with all applicable environmental regulations.

- To establish procedures and train all employees to understand and comply with all applicable environmental laws and regulations.
- To communicate our environmental commitment to our clients, business partner, suppliers and communities.
- To strive continually to improve environmental management systems and watch the performance and implement corrective actions as part of ISO.
- To provide environment-friendly office equipment, information, and solutions which are supported by our clients as well as our employees to preserve the eco-systems.
- To use laptops by our employees and staffs instead of desktop computers in order to consume 90 percent less energy.
- To make employees 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 ensuring the strict maintenance of this practice.
- To inspire Email usage instead of sending memos and faxing documents for reducing time and 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 that always saves a handsome amount of money.
- To use LCD monitors for lesser consumption of power.
- To prevent all water taps from dripping and misusing of paper napkin and make the toilets clean of dust by chemicals to avoid contamination of fungal diseases.
- To encourage others and save the world by going green, Prime Insurance keeps a slogan on its all sizes envelopes "LETS GO GREEN, TO KEEP OUR EARTH CLEAN."
- To convert all cars of the Company including the vehicles of transport pool to CNG system with a view to reducing air pollution.
- To operate all air conditioners on auto temperature basis that helps limited running of the compressor unit and subsequently saving electricity.
- To use energy saving bulbs in the office premises in everywhere.





ENVIRONMENT AND SOCIAL OBLIGATIONS

According to the final estimation, we all are the part of this planet and habitats. So, taking care of the planet is an essential task of any business entity to gain ultimate sustainability. At Prime Insurance Company Limited, attaining sustainability is our goal. So we are attaching the highest importance to TBL (Triple Bottom Line) concept which in detail contains the Triple Pillars, and is a combination of economic, environmental and social imperatives, while at the same time it is understood to be addressing the expectations of shareholders and stakeholders. It states that a company should be responsible for three features: Profit, People and Planet, and those are economic, social and environmental responsibilities. To us maintaining environmental obligations are a part of our social and environmental goals.

Environment and Social Obligations of Insurance Company: Maintaining Environmental and Social Obligations have a paramount importance for Insurance Companies as these Companies work for a long term interest of the society and its people. So, predominantly an insurer's interests are to reduce risks and improve sustainability through maintaining environmental and social obligations. Consequently, it will improve the probability that the funds collected will be adequate to meet all the claims. Next to it, for a sustainable society, risks are more likely to be insurable, and economic growth will be more stable, entailing that insurance markets will thrive. In our consideration, the insurance industry is to interact with every part of the economy and has tremendous scope to encourage sustainable performance of the internal and external stakeholders.

The UN Principles for Responsible Investment (UN PRI), a global framework that incorporates Environmental, Social and Governance (ESG) issues, to promote a longer-term view to increase returns on assets and lower the risk for beneficiaries, and to better align investment activities with the broader objectives of the society. In our estimation, the sustainability issues are vital for insurers due to its urgency, and the scale of its potential impacts, and have an integral role that the insurance industry can play in addressing them.

For maintaining environmental and social obligations there are issues for insurance companies that are stated below:

1. To meet the challenges of Climate Change
2. To include Micro-insurance
3. To include Health Insurance
4. To face the Emerging Manmade Risks
5. To face and include the Environmental Liability
6. To apply in practice the three Rs (Recycling, Reusing and Reworking) concept
7. To bring internal efficiency by applying conserving environment practices.

At Prime Insurance Company Limited, we are very vigilant about the above-mentioned issues and obliged to maintain its impacts through our business and other social activities. We are working for preserving mother nature through good practices, and have a comprehensive health insurance plan for our clients and employees. We have Micro Insurance and Weather Based Agriculture Insurance in our product basket. We are also bearing the risks of earthquake, natural disasters, and floods and also for the pollutions and havocs aftermath. Prime Insurance Company Limited is, as an issuer, managing risks and it has to be in the front line during dealing with environmental challenges.

At Prime Insurance, we are actively involved in community issues that have a natural link with our business. By working with the right business partners we aim to bring positive changes for the communities, and we are striving to support safety initiatives in the broad meaning of the term in the communities within which we operate. The objective is, in the long run, to neutralize the negative social phenomena such as traffic accidents, the impacts of climate change and absence of cleanliness around where we live. Round the year we made a digital awareness campaign to assist our clients and business partners to prevent accidents and to avoid the incidences of damages.

Imperatives of our Environment and Social Obligations:

- To minimize the consumption of energy and use of water within our premises and all branches.
- To purchase preferable products and services for all of our daily operational needs which do the minimum damage and less harm to the environment.
- To conserve natural resources by adopting pollution prevention practices through our all activities and also enthrusting it to our stakeholders, clients and business partners.
- To extend the longevity of the equipment through maintenance scheduling, purchasing, reworking and reusing the equipment.
- To manage the project initiative to archive the backlog, and day to day official documents generating through the daily operations and facilitating the searching the capability of the achieved materials by using enadoc systems. It is a part of the ISO 9001:2015 system.
- To connect our 17 branches with the systems and document scanning and indexing. This drive enables us to export scanned images by enadoc system through one location to others in a centralized system.
- To practicing the principles of three Rs (Reusing, Recycling and Reprocessing) which enables us to reusing, recycling and reprocessing materials that would otherwise, be a cause of environmental degradations.

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, we use the DuPont Model to keep then updated.

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.

Key Terms: competitive advantage: something that places a company or a person above the competition

ROE=Net Income After Tax/Shareholders' Equity

ROE	2019	2018	2017	2016
Net profit margin	2.46	6.72	13.26	13.87
Total asset turnover	52.12	52.37	54.72	48.15
Financial leverage	-	-	-	-
Operating profit margin	26.06	24.89	20.93	19.42





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.

Human resource management is a central pillar of many organizations. Our HR goal is for every employee to experience employment with Prime in the same way regardless their geographical locations 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 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 PICL 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 him/her.

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
- Incentive bonus
- Festival bonus
- House rent allowance
- Conveyance allowance
- Medical allowance
- Entertainment allowance
- Personal loan facility
- Yearly performance appraisal
- Training and development opportunities
- 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 173 employees. Out of total number of 173 employees, 29 are female & 144 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 (Vice Chairperson) 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 2019, 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 confinements 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 these 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 compliance 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 is 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:

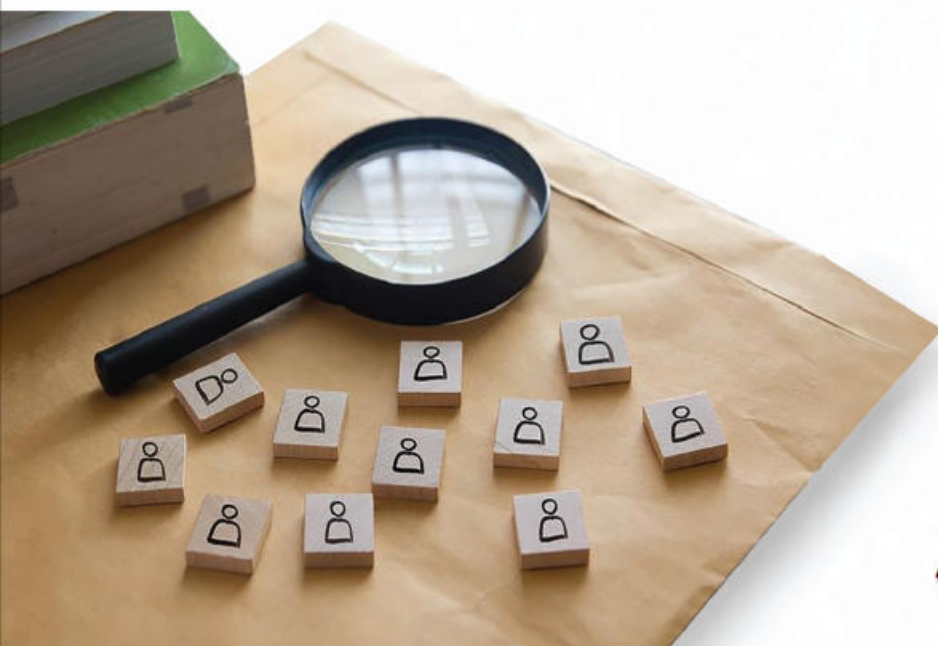
Sexual harassment is treated as a serious offense in Prime Insurance and followed with 'zero' tolerance policy. Particularly, the vice chairperson and a good number of Directors of the company being female, female employees of the company consider Prime Insurance as a secured and comfort zone for developing 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 and 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 is a concept that has been created to better articulate the broader range of measures that contribute to long-term value and the role organizations play in Insurance Business Sector. Central to this is the proposition that value is increasingly shaped by factors additional to financial performance, such as reliance on the environment, social reputation, human capital skills and others. This value creation concept is the backbone of integrated reporting and, we believe, is the direction for the future of corporate reporting. In addition to financial capital, integrated reporting examines five additional capitals that should guide an organization's decision-making and long-term success — its value creation in the broadest sense.

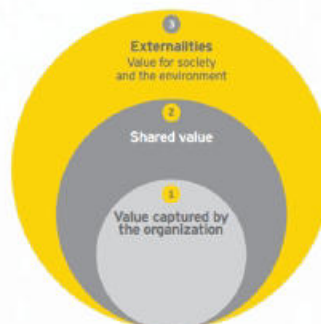
While integrated reports benefit a broad range of stakeholders, they're principally aimed at long term investors. Integrated reporting starts from the position that any value created as a result of a sustainable strategy — regardless of whether it becomes a tangible or intangible asset — will translate, at least partially, into performance. Market value will therefore be impacted.

Critical to integrated reporting is the concept of sustainable value creation

Today, an organization creates value not only for its shareholders but also for the business strategy as a whole by means of a sustainable strategy. This concept requires organizations to factor decisions, trade-offs and sacrifices into their business model. For example, for an organization to reduce its dependence on manual reporting, it may have to sacrifice financial capital to invest in the human capital capable of achieving this goal. An organization may face the choice between protecting its financial capital in the near term and increasing its profit potential in the longer term. These decisions, if important, should be set out in an integrated report and defined in the organization's value creation objectives. This approach goes beyond the value reflected in the annual financial statements and includes the creation of intangible value and the impact of an organization's activity on society as a whole. It also includes a measurement, or at least a description, of how these impacts influence long-term shareholder value.

Sustainable organizations create value by combining a broad range of resources controlled by the organization or third parties. They are increasingly expected to generate positive outcomes for society that go beyond returns for their shareholders or investors — outcomes that can be instrumental in improving an organization's longterm financial performance. Understanding this co-creation and shared value process is fundamental to integrated reporting. Other considerations include:

1. An organization's value creation potential depends on its ability to identify all of the resources available to it, whether tangible or intangible, owned by the organization or third parties, and to align them with its corporate strategy
2. Any value created, including that which benefits society as a whole, has the potential to impact on the organization's value and profitability
3. An organization that communicates its strategy to the market and quantifies this broader contribution may well be stimulating value creation in itself. However, to increase stakeholder confidence the information must be credible.



The chart shows that the only layer of value currently measured consistently by organizations is financial capital — usually through the annual report and accounts. This value is translated into dividends for shareholders or stock price gains. The second layer encompasses shared value that benefits stakeholders directly related to the organization (employees, clients, suppliers, public treasury, etc.). Shared value depends extensively on factors such as employee performance, operating permits and consumer confidence. The third layer describes the value that an organization generates for society at large, even if it's not directly linked to its business purpose. These externalities, as they are known, may be either positive or negative. An integrated report is broader than traditional approaches in terms of scope and time horizon. It should tell each organization's unique value creation story for each of these areas and include how:

- It creates value and for whom
- It measures and quantifies the layers of value
- It identifies the value created at each level and how it may affect future performance.



Connectivity and integrated thinking

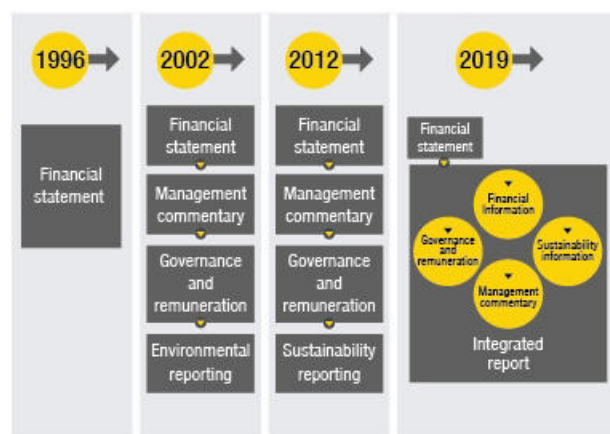
To tell a comprehensive value creation story, integrated reporting requires organizations to identify the interdependency between all elements — internal and external — that materially affect their ability to create value over time. Seeing this connectivity requires integrated thinking as opposed to “silo thinking.” All the operating and functional units of an organization, as well as the capitals that it uses to create value, must be considered. This leads to integrated decision-making and actions. The integrated report is the product of the processes of connectivity and integrated thinking in the organization. Integrated reporting is therefore not just about the report, but about the process of the organization's unique approach to value creation. To translate integrated thinking into integrated reporting the organization should convey a holistic view of strategy, governance, performance and prospects. The integrated report should also bridge time horizons. Therefore integrated reporting can be used as a governance tool for performance-oriented management.

Changing corporate reporting

The economy is facing a new value paradigm. These changes, however, are not reflected in the way we measure or report value.

Limits of the current corporate reporting model

Over the past 24 years, Prime Insurance Company Limited have been disclosing an increasing amount of information to satisfy the demands of stakeholders. Specifically, they have offered complementary information to providers of financial capital who increasingly view the snapshot reflected by financial statements and sustainability reports as inadequate.



The chart shows integrated reporting could eventually replace existing corporate reports. Organizations should be able to decide the way in which it will be presented — for instance, as an overarching document linking to various other reports, or as a single stand-alone document covering all material aspects.

Toward integrated reporting

Markets move on information. The more forward looking and detailed information organizations provide, the more efficiently markets operate. Therefore, organizations need to explain their value creation goals from a new perspective: a view that accounts for both intangible and tangible assets and quantifies, whenever possible, the value they create from a broader economic, social and environmental perspective. The ultimate goal is to enable investors to make more efficient and effective decisions and bring an organization's market value closer to its intrinsic value. Integrated reporting does just that. Leading organizations are adopting the concept.

Perspectives on integrated reporting

1. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long-term.
2. An integrated report is a holistic and integrated representation of the organization's performance in terms of its finance and its sustainability.
3. Integrated reporting builds on the practice of financial reporting, and environmental, social and governance — or ESG — reporting, and equips organizations to strategically manage their operations, brand, and reputation to stakeholders and be better prepared to manage any risk that may compromise the long-term sustainability of the business.

The business model in an integrated report

The business model is the vehicle that defines and executes an organization's strategy and maps out the process by which an organization creates sustainable value over time. It should assess an organization's long-term viability, value proposition and business strategy. It should enhance the entity's future resilience.

- Intangible elements such as relationships with the community, human capital and intellectual capital
- Other inputs or resources such as ecosystem services derived from natural capital; organizations can draw on these capitals for free or in exchange for payment. The business model should identify the key inputs that contribute to value creation. It should also show how these are managed, the key value-adding activities of the organization and the potential outcome in terms of value creation over the short, medium and long term. Within the business model, value creation encompasses the products and services produced by the organization (including any by-products) as well as the external factors which increase or decrease the value of the capitals used and affected by it. Value creation or destruction occurs through an increase or decrease in the value of the organization's tangible and intangible assets and in the creation of positive or negative impacts for the community (externalities) that can, in turn, feed back to the organization's value.

Strategy and key performance indicators

Strategy formulation should describe the process and tools earmarked for the creation of value for shareholders and other stakeholders, specifically customers, suppliers, employees and society as a whole. The value created for the community is the result of the production of positive and negative externalities. When the market is aware of the externalities generated, the latter can also translate into an increase or decrease of an organization's value. Strategy must clearly set out the differential value proposition for the customer and the community as a whole. The strategy must address questions such as:

- What does the organization do to create value for its customers, the providers of financial capital and other stakeholders?
- What outcomes does the organization strive for?
- What capitals does the organization rely on?
- How will the organization position itself in the value chain and in its operating markets?

The strategy should mirror and articulate a balance between two things: first, short-term financial performance; second, the sustainable creation of value in the medium and long term. It's important to distinguish the time horizons framing decisions regarding the allocation or consumption of the capitals. An organization's strategy should also reflect the choices needed when it comes to consuming resources. Often, the use of one capital can deplete its value yet drive an increase in the value of other capitals over time. The strategy should pinpoint the management processes and systems to mobilize and use all the resources (including external resources) within the organization's reach as efficiently as possible. References to the value creation chain that go beyond elements strictly controlled or owned by the organization can enhance the strategic direction of the organization. The value of intangibles depends on the extent to which they link with the organization's objectives — or in other words, value creation through connectivity. Any increase in their value may eventually materialize by improving financial performance through interrelated links. This alignment and these interactions are key since the measurement of the value of an intangible can be cost-based, but it can also rely on other performance indicators. Intangible assets have a value potential that depends on how the organization defines its strategy and how those assets contribute to the organization's value creation goals. An intangible asset unaligned with the organization's strategy may have no value. The success of a strategy depends, above all, on execution. This requires embracing a core tenet: it's only possible to manage that which can be measured. In a new economic environment where the ability to adapt to changing environments and intangibles is a focus, this principle requires specific value creation measurement metrics. This is where we believe KPIs can be useful in addition to the narrative portion of the integrated report.

KPIs measure financial and non-financial performance against targets and long-term value creation goals. They can also indicate what the organization's outcomes are in terms of tangible and intangible value as well as value for society. KPIs can be used to measure performance and outcomes resulting from the use of tangible and intangible assets as well as capitals the organization doesn't own. They relate to the organization's critical value drivers and track the organization's performance in the short, medium and long term. With correct KPIs the management team can focus on monitoring material matters, and investors can assess value creation. Creating KPIs enables organizations to understand how they can minimize negative externalities and maximize positive ones. Ultimately this will support the performance of their intangible assets and by extension their value. It's important to show how measurable indicators (e.g., employee turnover, energy efficiency, media coverage) impact the organization's tangible and intangible assets (such as brand and customer relationships). Why? Because it directly influences shareholder value. For example, take KPIs related to waste reduction generated in manufacturing. The reduction of waste may indirectly measure the creation of external value through enhanced environmental performance. The improvement could result in an improved brand image. This in turn enhances customer loyalty and, by extension, customer relations.

Risk and opportunity management

Integrated reporting takes a broader approach to risk and opportunity management than traditional frameworks. As a consequence, a strategy that includes the identification and mitigation of risks against the integrated reporting six capitals has a direct impact on performance. It also has an impact on reducing the gap between its market and intrinsic values. Enterprise risk management is seen as important to guaranteeing the viability of any corporate strategy and, by extension, the value creation process. Material risks that could have a significant impact on the execution of the organization's strategy and its value creation goals should be incorporated into the decision-making process with the aim of reducing uncertainty with respect to achievement of operating results. Empirical studies show that organizations with advanced risk management systems create more value in terms of revenue, operating profits and results against equity. With risk management a clear-cut value driver, it's important to communicate it properly to the organization's various stakeholders and relate it to its corporate strategy. Investors, regulators, shareholders and suppliers, among other stakeholders, are increasingly calling on organizations to enhance their risk management disclosures. However, there's a recurring discussion regarding how much risk information should be disclosed to the market in terms of risk identification and corporate strategic response, and how this information can affect an organization's competitive advantage. Control over reporting and communication of risk management information can help maximize value creation.

Internally, it's important that the organization understands and is familiar with existing risks and stringently applies the related controls. This process should be overseen by its board of directors and audit and control committee. Externally, it's vital that third parties understand the key characteristics of the risk management model and how the organization responds to the most material risks. Decisions regarding what should be communicated, and how, need to be handled by management. And they must weigh the advisability of disclosing absolute figures/metrics versus the use of alternatives such as the percentage achievement of stated key risk indicators.

Interaction between financial performance, intangible value and externalities

Integrated reports enable organizations to tell their unique value creation stories. To do that, they need to identify and measure the intangible value and the externalities they generate as a result of their business. Organizations also need to assess to what degree the externalities produced may also influence intangible value. More importantly, organizations need to be able to describe the ability of both intangible assets and externalities to generate future cash flows. These can be measured using consistent and generally accepted criteria and methodology. Determining that value and communicating it is imperative to creating additional value. The process of communication can impact market value and can bring it closer to the intrinsic value of the organization.

Explaining the gap between net book value, market value and intrinsic value

All investment decisions are preceded by an exhaustive analysis of financial and non-financial information focused on a single question: what monetary value will an investment generate or destroy? In the case of listed companies, a company's market capitalization should be a good proxy for its value. However, the information currently available to investors doesn't tell the full story. This may generate a gap between intrinsic value, market capitalization and book value. The gap between market value and book value is explained by the fact that investors, through the markets, sense and acknowledge the existence of unrecognized intangible assets and externalities. The market value also differs from an organization's intrinsic value, which is its target value. In a perfect and fully transparent market where participants had access to the same information, intrinsic value would coincide with its market capitalization. Integrated reporting helps to reduce the gap between intrinsic and market values by identifying intangible assets and externalities and assessing their monetary value.





HUMAN CAPITAL

Human capital is absolutely, in micro-level, centered round a human as every unit is unique and different from others. 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.

Now HR Professionals can use various measures to evaluate the economic value added by his staff. Upon calculating that, they invest on them more providing them different trainings if the result of the calculation gets positive and further investment as well. For that, it is also calculated that 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. HR Professionals 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, counseling, workshop to develop the human as capital of the company.

A very few companies in Bangladesh have 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 staffs 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.

Worldwide, HR teams are using Human Centered Design (HCD / Design Thinking) and to solve some pretty meaty and complex issues. Aiming to become the pioneers of Design Thinking in our field, are exercising that.

HUMAN RESOURCE ACCOUNTING

Human resources are the most important resource out of all the resources available for the management to achieve organizational goals. The overwhelming significance of human resources is due to its unique characteristics. 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 resource never gets depreciated. However, individually all employees are not the same. They get differed in terms of personality, competence, performance etc. 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 the importance of human resources accounting (HRA) as 'accounting' for people as 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 attains knowledge and knowhow that creates commitment among employees motivating them to incorporate their new skills and ideas back at work.

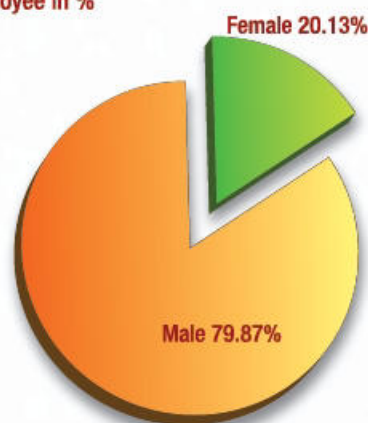
To keep pace with the ever-changing globalized world, the company always augments the knowledge and skills of its employees imparting various in-house and external trainings systematically and enhance their efficiency level. Like every year, the employees of Prime Insurance have also participated in a number of training and workshop program in the year under review as follows:

Training: up to oct.2019

	Description	Participants
Local	Non-Life Insurance Underwriting	1
	Health Micro Insurance	2
	'Accounting Training Program on Non-Life Insurance'	1
	Agent Training on ' Non-Life Insurance	8
	Initial Public offerings (IPO) Processes and procedures	1
	'Underwriting & Claim Management'	1
	ডাটি আইন (সংযোজন কর ও সম্পূরক শ্রুতি আইন ২০১২)"	1
	Microsoft Expert Training starter to Expert level	1
	Unified Messaging Platform (UMP) by IDRA	2
Foreign	SAFA Best Presented Annual Report Awards-2017	2
	Role of pre acceptance survey –An important under writing	2
In-House	English Communication Course (In-house)	24

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:

- has balanced information (job description) that is directly related to his/her role and back this up with extra information at a later stage;
- has someone as a mentor who can provide additional information and answer questions; and/or provide formal follow-up after a few weeks;
- gets introduced with his/her colleagues, explaining the role of key personnel / persons, including those they will be working closely with;
- encouraged to ask questions;
- gets informed where to go for help or with a complaint on any issue;
- gets informed proper office etiquette and dress codes.
- gets discussed with the new employee what, if any, reasonable adjustments he or she would require in relation to the work.
- has training before the new employee starts work.

Recruitment and 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 2019 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.

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 Company Limited (PICL) believes that human resource is the best resource of the company. As a member of a service centered industry like insurance, the whole operation of the company is actualized by its employees. So, it tries to ensure the best working environment where management and employees put combined effort towards the growth of the company and accepts new challenges in a diversified environment.

All knows, the success of a company depends on the potentiality of its work force as without satisfying the employees no organization can sustain in the long run. PICL values its employees along with their works and considers them as the members of PICL family. Moreover, PICL values not only the staffs but also the family members of the staffs .On top of all, PICL ensures the following facilities and with the growth of each individual staff grows the Company:

- Congenial work environment and pure corporate culture
- Equal opportunity for all in all respects
- Performance appreciation
- Ensures long-term benefits
- Provides need based in house and foreign training
- Transport services
- Personal loan against salary
- Car finance scheme
- Group life insurance
- Group health insurance including family members
- Performance bonus
- World class 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. 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 the quality educated women in the country, PICL has strict rules to ensure dignity of the female staffs confirming all facilities in line with the government rules and the best world practices. In view with that it ensures long-term maternity leave, considers health issues and empowers woman as branch in charge. PICL celebrates the women's day with the female staffs inviting famous female personalities. Since women experience some unique health issues and conditions, on this occasion, a specialist female doctor is usually invited to consult with the female staffs regarding various important health issues. However, PICL also takes a number of activities for the male staffs to create a healthy and congenial corporate culture in the company.





REGULATORY REVIEW

Prime Insurance Company Limited (PICL) 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 medicaid and hospitalization scheme including dread diseases within the purview of non-life insurance business.

Compliance with Insurance Act, Rules and Regulations

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

Compliance with 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 (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 its long-term development plan "Vision 2021" and its 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.

NIS identifies the contexts of and challenges faced by different state and non-state institutions and sets goals of the institutions to ensure integrity. NIS proposes short, medium & long-term recommendations for achieving the goals for state and non-state institution and suggests time-bound action plan for implementation of these recommendations.

JICA supports the improvement of the administrative functions of the Government of Bangladesh. Recognizing the NIS as an important strategy in improving governance, JICA has decided to implement a technical cooperation project from October 2014 to promote the implementation of the NIS. The Project was expected to be completed in September 2016.

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 and 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.

Implementing National Integrity Strategy-

A continuous plan to develop the corporate environment of the prime Insurance Company Ltd.

Integrity refers the morality and honesty of the individual's that affects the behavioral and cultural transcendence to the community. The individual's character and personality combinedly represents national integrity. And integrity is the dip-stick of measuring the ethical and cultural loyalties of the individuals and community towards the organization and society.

Government aimed establishing the corruption free nation utilizing the national integrity strategic planning. Bangladesh being placed 11 no corrupted country in the world according to -----has confirmed significant level of corruption exists in the country. But it is inevitable to reduce and eliminate the corruption by enhancing ethical standard including morality of the individuals, professionals and organizations.

In view of the above, government of Bangladesh took initiatives to formulate and implement the national integrity Strategy on 18th October 2012. Government of Bangladesh therefore set forth small term, medium term and long term plan to achieve the national integrity plan for different Government and Non-Government Organizations. The aim of the government is to implement the integrity strategy by utilizing corporate ethics for both individual and corporations.

Individuals and organizations may take infinite numbers of variables to enhance the corporate ethics but emphasize given to corporate level to improve corporate governance, to eradicate economic crisis, to make financially sound economy and to make transparent organizations including developing transparent human resources.

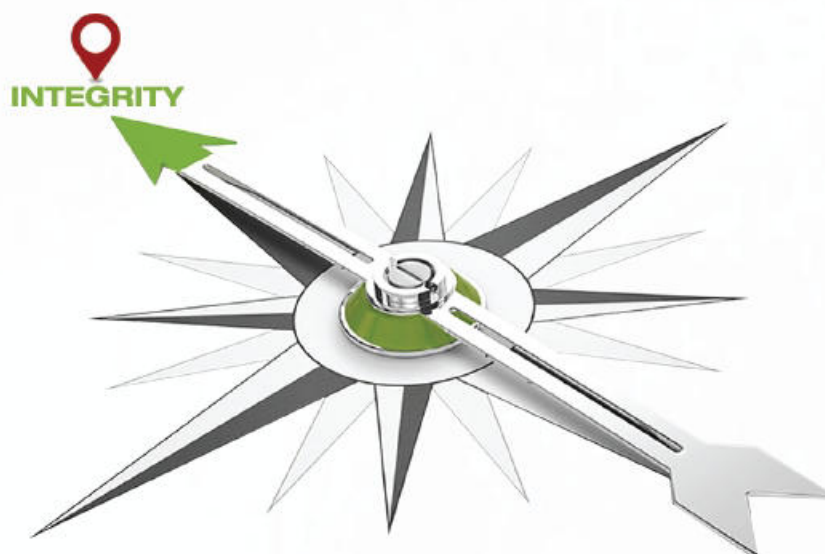
It is the comprehensive strategy to promote good governance and achieve a corruption free society. The national integrity strategy directed and identified to be implemented by the Government and Non-Government Organization and IDRA being the only regulators of the Insurance Sector in Bangladesh directed all life and non life insurance companies to implement National Integrity Strategy to enhance the ethical and moral standard of the human resources and the business environment.

Prime Insurance Company Limited being one of the social responsible corporate organs of the insurance sector in Bangladesh has immediately established the National Integrity Strategic implementation Committee with following members-

Name of the members of "Shuddhachar & Noitikota" Committee

SL#	Name	Designation & Position in the Committee
1	Syed Monirul Huq	CEO (CC) Chairperson of the Committee
2	Sujit Kumar Bhowmick	AMD & Head of SBMD-Member
3	Md. Delwar Hossain	SEVP & Head of Claims Department-Member
4	Enamul Haque Khan	SEVP & Company Secretary-Member Secretary
5	Md. Lokman Hossain	SVP & Head of Accounts-Member
6	Md. Amin Uddin	SVP & Head of HR& Admin-Member
7	Asaduzzaman	VP & Head of PR & Customer Service -Member
8	Anwar Shameem	AVP & Head of Est. & Log.-Member
9	Abu Rakan	Manager & Head of IT-Member

All the committee members are highly skilled honest, accountable and good personalities with ethics and knowledge. The National Integrity Strategy Implementation Committee of the company has uploaded the citizen charter and working plan-2018 of the company to the website which is continuously updating. One of the best strategies of implementing the plan is to evaluate quarterly working plan of the company which may enhance the integrity with highest corporate standard.



Prime Insurance Company Limited

The National Integrity Strategy Action Plan and implementation monitoring framework (2018-2019)

Name of the Activity	Performance Indicator (PI)	Weight of PI	Unit	Responsible Person /Administrative Unit for implementation	Target for the year 2018 -19	Implementation Progress Monitoring-2008-2019						Total Achievements	Percentage Of Achievements	Remarks
						Target / Achievements	1 st Quarter July/18 - Sep/18	2 nd Quarter Oct/18 - Dec/18	3 rd Quarter Jan/19 - Mar/19	4 th Quarter Apr/19 - June/19				
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
1) Institution Arrangement ...11														
1.1 Meetings of Ethics & Integrity Committee	meeting held	4	Number	Focal point of Ethics & Integrity Committee under NIS	4	Target	1	1	1	1	4			
1.2 Implementation of decisions of Ethics and Integrity Committee	Recommendations implemented	4	%	Focal point of Ethics & Integrity Committee	100%	Target	100	100	100	100	4			
1.3 Update the Integrity Service Box /Tab in website	service box updated	1	Date	Head of IT	30/07/18 15/10/19 15/01/19 15/04/19	Target	30/7/2018	15/10/2019	15/1/2019	5/4/2019	1		NIS Tab is linked in Governance Tab	
1.4 Prepare a list of the Best Practices and send it to IDRA.	The list of the Best Practices is sent	2	Date	Head of PR	31/12/2018	Target		31/12/2018			2		The report has been sent to IDRA	

Prime Insurance Company Limited

The National Integrity Strategy Action Plan and implementation monitoring framework (2018-2019)

Name of the Activity	Performance Indicator (PI)	Weight of PI	Unit	Responsible Person /Administrative Unit for implementation	Target for the year 2018 - 19	Implementation Progress Monitoring-2008-2019								Total Achievements	Percentage Of Achievements	Remarks
						Target / Achievements	1st Quarter July/18 - Sep/18	2nd Quarter Oct/18 - Dec/18	3rd Quarter Jan/19 - Mar/19	4th Quarter Apr/19 - June/19						
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.			
2) Development in skills and ethics 7																
2.1 Stakeholders' meeting	meeting held	2	Number	Mr.Sujit Kumar Brownlik, AMD & Mr.Enamul Haque Khan EVP & CS	2 meetings	Target		1		1						
	Achievements					Achievements		1		1						
2.2 Arrange Awareness Training / Seminars of the employees regarding Punctuality in attendance and General Conditions of the service.	Trainees / Participants of the training	3	Number	Mr .Md. Amin Uddin Senior Vice President & Head of HR & Admin	160	Target	40	40	40	40						
	Achievements					Achievements	40	40	40	40						
2.3 Train employees regarding National Integrity Strategy	Trainees / Participants of the training	2	Number	Mr .Md. Amin Uddin Senior Vice President & Head of HR & Admin	160	Target	40	40	40	40						
	Achievements					Achievements	40	40	40	40						
3) Implementation of subsidiary laws ,rules ,policies circulars of Integrity Strategy and Prepare draft if applicable10																
3.1 Formulate Risk Management Guideline	Guideline formulated	5		Head of Internal Audit	One	Target	1					5				
	Achievements					Achievements	1									
3.2 Design the Human Resources management manual.	Manual designed	5	Number	Head of HR & Admin	One	Target		1								
	Achievements					Achievements		1				5				

Prime Insurance Company Limited

The National Integrity Strategy Action Plan and implementation monitoring framework (2018-2019)

Name of the Activity	Performance Indicator (PI)	Weight of PI	Unit	Responsible Person /Administrative Unit for implementation	Target for the year 2018 -19	Implementation Progress Monitoring-2008-2019					Total Achievements	Percentage of Achievements	Remarks
						Target / Achievements	1st Quarter July/18 - Sep/18	2nd Quarter Oct/18 - Dec/18	3rd Quarter Jan/19 - Mar/19	4th Quarter Apr/19 - June/19			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
4) Right to information related activities/ procedures 14													
4.1 Update website providing information at Right to Information Box/ tab	website updated	1	Date	Disclosure Officer (DO) and Alternative Disclosure Officer (ADO)	31.12.18 30.06.19	Target		31.12.18		30.06.19	1		
4.2 Provide online trainings to Responsible Disclosure Officer (DO) and Alternative Disclosure Officer appointed under the Right to information Act-2009	Online Training certificate obtained	2	Date	Disclosure Officer (DO) and Alternative Disclosure Officer (ADO)	31.03-19	Target			30.03.19		2		
4.3 Show the Hotline No-106 (Toll Free) of Anti Corruption Commission (ACC) in the website and inform employees	Number is shown in the website and the employees are informed	1	Date	Head of IT & Responsible Disclosure Officer (DO)	30.09.18	Target	30.09.18				1		
4.4 Update related information in the website.	website updated	2	Date	Responsible Disclosure Officer (DO)	31.03.19	Target			31.03.19		2		
4.5 Inform the employees regarding the Right to Information Act-2009. The Disclosure of Public Interest Information (Protection) Act, 2011 and Public Interest Information rules- 2017	Employees are informed	6	Number	Mr. Md. Amin Uddin Senior Vice President & Head of HR & Admin	150	Target	40	40	40	40	6		
4.6 Disclose updated Self motivated information guideline in the website	updated Self motivated information guideline is disclosed	2	Date	Responsible Disclosure Officer (DO)	30.06.19	Target				30.06.19	2		

Prime Insurance Company Limited

The National Integrity Strategy Action Plan and implementation monitoring framework (2018-2019)

Name of the Activity	Performance Indicator (PI)	Weight of PI	Unit	Responsible Person /Administrative Unit for implementation	Target for the year 2018 -19	Implementation Progress Monitoring-2008-2019					Total Achievements	Percentage Of Achievements	Remarks
						Target / Achievements	1st Quarter July/18 - Sep/18	2nd Quarter Oct/18 - Dec/18	3rd Quarter Jan/19 - Mar/19	4th Quarter Apr/19 - June/19			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
5) Implementation of E-governance13													
5.1 Use online response system (e-mail, SMS) for official communication.	online response system (e-mail, SMS) is used	2	%	Heads all department	100%	Target	100%	100%	100%	100%	2		
						Achievements	100%	100%	100%	100%			
5.2 Arrange Online/ Video / Tele Conference including (messenger , viber , Skype)	Conference Held	3	No	Head of IT	4	Target		1	1	1	3		
						Achievements		1	1	1			
5.3 Use the Unicode in all Official activities	Unicode is used in all Official activities	2	%	Head of Departments and Branch in-charges	100%	Target	100%	100%	100%	100%	2		
						Achievements	100%	100%	100%	100%			
5.4 Purchase/ procurement through E-tender , E-gp	E-tender is implemented	2	Date	Head of IT	25%	Target		5%	10%	10%	2		
						Achievements							
5.5 Monitor online service/ e-service activities	online service/ e-service activities are monitored	3	%	Head of IT	100%	Target	100%	100%	100%	100%	3		
						Achievements	100%	100%	100%	100%			
5.6 Use Social Media for Civil Issues	Civil Issues solved	1	%	Head of IT	100%	Target	100%	100%	100%	100%	1		Address if any issue found.
						Achievements	100%	100%	100%	100%			
6) Innovation ideas and simplification of process in service (SPS)5													
6.1 Formulate Annual Innovation Action plan 18-19	Annual Innovation Action plan 18-19 has been set	1	Date	Head of Innovation idea Team	16-09-19	Target	16-9-18				1		Introduce 2 tabs ; Innovation corner, SPS Corner in the website
						Achievements	16-9-18						
6.2 Implementation of Annual Innovation activities	Annual Innovation activities are implemented	2	%	Head of Innovation idea Team	100%	Target		100%		100%	2		
						Achievements		100%		100%			
6.3 Monitor all implemented innovation activities and simplified services	Innovation activities and simplified services are monitored	2	%	Head of Innovation idea Team	100%	Target		100%		100%	2		
						Achievements		100%		100%			

Prime Insurance Company Limited

The National Integrity Strategy Action Plan and implementation monitoring framework (2018-2019)

Name of the Activity	Performance Indicator (PI)	Weight of PI	Unit	Responsible Person /Administrative Unit for implementation	Target for the year 2018 -19	Implementation Progress Monitoring-2008-2019					Total Achievements	Percentage of Achievements	Remarks
						Target / Achievements	1st Quarter July/18 - Sep/18	2nd Quarter Oct/18 - Dec/18	3rd Quarter Jan/19 - Mar/19	4th Quarter Apr/19 - June/19			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
7) Strengthening transparency and accountability 16													
7.1 Outline the Purchase Plan 18-19 for the Company as per section 11(2) PPA-2006, rule-16(6) PPR-2008.	The Purchase Plan 18-19 is outlined	3	Date	Head of Internal Audit Department	31.12.18	Target		31.12.18			3		
7.2 Update Grievance Redress System (GHS) service box in the website.	Grievance Redress System (GHS) service box is updated in the website.	1	Date	Mr. Md. Amin Uddin Senior Vice President & Head of HR & Admin And Head of IT	31.12.18 30.06.19	Target		31.12.18		30.06.19	1		
7.3 Monitor Implementation of Citizen Charter and its improvement	Implementation of Citizen Charter is monitored	4	%	Mr. Sujit Kumar Bhowmik, AMD	100%	Target		100%		100%	4		
7.4 Visit/Sudden Visit of Branch Offices	Branch Offices are Visited	2	Number	Internal Audit Department	12	Target	3	3	3	3	2		
7.5 Classify files according to the instruction of Secretariat Guideline -2014	Files are classified	4	%	Head of each Department	100%	Target		50%		100%	4		
7.6 Arrangement of 'Mass Hearing' Program	Mass Hearing Program is held	2	%	Mr. Sujit Kumar Bhowmik, AMD & Mr. Enamul Haque Khan EMP & CS	100%	Target				100%	2		
8) Other activities in relation with integrity 6													
8.1 Organize 'Service Week' and monitor its activities		2	%	Head of Innovation idea team	100%	Target		100%			2		
8.2 Print Leaflet, Handout on integrity and distribute them	Leaflet and Handout are printed	2	Number	Integrity and ethics Committee	1000	Target	250	250	250	250	2		
8.3 Energy Saving Activities		2	%	Administration Department	100%	Target		100%			2		

Prime Insurance Company Limited
The National Integrity Strategy Action Plan and implementation monitoring framework (2018-2019)

Name of the Activity	Performance Indicator (PI)	Weight of PI	Unit	Responsible Person /Administrative Unit for Implementation	Target for the year 2018 -19	Implementation Progress Monitoring-2008-2019					Total Achievements	Percentage of Achievements	Remarks
						Target / Achievements	1st Quarter July/18 - Sep/18	2nd Quarter Oct/18 - Dec/18	3rd Quarter Jan/19 - Mar/19	4th Quarter Apr/19 - June/19			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
9) Award/incentive for practicing integrity 3													
9.1 Reward for practicing integrity on the basis of Integrity Award Guideline -2017 and letter of clarification by the cabinet division. (BPPD Circular No-04)	Integrity award is given	3	Date	Administration Department	31-5-19	Target				31-5-19	3		
10) Budget Allocation 5													
10.1 Estimated Budget to conduct different activities of integrity Action Plan.	Budgeted Amount	5	TK (Lac)	Finance & AC Department	1 Lac	Target	.25	.25	.25	.25			
11) Monitoring and Evaluation 10													
11.1 Formulation of the NIS Action Plan 18-19 and send to IDRA	The NIS Action Plan is prepared and sent to IDRA	3	Date	Focal Point of NIS	12.7.18	Target	12.7.18				3		
11.2 Submission of the Quarterly Implementation Monitoring Report in stipulated time to IDRA	Quarterly Monitoring Report has been submitted	2	Number	Focal Point of NIS	4	Target	1	1	1	1	2		
11.3 Give instruction to the branches for formulation of NIS Action Plan 2018-19	Instructions given	1	Date	Focal Point of NIS with the help of Administration Department	4.7.18	Target	4.7.18				1		
11.4 Arrangement of seminars in branches for implementation of NIS Action Plan 2018-19.	Seminars arranged	2	Date	Focal Point of NIS	19.07.18	Target	19.07.18				2		
11.5 Give feedback on formulated / Submitted NIS Action Plan and Monitoring Framework by the Branches	Feedback meetings held	2	Number	Focal Point of NIS	4	Target	1	1	1	1	2		

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

UNDP's initiative with Prime Insurance: Prime Insurance 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**





REPORT OF THE AUDIT COMMITTEE

Prime Insurance Company Ltd (PICL) constituted an Audit Committee with a view to ensure the transparency and accountability of the each and every transaction of the company. The Committee has written Terms and Conditions (ToR). The Audit Committee formed by the Board of Directors; and the responsibilities of the Committee members followed from the Corporate Governance code but not limited to the prescribed context. 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. Every minutes of the Audit Committee vetted and confirmed by the Board. Board then scrutinizes the observations and outcomes of the Audit Committee.

Composition of the Audit Committee:

There are seven members in the Audit Committee including one Independent Director. All the members of the Committee are financially literate and appointed by the Board of Directors. Three members resigned from the Audit committee on 2019 and other three members co-opted in the vacant position during 2019. Following members are currently performing the tasks of the Audit Committee as on 31st December 2019.

01 A.Z.M. Sazzadur Rahman	Chairman & Independent Director
02 Hasina Khan	Member
03 Dr. Fatema Raushan Jahan	Member
04 Md. Nazrul Islam	Member
05 Md. Ashaduzzaman	Member
06 Mr. Mohd. Showkat Ali	Member
07 Mrs. Ayesha Husne Jahan	Member

Committee Meeting:

During the year 2019, the Committee convened 5 meetings in which it reviewed, among other things, issues relating to business operations, administrative control, legal compliance and finance & accounts.

Head of Internal Control & Audit Department and Company Secretary are permanent invitees to the meetings. Relevant departmental heads and other members of the management also attended the meetings as and when required. The proceedings of the Committee meetings are regularly reported to the Board of Directors. All the minutes' of the Audit committee meetings were vetted by the Board of Directors meeting regularly.

Scope of the Audit Committee is defined as under:

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

Activities performed during 2019:

- Review of the auditors' report and audited accounts for the year 2018.
- Review of the un-audited first quarter financial statements 2019.
- Review of the un-audited second quarter financial statements 2019.
- Review of the un-audited third quarter financial statements 2019.
- Review of the financial and management audit reports of branches and head office.
- Review of significant accounting and reporting issues.
- Review of the consistency and appropriateness of the accounting policies adopted by the company to ensure compliance with Bangladesh Financial Reporting Standards (BFRSs).
- Review and approval of the audit plan for the year 2019.
- Review of the appointment of external auditors.
- Undertaking an evaluation of the independence and objectivity of the external auditor and the effectiveness of the audit process.

- Review of the non-audit service provided by the auditors to ensure that the provision of these services does not impair their independence.
- Monitoring the effectiveness of the internal audit function with a view to further strengthening the controls environment of the company.
- Review of the effectiveness of the internal control systems to ensure that processes are in place to safeguard the assets of the company.
- Monitoring whether the Company is fully compliant with the corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.
- Maintenance of Whistle-Blower policies in the Company.
- Any other matter as per the 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:
 1. report on conflicts of interests;
 2. suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
 3. suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and
 4. any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;.

Material Issues may be disclosed:

Ahmed Zaker & Company, Chartered Accountants regularly conducted the Audit of the Company. Internal Audit Department also completed routine work to conduct the day to day audit of the Company matters. However, few issues were pending to the special Auditor i.e. -

- The stealing incident occurred in the Office premises of the Company and laptop of the special Auditor was stolen, and consequently data were missing. Further, the then Management Head i.e. former CEO of the Company Mrs. Mohammodi Khanam took decision to panelize few employees without taking Board approval and or forming any enquiry committee of the management team. However, the matter is pending in Ramna Thana.
- Mrs. Mohammodi Khanam, Ex CEO of PICL submitted her resignation letter addressed to the chairperson of PICL on 27th February 2019 to relinquish her responsibilities as the CEO of Prime Insurance Company Ltd. Subsequently, she submitted another resignation letter on 23rd July 2019 addressed to the Chairperson of the Company referring to the earlier resignation letter dated 27th February 2019 intended to left from the job. She also informed IDRA through a letter dated 23rd July 2019 that she resigned from PICL which to be effective from 25th July 2019.

Further, she by herself initiated note and taken Tk. 11.50 Lac by cheque and encashed the said amount on 25th July 2019 without approval of the Board which has been placed before the Special Auditor and the Report is yet to be completed.

- IDRA also sent allegation letter and most of the allegation are about the financial and managerial transaction handled by the former CEO of the Company Mrs. Mohammodi Khanam and the decision of the IDRA is pending in this regards.

- Tax provisions were made due to avoid any uncertainty in future which has cause of incurring less profit of the Company. The tax provisions required to be restated because those are pending cases before the Court and Tribunal.

However, the above mentioned items are disputed, but those are in a process of special audit. In general, the Audit Committee is satisfied that the internal control and procedures were in place for assessing and managing risks were adequately designed and operated effectively to safeguard the assets of the company. The Committee also observed that the company complied with relevant laws, rules and regulations and followed 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. The Committee is satisfied explaining the disputed issue under the Head of "Material Issues may be disclosed".



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 Board approved Management Committee, Health Insurance Claims Review Committee, Investment Committee and Organizational Structure (Organogram) with clear functional segregation functioning authorities. This ensures Core Risk Management practice and compliance across the company. Management committee is the main body of the management and decision maker of the company. On the whole, the company is governed by the management committee and it's rules, regulations, guidelines directions and policies as applicable for the Insurance business and operations. The Company has formed following Committee for making key managerial decisions of the company smoothly.

Management Committee:

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

Composition of Management Committee:

Name		
Syed Monirul Huq	Chief Executive Officer(CC)	Chairman
Sujit Kumar Bhowmik	AMD & Head of Specialized	Member
Md. Delwar Hossain	SEVP & Head of Claims Department	Member
Md. Lokman Hossain	SVP & Head of Accounts Department	Member
Mohammad Amin Uddin	SVP & Head of HR & Administration	Member
Asaduzzaman	SVP & Head of PR, CA & CCD	Member
Anwar Shameem	AVP & Head of Est. & Log.	Member
Abu Rakan	Manager & Head of IT	Member
Enamul Haque Khan	SEVP & Company Secretary	Member Secretary

Responsibilities of the Management Committee:

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

CEO and the CFO in their tenure are responsible to state the financial and Managerial data of the Company. The Management Committee worked based on the financial data and governance issued raised by the CEO and CFO of the Company. CEO and CFO of the Company declared in this regards that the statement are true and fair and in accordance with the relevant laws. Decision of the Board and Management Team depends on the Data provided by the CFO & CEO of the Company regarding the accounting, policies and procedures.

The TOR of the Management Committee is as follows:

MANAGEMENT COMMITTEE OF PRIME INSURANCE COMPANY LIMITED

TERMS OF REFERENCE (TOR)

1. Composition

- The Management Committee shall be appointed by the Chief Executive Officer (CEO) of the Company from amongst the employees and shall consist of not less than five (5) members including Company Secretary (CS), Chief Financial Officer (CFO), Head of internal Audit & control and Head of HR & Admin.
- The Chief Executive Officer (CEO) shall be the convener and the Chairperson of the Management Committee. In absence of him, one shall be elected as the Chairperson of the Management Committee to conduct the Management Committee Meeting.
- In the event of any vacancy in the Management Committee resulting in the non-compliance of the criteria as stated in Paragraph above, the Committee shall within three months, appoint such number of new members as may be required to fulfill the requirements.
- A representative with prior permission of the Chairperson of the Management Committee attended the meeting if any Department Head is unable to present in the Management Committee meeting.

2. Notice and Agenda :

- The Chairperson shall set the agenda in consultation with the Company Secretary.
- Management Committee members can place issues on the agenda.
- In exceptional circumstances, duly justified by the urgency of the matter or the Company's corporate interest an issue not on the agenda may be addressed at the meeting.
- The agenda should allow sufficient time to undertake serve the notice of the meeting.
- Notice (including the agenda) is to be sent to the members in written or by electronic means. Any special issues not notified may be placed in the meeting in permission of the CEO and endorsement of the Company Secretary.

3. Quorum and Procedures of Meetings :

- Management Committee Meeting shall be called by the CEO.
- Company Secretary (CS), Chief Financial Officer (CFO), Head of internal Audit (HIA), Head of HR & Admin shall also call such meeting with the consent of simple majority of the members for the urgency of the matter or the Company's corporate interest.

- Meetings shall be held not less than four (4) times in a financial year, although additional meetings may be called at any time.
- The quorum of meeting of the Management Committee shall consist of not less than simple majority (50%) of the existing total members; In the absence of the Chairperson, the members present shall elect a Chairperson for the meeting from amongst the members present.
- The Company Secretary shall act as Member Secretary of the Management Committee.
- The Management Committee may, as and when deemed necessary, invite othersenior management personnel or executives to attend the meetings subject to the approval of the chairperson.
- Minutes of each meeting shall be kept at the registered office and distributed to each member of the Management Committee. The minutes of the Management Committee meeting shall be signed by the Chairperson of the said meeting or by the Chairperson of the next succeeding meeting.

4. Voting :

- A simple majority of all Management Committee members.
- The Chair has the casting vote in case of equality of votes.

5. Circular Resolution :

A resolution in writing signed or approved by letter, e-mail or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be recorded by the Secretary in the minutes book.

6. Authority :

The Management Committee shall, in accordance with a procedure to be determined by the CEO under his jurisdiction given by the law of the land and at the expense of the Company:

- a) have explicit authority to take any operational decision with a view to exercising participatory management as well as two ways management philosophy .
- b) investigate any matter within its Terms of Reference. It shall have the authority to seek any information it requires from any employee of the company and all employees are directed to co-operate with any request made by the Management Committee.
- c) recommend any matter to the Board of Directors as well as its subcommittees for final decision.
- d) have full and unrestricted access to any information and documents/resources which are required to perform its duties as well as to the internal audit and senior management.
- e) have direct communication channels with the management of the company , and shall be able to convene meetings whenever deemed necessary.
- f) obtain external legal or other independent professional advice from relevant parties and to invite them to attend its meeting, if necessary subject to the approval of the Board .

7. Duties and Responsibilities :

The Management Committee shall do the following:

- take any operational decision as a team under CEO's jurisdiction.
- implement the culture, values, standards, ethics and conduct of business of the Company
- supervise of the line management, monitor workings with the allocated competencies and responsibilities, and oversee marketing reports.
- organize, steer and regularly assess the internal control mechanisms and procedures.
- ensure that any policy established by the Board is correctly implemented;
- take the necessary measures to ensure that the Company has an effective risk management system
- The Management Committee may delegate specific assignment to one or more persons or group of persons forming any committee for any specific purpose.

8. Term of Office:

The term of office and performance of the Management Committee and each of its members shall be reviewed by the CEO of the Company annually to determine whether the Management Committee and its members have carried out their duties in accordance with their Terms of Reference.

9. Review of the Terms of Reference:

The Board of Directors shall review and assess the adequacy of this Terms of Reference or as and when necessary. Any proposed changes to the Terms of Reference shall be approved by the same.

10. Publication of Terms of Reference:

This document was last published on 31 December, 2019.

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:

Name		
Md. Zakiullah Shahid	Chairperson	Chairperson
Syed Monirul Huq	Chief Executive Officer (CC)	Member
Enamul Haque Khan	SEVP & Company Secretary	Member
Md. Lokman Hossain	SVP and CFO & 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 Chairperson of the Board of Directors of the company:

Name		
Md. Zakiullah Shahid	Chairperson	Chairperson
Syed Monirul Huq	Chief Executive Officer (CC)	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 SadharanBima 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 which is continuing till today with the following Physicians and Chairperson of the Board of Directors.

Name		
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. He 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 IAS and Bangladesh Accounting Standard (BAS) issued by the Institute of Chartered Accountant of Bangladesh (ICAB), in compliance with Bangladesh Financial Reporting Standards (BFRSs), in compliance with Insurance Act, 2010 and requirement by local regulatory authority Bangladesh Securities & Exchange Commission (BSEC) rules 1987 and other

The Company prepares segment wise operation result separately as per requirement of Bangladesh Securities & Exchange Commission. The Company has mainly four reportable segments on the date of reporting namely Fire, Marine, Motor and Miscellaneous. This report describes Prime Insurance Company's operations and financial position for the year ended on 31 December 2019.

Management Business Performance Review:

The Company's policy to build its business upon smooth customer services has continued to deliver impressive results. The underlying performance of the business remains strong with revenue growth retaining well ahead of cost growth. The performance of individual business segments during the year 2019 and its future strategies are presented below:

Segment wise Operating Performance of the Company:

Prime Insurance Company has achieved earn premium of Tk.711.68 million and operating profit of Tk.106.53 million in 2019 as against earn premium of Tk.682.84 million and operating profit of Tk.101.73 million in 2018. Segment wise operating results / performance of the company for the year 2019 and 2018 are given belows:

Segment wise Operating performance for the year 2019 {(in Million (BDT))}

Particulars	Fire	Marine	Marine Hull	Motor	Misc	For-2019	For-2018	Growth-2019	Growth %
Premium income (Own retention)	250.55	156.94	1.06	35.00	191.27	634.82	614.93	19.89	3.23
Premium income on PSB	12.58	21.70	0.37	2.63	39.38	76.66	67.50	9.16	13.57
R/I premium on acceptance	-	-	-	-	0.19	0.19	0.41	(0.22)	-
Gross premium income	263.13	178.64	1.43	37.63	230.84	711.67	682.84	28.83	4.22
Less:R/I premium ceded own retention	244.13	77.08	0.38	2.55	184.28	508.42	383.36	125.06	32.62
Less: R/I premium on PSB	10.34	16.46	0.32	0.08	38.70	65.90	58.21	7.69	13.21
Net premium income	8.66	85.10	0.73	35.00	7.86	137.35	241.27	(103.92)	(29.03)
Add: Net R/I com. earned	78.56	30.07	0.19	1.01	25.80	135.63	65.03	70.60	108.57
Add: Net premium reserve retained.	24.95	44.80	0.27	16.27	10.37	96.66	102.10	(5.44)	(5.33)
Less :									
Reserve for un-expired risk	3.46	34.03	0.73	14.00	3.14	55.36	96.66	(41.30)	(42.73)
Agent commission	37.58	23.54	0.16	5.25	28.69	95.22	92.24	2.98	3.23
Management expensens (Revenue A/C)	44.69	30.34	0.24	6.39	39.22	120.88	123.95	(3.07)	(2.48)
Net claims	13.13	(20.89)	-	3.69	(4.28)	(8.35)	(6.18)	(2.17)	35.11
Operating Profit/(Loss) :	13.31	92.95	0.06	22.95	(22.74)	106.53	101.73	4.80	4.72

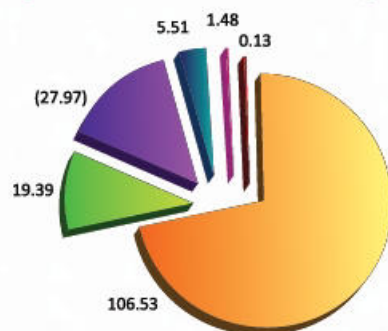
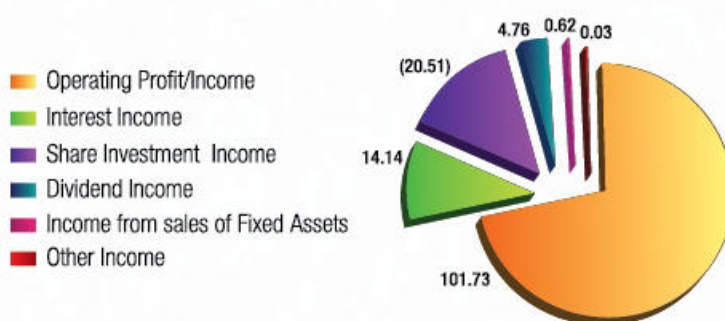
Segment wise Revenue Income of the Company:

In the year 2019, total revenue income is stands of BDT 105.07 million as against Tk.100.77 million in the year 2018. During the year the company has earned operating profit of Tk.106.53 million, Interest income Tk.19.39 million, Share investment income Tk.(27.97) million and dividend income Tk.5.51 million and other

income Tk.1.61 million as against total revenue income of Tk.100.77 Million, Interest income Tk.14.14 Million, Share investment income of Tk.(20.51) million and dividend income of Tk. 4.76 Million and Others income is Tk. 0.65 million for the year 2018. Segment wise Revenue income chart and graphs are given belows :

Segment wise revenue income:

Segments of Income	2019		2018		Growth 2019	%
	Amount (in million Tk)	% of Total Revenue	Amount (in million Tk)	% of Total Revenue		
Operating Profit/Income	106.53	101.39	101.73	100.95	4.80	4.72
Interest Income	19.39	18.45	14.14	14.03	5.25	37.13
Share Investment Income	(27.97)	-26.62	(20.51)	-20.35	(7.46)	36.37
Dividend Income	5.51	5.24	4.76	4.72	0.75	15.76
Income from sales of Fixed Assets	1.48	1.41	0.62	0.62	0.86	-
Other Income	0.13	0.12	0.03	0.03	0.10	333.33
Total Revenue Income	105.07	100.00	100.77	100.00	4.30	4.27

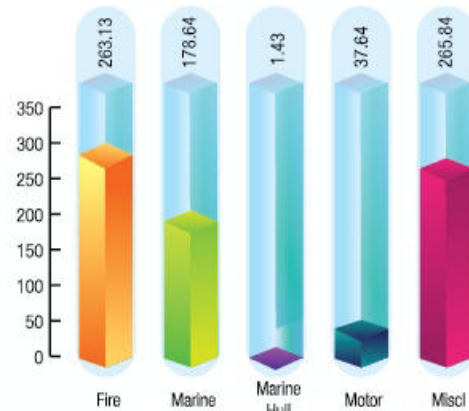
Segment wise Revenue Income 2019 (in million Taka)**Segment wise Revenue Income-2018 (in million Taka)**

Gross Premium income (Turnover) :

In the year 2019, PICL attained gross premium Tk.711.68 Million as against Taka 682.84 Million in 2018, an increase of 4.22% over the year 2018. Class wise and Year wise Gross premium income are shown in flowing graphs:

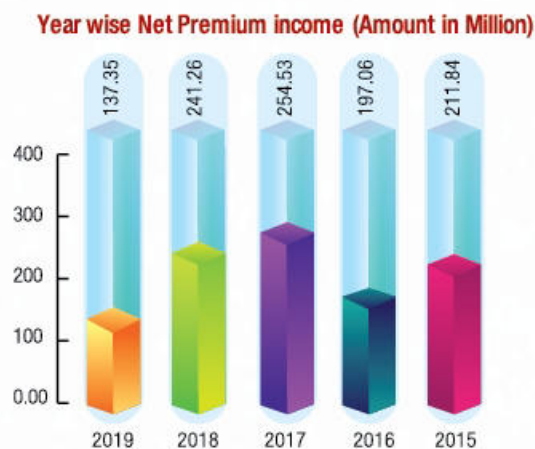


Class wise Gross Premium Income 2019 (in Million Taka)



Net Premium income :

In the year 2019, the company attained Net premium of TK.137.35 Million as against Taka 241.26 Million in 2018, and increased/ (decreased) of (43.07%) after reinsurance ceded premium. 5 years net premium income is given below :



Operating Profit (Underwriting Profit) :

In the year 2019, Operating Profit increased to Take 106.53 Million from Taka 101.73 Million in 2018 and an increased of 4.72% . 5 years operating income are as follows :



Profitability and Performance Ratio Analysis:

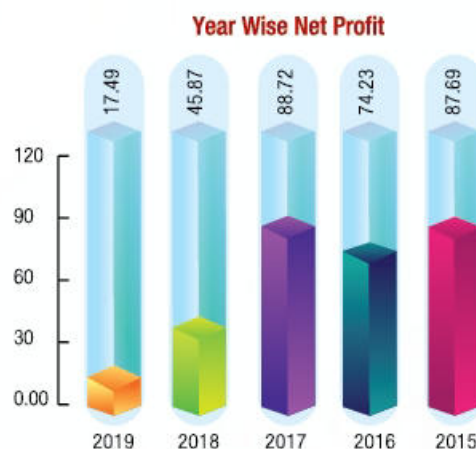
Profit before Tax :

In the year 2019, the company has earned Profit before Tax Taka 84.86 Million while it was Tk.78.53 Million in 2018 and an increased of 8.06% . Last 5 year profit before tax graph is given below :



Net Profit after Tax :

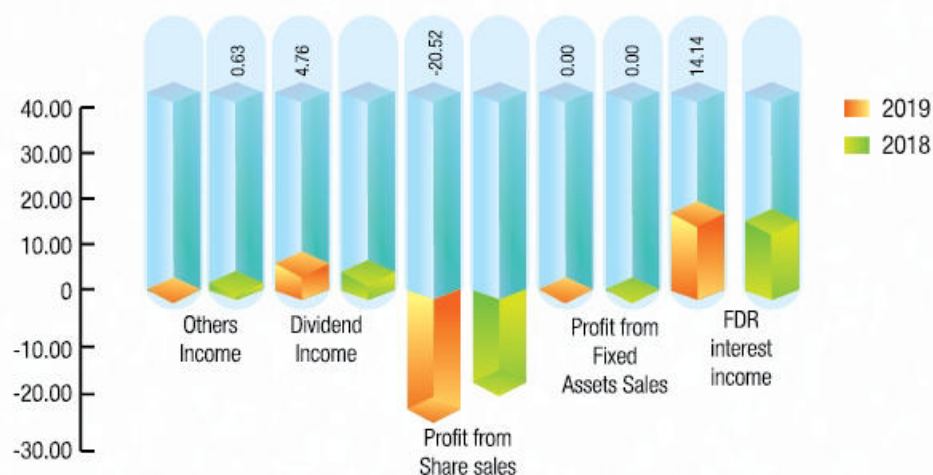
After providing for various reserve provision and taxes, the company has earned net profit for the year 2019 was Taka 17.49 Million while it was Taka 45.87 Million in 2018 and an increased/(decreased) of (61.87%). Last 5 years net profit after tax graph is given below :



Segment wise Investment & Others Income :

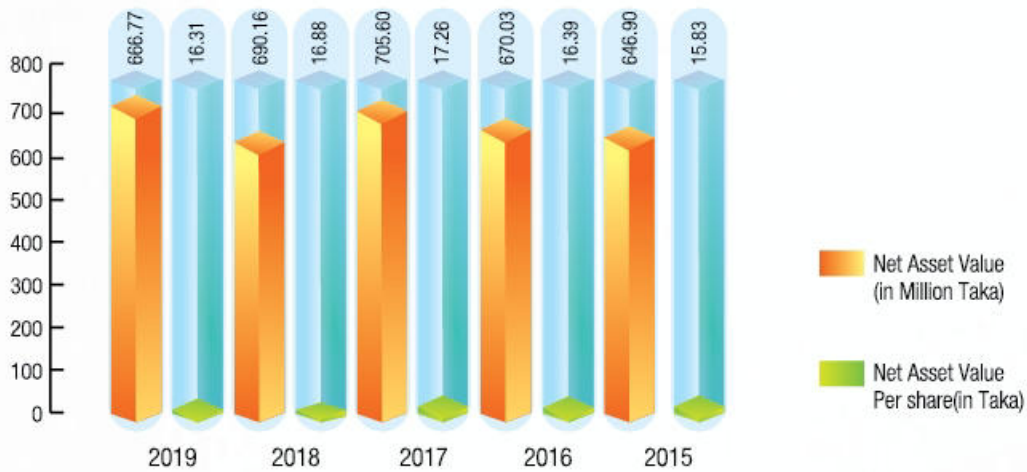
Particulars	2019		2018		Increased/ (Decreased) - 2019	Growth %
	Amount (in Million Tk.)	Total revenue income %	Amount (in Million Tk.)	Total revenue income %		
Interest Income	19.39	-1328.08	14.14	-1428.28	5.25	37.13
Dividend income	5.51	-377.40	4.76	-480.81	0.75	15.76
Profit from sales of Share & Mutual fund	(27.97)	1915.75	(20.52)	2072.73	-7.45	-745.00
Profit from sales of Fixed Assets	1.48	-101.37	0.00	0.00	1.48	0.00
Others income	0.13	-8.90	0.63	-63.64	(0.50)	-79.37
Total revenue income :	(1.46)	100.00	-0.99	100.00	-0.47	

Financial Ratio Analysis (Balance Sheet Analysis):



Net Assets Value (NAV) and Net Asset Value Per Share:

In the year 2019, Net Assets Value (NAV) of the Company stood at Taka 666.77 million and which was Taka 690.16 million in 2018. At the same time Net Asset Value per Share is Tk.16.31 while it was Tk.16.88 in 2018 and an increased/(decreased) of Tk.(3.38%). 5 Years Net Assets Value graph is given as under :





REPORT ON GOING CONCERN

International Accounting Standard (IAS-1) & Bangladesh Accounting Standard (BAS-1) : Presentation of Financial Statements requires management to make an assessment of an entity's ability to continue as a going concern. In other Financial Reporting Frameworks, there may be no explicit requirement for management to make specific assessment of an entity's ability to continue as a going concern. Nevertheless, since the going concern assumption is a fundamental principle in the preparation of financial statements as per IAS-1, the preparation of the financial statements requires management to assess Prime Insurance ability to continue as a going concern even if the financial reporting framework does not include an explicit requirement to do so.

Bangladesh Securities and Exchange Commission Notification dated 7 August 2012 requires the Directors of all the listed companies to report on its ability to continue as going concern. The Board of Directors of Prime Insurance makes annual assessment as to whether there exists any material uncertainty that may cast significant doubt about Prime Insurance 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 cast significant doubt upon the Company's ability to continue as going concern. The director's 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 give reasonable assurance as to company's ability to continue as a going concern for the foreseeable future.

The time period that the Director have considered in assessing the appropriateness of the going concern basis in preparing the financial statements for the year ended 31 December 2019 is period of twelve months from the date of approval of these financial statements (the period of assessment). The Directors has focused on the matters setout below:

Financial Indications :

Positive Net Current Assets:

Prime Insurance has positive net current assets of Tk.1038.38 million as on 31 December 2019. 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 on this annual report.

Fixed term debt with realistic renewal or repayment :

At the end of financial year 2019, there were no fixed term borrowing of the Company. Based on Company's functional procedure, the company has been paid fixed term borrowing if any, at first priority basis.

Less reliance on short term borrowing/Current liabilities :

At the end of the financial year 2019, total short term borrowing/current liabilities of the company were Tk 698.63 million, representing 67.28% of total liabilities that indicates 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 its obligation with its lenders, investors, and clients. So, we enjoy easy and fair access to the funding sources to meet our increasing need for growth.

Positive/Negative Operating Cash flows:

Cash flow statement of the Company for the year 2019, shows positive/(Negative) operating cash flows of Tk 174.69 million. Positive net operating Cash flows Per Share is Tk.4.27. Statement of liquidity also shows overall positive liquidity gap representing strong ability to meet current and future obligations of the company.

Positive key financial ratios:

In 2019, the Company has a very positive financial ratio as evidence from financial summary given of this Annual Report. Such positive financial ratios indicate Company's sound financial strength and good prospects.

Consistent payment of dividends:

The Company has been paying dividend consistently to its shareholders over many years. Dividend payment record is given in this Annual Report, which reflects company's long-term vision. Every year since listing, the Company has been continuously paying stock dividend and cash dividend that reflects Company's long-term viability in operational existence. The company have been started to pay cash dividend again to the shareholders of the company for the year from 2014. During the year the company has declared no dividend for all stackholders. This year 2019 no dividend declared by the board of directors to the shareholders to strengthen the liquidity position and to secure future uncertainties.

Credibility in payment of obligations:

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

Performance growth:

The company has achieved recorded business in the year 2019 which is 4.22% as against previous year. Prime Insurance Company has excellent growth in its overall business and financial performance in preceding years. The Company's total investment has increased from Tk 407.76 Million to 535.60 million, indicating an increased growth of 31.35% percent over the last year. Total consolidated operating revenue is Tk.106.53 Million and Net profit after Tax is Tk.17.49 Million. All those indicators support Company's continuance in foreseeable periods.

Positive underwriting results and trends:

Prime Insurance Company has excellent growth in its Underwriting Result / operating profit in the year 2019. Total consolidated underwriting / operating revenue is Tk.106.53 Million in 2019 as against Tk.101.73 million in 2018 and net profit after Tax is Tk.17.49 Million as against Tk. 45.87 million in 2018. Which indicating a growth/(declined) of (61.87%) and 54.09% over last year respectively.

Operating indications :**Key management turnover:**

In 2019, the company experienced event of turnover the key management i.e. the CEO of the Company changed. Employees have long-term communication and loyalty to the company. Average length of services of an employee at Prime Insurance company Ltd is 11.80 (approx) years.

Good business expansion:

The Company has expanded its products and services line by introducing new product & cost efficiency like as Ship Builders Liability Insurance, Aviation insurance, Health insurance, Overseas Medi Claim insurance Policy, Bankers Blanket Bond policy (BBB), Hajj & Umrah insurance etc. We try to maximize insurance coverage at a minimum cost provide our clients with professional and expert services with an umbrella. These represent compny'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. Prime Insurance Company, clients are always our first priority. Whenever, our clients face any types of catastrophe that lead them to financial loss for what they have taken coverage before, we immediately stand by them to minimize their economical distress.

Good market reputation and clients satisfaction:

The Company has been build up step by step good market reputation by introducing its product and services to the clients with professional and expert services with honesty and efficiency of Management teams. In 2019, the company has achieved earned premium of Tk.711.68 million where position of the company is top 10 of Non-life insurance premium income in the Private Sector Insurance Company of Bangladesh. The Company also try to pay clients any claims as easy process of minimum requirement within 90 days. These are indicates its good market reputation and clients satisfaction of the Company.

Good Corporate environment and employee satisfaction:

Prime Insurance Company has a very good corporate environment. There is an excellent work place with friendly environment. Communication among the employees is very excellent. The Company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. The Company pays a very competitive compensation package and there exists a good number of employee benefits like Gratuity fund, Provident fund, Incentive bonus, Transport benefits, Performance related bonus, Group insurance benefit etc. Which considered to be instrumental for employee satisfaction.

Other Indications :**Maintenance of Sufficient Capital base as required by law:**

As on 31 December 2019, the Company's total equity stands at Tk.666.77 million. While the minimum Paid-Up Capital required by Insurance Development and Regulatory Authority (IDRA) is Tk.400.00 (Four hundred) million. Company's Paid-up capital as on 31 December 2019 is Tk.408.77 million. During the year the Board has recommended no dividend and no Stock dividend. Upon approval by the Shareholders in the forth coming 24th AGM on 30th March 2020, the paid-up capital would stand at Tk.408.77 million.

Strong Equity Base:

As at 31 December 2019, the Company's total shareholders fund and equity stands at Tk.666.77 million as against total equity of Tk.690.16 million in 2018 which was included paid up Capital of Tk.408.77 million. Representing increase/(decreased) of (3.39%) over last year that reflects company's strong equity base.

Anticipates no significant change in legislation or government policy

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the company. Based on the above indications, directors feel it 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: 22 February 2019

The Board of Directors of Prime Insurance Company Ltd

Subject: Declaration on Financial Statements for the year ended on 31 December 2019

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:

- The Financial Statements of Prime Insurance Company Ltd for the year ended on 31 December 2019 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;
- 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; the data given by us is completely true and fair, and incase otherwise, we both will be liable and accountable for data representation.
- The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 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 2019 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,



Syed Monirul Huq
Chief Executive Officer(cc)



Md. Lokman Hossain
Chief Financial Officer (CC)

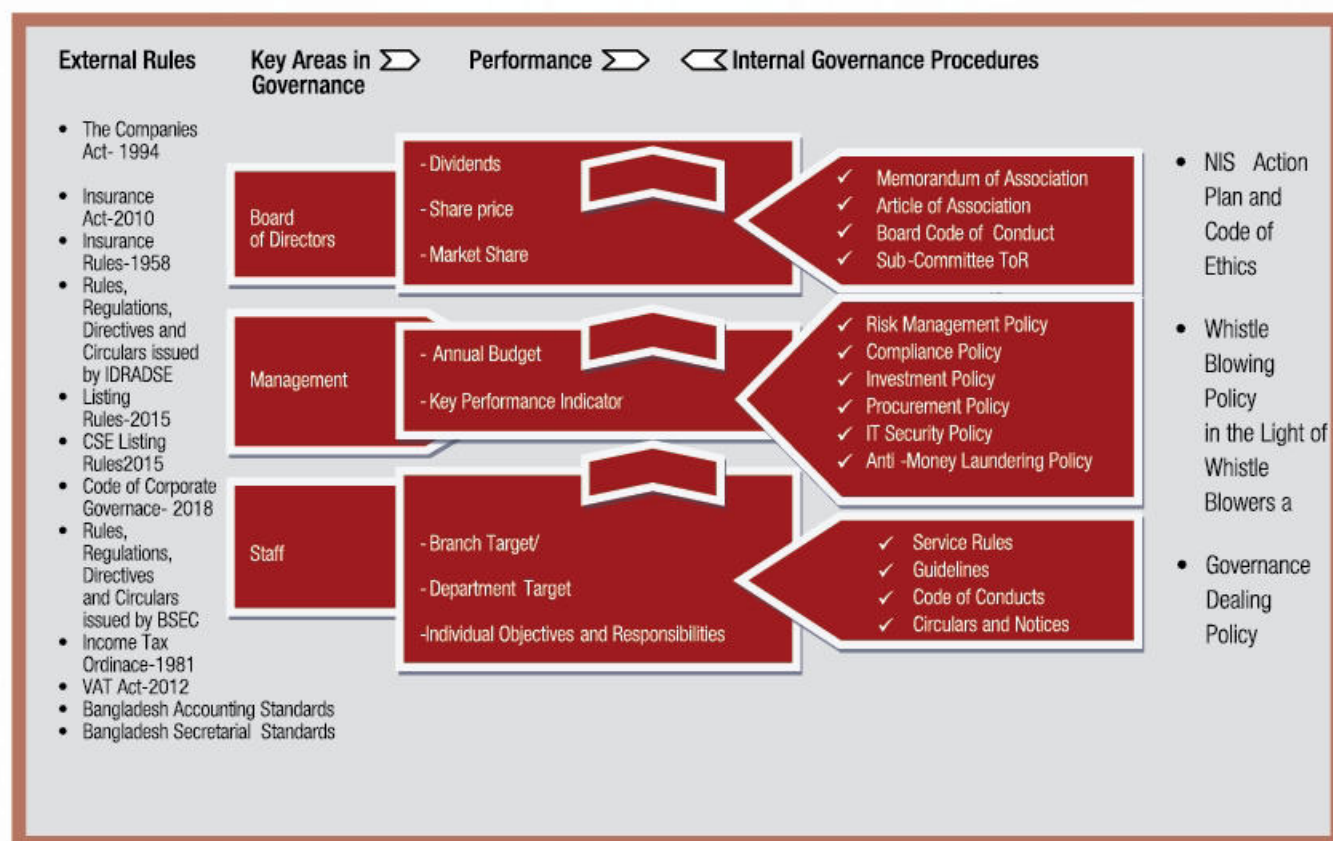
Report on Corporate Governance Code (CGC)

Bangladesh Securities and Exchange Commission (BSEC) streamlined the corporate governance code and repealed the existing corporate governance guideline on 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 and independent directors.

Prime Insurance Company Limited is governed by its Governance Policy Frame Work which is depicted here:





Board of Directors

Size of the of the Board of Directors:

The Board of the Company is comprised of 20 members as on 31 December 2019. The CEO acts on the Board as ex-officio Director. All the Directors on the Board are non-executive Directors and do not get any remuneration in addition to their Meeting attendance fee. Only the Chief Executive Officer is an Executive Director. The Board formed with Sponsor Shareholder Directors, Public Shareholder Directors and Independent Directors.

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 as on 31st december, 2019 jointly hold minimum 61.39% paid-up shares of the Company.

A same notification of BSEC stated that every sponsor, public and institutional directors should hold at least 2% paid-up share of the Company which is strictly following by the Company.

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	Dr. Fatema Raushan Jahan	Director
6	Nilufar Hossain	Director
7	Hasina Khan	Director
8	Tahera Akhter	Director
9	Mahabuba Haque	Director
10	Dil Ara Begum	Director
11	Md. Ashaduzzaman -Nominated by Fareast Securities Ltd	Director
12	Md. Nazrul Islam Nominated by Fareast Islami Securities Ltd	Director
13	Mohd. Showkat Ali Alternate Director of Mrs. Taslima Islam	Director
14	Rabeya Begum Nominated by Fareast Life Insurance Company Ltd	Director
15	Ayesha Husne Jahan Nominated by Fareast Islami Properties Ltd	Director
16	Asifqbal Nominated by Rimsha BD Ltd	Director
17	Salim Mahmud Alternate Director of Mrs. Ramisha Islam	Director
18	AKM Monirul Islam Nominated by Ramisha BD Ltd	Director
	Independent Directors	
19	A. Z. M. Sazzadur Rahman	Director
20	Kazi Zahedul Hasan	Director
21	Syed Monirul Huq (Ex - officio)	Chief Executive Officer (CC)

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 approved by the Shareholders in the 19th AGM. As per BSEC's Corporate Governance Guidelines of 30 August 2012, his term as Independent Director expired in June 2017 and upon successful completion of the term, he was again appointed by the Board for second term and approved by the shareholders in the 22nd annual general meeting of the Company for another 3 years term. His tenure will expire on June 2020 and he will not be eligible to act as Independent Director of the Company after June 2020 due to his expiry of two terms of availing the position of Independent Director.

Kazi Zahedul Hasan was appointed in the 279th Board Meeting held on 23-07-2016 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. Further his renewal appointment by the Board for the next term may/may not placed before the shareholder in the 24th AGM of the Company.

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 are not a partner or an executive or was not a partner or an executive during the preceding 3 (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 5 (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). Independent directors position were not anytime vacant for more than 90 (ninety) days.

Independent Directors of the Company are the directors of unlisted companies having minimum paid-up capital of Tk. 100.00 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. Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act 1994 and the Articles of the Company. The 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 day to day affairs of the business. The board is directly accountable to the shareholders and each year the company will hold an annual general meeting (AGM) at which the directors must provide a report to shareholders on the performance of the company, what its future plans and strategies are and also submit themselves for re-election to the board.

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 must deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

It is important that board meetings are held periodically so that directors can discharge their responsibility to control the company's overall situation, strategy and policy, and to monitor the exercise of any delegated authority, and so that individual directors can report on their particular areas of responsibility.

A director may be dismissed from office by a majority vote of the shareholders, provided that a special procedure is followed. The procedure is complex, and legal advice will always be required. Directors look after the affairs of the company, and are in a position of trust. They might abuse their position in order to profit at the expense of their company, and, therefore, at the expense of the shareholders of the company. Consequently, the law imposes a number of duties, burdens and responsibilities upon directors, to prevent abuse. Much of company law can be seen as a balance between allowing directors to manage the company's business so as to make a profit, and preventing them from abusing this freedom.

Directors are responsible for ensuring that proper books of account are kept. In some circumstances, a director can be required to help pay the debts of his company, even though it is a separate legal person. For example, directors of a company who try to 'trade out of difficulty' and fail may be found guilty of 'wrongful trading' and can be made personally liable.

In many circumstances, the law applies not only to a director, but to a 'shadow director'. A shadow Director is a person in accordance with whose directions or instructions the directors of a company are accustomed to act. Under this definition, it is possible that a director, or the whole board, of a holding company, and the holding company itself, could be treated as a shadow director of a subsidiary.

Professional advisers giving advice in their professional capacity are specifically excluded from the definition of a shadow director in the companies' legislation.

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

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 a non-shareholder 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.

Establish vision, mission and values

- Determine the company's vision and mission to guide and set the pace for its current operations and future development.
- Determine the values to be promoted throughout the company.
- Determine and review company goals.
- Determine company policies

Facilitating corporate retreats to help boards review strategy or develop vision, mission and values statements.

Set strategy and structure

- Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company.
- Determine strategic options, select those to be pursued, and decide the means to implement and support them.
- Determine the business strategies and plans that underpin the corporate strategy.
- Ensure that the company's organizational structure and capability are appropriate for implementing the chosen strategies.

Delegate to management

- Delegate authority to management, and monitor and evaluate the implementation of policies, strategies and business plans.
- Determine monitoring criteria to be used by the board.
- Ensure that internal controls are effective.
- Communicate with senior management.

Exercise accountability to shareholders and be responsible to relevant stakeholders

- Ensure that communications both to and from shareholders and relevant stakeholders are effective.
- Understand and take into account the interests of shareholders and relevant stakeholders.
- Monitor relations with shareholders and relevant stakeholders by gathering and evaluation of appropriate information.
- Promote the goodwill and support of shareholders and relevant stakeholders.
- The directors must always exercise their powers for a 'proper purpose'—that is, in furtherance of the reason for which they were given those powers by the shareholders.
- Directors must act in good faith in what they honestly believe to be the best interests of the company, and not for any collateral purpose. This means that, particularly in the event of a conflict of interest between the company's interests and their own, the directors must always favor the company.
- Directors must act with due skill and care.
- Directors must consider the interests of employees of the company.

Chairperson of the Board:

The chairperson of the board is often seen as the spokesperson for the board and the company. Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company are different individuals. As per Insurance Act 2010, CEO of the Company is appointed and Chairperson of the Company is elected from amongst the Non-Executive Directors of the Board. In the absence of the Chairperson of the Board, the Vice Chairperson will act as the Chairperson but in her absence the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board meeting. For Prime Insurance the Chairperson of the Company had been regular in all meetings except one meeting of the Board in 2019 and it was duly recorded in the minutes.

Role and responsibilities of the Chairperson is to ensure that the meeting is conducted in such a way that the business for which it was convened is properly maintained. 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 should therefore ensure that executive authority is only granted to appropriate persons and that adequate reporting systems enable it to maintain overall control.

The chairperson will usually have a second or casting vote in the case of equality of votes. Unless the articles confer such a vote upon him, however, a chairman has no casting vote merely by virtue of his office. Since the chairperson's position is of great importance, it is vital that his election is clearly in accordance with any special procedure laid down by the articles and that it is unambiguously minted; this is especially important to avoid disputes as to his period in office. 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 of Chairperson:

- Determining Board composition and organization;
- Clarifying Board and management responsibilities;
- Planning and managing Board and Board Committee meetings;
- Developing the effectiveness of the board.
- Chairs the Board and Shareholders' Meeting.
- Provides leadership to the Board in all affairs of the Board's function.

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

Board Meetings and proceedings

The Board of Directors holds meeting on regular basis: usually once in a month, but emergency meetings are called when deemed necessary. Board Meetings are normally held to discuss and decide on major corporate, strategic and operational issues as well as to evaluate major investment opportunities; it is also involved in policy formulation. At the meetings, Chairperson of the Board allocates sufficient time for the Directors to consider each agenda in a prudent way and allows 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 are provided to the Directors well in advance of the meeting dates for their convenience to study and take preparation on the agenda. They are provided substantial input and comments on agenda. The agenda of the meeting is prepared by the Company Secretary in consultation with the Chief Executive Officer as per directives of the Chairman of the Board.

13 Meetings of the Board of Directors were held in 2019, 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 delegates some of its governance responsibilities to the Board sub-Committees, which operate under clearly defined terms of references, primarily to assist the Board in the execution of its duties and responsibilities. The charter, including the composition of the committee, are reviewed and updated as and when necessary to ensure ongoing compliance with code and other guidelines. The Board is kept fully informed of the work of those committees from time to time.

Directors' shareholding status

As per BSEC Notifications dated 22-11-2011 and 7-12-2011, BSEC's Notification No. BSEC/CMRRCD/2009-193/217/admin/90 dated May 21, 2019 each Director other than Independent Director(s) of any listed company shall hold minimum 2% shares of the paid-up capital; else there shall be a casual vacancy of Director(s). And all sponsors/promoters and directors of a Company listed with any stock exchange shall, at all time, jointly hold 30% shares of the paid up capital of the company. All the eligible directors of Prime Insurance possess required number of shares to comply with the above Notifications.

Share Holding Position of the Board members

Sl	Directors'	Number of Shares	% of the Shares
01	Md. Zakiullah Shahid	1111371	2.72
02	Saheda Pervin Trisha	818551	2.00
03	Mahanur Ummel Ara	880804	2.15
04	Rahela Hossain	1111372	2.72
05	Dr. Fatema Raushan Jahan	880491	2.15
06	Nilufar Hossain	980312	2.40
07	Hasina Khan	1111371	2.72
08	Tahera Akhter	1111372	2.72
09	Mahabuba Haque	932168	2.28
10	Dil Ara Begum	956206	2.34
11	Md. Ashaduzzaman- Nominated by Fareast Securities Ltd	820178	2.01
12	Md. Nazrul Islam Nominated by Fareast Islami Securities Ltd	1770000 825000	4.33 2.02
13	Mohd. Showkat Ali Alternate Director of Mrs. Taslima Islam	1300637	3.18
14	Rabeya Begum Nominated by Fareast Life Insurance Company Ltd	3754006	9.18
15	Ayesha Husne Jahan Nominated by Fareast Islami Properties Ltd	1249520	3.06
16	Asif Iqbal Nominated by Rimsha BD Ltd	823508	2.01
17	Salim Mahmud Alternate Director of Mrs. Ramisha Islam	1000000	2.45
18	AKM Monirul Islam Nominated by Ramisha BD Ltd	1500000	3.67
19	A. Z. M. Sazzadur Rahman		
20	Kazi Zahedul Islam		

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 ensures that there is effective communication with the stakeholders and the company promotes 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 the Board. S/he is accountable to the Board for the financial and operational performance of the company.

Functions of the Chief Executive Officer:

- Chairs Meetings of Management Team.
- Runs day to day business activities of the Company.
- Implements Company's policies & strategies, as approved by the Board of Directors, in the most effective and efficient manner.
- Assigns individual responsibilities of the Executives.
- Accountable for overall performance of the Company.
- Reports to the Board on progress against the strategic and annual business plans on a regular basis.
- Acts as bridge between the Board and the Management.
- Takes 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 and recommend annual increment/promotion of employees, incentive programs, evaluate effectiveness of the HR policy, etc. 5 meetings of the Executive Committee were held in the year 2019.

The Board, in its 320th Meeting held on 19 November 2019 reconstituted the Executive Committee with following 10 non-executive Directors:

SL#	Composition of the EC	Position
1	Mahanur Ummeal Ara	Chairperson
2	AKM Monirul Silam	Member
3	Ayesha Husne Jahan	Member
4	Mohd. Showkat Ali	Member
5	Dr. Fatema Raushan Jahan	Member
6	Mahabuba Haque	Member
7	Md Nazrul Islam	Member
8	Hasina Khan	Member
9	Rahela Hossain	Member
10	Saheda Pervin Trisha	Member

Audit Committee

The Audit Committee is empowered to examine any matter relating to financial affairs of the Company and to review all audit programs, internal control 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 itself 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. 5 (Four) meetings of the Audit Committee were held in the year 2019.

The Board, in its 320th Meeting held on 19th November 2019 reconstituted the Audit Committee with following 7 (seven) 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	Md. Nazrul Islam	Member
3	Mohd. Showkat Ali	Member
4	Md. Ashaduzzaman	Member
5	Dr. Fatema Raushan Jahan	Member
6	Ayesha Husne Jahan	Member
7	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 shall be composed of at least 3 (three) members from the Board, which includes at least 1 (one) Independent Director.
- More than two thirds of the members are non-executive Directors.
- The Chairperson of the Audit Committee should be an Independent Director having professional knowledge and relevant financial expertise. All members of the Audit Committee should be adequately knowledgeable in finance and at least one member should have expertise in Finance & Accounting.
- The quorum of the Audit Committee Meeting shall constitute by majority members and shall not constitute without at least 1 (one) Independent Director.
- The Committee meets at least 4 (four) times a year.
- The Chairperson of the Board shall not be a Member of the Audit Committee.
- The CEO or the Chairperson of the Board may be invited to attend the Audit Committee Meetings as and when required.
- Audit Committee Meeting must be held at least quarterly to monitor internal and external audits.
- The Company Secretary and the Head of Audit & Internal Control attend all the meetings.
- The Head of Audit & Internal Control has direct access to the Audit Committee.
- The Chief Financial Officer (CFO) attends the meeting occasionally by invitation.
- Audit Committee must prepare reports on all meetings for the Board of Directors and report annually to the shareholders.

Nomination & Remuneration Committee

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

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

The Directors do not get any remuneration. The Directors received Tk. 5,000 as Board attendance fee Tk. 8,000 w.e.f. 2018.

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

Composition of remuneration committee

SL#	Name of Directors	Position in the Committee
1	A Z M Sazzadur Rahman	Chairperson
2	Rahela Hossain	Member
3	Saheda Pervin Trisha	Member
4	Md. Nazrul Islam	Member
5	Md. Zakiullah Shahid	Member
6	Mohd. Showkat Ali	Member

Term of Reference (TOR) of Nomination and Remuneration Committee

Roles and responsibilities

The role of the 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 including nomination and remuneration issues of the Chief Executive Officer (CEO) and other PICL staff.

The Nomination and Remuneration Committee is a policy making body in terms of Nomination and Remuneration issues; 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 from Independent Director.
- 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

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

Secretariat duties

- The Company Secretary will minute the matters arising from all meetings. The minutes will be ratified by members in attendance/discussion and signed by the Chairperson of the Committee.
- The Chairman of the Committee will table the outcome of deliberations at the next Board meeting.

Voting

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

Review of TOR

- The Committee should review the TOR to provide assurance that it remains consistent with the Board's objectives and 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. Board Affairs
4. Establishment & Logistic
5. Finance & Accounts
6. Branch Control Department
7. Claims
8. Re-Insurance
9. Audit & Internal Control
10. Specialized Business & Market Development and Health Insurance
11. Share Trade & Investment
12. Information Technology
13. Public Relation & Corporate Affairs
14. Customer Care

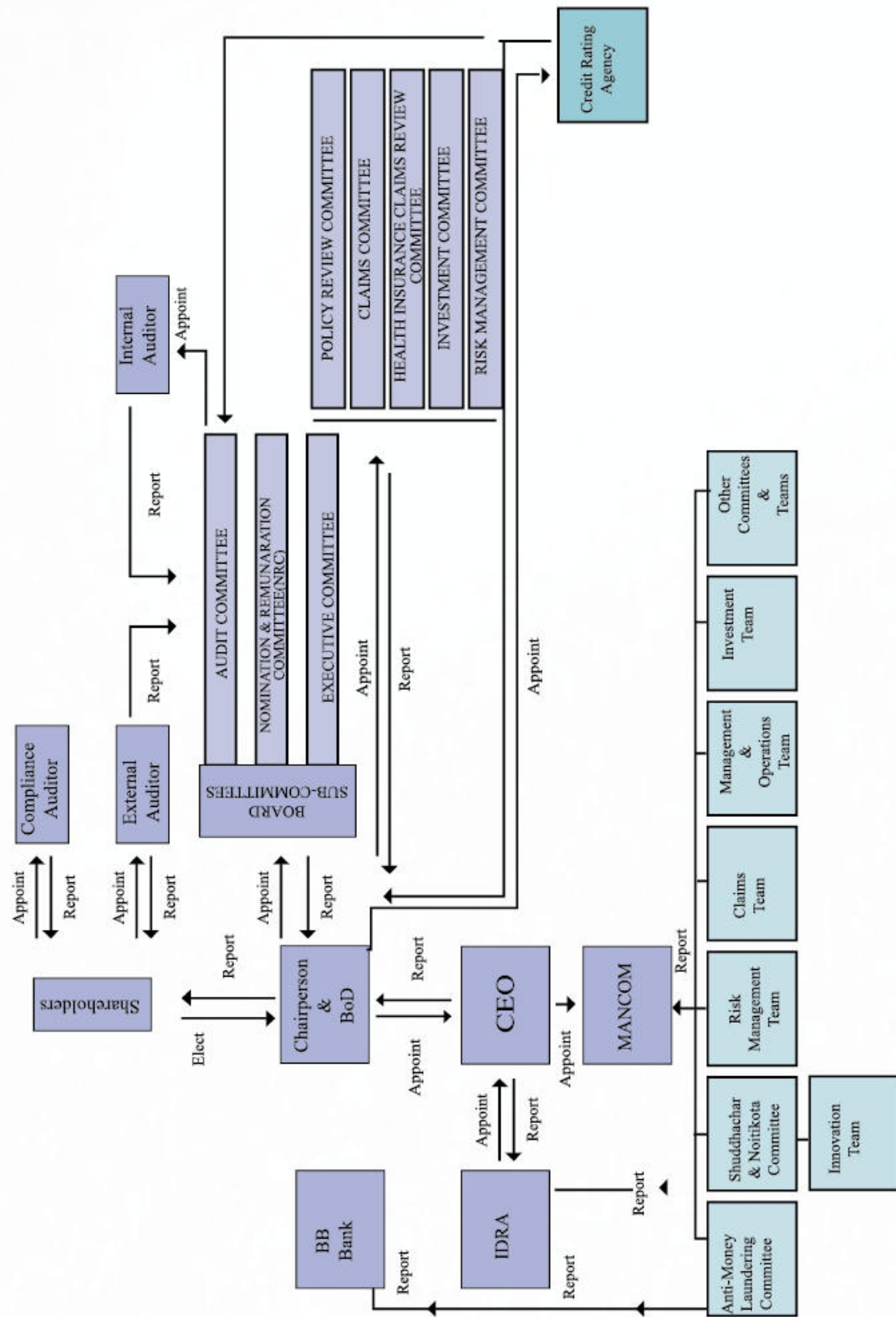
The Management Committee is considered to be the highest decision making authority in the management of the Company. The MANCOM is comprised of the Chief Executive Officer and the Departmental Heads of the Company. The members of the Management Committee are appointed by the Board:

Composition of MANCOM	Position
Chief Executive Officer(cc)	Chairperson
AMD & Head of Specialized Business & Health Insurance	Member
CFO & Head of Accounts	Member
Head of Claims	Member
Head of HRD & Administration	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.

The Reporting System of Prime Insurance Co. Ltd. (PICL) and its relationship among shareholders, the Board, the management and other stakeholders are depicted in the following diagram :



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 them accordingly. The annual report covers all the notes for current financial year, business performance, future plan, strategy and other key corporate information and disclosures. The Board of Directors regards the Annual General Meeting (AGM) and other General Meetings as important opportunities for direct communication with the honorable Shareholders. To make the AGM more participatory, the Company declares the date of AGM well ahead of time, circulates Annual Reports and other documents in time, 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 31 March 2019, 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 and development programs. In our annual appraisal exercise, Departmental Heads are encouraged to identify areas where more training or self-development initiatives of an individual are required. Accordingly, training courses are prepared and training sessions are organized, both in-house and external. It is our continuous endeavor to enhance the skills of our employees and help them to reach their highest potential. We recognize that our success is deeply embedded in the success of our human capital.

We have platforms which provide recognition for outstanding performances. We offer career development opportunities and we are dedicated to our employees' 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 10% on basic salary of employees)
- 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 2010
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;	✓		
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 NBFIs;	✓		
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 Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;	✓		
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)	Chairman of the Board and the Chief Executive Officer of the companies is different individuals having clearly defined their respective roles and responsibilities by 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 for Chairman and the Managing Director;	✓		
1(4)(e)	In absence of Chairman, 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;	✓		
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 there of 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;	✓		
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);	✓		
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	✓		
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 there of;	✓		
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 there of, 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;	✓		
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;	✓		
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 them anagement;	✓		
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)	Over see 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;	✓		
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 Committee, 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;	✓		
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;	✓		
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 Annexure-C attached, in 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) Shareholding of Directors & their Spouses

Sl	Directors'	Number of Shares	% of the Shares	Name of Spouse	Share Held	% of Holding
01	Md. Zakiullah Shahid	1111371	2.72	Mrs. Sonia Rahman	-	-
02	Saheda Pervin Trisha	818551	2.00	Mr. Md. Shahnewaz	-	-
03	Mahanur Ummel Ara	880804	2.15	Mr. Mafiz Ahmed Bhuiyan	-	-
04	Rahela Hossain	1111372	2.72	Mr. SAM Hossain	-	-
05	Dr. Fatema Raushan Jahan	880491	2.15	Kazi Sazid Ahmed	-	-
06	Nilufar Hossain	980312	2.40	Mr. M. Shahadat Hossain	-	-
07	Hasina Khan	1111371	2.72	Mr. Md. Nader Khan	-	-
08	Tahera Akhter	1111372	2.72	Mr. Mostafizur Rahman	-	-
09	Mahabuba Haque	932168	2.28	Mr. Aynul Haque	-	-
10	Dil Ara Begum	956206	2.34	Mr. Md. Shamsul Alam	-	-
11	Md. Ashaduzzaman- Nominated by Fareast Securities Ltd	820178	2.01	Re-Presenting Fareast Securities Ltd	-	-
12	Md. Nazrul Islam Nominated by Fareast Islami Securities Ltd	825000 1770000	4.33 2.02	Re-Presenting Fareast Islami Life Insurance Company Ltd	-	-
13	Mohd. Showkat Ali Alternate Director of Mrs. Taslima Islam	1300637	3.18	Alternate Director of Mrs. Taslima Islam	-	-
14	Rabeya Begum Nominated by Fareast Life Insurance Company Ltd	3754006	9.18	Re-Presenting Fareast Islami Securities Ltd	-	-
15	Ayesha Husne Jahan Nominated by Fareast Islami Properties Ltd	1249520	3.06	Re-Presenting Fareast Properties Ltd	-	-
16	Asif Iqbal Nominated by Rimsha BD Ltd	823508	2.01	Re-Presenting Rimsha BD Ltd	-	-
17	Salim Mahmud Alternate Director of Mrs. Ramisha Islam	1000000	2.45	Re-Alternate Director of Ms. Ramisha Islam	-	-
18	AKM Monirul Islam Nominated by Ramisha BD Ltd	1500000	3.67	Re-Presenting Ramisha BD. Ltd	-	-
19	A. Z. M. Sazzadur Rahman			Mrs. Nilufar Rahman	-	-
20	Kazi Zahedul Islam			Mrs. Perween Hasan		

iii) Shareholding of the Chief Executive Officer/Company Secretary/Chief Financial Officer/Head of Internal Audit & Control & their spouses:

Sl	Directors'	Number of Shares	% of the Shares	Name of Spouse	Share Held	% of Holding
01	CEO (CC)- Syed Monirul Huq	-	-	Mrs. Rahela Chowdhury	-	-
02	CS- Enamul Haque Khan	-	-	Mrs. Shahanaz Parvin	-	-
03	CFO- Md. Lokman Hossain	-	-	Mrs. Jesmin Akter	-	-
04	HIA-Zahid Hossain	-	-	Mrs. Nurun Nahar Begum	-	-

iv) Top five salaried employees other than Directors, CEO, CFO & Head of Internal Audit & Control

Sl	Directors'	Number of Shares	% of the Shares	Name of Spouse	Share Held	% of Holding
01	Basudev Chakrabarty Additional Managing Director	-	-	-	-	-
02	Sujit Kumar Bhowmik Assistant Managing Director	-	-	-	-	-
03	Gouranga Chandra Misra Senior Executive Vice-President	-	-	-	-	-
04	Mizanur Rahman Senior Executive Vice-President	-	-	-	-	-
05	Kazi Farzana Rahman Senior Vice-President	-	-	-	-	-

v) Shareholders holding 10% or more voting Interest

-	-	-	-	-	-
---	---	---	---	---	---



Directors' Attendance IN MEETINGS

SI No	Name	Position in the Board	Meeting Held during the tenure of the Directors	Present
01	Mrs. Md. Zakiullah Shahid	Chairperson	13	12
02	Ms. Saheda Pervin Trisha	Vice-Chairperson	13	11
03	Mrs. Nazma Haque	Director	02	0
04	Dr. Fatema Raushan Jahan	Director	13	13
05	Mrs. Hasina Khan	Director	13	05
06	Mrs. Mahabuba Haque	Director	13	9
07	Mrs. Dil Ara Begum	Director	13	11
08	Mrs. Rahela Hossain	Director	13	08
09	Mrs. Tahera Akhter	Director	13	04
10	Mrs. Mahanur Ummeal Ara	Director	13	09
11	Mrs. Nilufar Hossain	Director	13	00
12	Mr. Abu Hasan Khan	Director	11	09
13	Mr. Ashaduzzaman	Director	13	12
13	Mr. Md. Nazrul Islam	Director	11	02
14	Mr. Mohd. Showkat Ali	Director	11	01
15	Mr. AKM Monirul islam	Director	11	10
16	Mrs. Rabeya Begum	Director	10	07
17	Mr. Asif Iqbal	Director	04	04
18	Mrs. Ayesha husne Jahan	Director	03	03
19	Mrs. Salim Mahmud	Director	01	01
20	Mr. AZM Zazzadur Rahman	Independent Director	13	11
21	Kazi Zahedul Hasan	Independent Director	13	00

Audit meeting attendance

SI No	Name	Position in the Audit Committee	Meeting Held during the tenure of the Directors	Present
01	Mr. AZM Zazzadur Rahman	Chairperson	5	5
02	Dr. Fatema Raushan Jahan	Member	5	5
03	Mrs. Hasina Khan	Director	5	3
04	Mr. Abu Hasan Khan	Director	5	4
05	Mr. Ashaduzzaman	Director	5	5
06	Mr. Md. Nazrul Islam	Director	3	2
07	Mr. Mohd. Showkat Ali	Director	3	2

NRC meeting attendance

SI No	Name	Position in the Audit Committee	Meeting Held during the tenure of the Directors	Present
01	Mr. AZM Zazzadur Rahman	Chairperson	4	4
02	Mr. Abu Hasan Khan	Director	4	4
03	Mr. Md. Nazrul Islam	Director	4	3
04	Mr. Mohd. Showkat Ali	Director	4	3
05	Mrs. Rahela Hossain	Director	4	4
06	Kazi Zahedul Islam	Director	4	0

EC meeting attendance

SI No	Name	Position in the Audit Committee	Meeting Held during the tenure of the Directors	Present
01	Mrs. Mahanur Ummeal Ara	Director	3	3
02	Dr. Fatema Raushan Jahan	Director	3	3
03	Mrs. Mahabuba Haque	Director	3	1
04	Ms. Saheda Pervin Trisha	Director	3	1
05	Mrs. Rahela Hossain	Director	3	2
07	Mr. Abu Hasan Khan	Director	3	2
08	Mr. Md. Nazrul Islam	Director	2	2
09	Mr. Mohd. Showkat Ali	Director	2	2
10	Mr. AKM Monirul islam	Director	2	2





এম এম রহমান এন্ড কোং
M M Rahman & Co.
Chartered Accountants

Padma Life Tower, Level-10, 115 Kazi Nazrul
Islam Avenue, Bangla Motor Dhaka -1000
Tel : 02 48311027 , 02 48311029
Email : info@mmrahman.org, Web : www.mmrahman.org

Annexure - B

Report to the Shareholders

Of Prime Insurance Company Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Prime Insurance Company Limited** for the year ended on 31 December, 2019. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80**, dated **03 June 2018** of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code 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 the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except some observation in conditions set in **Annexure - C** of Corporate Governance Code:
- (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 Governance of the company is satisfactory, subject to our observation in **Annexure - C**.

Place : Dhaka
Date : March 12, 2020

For, M M Rahman & Co.
Chartered Accountants


Md. Rafiqul Islam Khan FCA
Partner

Summary of Accounts 2019 Segment wise operating profit/ PERFORMANCE

In accordance with International Financial Reporting Standards (IFRSs- 8.20) and in order to enhance Corporate Governance in the interest of investors and the capital market, Bangladesh Securities and Exchange Commission (BSEC) requires preparation of separate operating result as per Corporate Governance Code (CGC) as per condition No.1(5) (ii) of 2018 Prime Insurance Company has been presented segment wise operating performance accordingly.

During the year 2019, the company has earned Fire premium income of Tk.263.13 million, Marine premium income of Tk.178.64 million Motor premium income of Tk.37.63 million and Miscellaneous premium income of Tk.230.84 million respectively. In 2019, the Company has earned total Gross premium income of Tk.711.67 million including PSB premium income and Operating income Tk.106.53 million (after allocation of unallocated expenses of Statement of Profit or loss and comprehensive income) Profit before tax Tk.84.85 million and net profit after tax Tk.17.49 million respectively which was Tk.682.84 million, Profit before tax Tk.78.53 million and Profit after tax Tk.45.87 million respectively in 2018. Segment wise financial result of the company for the year 2019 and 2018 are presented below :

Segment Wise Financial Result (in Million Taka)

Details	Fire	Marine	Marine Hull	Motor	Misc	2019	2018	Growth-2019	Growth %
Gross premium income	263.13	178.64	1.43	37.63	230.84	711.67	682.84	28.83	4.22
Less: R/I premium ceded	244.13	77.08	0.38	2.55	184.28	508.42	383.36	125.06	32.62
Less: R/I premium on PSB	10.34	16.46	0.32	0.08	38.7	65.90	58.21	7.69	13.21
Net Premium Income	8.66	85.1	0.73	35	7.86	137.35	241.27	(103.92)	(43.07)
Add: Net R/I com. earned	78.56	30.07	0.19	1.01	25.80	135.63	65.03	70.60	108.57
Add: Net premium reserve retained.	24.95	44.80	0.27	16.27	10.37	96.66	102.10	(5.44)	(5.33)
Total Income:	112.17	159.97	1.19	52.28	44.03	369.64	408.40	(38.76)	60.17
Less Expenses:									
Reserve for un-expired risk	3.46	34.03	0.73	14.00	3.14	55.36	96.67	(41.31)	(42.73)
Agent commission paid	37.58	23.54	0.16	5.25	28.69	95.22	92.24	2.98	3.23
Management expenses (Revenue A/C)	44.69	30.34	0.24	6.39	39.22	120.88	123.93	(3.05)	(2.46)
Management expenses (P&L A/C)	7.48	5.08	0.04	1.07	6.56	20.22	22.22	(2.00)	(9.00)
Net Claims	13.13	(20.89)	-	3.69	(4.28)	(8.35)	(6.18)	(2.17)	35.11
Operating Profit (U/W Result):	5.83	87.87	0.02	21.88	(29.30)	86.31	79.52	6.79	8.54
Interest income	-	-	-	-	-	19.39	14.14	5.25	37.13
Share investment income	-	-	-	-	-	(27.97)	-20.51	(7.46)	36.37
Dividend received on investment						5.51	4.76	0.75	15.76
Others income						1.61	0.62	0.99	159.68
Profit before tax.						84.85	78.53	6.32	8.05
Tax provision during the year						67.37	32.66	34.71	106.28
Profit after tax.						17.48	45.87	(28.39)	(98.23)
Return on equity (%)						20.76	19.21	1.55	8.05
Return on shareholders fund & equity (%)						11.79	11.38	0.41	3.60
Shareholders fund & equity (in million taka)						719.71	690.16	29.55	4.28
Shareholders equity (in million taka)						408.77	408.77		

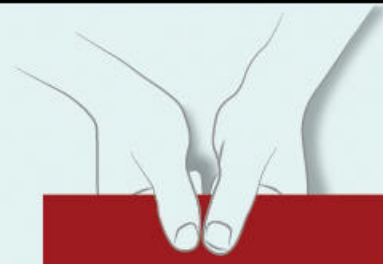
Summary of Quarterly FINANCIAL PERFORMANCE

In accordance with para 20 of International Accounting Standard (IAS-34) and as required by local regulatory authority Bangladesh Securities & Exchange Commission (BSEC) corporate governance code of 2018 Prime Insurance Company Limited has published quarterly financial statements for the stakeholders and shareholders in each year. The company 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 2019 business under review, the Company has earned total Gross premium income of Tk.711.68 million and Operating income of Tk.106.53 million and Net profit after tax Tk.17.49 million respectively in 2019 which was Tk. 682.83 million, Tk.101.73 million and Tk.45.87 million respectively in 2018. At end of the year premium income has been increased of 4.23% over the year 2018. Details of quarterly profitability and yearly Financial Results of the Company for the year 2019 and 2018 are given below :

Segment Wise Financial Result (in Million Taka)

Particulars	2019				Total 2019	2018				Total 2018	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	171.98	116.52	272.99	73.33	634.82	202.65	155.25	155.25	156.45	614.92	19.90	3.24
Premium on PSB	18.44	20.45	12.99	24.79	76.67	16.63	7.22	7.22	29.09	67.50	9.17	13.59
R/I premium on acceptance	0.19	-	-	-	0.19	0.33	-	-	-	0.41	(0.22)	(53.66)
Total gross premium	190.61	136.97	285.98	98.12	711.68	219.61	162.47	162.47	185.54	682.83	28.85	4.23
Less: R/I premium ceded	127.97	51.38	224.02	105.05	508.42	102.20	100.65	100.65	77.6	383.36	125.06	32.62
Less: R/I premium on PSB	15.65	16.78	10.68	22.8	65.91	14.92	6.03	6.03	25.1	58.21	7.70	13.23
Net premium	46.99	68.81	51.28	(29.73)	137.35	102.49	55.79	55.79	82.84	241.26	(103.91)	(43.07)
Add: Net R/I com.earned	15.38	12.27	33.12	74.87	135.64	14.54	13.39	13.39	25.43	65.03	70.61	108.58
Add: Net premium reserve retained	31.01	10.05	22.36	33.25	96.67	10.48	16.58	16.58	14.62	102.10	(5.43)	(5.32)
Total income:	93.38	91.13	106.76	78.39	369.66	127.51	85.76	85.76	122.89	408.39	(38.73)	60.19
Less: Expenses												
Reserve for un-expired risk	18.80	27.57	20.98	(11.97)	55.38	31.01	22.35	22.35	33.25	96.67	(41.29)	(42.71)
Agent commission	25.80	17.48	40.95	10.99	95.22	30.40	23.29	23.29	23.47	92.24	2.98	3.23
Management expensens (Revenue A/C)	41.20	18.48	31.25	29.95	120.88	27.18	31.24	31.24	34.28	123.92	(3.04)	(2.45)
Management expensens (P&L A/C)	4.58	3.63	3.93	8.08	20.22	4.90	4.08	4.08	9.23	22.22	(2.00)	(9.00)
Net claims paid	(6.34)	0.14	5.58	(7.73)	(8.35)	4.54	1.37	1.37	(43.01)	-6.18	(2.17)	35.11
Operating Profit (U/W Income):	9.34	23.83	4.07	49.07	86.31	29.48	3.43	3.43	65.67	79.52	6.79	8.54
Interest income	3.02	2.86	2.95	10.56	19.39	4.32	2.93	2.93	2.98	14.14	5.25	37.13
Investment income (Realized gain/(loss))	(0.29)	(0.08)	-	-	(0.37)	1.98	4.70	4.70	(6.28)	-9.04	8.67	(95.91)
Unrealized gain (loss) on shares	8.01	(11.48)	(16.39)	(7.74)	(27.60)	(14.72)	(6.22)	(6.22)	3.49	(11.47)		
Dividend income	2.59	2.42	0.17	0.33	5.51	1.59	0.08	0.08	0.64	4.76	0.75	15.76
Other income	0.06	0.09	(0.01)	1.47	1.61	0.15	(0.09)	(0.09)	0.31	0.62	0.99	159.68
Profit before Tax.	22.73	17.64	(9.21)	53.69	84.85	22.80	4.83	4.83	66.81	78.53	22.45	125.19
Tax provision	4.89	9.50	(1.27)	54.24	67.36	8.52	1.43	1.43	26.89	32.66	34.70	106.25
Net Profit after Tax	17.84	8.14	(7.94)	(0.55)	17.49	14.28	3.40	3.40	39.92	45.87	(28.38)	(61.87)
Earnings Per Share after Tax (BDT)	0.44	0.20	(0.20)	1.29	0.43	0.35	0.08	0.08	0.97	1.12	(0.69)	(61.65)
Number of Weighted shares	40.88	40.88	40.88	40.88	40.88	40.88	40.88	40.88	40.88	40.88	-	-



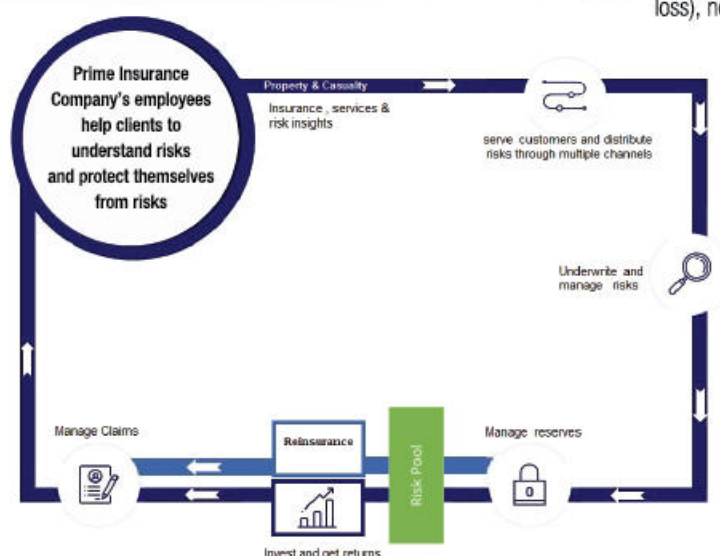
RISK MANAGEMENT & **CONTROL ENVIRONMENT**



REPORT ON RISK MANAGEMENT / RISK AND OPPORTUNITY REPORT

Risk is inherent in the insurance business as Insurance Companies deal with risk transferred by insurer. It is known, Insurance is a practice or arrangement by which an insurance company provides a guarantee of compensation for specified loss, damage, illness or death in return for a payment of a premium. Besides, insurance is a contract in which an individual or entity receives financial protection or reimbursement against losses from an insurance company. The company pools clients' risks to make payments more affordable for the insured.

Prime Insurance Company limited's risk management and internal control systems are designed to ensure that these risks are managed effectively and efficiently, aligned with its overarching objective of creating long-term value for all its stakeholders. The Company recognizes the importance of sound risk management in every aspect of its business and to all its stakeholders. The following diagram depicted business model of PICL showing how risks are handled by the Management:



Defining the Risk:

Prime Insurance Company Limited (PICL) deals with property and health risks of its insureds. For this, at the very first outset, defining the risk is meant to risks associates with insurance companies. Simply, risk is the potential of loss or an undesirable outcome, however not necessarily so, resulting from a given action, activity and/or inaction. To visualize and understand PICL's risk management process, one needs to realize how Prime Insurance Company Limited categorizes all risks. As an insurer, Prime

Company Limited does not recognize all risk. The Company classifies those as insurable risks and non-insurable risks. Speculative or Dynamic Risks are broadly non-insurable and Pure or Static Risks are insurable.

Speculative risk or non-insurable risk

Speculative risk is a situation that holds out the prospects of loss, gain, or no loss no gain (break-even situation). Gambling is a good example of speculative risk. Gambling involves deliberate creation of risk in the expectation of making a gain. There is also the possibility of sustaining a loss. Most speculative risks are one dynamic risk with the exception of gambling situations.

Pure or Static Risk or insurable risk

The second category of risk is known as pure or static risk. Pure (static) risk is a situation in which there are only the possibilities of loss or no loss, as oppose to loss or profit with speculative risk. The only outcome of pure risks are adverse (in a loss) or neutral with no loss), never beneficial.

Both the individual and business firms face different types of pure risks that pose great threat to their financial securities. The different types of pure risks that Prime Insurance Company Limited faces can be classified under any one of the followings :

(i) Personal risks (ii) Property risks (iii) Liability risks

Thus, to Prime Insurance, an insurable risk is a risk that meets the ideal criteria for efficient insurance. The concept of insurable risk underlies nearly all insurance decisions. A risk that conforms to the norms and specifications of the insurance policy in such a way that the criterion for insurance is fulfilled is termed as insurable risk. There are various essential conditions that need to be fulfilled before acceptance of insurability of any risk. The pure risks that meet the essential requirement of PICL's risk insurance are as follows:

- The loss must be due to chance.
- The loss must be definite and measurable.
- The loss must be predictable.
- The loss exposures must be large.
- The loss exposures must be randomly selected.

Risk management:

Risk management can be defined as activities that are undertaken to reduce exposure to loss. Risk management, for insurance companies, is of utmost importance because insurance is necessarily the business of risk acceptance. Hence, risk management is a fundamental aspect of the Company's business activities. Therefore, PICL's Risk management is the continuing process to identify, analyze, evaluate, and treat loss exposures and monitor risk control and financial resources to mitigate the adverse effects of loss of the Company.

Steps in risk management process:

As PICL's clients or insureds rely on it to mitigate their various types of non-life risks, the company itself also needs to seek protection from operational and investment threats. For this, Prime Insurance Company Limited follows 5 steps of risk management process to deliver a simple and effective risk management:

Step 1: Identify the Risk.

PICL identifies and defines potential risks that may negatively influence its process or product. Currently, PICL pursue the following Procedure for Insurance Policy Issue:

1. Identification of Risks
2. Quantify the Insurable value
3. Evaluate the choices
4. Proposal
5. Receive the Payment of premium
6. Policy Documentation

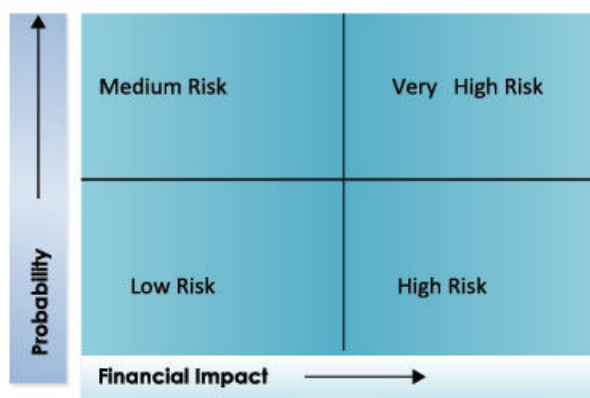
The Company always goes beyond every step of its service process and product delivery along with claim settlement procedure to identify and define its potential risks.

Step 2: Analyze the risk.

Once a specific type of risk is discovered, PICL then determines its reasons and consequences, as well as its consequences to the Company. 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. Then the Company makes decisions on whether the risk is acceptable and whether the company is willing to take it on based on its risk appetite. The workings can be depicted like this:



Step 4: Risk mitigation. During this step, PICL assesses its 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.

Prime Insurance's Risk Handling policy:

Risk Levels	Monitoring & Mitigation
Low & medium Risk	Normal Monitoring at the operational level
High Risk	Close control of all potential contributing factors by the Risk Management Team
Very High	Risks of this level should be actively tracked for decisions by High the Risk Management Committee.

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 of the Company is also always reviewed and updated accordingly.

Risk Framework:

It is known to all, risk is about uncertainty. Prime Insurance Company Limited puts a framework around that uncertainty, and effectively de-risks and minimizes the risk of any project. From historical evidence, it is found that a good risk framework needs 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 of each departments, namely underwriting, reinsurance, legal/compliance, accounts and finance, marketing and sales, branch control, claims, IT, and so on. The management of the Company is always aware - about risk-taking and risk monitoring roles of each department. For this, there are a few well-known frameworks available such as ISO 31000 risk management standard and the COSO ERM (Enterprise Risk Management - ERM).

Prime Insurance has been rated “AA-” as the Credit rating by CRISL, what shows its financial strength, Stability and Risk Management. The Company 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, the Company 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 handling the risk in a proper means. In this way, the Company always takes up the risk and improving the risk management through effective and indicative activities.

Focused Area of Risk management:

Considering all potential risks, Prime Insurance Company Limited strictly focuses on the following areas for better Insurance Management:

- Identification of Internal & External Pure Risks
- Existing Risk Control Measures Review
- Risk Inspection
- Risk Audit

- Scrutiny of Existing Insurance Covers; Coverage and Rates & Deductibles.
- Defining Standard SOP (Standard Operating Procedure) for Claims Control
- And Guidelines on documentation in this regard

Furthermore, following Key Areas are also kept in mind and considered by the Company while planning for Risk management. Some are choice of the Company and some are choice of its agents:

Choice of the Company -

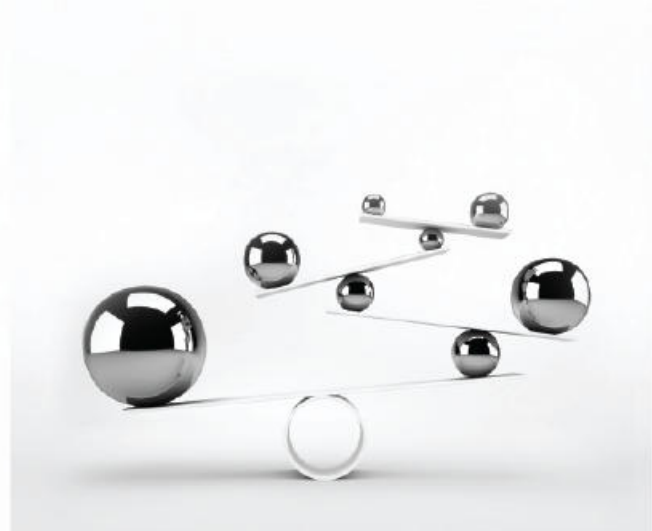
- Industry Rating
- Claims Settlement ability
- Sustainability of the company
- Service levels & infrastructure

Choice of Agent or Intermediary -

- Representation of the insurance market
- Knowledge of insurance amongst all industry segments
- Service levels & infrastructure

Risk Landscape, navigation and how PICL mitigates them:

The risk appetite policy of the Company is the key mechanism through which limits are set for material risk categories. The risk landscape of the Company encompasses risk arising from Non-Insurance Business, Market risks, Credit risks, Liquidity risk, Operational risks and Other risks are provided in following risk areas, including but not limited to:



1. Strategic Risk
2. Operational Risk
3. Business Risk
4. Underwriting Risks
5. Reinsurance Risks
6. Regulatory Risk
7. Claims Risk
8. Credit Risk
9. Management Expense Risk
10. IT Security Risk
11. Investment Risks
12. Liquidity Risk
13. Interest Rate Risk
14. Market Risk
15. Equity Risk
16. Inflation Risk
17. Foreign Exchange Risk
18. Money Laundering Risk
19. Human Resources Risk
20. Reputation Risk

The company uses Risk Management as a strategic tool to protect itself from various potential and existing risks pertaining to all the stakeholders in its business operations, while it plans for its projected growth. For each risk Prime Insurance Company has its own risk mitigation strategies, what makes the Company almost number one company in the Country in terms of claim payment ratio.

Risk	Mitigation Strategies
Strategic Risk	<ul style="list-style-type: none"> Strategies and operating performance are assessed regularly by the Board along with CEO and the top management. Financial and strategic planning is processed in the management meetings. Operating, financial and strategic business information are reviewed. Product wise strategies and key initiatives and ensures alignment between business-level and enterprise-level strategies are considered. Once the strategy is set, it is implemented throughout the year.
Operational Risk	<ul style="list-style-type: none"> Credit, market and liquidity risk are considered while operational strategies are set PICL aims to create and sustain shareholder value to execute its business strategies. PICL maintains a formal enterprise-wide operational risk management framework that emphasizes a strong risk management. For this PICL also maintains Regulatory Capital as per section 21, 23 and 24 of Insurance Act-2010 along with Solvency Margin rules and notifications.
Business Risk	<ul style="list-style-type: none"> PICL maintains a number of policies and practices to manage insurance risk. Sound product design is considered as an essential element. The vast majority of risks insured are short-term in nature, that is, they do not involve long-term pricing guarantees. Geographic diversification and product-line diversification are important elements as well. Reinsurance protection is purchased to further reduce exposure to fluctuations in claims, notably the exposure to natural catastrophes in the property and casualty insurance business. The Company also manages risk through effective underwriting and claim adjudication practices, ongoing monitoring of experience, and stress-testing scenario analysis.
Under-writing Risks	<ul style="list-style-type: none"> PICL Carries out risk surveys and portfolio reviews. The underwriting function is centralized and operates from the Head Office. Frequent audits and verifications are carried out . Carrying out underwriting as per the guidelines set by IDRA and the reinsurers' advice. Sometimes, a 'Customer Need Analysis' Form is used to identify customer requirements and sell the most appropriate policy. Frequent expense studies and product profitability studies are carried out
Reinsurance Risk	<ul style="list-style-type: none"> The outstanding Reinsurance receivables are reviewed frequently. A very close and professional relationship is maintained with all reinsurers and reinsurance brokers. A specific portion of premium is reinsured with Sadharan Bima Corporation (SBC) as well as some renowned foreign reinsurers. To reinsurance with foreign reinsurers, only reinsurers with 'A' or above ratings are used as reinsurers and globally trusted and stable portfolio of reinsurance companies which are rated highly by Standard & Poor's. Changes to the ratings of reinsurance companies are continuously monitored.

Risk	Mitigation Strategies
Regulatory Risk	<ul style="list-style-type: none"> • The Company Secretary works as the Chief Compliance Officer of the company works on administration of Board of Directors, assist the board for process later he assesses the regulatory risk management at PICL. • Communicating and advising on compliances by the Board and top management of the Company. • Management of the Company monitors and tests for adherence to certain regulatory and legal requirements, as well as the effectiveness of associated key internal controls. • Legal requirements and emerging compliance is analyzed by the Legal Department and Board Affairs Departments, in certain circumstances a calendar is also prepared in this regard. • While implementing or assisting with policies, procedures and training laws are kept in mind. • Tracking, escalating and reporting significant issues and findings to senior management and the Board. • Liaising with regulators, as appropriate, regarding new or revised legislation, or regulatory guidance or regulatory examinations. • Additionally, the Legal Department assesses legislative requirements and associated key controls across the organization, using a risk-based approach. Where any gaps are identified, action plans are implemented and are tracked to completion. • Finally, while it is not possible to completely eliminate legal risk, the Legal Department ,too, works closely with business units and other corporate areas to draft and negotiate legal agreements to manage those risks, to provide advice on the performance of legal obligations under agreements and applicable legislation, and to manage litigation to which Prime Insurance is a party.
Claim Risk	<ul style="list-style-type: none"> • Number of accidents reported from insurance policies issued by the Company is monitored on a daily basis to identify any adverse developments at the early stage. • Claims frequency and average claims size have been set as main criteria when determining the price. • The pricing grid prepared captures the geographical area of the vehicle insured and the type of vehicle to ensure higher prices are charged for vehicles insured from high risk areas and for high risk vehicle types. • Claims are reserved at a minimum time at the intimation or on the availability of information on loss of an insured. • Service standards have been set on the time taken to process claims and these are monitored by the Management as well as by the Committee for this purpose. • Independent investigators are used to investigate claims to ensure fraudulent claims are identified. • Closed file reviews are carried out periodically to identify any control lapses.
Credit Risk	<ul style="list-style-type: none"> • All other receivables, including reinsurance receivables are reviewed on a monthly basis and recoveries made on time. • Any investments in any other entity are carried out only with the explicit approval of the Investment Committee.
Management Cost Risks	<p>Management Cost of a Non-life Insurance Company is determined by the Insurance Rules-1958 (Section-39), along with section 62-63, Insurance Act-2010. The allowed cost does not match with present cost structure of the Company. So the real management cost is higher than the recognized one by National Board of Revenue (NBR). As result PICL has to pay tax on its expenses. This compels the company to pay more tax that reduces its profit .This risk can only be minimized if Government enact rules and regulation regarding this issue.</p> <ul style="list-style-type: none"> • For this what the Company can do is only to stake strategies to increase Premium Income. • Raises voice in various forums , meetings and seminars of NBR , BIA , IDRA etc
IT Security Risk	<p>Prime Insurance Company Ltd. maintains its Domain Controller (Domain Server) to manage domain users and deliver information and software services to other computers linked by network. Prime Insurance Company Limited also has Application Server, FTP Server, and Database Server, Stand by Server, Backup Server, IP-PABX Phone Server. The IT department maintains-</p> <ul style="list-style-type: none"> • 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.

Risk	Mitigation Strategies
Investment Risk	<ul style="list-style-type: none"> • A target asset allocation limits are set by the Investment Committee by the Investment Committee in consultation with the Management and Risk Committee. • Adherence to target is reviewed periodically by the Board, CEO, and CFO with investment staffs. • A special focus is placed on reviewing exposures to Equity investments. • Compliance with Investment Policy in the light of section 43 of the Insurance Act-2010, IDRA rules and best practices • They are reviewed by the Internal Audit and the Risk and Compliance Department on a monthly basis. • Legal reserve is maintained for unexpired risks.
Liquidity Risk	<p>The Company follows the Asset and Liability Management guidelines set out in the Company Investment Policy which is reviewed by the Board regularly. PICL's responses to manage this risk are:</p> <p>I. The company follows a policy of maintaining high liquid and near liquid resources.</p> <p>II. The maturity of its fixed deposits and other investments is matched as far as possible, with its outgoing commitments and obligations.</p> <p>III. Regular monitoring of its liquid resources is conducted by the Board.</p>
Market Risk – Interest Rate Risk	<ul style="list-style-type: none"> • Interest rate risk is managed within PICL's Asset vs. Liability management process and controlled via interest rate sensitivity limits. • The Company follows the Asset and Liability Management guidelines set out in the PICL Investment Policy. The guidelines are reviewed by the Board and the respective committee regularly. • Macro-economic indicators and their impact on the MICL's Investment Portfolio are monitored closely by the Board, Management and the respective committee regularly.
Equity Risk	<ul style="list-style-type: none"> • Total exposure to equity investments is made strictly within the agreed target asset allocation and sectoral equity limits. In this regard IDRA rules are strictly followed as well. • Equity investments are mostly made in fundamentally sound stocks which are identified after an in-depth research and evaluation process by the internal investment management team. • Equity portfolios are reviewed quarterly by the Investment Committee on a quarterly basis. • Impact from of market movement is monitored on a daily basis and warnings sent to CEO and CFO of high impact volatilities.
Inflation Risk	<ul style="list-style-type: none"> • The risk of varies in inflation rates is, now, considered in PICL's internal underwriting assessment model.
Foreign Exchange Risk	<ul style="list-style-type: none"> • 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.
Money Laundering Risk	<p>Adequate diligence on new and existing customers is a key part to address this risk. 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 controlling strategies of PICL are:</p> <ul style="list-style-type: none"> • The Company has its well written policy guidelines provided by Bangladesh Bank. • It ensures correct and full documentation of Proposal Form (KYC) to prevent money laundering. • It provides 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 • The Company has integrated software in the CBS regarding customer information • The Company has complied with all instructions of the regulatory authority.

Risk	Mitigation Strategies
Human Resources Risk	<p>For High Staff Turnover Ratio</p> <ul style="list-style-type: none"> • Motivating employees through rewarding schemes and trainings. • Counseling employees as and when they need counseling. • Conduct exit interviews to reduce grievance in the Company • Periodically carrying out induction programmes. • Analysis on staff turnover is reviewed by the Management and the Board. • Employee surveys are carried out on a periodic basis. <p>For Retaining Key People in the Company</p> <ul style="list-style-type: none"> • Remuneration packages are aimed to be in line with the industry to retain and attract qualified and talented staff. • Salary surveys are conducted periodically to ensure competitive salaries are given to the staff • Regular Management meetings and distribution management meetings are conducted to convey the key decisions taken at the top management level and to communicate what is happening in the Company to all members of the Management Team.
Reputational Risk	<ul style="list-style-type: none"> • Prime Insurance Company Limited's enterprise-wide Reputational Risk Management Policy is approved by the respective committee of the Board. This policy sets out the framework under which each Branch is required to implement a reputational risk policy and procedures. • The Branch-heads are designated to review reputational risk issues and to identify issues to be brought to the Management Committee of the Head Office. • PICL also has defined and documented processes to approve new products and new business. These processes involve committees with representation from the businesses and control functions, and include consideration of all aspects of a new product, including reputational risk.

To conclude, it can be summarized that 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. Fortunately, Prime Insurance Company Limited has its risk management planning (RMP) which is discussed above for you as an unbiased study on

technical risk management measures adopted and insurance practices follow will help the management of the company to manage the risk effectively and profitably. Additionally, the management of Prime Insurance Company Ltd. 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**

Business risk comes in a variety of tangible and intangible forms over the course of the business life cycle. Some risks occur during the ordinary course of corporate operations, while others are due to extraordinary circumstances that are not easily identified. Regardless of a company's business model, industry or level of earnings, business risks must be identified as a strategic aspect of business planning.

Once risks are identified, companies take the appropriate steps to manage them to protect their business assets. The most common types of risk management techniques include avoidance, mitigation, transfer, and acceptance.



Avoidance of Risk

The easiest way for a business to manage its identified risk is to avoid it altogether. In its most common form, avoidance takes place when a business refuses to engage in activities known or perceived to carry a risk of any kind. Company may avoid performing certain procedures known to carry a high degree of risk to the well-being of taking risks. Although avoiding risk is a simple method to manage potential threats to a business, the strategy also often results in lost revenue potential. Prime Insurance Company Ltd refused business with excess commission that eliminated regulatory risks. The Company also does pre-inspection in the most cases to take options of risk avoidance.

Risk Mitigation

Businesses can also choose to manage risk through mitigation or reduction. Mitigating business risk is meant to lessen any negative consequence or impact of specific, known risks, and is most often used when those risks are unavoidable.

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.

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.

Transfer of Risk

In some instances, businesses choose to transfer risk away from the organization. Risk transfer typically takes place by paying a premium to an insurance company in exchange for protection against substantial financial loss which is called reinsurance.

Insurance companies carry out risk spreading through the co-insurance and reinsurance mechanism, consisting of the participation of more companies in the provision of high-value assets. Reinsurance is a form of insurance whereby an insurance organization can transfer risk to another reinsurer, partly or fully, its payment obligations arising from the insurance contracts that it has concluded. Reinsurers play a major role for insurance companies as they allow the latter to help transfer risk, smooth income, require less capital on hand, lower claimant payouts during natural disasters, and more.

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.

Risk Acceptance

Risk management can also be implemented through the acceptance of risk. Companies retain a certain level of risk brought on by specific projects or expansion if the anticipated profit generated from the activity is far greater than its potential risk. 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.

Property and casualty insurers face many types of risks, known as exposures. ... Insurance companies can manage the risks that are insured by excluding certain types of coverage from a policy.

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

The process by which an organization introduces specific measures to minimize or eliminate unacceptable risks associated with its operations. Risk mitigation measures can be directed towards reducing the severity of risk consequences, reducing the probability of the risk materializing, or reducing the organizations exposure to the risk.

Risk management planning has 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.

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

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

Among the main objectives of Prime Insurance creating the counterpart of risk, financial security is one of them. Prime Insurance imparts technical capacity in a professional manner to the clients and loss adjusters. In turn, the departure adjusters and clients can recover the risk to a substantial degree and minimize the possibility of a number of misfortunes. The handling of salvage at the heels of ceasing to exist by the loss adjusters further contributes much to the decrease of losses. Understanding risk of an organization is exposed; the organization can make decisions about the adequacy of those exposures.

When workable level of impact of those risks is understood, the frequency of undesirable incident has been established, or brings these risks down to the tolerable level then something needs to be done.

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

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

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

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

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

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

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





DISCLOSURE OF RISK REPORTING

Prime Insurance Company Limited (PICL) 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:

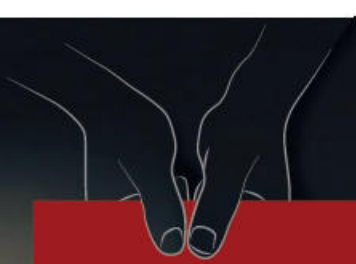
- Clear, balanced and understandable.
- Includes all the insurer's key activities and risks.
- Presents relevant information.
- Consistent over time.
- Comparable among insurers.
- Provided on a timely basis.

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 the Company clears the terms and conditions of each new policy issued. For new and valued clients PICL 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 Company Limited 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-Year Key operating results and Financial data (as on 31 December)

Particulars	Amount in Million (BDT)					
	2019	2018	2017	2016	2015	2014
Operational Performance						
Gross Premium income (Turnover) :	711.68	682.84	669.07	535.01	579.55	550.45
Re-insurance ceded	574.33	441.57	414.54	337.95	367.72	249.47
Un-Expired risk reserve retained preceding year	96.68	102.10	78.86	90.27	120.41	107.54
Net premium income :	137.35	241.27	254.53	197.06	211.84	300.98
Management expenses (Allocable)	120.87	123.92	121.58	115.28	132.26	128.90
Management expenses (Un-allocable)	20.22	22.22	25.43	21.09	18.50	24.85
Net claims	(8.35)	(6.18)	38.89	4.52	(4.91)	19.87
Reserve for Un-Expired risk on business	55.38	96.67	102.10	78.86	90.27	120.41
Operating Profit/(loss)	106.53	101.73	85.54	79.37	118.27	102.99
Interest income	19.39	14.14	12.02	21.51	28.88	39.11
Share investment income	(27.97)	(20.51)	31.95	15.95	0.27	15.55
Dividend income	5.51	4.76	6.52	4.84	3.88	3.76
Others income	1.61	0.62	0.08	1.29	1.43	1.93
Profit / (Loss) before tax	84.86	78.53	110.67	101.88	133.01	138.53
Tax provision	67.37	32.66	21.96	26.30	46.53	40.18
Net Profit / (Loss) After Tax	17.49	45.87	88.72	74.23	86.21	98.35
Earning before interest, Dep & Tax	93.95	89.20	122.81	111.27	143.24	147.56
Profit / (Loss) after tax & reserve	17.49	42.64	76.68	61.20	58.97	60.20
Earnings Per Share (EPS) after Tax	0.43	1.12	2.17	1.82	2.11	2.41
Profitability and Performance Ratios:						
Gross Profit Margin Ratio (%)	11.92	11.50	16.54	19.04	22.95	25.17
Operating income Ratio (%)	26.06	24.89	20.93	19.42	28.93	26.45
Net Profit Margin Ratio (after Tax) (%).	2.46	6.72	13.26	13.87	14.88	17.87
Return on Assets Ratio (%)	1.28	3.52	7.26	6.68	7.58	8.27
Return on Equity Ratio (%)	2.62	6.65	12.57	11.08	13.33	14.82
Operating Cash Flow to Net Profit Ratio (%)	998.80	(7.19)	23.53	(74.66)	(82.15)	85.19
Earning Per Share before tax (Taka)	2.08	1.92	2.71	2.49	3.30	3.56
Earning Per Share after tax (Taka)	0.43	1.12	2.17	1.82	2.11	2.41
Liquidity Ratios :						
Current Ratio (Times)	1.49	1.54	1.69	2.13	2.03	1.88
Quick Ratio (Times)	1.58	1.52	1.67	2.12	2.02	1.88
External liability ratio (%)	51%	47%	42%	40%	43%	44%
Internal capital generation ratio (%)	78%	78%	79%	78%	77%	77%
Debt to Equity Ratio (Times)	0.51	0.47	0.73	0.66	0.76	0.79
Debt to Assets Ratio (Times)	1.95	2.12	2.36	2.52	2.32	2.26
Return on shareholders fund after tax (%)	2.62	6.65	12.57	11.08	13.33	14.82
Return on Capital Employed after tax (%)	1.28	3.52	7.26	6.68	7.58	8.27
Net Operating Cash flow per share Taka	4.27	(0.08)	0.51	(1.36)	(1.73)	2.15
Net Operating Cash flow (in million Taka)	174.69	(3.30)	20.88	(55.42)	(70.82)	83.78

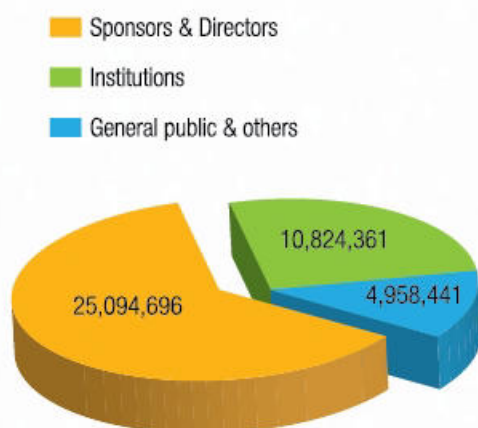
Particulars	Amount In Million (BDT)					
	2019	2018	2017	2016	2015	2014
Operating Ratios:						
Retention ratio (%)	19%	35%	38%	37%	37%	55%
Net claims ratio (%)	(0.06)	(0.026)	15.28%	2.29%	-2%	6.60%
Accounts receivable on turnover ratio	98.90	113.16	95.22	96.63	92.83	74.55
Inventory on turnover ratio (Times)	3.28	3.71	3.94	4.35	4.28	3.84
Net assets turnover ratio	93.69	101.07	105.46	125.24	111.62	120.52
Financial Position:						
Authorized Share Capital (Taka in Million)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Shareholders Equity/Paidup capital	408.77	408.77	408.77	408.77	408.77	389.31
Internal capital generaion	516.77	540.16	555.60	520.03	496.9	513.42
Shareholders funds	666.77	690.16	705.60	670.03	646.90	663.42
Reserve & Contingent accounts	242.08	281.38	296.83	261.26	303.41	274.11
Current liabilities	698.63	613.82	517.22	441.19	490.10	526.39
Current assets :	1038.38	943.71	872.97	940.61	995.19	992.14
Account receivable (Amount due from other Persons & Sundry Debtors)	703.86	772.70	637.10	516.97	537.97	410.35
Inventories (Stationery & Stamp)	3.97	4.60	4.79	5.02	5.66	4.95
Total Assets :	1,365.40	1303.97	1222.82	1111.22	1137.00	1189.81
Solvency Analysis :						
Times Interest Earned Ratio(%)	110.86	30.83	13.55	28.98	33.50	39.77
Debt to Shareholders Equity Ratio (Times)	1.05	0.89	0.73	0.66	0.76	0.79
Required Solvency Margin	90.78	92.93	86.23	68.17	74.90	71.97
Available Solvency Margin	388.1	346.96	472.8	332.93	361.09	387.03
Solvency Margin Ratio (Times)	4.28	3.73	5.48	4.88	4.82	5.38
Financial Position (Balance Sheet Analysis) :						
Shareholders funds	666.77	690.16	705.60	670.03	646.90	663.42
Property, plant & equipments	190.43	199.15	211.89	57.94	57.65	45.49
Current assets :	1038.38	943.71	872.97	940.61	993.31	992.14
Current liabilities :	698.63	613.82	517.22	441.19	490.10	526.39
Investable Assets Quality :						
Total Investment :	535.59	407.76	452.88	597.55	679.91	858.65
Cash at Bank (STD & CD Account)	32.75	55.84	45.58	50.63	35.10	46.35
Fixed Deposit Receipts (FDR)	269.40	86.40	164.94	164.40	294.80	406.30
Share Investment	104.04	136.12	128.96	103.67	75.16	152.19
Bangladesh Govt.Treasury Bond	25.00	25.00	9.00	9.00	9.00	9.00
Advance against building property	104.40	104.40	104.40	269.85	265.85	244.81
Fixed Assets:						
Property, Plant & Equipments	190.43	199.15	211.89	57.94	57.65	45.49
Other assets	639.38	697.07	558.06	455.73	399.44	285.67
Total Assets :	1,365.40	1303.97	1222.82	1111.22	1137.00	1189.81
Others Information :						
Number of outstanding shares during the year (In Crore)	40.88	40.88	40.88	40.88	40.88	38.93
Branch Offices	17	18	18	19	20	20
No. of Shareholders as at December	2045	2193	2001	2238	2941	3752
Number of Employee's as at December	173	187	189	211	256	297

Position of SHAREHOLDING

The shareholding position of the company distributed according to the Sponsor and Directors holding, Institutions holding and holding by the General Public in 2019 and 2018. Sponsors and Directors' shares increased because of changed took place in the position of the Directors during the year-2019. Institutional Directors are holding significant shares of the company in 2019 compared with 2018. Distribution of shareholders and category wise share holding position are given below:

Category of Shareholders	For the year-2019		For the year-2018	
	No. of shareholding	% of holding	No. of shareholding	% of holding
A. Group-A -Sponsors & Directors : 1,40,05,276 shares of Tk.10 each fully paid in cash.	25,094,696	61.39%	14,004,631	34.26%
B. Institutions: 4958441 of Tk. 10 each	4,958,441	12.13%	11,854,474	29.00%
C. General Public 108,54,474 shares of Tk.10 each fully paid in cash	10,824,361	26.48%	15,018,393	36.74%
Total (A+B+C)	40,877,498	100%	40,877,498	100%
Strategic buyer :				
1. Bank,ICB's,MF & Insurance	-	0.00%	-	0.00%
2. Employee's	-	0.00%	-	0.00%
3. ICB Investors Accounts	-	0.00%	-	0.00%
4. Fareast Islami life Insurance Ltd	3,754,006	9.18%	-	0.00%
4. Ramisha BD. Ltd.	-	0.00%	2,500,000	6.12%
4. Fareast Islami Securities Ltd	-		2,595,000	6.35%
Total Number of Weighted Shares (A+B)				

Shareholding position 2019 (in number)



Shareholding position 2018 (in number)



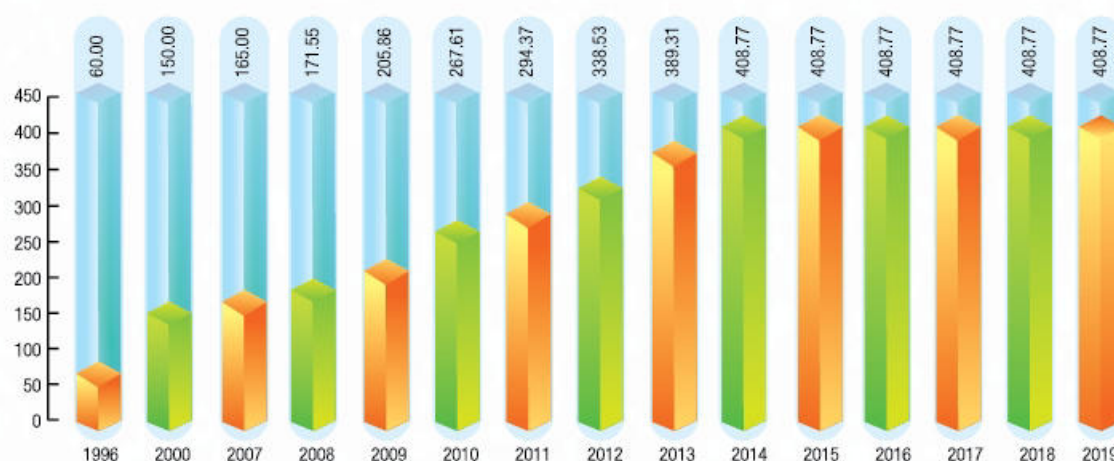
The Growth of PAID-UP CAPITAL

Prime Insurance Company Limited. has started its business journey with initial share paid-up capital of Tk. 60.00 Million in 1996. In 2000, the Company has received of Tk. 90.00 million by Initial Public Offering shares (IPO) and total share paid-up capital stood Tk.150.00 million. One of the main objectives of Prime Insurance Company is to provide consistently lucrative good return to its shareholders and buildup its strength and solvency. From the history it may be observed that company has been maintaining a stable and attractive dividend policy in line with the sound underwriting profit and investment results. During the year, the company has declared

no dividend due to provision pending tax liability for disallowable management expenses by Deputy Commissioner of Taxes (DCT). After increasing share paid-up capital by way of stock dividend the total share paid-up capital at present stood at Tk.408.77 million in 2019. The Company has also a policy of preparation of its Accounts and holding of AGM in stipulated time. At a glance the history of increasing Share Paid-Up Capital of the company is stated below:

Year	Particulars	No. of shares increased	Value Per Share (Taka)	Increased Value (in Taka)	Cumulative share paid-Up Capital (in Taka)
1996	As per MOA & AOA	6,000,000	100	60,000,000	60,000,000
2000	Initial Public offerings	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	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
2019	(0%) No dividend		10		408,774,980

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



Number of SHAREHOLDERS

Shareholders and investors always wanted maximum returns of their investment and the Board of Directors also wants paying out dividends is obviously generating the more income from operation, investment at secondary share market, fresh investment by IPO share application and placement of shares various company and to reinvest of investable assets (FDR) higher profit/interest. The dividend policy of the company has always been to pay a

satisfactory return to its shareholders and investors every year. In 2019, the Company has declared no dividend from current years profit earnings to its shareholders and stakeholders at its 325th Board Meeting held on February 22, 2020 subject to the approval of the AGM. On trust of Honorable Board of Directors & management the Company the following number of shareholders hold their shares at the end of the year December 31, 2019.

Year wise shareholding position of shareholders are given belows(As at December 31) :

Year	No. of shareholders	Growth	% of growth
2014	3752	-	-
2015	2941	(811)	(27.58)
2016	2238	(703)	(31.41)
2017	2001	(237)	(11.84)
2018	2193	192	8.76
2019	2045	(148)	(13.94)

Number of Shareholders



Equity STATISTICS

Prime Insurance Company generated increased business growth and recorded premium income as compared to its previous year. The Company changed its dividend policy and decided not to declare dividend for the year 2019. At the time of dividend declaration, certain factors is considered as part of equity like : Retained earnings, Earnings Per Share (EPS), Net Assets Value (NAV), Net Assets Value Per Share, Market Shares Capitalization, Dividend equalization fund, Reserve fund etc. Overall, equity statistics of Prime Insurance Company important to the Stakeholders is stated below:



Particulars	Amount In Million Taka				
	2019	2018	2017	2016	2015
Authorized Capital (in 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	408.77
As Per MOU & AOA	60.00	60.00	60.00	60.00	60.00
Initial Public Offerings (IPO)	90.00	90.00	90.00	90.00	90.00
Bonus Share issue (in million Taka)	258.77	258.77	258.77	258.77	258.77
Net Assets Value (in Million BDT)	666.77	690.16	705.60	670.03	646.9
Net Assets Value Per Share (BDT)	16.31	16.88	17.26	16.39	15.83
Market Shares Capitalization (in Million BDT)	1,062.80	560.01	784.84	743.97	613.16
Earnings Per Share (after Tax) BDT.	0.43	1.12	2.17	1.82	2.11
Total Assets	1,365.40	1,303.97	1,222.82	1,111.22	1,137.00

Reserve & Contingent Liabilities

Particulars	Amount In Million Taka				
	2019	2018	2017	2016	2015
Reserve for exceptional claims losses	242.08	228.34	210.25	191.16	171.45
Investment fluctuation fund	-	-	-	-	-
General reserve	10.40	10.40	9.90	8.90	7.70
Retained earnings	5.51	42.64	76.68	61.19	58.97
Total:	257.99	281.38	296.83	261.25	238.12



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 quarries relating to shareholders' transfer of shares, changes of name and addresses and payment of dividend etc. should be sent to the following address or to the direct address of the Chief Executive Officer.

Share Department

E. H. Khan

SEVP & 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 however maintaining a good and lucrative dividend payment policy to its stakeholders and investors up to 2018, but the year 2019 was different. Stakeholders & Shareholders always expected highest returns along with Company strength. this year Directors concerned about strength rather than paying dividend. The dividend policy of the company was to pay from current year profit after providing for depreciation, Tax, and transfer to reserves fund, appropriation, if any, in accordance with law. If the current year's profit is not adequate then the company may declare dividend out of accumulated distributable from previous year.

Measures of Dividend Policy:

Dividend payout: Dividends/Net income

- Measures the percentage of earning that the company pays in dividends.
- If the net income is negative the payout ratio cannot be computed.

Dividend Yield: Dividend per share/Stock price

- Measures the return that investor can make dividends alone.
- Becomes part of the expected return on the investment.

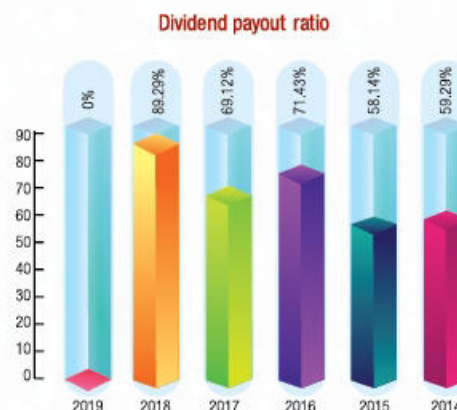
The Company has fulfilled adequate minimum requirement of Paid-up Capital as per Insurance Act, 2010. During the last few years the company declared only stock dividend with view to strengthening its Paid-up capital. The company has changed its stock dividends policy after fulfillment of minimum Paid up Capital requirement of Tk.40 (forty Crore) only. In this connection, the Company has been declared cash dividends for the year from 2014.

Considering the performance of the Company as like as Revenues, Cash Flows, Financial position, Capital requirements, profit earnings during the year, liquidity, and analysis of assets & liabilities etc of the Company the Board of Directors in its meeting No-325 held on 22 February 2020 has recommended no dividend for the year ended December 31, 2019 on Paid-up Capital of TK. 40,87,74,980/= subject to approval in the 24th Annual General Meeting. The management tries to maintain the trust of Shareholders and due to this, the Board of Directors allocate good dividend and the said dividend will be distributed among the shareholders account within stipulated time as prescribed in the law. Last 6 years stock and cash dividend ratios and graph are given below :

Payment to the Shareholders as Stock dividend & Cash dividend Ratios

Year	2019	2018	2017	2016	2015	2014
Cash dividend payment Ratio (%)	0%	10%	15%	13%	12.50%	10%
Stock dividend payment ratio (%)	0%	0%	0%	0%	0.00%	5%
Total Dividend Paid (%)	0%	10%	15%	13%	12.50%	15%

6 Years dividends paid and dividend payout ratio graphical status are given in graphs:



Corporate IT & WEBSITE INFORMATION

Prime Insurance Company Ltd has been operating integrated software IIMS (Integrated Insurance Management System) and its operation is automated. 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 Company Ltd has its 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 and its guideline.



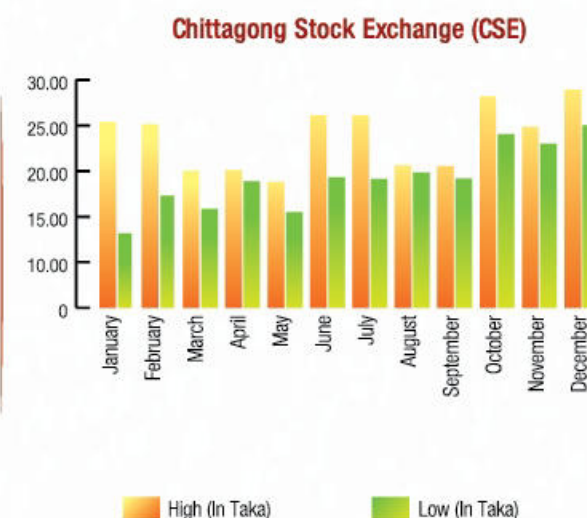
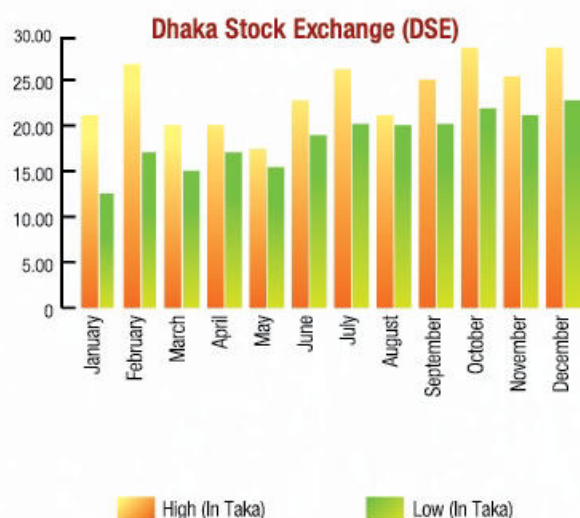
Market Share Price of COMPANY'S PAID-UP CAPITAL (DSE & CSE)

The Company has been listed with both Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd (CSE) on March 21, 2001 & March 22, 2001 respectively. The shares of Prime Insurance are traded freely without any interference from the Directors and sponsor shareholders. PICL share price increases with the increase

in the demand for its shares in 2019. In 2019, PICL share price reached highest price of Tk. 28.80/- in the month of December and lowest price of Tk. 13.50 in the month of January at Dhaka Stock Exchange (DSE).

PICL shares traded in the market (DSE & CSE) monthly highest and lowest price position are given below:

Months in 2019	Dhaka Stock Exchange (DSE)		Chittagong Stock Exchange (CSE)	
	High (Tk)	Low (Tk)	High (Tk)	Low (Tk)
January	27.5	13.50	26.10	13.50
February	26.30	17.90	25.60	17.70
March	20.20	15.00	20.60	16.30
April	21.30	16.10	20.50	18.20
May	19.90	15.70	19.50	17.80
June	24.50	18.70	26.10	19.20
July	26.50	20.50	27.00	19.30
August	22.70	20.90	22.20	20.60
September	25.60	21.10	25.40	21.20
October	28.30	23.40	28.00	24.00
November	26.30	22.70	25.30	23.50
December	28.80	23.00	29.00	25.80



Market CAPITALIZATION OF SHARES

Capital market is a volatile and risky 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 2019. In 2019, Market capitalization of the company is Tk.1,062.81 million while it was Tk.560.02 million in the year 2018. Overall, market trends for last few years treated as downward moving. In 2019, it reveals that market trends has been going further downward to demotivate investment to all investors & stakeholders. During the year, the Government has declared some incentives to increase of the share price of market and its market capitalization. So, the capital market will be raising up in future.

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

Particulars	2019	2018	2017	2016	2015
Number of weighted Shares	40,877,498	40,877,498	40,877,498	40,877,498	40,877,498
Market closed price as on 31, December (DSE)	26.00	13.70	19.20	18.20	15.00
Market Shares Capitalization (in BDT)	1,062,814,948	560,021,723	784,847,962	743,970,464	613,162,470

PICL Market Share Capitalization (in Million Taka)

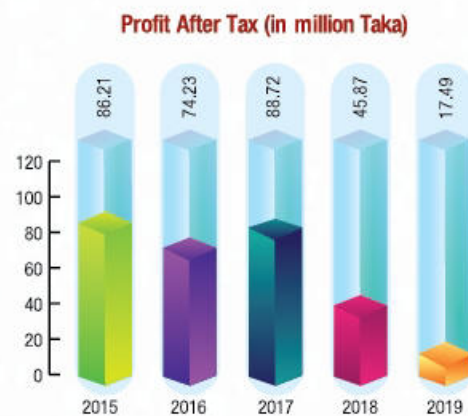
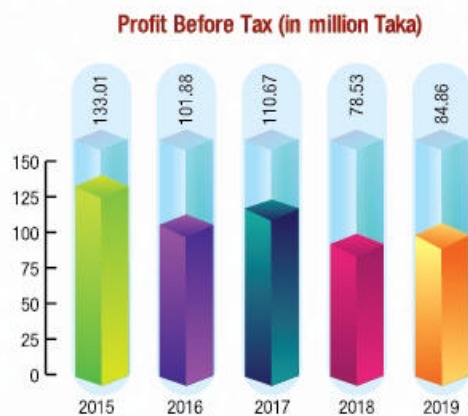
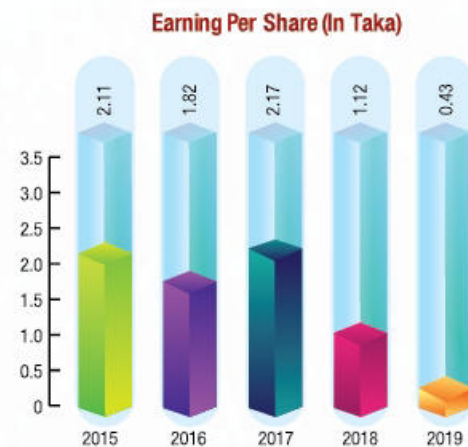
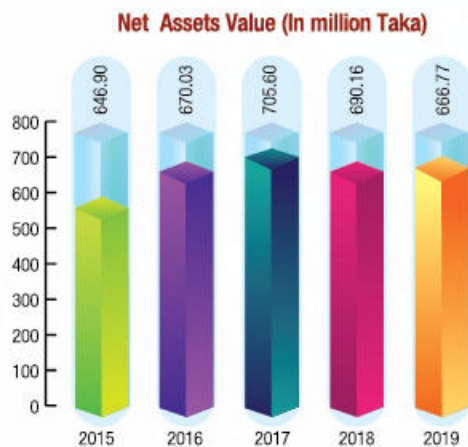
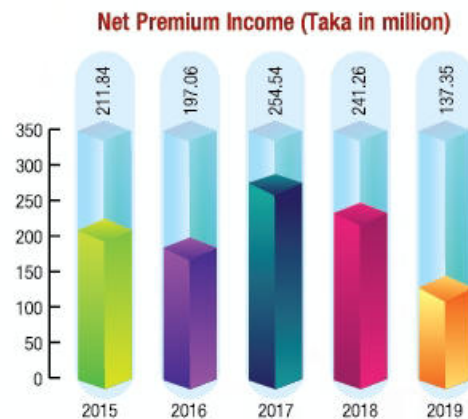
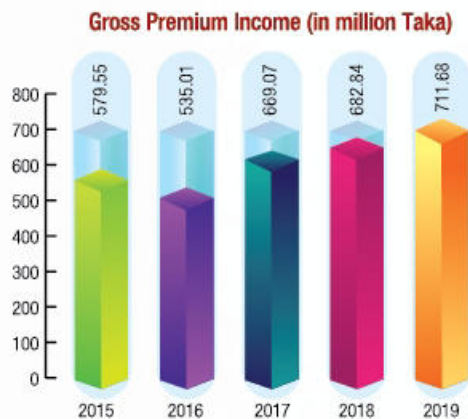




GRAPHICAL **PRESENTATION**



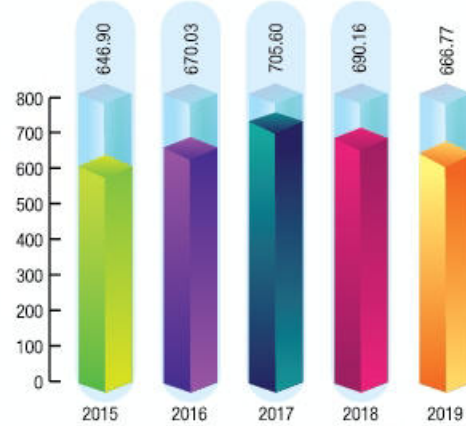
Graphical SEGMENT INFORMATION



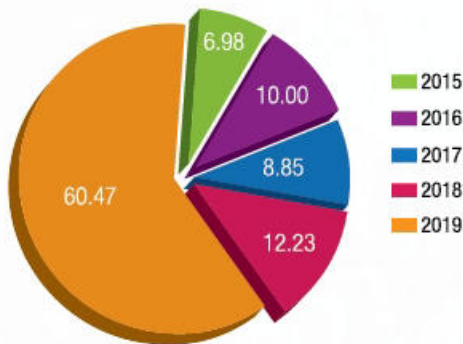
Stock & Cash dividend Paid Percentage



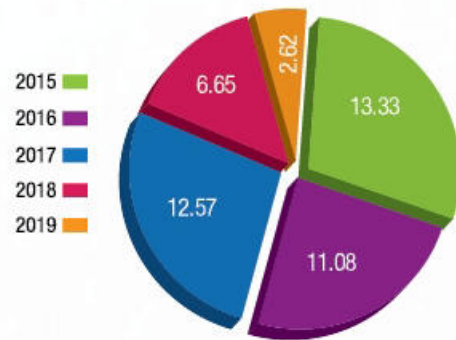
Shareholders Fund (Taka in million)



Price Earning Ratio (Times)

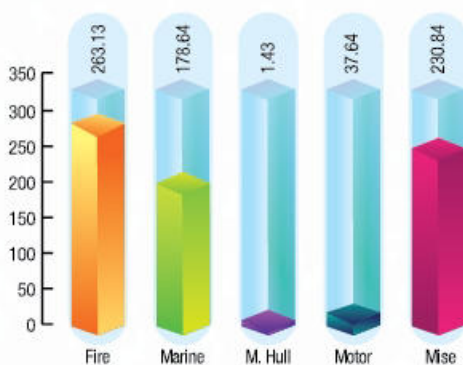


Return on Shareholders Fund/Equity(%)

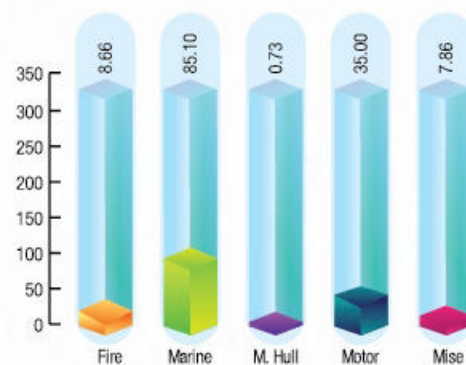


Segment Wise Operating Performance in Graphs

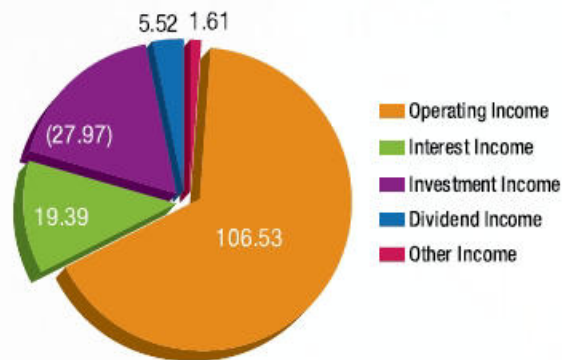
Class Wise Gross Premium Income-2019



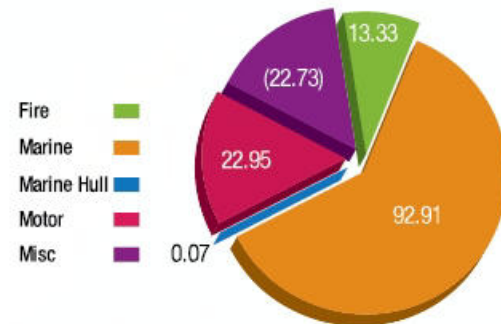
Class Wise Net Premium Income-2019



Segment Wise Income-2019 (In Million Taka)



Class Wise Operating Income-2019 (In Million Taka)



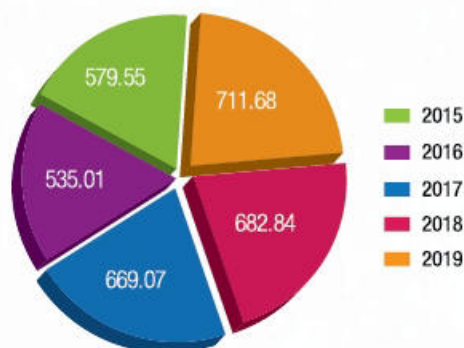
Earning Before Interest, Depreciation & Tax (In million Taka)



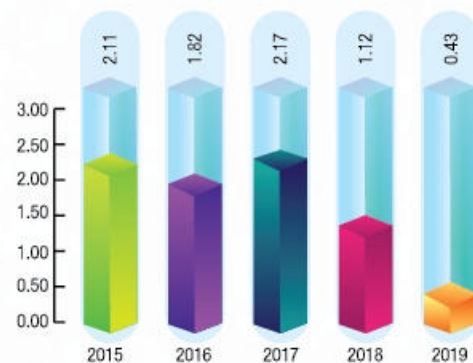
Gross profit Margin Ratio (%)



Total Reveune (Gross Premium Income) (Taka in Million):



Earnings Per Share After Tax & Reserve



Earnings Per Share Before Tax



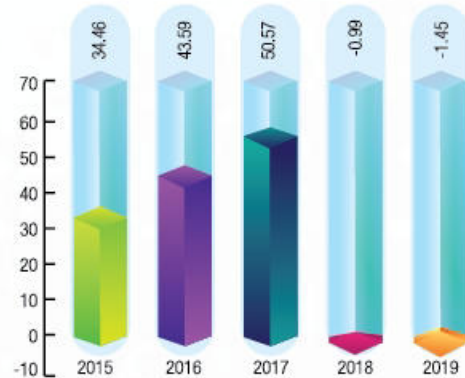
Return on Assets ratio (%)



Operating Profit (Taka in million)

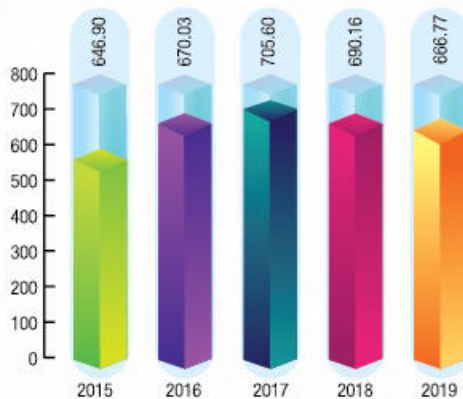


Investment & Others Income (in million Taka)



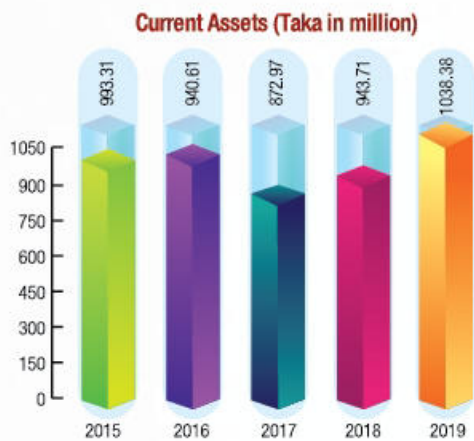
Statement of Financial Position (Balance Sheet)

Shareholders Fund and Equity (In million Taka)

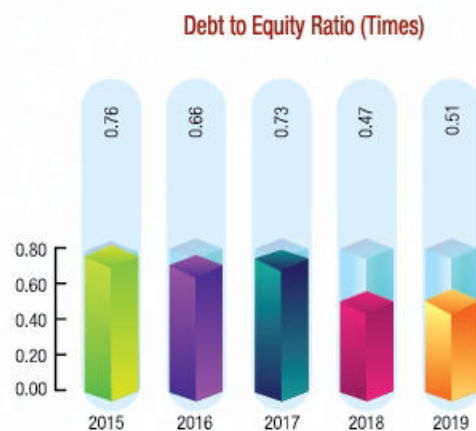
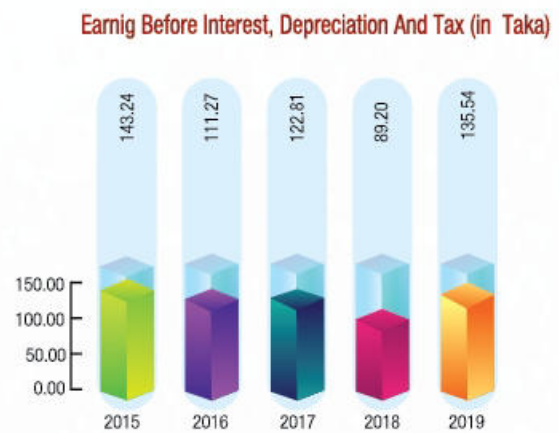
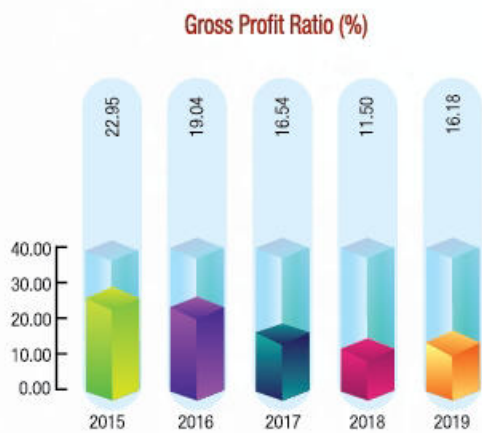


Property, Plant, Equipment (Taka in million)





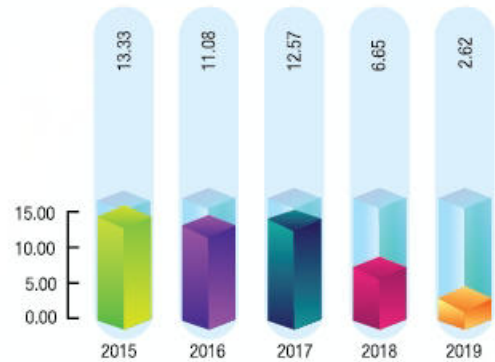
Profitability/Dividends/ Performance and Liquidity Ratios



Price Earnings Ratio (times)



Return On Shareholders Equity Ratio (After Tax)



Stock Dividend Payout Ratio (%)



Dividend Yield Ratio (%)



Quick Ratio (Times)

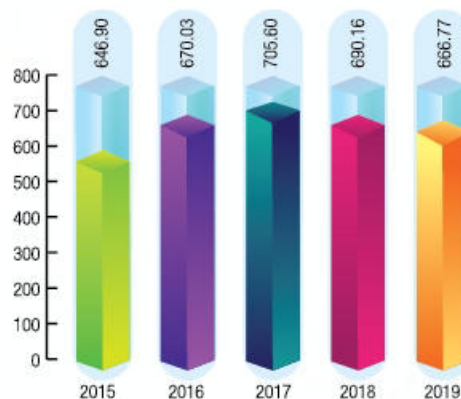


Other financial Information

Total Assets (Taka in million)



Net Assets Value (Taka in million)



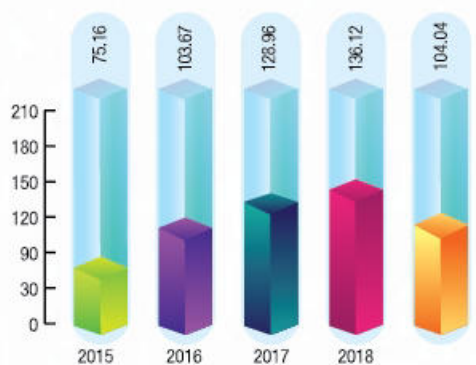
Net Assets Value Per Share



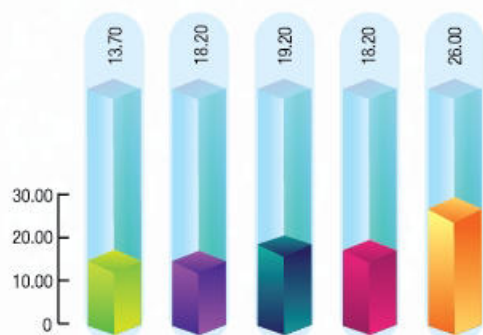
FDR Position : (Amount in Million)



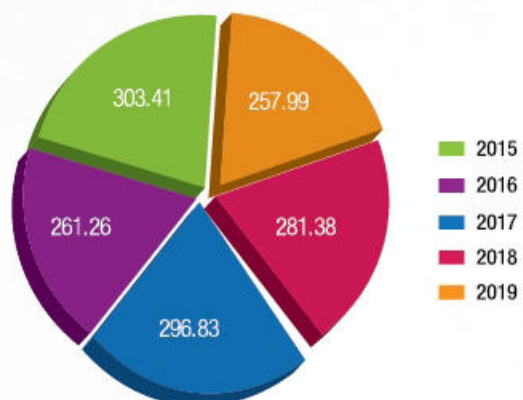
Share Investment (Taka in million)



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 achieved a sustainable growth of business and profitability as per information given below. Following statements and graphical presentation of operational performance and financial position indicates its growth/(declined) of the company performance for the year ended December 31, 2019 and 2018. Horizontal and Vertical performance analysis of the company are the main concerned of discussion:

Horizontal Performance analysis of the Company are given as under:

Performance of the Company :

In million Taka

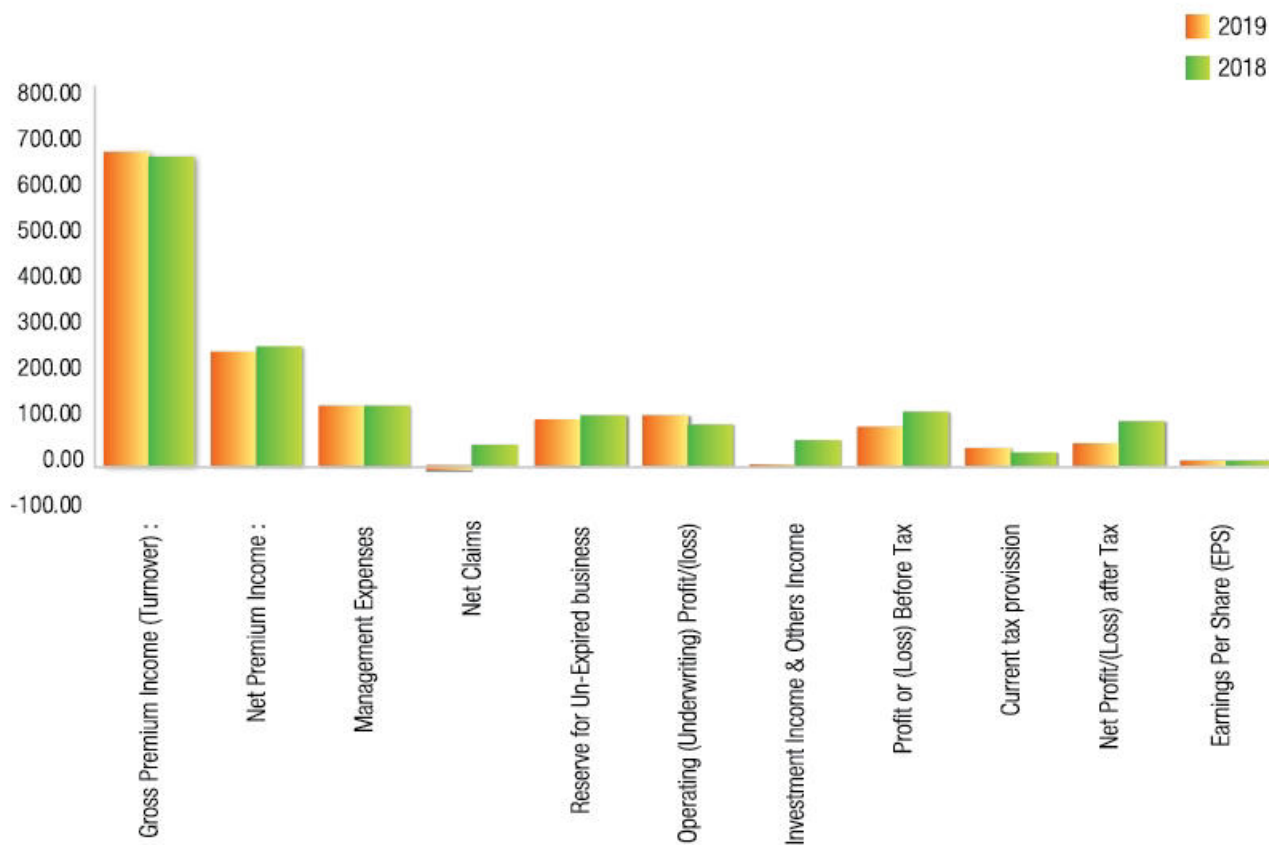
Particulars/Year	2019	2018	Growth	Growth %
Gross premium income (Turnover) :	711.68	682.84	28.84	4.22
Reinsurance ceded premium	574.33	441.57	132.76	30.07
Net premium income :	137.35	241.27	(103.92)	(25.84)
Management expenses (Charge to Revenue A/c)	120.88	123.92	(3.04)	(2.45)
Management expenses (Charge to P/L A/c)	20.22	22.22	(2.00)	(9.00)
Reserve for Un-expired risk of business	55.38	96.67	(41.29)	(42.71)
Net Claims	(8.35)	(6.18)	(2.17)	35.11
Operating (Underwriting) Profit/(loss)	106.53	101.73	4.80	4.72
Investment income & Others income	(1.45)	-0.99	(0.46)	46.46
Profit / (loss) before tax	84.86	78.53	6.33	8.06
Current tax provision	67.37	32.66	34.71	106.28
Net Profit / (loss) After Tax	17.49	45.87	(28.38)	(61.87)
Earning Per Share (EPS) after Tax (In Taka)	0.43	1.12	(0.69)	(61.61)

Vertical performance analysis of the company are given below:

In million Taka

Particulars/Year	2019	Growth %	2018	Growth %
Gross premium income (Turnover) :	711.68	-	682.84	-
Reinsurance ceded premium	574.33	80.70	441.57	64.67
Net premium income :	137.35	19.30	241.26	35.33
Management expenses (Charge to Revenue A/c)	120.88	16.99	123.92	18.15
Management expenses (Charge to P/L A/c)	20.22	2.84	22.22	3.25
Reserve for Un-expired risk of business	55.38	7.78	96.67	14.16
Net Claims	(8.35)	(1.17)	(6.18)	(0.91)
Operating (Underwriting) Profit/(loss)	106.53	14.97	101.73	14.90
Investment income & others income	(1.45)	(0.20)	-0.99	(0.14)
Profit / (loss) before tax	84.86	11.92	78.53	11.50
Current tax provision	67.37	9.47	32.66	4.78
Net profit / (loss) after tax	17.49	0.02	45.87	6.72
Earning Per Share (EPS) after Tax (In Taka)	0.43	0.06	1.12	0.16

2 Years Comparative Operational Performance are shown in graphs is under:



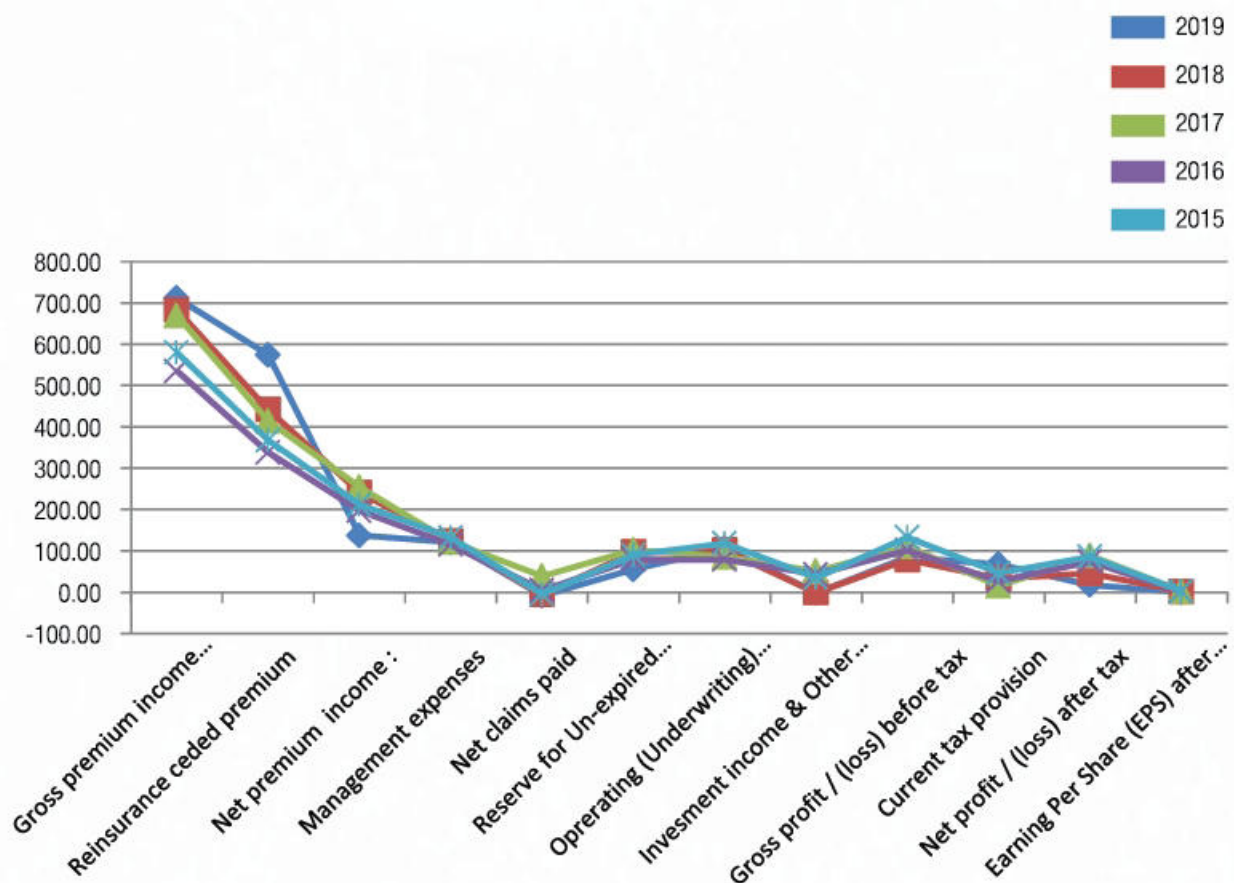
5 YEARS OPERATIONAL PERFORMANCE ARE GIVEN BELOW :

Operational Performance :

In million Taka

Particulars/Year	2019	2018	2017	2016	2015
Gross premium income (Turnover) :	711.68	682.84	669.07	535.01	579.55
Reinsurance ceded premium	574.33	441.57	414.54	337.95	367.72
Net premium income :	137.35	241.27	254.54	197.06	211.84
Management expenses	120.88	123.92	121.58	115.28	132.26
Net claims paid	(8.35)	(6.18)	38.89	4.52	(4.91)
Reserve for Un-expired business	55.38	96.67	102.10	78.86	90.27
Operating (Underwriting) Profit/(loss)	106.53	101.73	85.54	79.37	118.27
Investment income & Other income	(1.45)	(0.99)	50.57	43.54	34.46
Gross profit / (loss) before tax	84.86	78.53	110.67	101.88	133.01
Current tax provision	67.37	32.66	15.67	26.33	46.53
Net profit / (loss) after tax	17.49	45.87	88.72	74.23	86.20
Earning Per Share (EPS) after Tax (in Taka)	0.43	1.12	2.17	1.82	2.11

At a Glance 5 Years Operational Performance (in graphs):



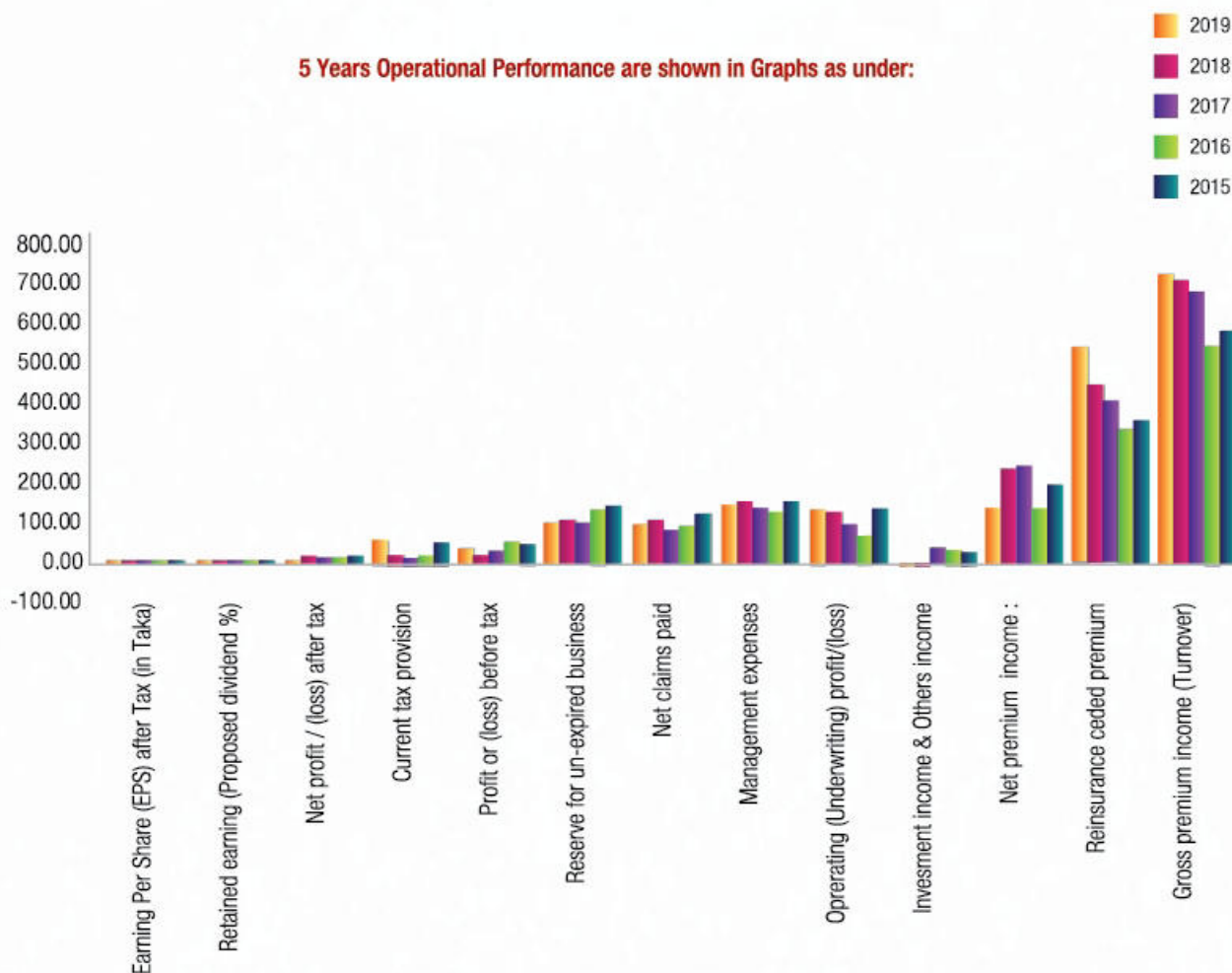
5 YEAR OPERATIONAL PERFORMANCE ARE SHOWN IN GRAPHS AS UNDER:

Operational Performance :

In million Taka

Particulars/Year	2019	2018	2017	2016	2015
Earning Per Share (EPS) after Tax (in Taka)	0.43	1.12	2.17	1.82	2.11
Retained earning (Proposed dividend %)	-	10.00	15.00	13.00	12.50
Net profit / (loss) after tax	17.49	45.87	88.72	74.23	86.21
Current tax provision	67.37	32.66	15.67	26.33	46.53
Profit or (loss) before tax	84.86	78.53	110.67	101.88	133.01
Reserve for un-expired business	55.38	96.67	102.10	78.86	90.27
Net claims paid	(8.35)	(6.18)	38.89	4.52	(4.91)
Management expenses	120.88	123.92	121.58	115.28	132.26
Opererating (Underwriting) profit/(loss)	106.53	101.73	85.54	79.37	118.27
Investment income & Others income	(1.45)	(0.99)	50.57	43.54	34.46
Net premium income :	137.35	241.27	254.54	197.06	211.84
Reinsurance ceded premium	574.33	441.57	414.54	337.95	367.72
Gross premium income (Turnover) :	711.68	682.84	669.07	535.01	579.55

5 Years Operational Performance are shown in Graphs as under:



Financial Position Analysis

Prime Insurance company has been enjoyed a successful 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) :

In million Taka

Year	2019	2018	Growth	Growth %
Shareholders fund /equity	666.77	690.16	-23.39	-3.39
Property plant & equipment	190.43	199.15	-8.72	-4.38
Current assets :	1,038.38	943.71	94.67	10.03
Current liabilities :	698.63	613.82	84.81	13.82
Total Assets	1365.4	1303.97	61.43	4.71

Financial position (Balance sheet Items) :

In million Taka

Year	2019	% on total Assets	2018	% on total Assets	Growth /Declined % over 2018
Shareholders fund /equity	666.77	48.83	690.16	52.93	-4.09
Property plant & equipment	190.43	13.95	199.15	15.27	-1.33
Current assets :	1038.38	76.05	943.71	72.37	3.68
Current liabilities :	698.63	51.17	613.82	47.07	4.09
Total Assets	1365.40		1303.97	61.43	4.71

5 Years Financial Position (Balance Sheet Analysis)

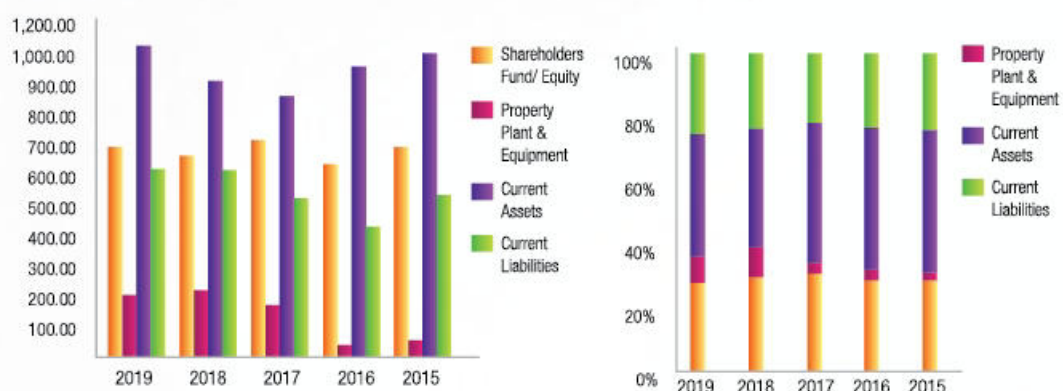
Prime Insurance Company Ltd has been maintaining a sustainable growth of business performance and profitability in the recent years in its position. 5 years comparative financial position of the company is given below:

Financial position (Balance sheet Items) :

In million Taka

Particulars/Year	2019	2018	2017	2016	2015
Shareholders fund /equity	666.77	690.16	705.60	670.03	646.90
Property plant & equipment	190.43	199.15	211.89	57.97	57.65
Current assets :	1038.38	943.71	872.97	940.6	993.31
Current liabilities :	698.63	613.82	517.22	441.19	490.10
Total Assets	1365.40	1303.97	1222.82	1111.22	1,137.00



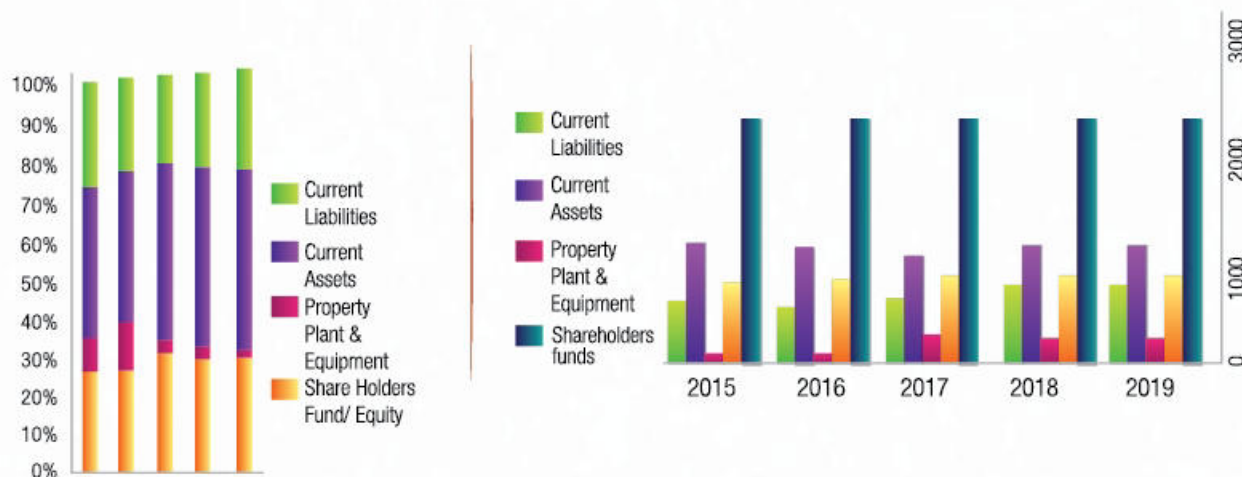


Financial Position (Balance sheet analysis)

Balance sheet Items :

In million Taka

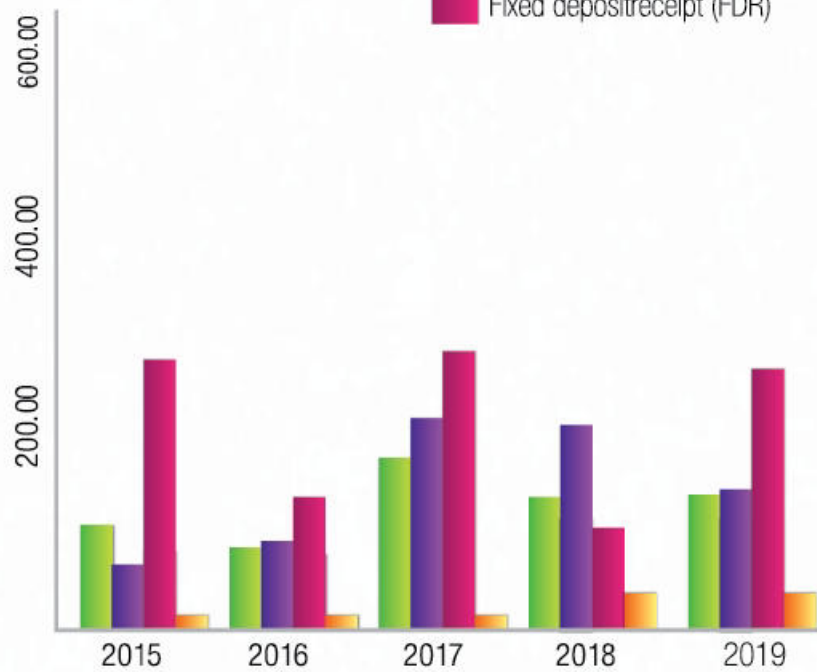
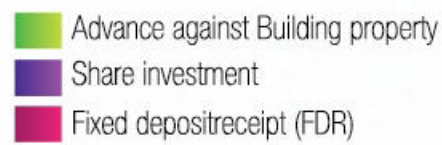
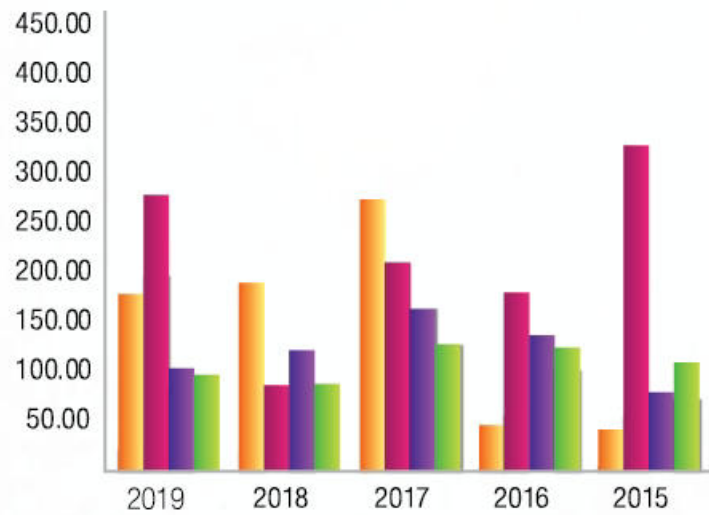
Particulars/Year	2019	2018	2017	2016	2015
Shareholders funds	666.77	690.16	705.6	670.03	646.90
Property, plant & equipment	190.43	199.15	211.89	57.97	57.65
Current assets	1038.38	943.71	872.97	940.61	995.19
Current liabilities	698.63	613.82	517.22	441.19	490.1
Total Assets	1365.40	1303.97	1222.82	1111.22	1,137.00



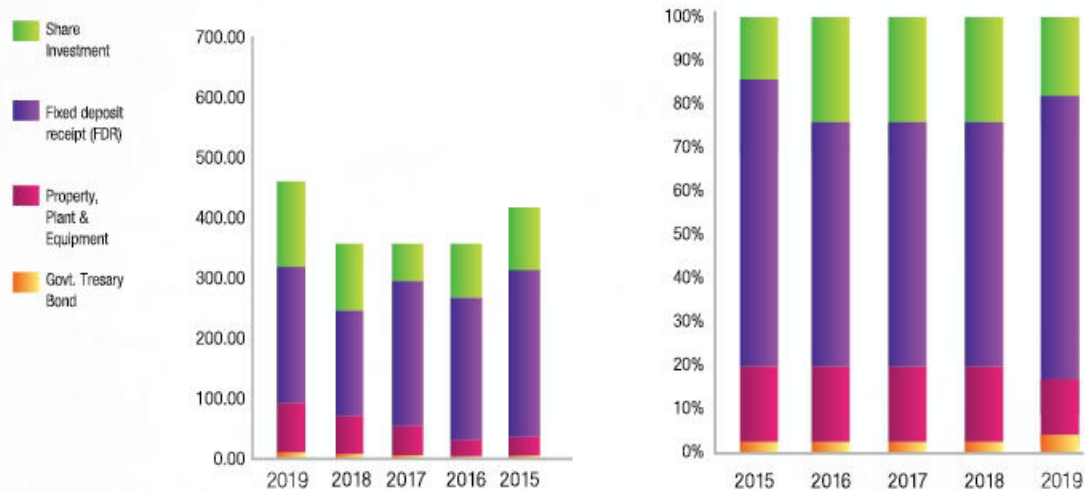
Investment (Taka in Million) :

In million Taka

	2019	2018	2017	2016	2015
Bagladesh Govt. treasury bond	25.00	25.00	9.00	9.00	9.00
Property, plant & equipment	190.43	199.15	211.89	57.94	57.65
Fixed deposit receipt (FDR)	269.40	86.40	164.94	164.40	294.80
Share investment	104.04	136.12	128.96	103.67	75.16
Advance against Building property	100.44	100.44	100.44	100.44	100.44



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



Investment for the year 2019 & 2018 are shown in graphs





VALUE ADDED **STATEMENT**



Value Added STATEMENT

The Value Added Statement (VAS) provides a detailed account of total value creation and distribution of the company during the year under review of the company's business and financial position. Prime Insurance Company Limited contributed positively to the socio-economic development through payment of salaries and allowances of employee's by paying consistent dividend to the shareholders and paying Corporate Tax, withholding taxes, Business VAT, withholding VAT and Stamps duty etc to the National Exchequer of the Government of Bangladesh. Prime Insurance

Company regularly pays significant amount of corporate income tax, withholding taxes and VAT every year in time. The management of the company is very much transparent in doing the insurance business and tries to expand its sustainable growth by sales of innovating new products and smooth service to the clients.

The Value Added Statement of Prime Insurance Company Limited for the year 2019 and 2018 mentioned below shows 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/ (Declined)-2019	Growth %
	2019		2018			
	Amount	%	Amount	%		
Value added :						
Gross premium income	711.68	78.08	682.84	83.12	28.84	4.22
VAT & Stamp duty	54.62	5.99	63.04	7.67	(8.42)	(13.36)
With holding VAT & taxes	11.02	1.21	11.66	1.42	(0.64)	(5.49)
Interest income	19.39	2.13	14.14	1.72	5.25	37.13
Share investment income	(27.97)	(3.07)	(20.52)	(2.50)	(7.45)	36.31
Dividend income	5.51	0.60	4.76	0.58	0.75	15.76
Others income	1.61	0.18	0.62	0.08	0.99	159.68
Re-insurance commission earned	135.64	14.88	65.02	7.91	70.62	108.61
Total Value Added during the year	911.50	100.00	821.56	100.00	89.94	10.95

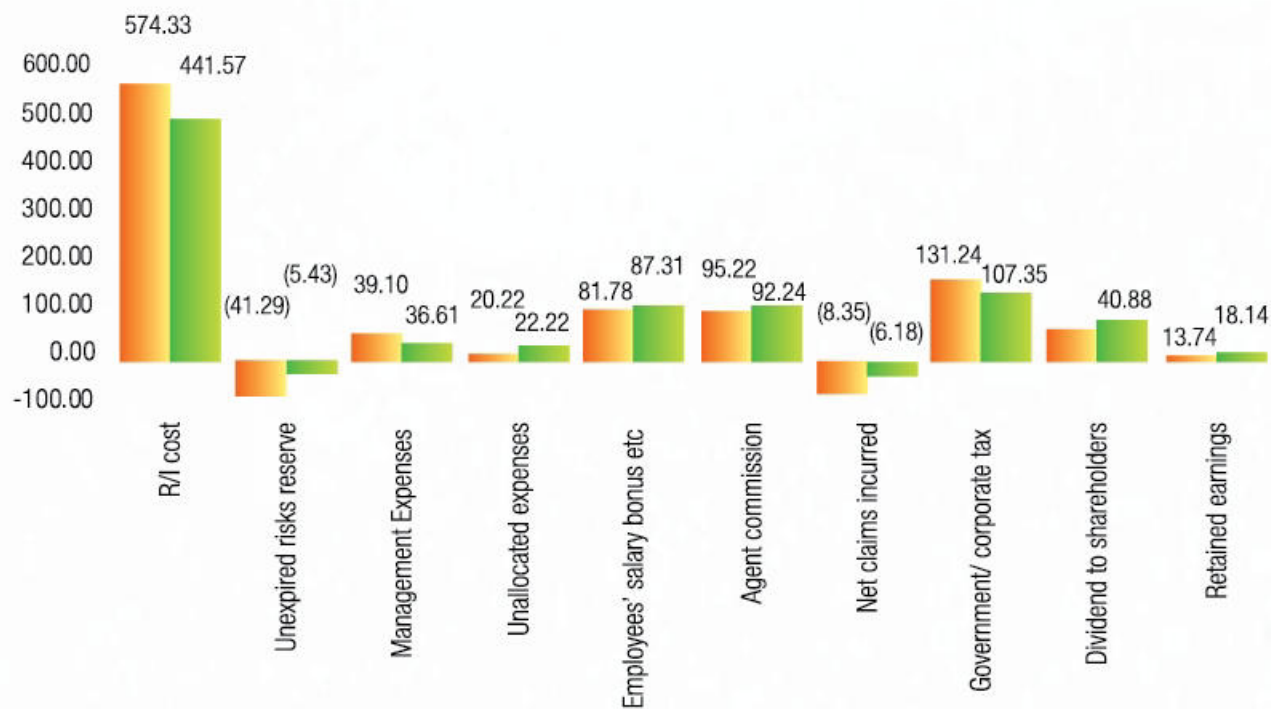
Value Added Contribution to/Application of the Value Added :

Particulars	Figure in Million (BDT)				Growth/ (Declined)-2019	Growth %
	2019		2018			
	Amount	%	Amount	%		
Reinsurance, Claims & Others	679.23	74.52	581.03	70.72	98.20	726.62
Re-insurance premium	574.33	63.01	441.57	53.75	132.76	30.07
Additional Unexpired Risks Reserve retained	(41.29)	(4.53)	(5.43)	-0.66	(35.86)	660.41
Management expenses (Excluding employees benefits)	39.10	4.29	36.61	4.46	2.49	6.80
Unallocated expenses	20.22	2.22	22.22	2.70	(2.00)	(9.00)
Agent commission	95.22	10.45	92.24	11.23	2.98	3.23
Net claims incurred	(8.35)	-0.92	(6.18)	-0.75	(2.17)	35.11

Employees benefits:	81.78	8.97	87.31	10.63	(5.53)	(80.56)
Employee's salary & allowances	64.92	7.12	69.64	8.48	(4.72)	(6.78)
Incentive bonus	4.05	0.44	5.04	0.61	(0.99)	(19.64)
Festival bonus	5.45	0.60	5.37	0.65	0.08	1.49
Gratuity fund	4.80	0.53	4.00	0.49	0.80	20.00
Provident fund	2.34	0.26	2.65	0.32	(0.31)	(11.70)
Group Insurance	0.22	0.02	0.61	0.07	-0.39	-63.93

Government/National Exchequer:	131.24	14.40	107.35	13.07	23.89	72.31
Corporate Tax Paid	67.37	7.39	32.65	3.97	34.72	106.34
VAT & Stamp duty	54.62	5.99	63.04	7.67	(8.42)	(13.36)
Withholding VAT & taxes paid	9.25	1.01	11.66	1.42	(2.41)	(20.67)
Provider of Capital :	19.25	2.11	5.58	(26.62)	23.89	(266.16)
Dividend to Shareholders	-	0.00	4.98	(40.88)	34.72	(100.00)
Retained Earnings	5.51	0.60	-1.60	18.66	(8.42)	(141.90)
Reserve & Surplus	13.74	1.51	2.21	(4.40)	(2.41)	(24.26)
Total distribution & growth :	911.50	100.00	821.56	100.00	89.94	10.95

Distribution of Value added are shown in Graphs for the year 2019 and 2018 (Figure in million Taka) as under:



Economic VALUE ADDED STATEMENT

Economic Value Added (EVA) is an overarching measure used to measure the wealth generation potential of the company. Economic Value Added (EVA) is a financial performance method to calculate the true and fair economic profit of the 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 :

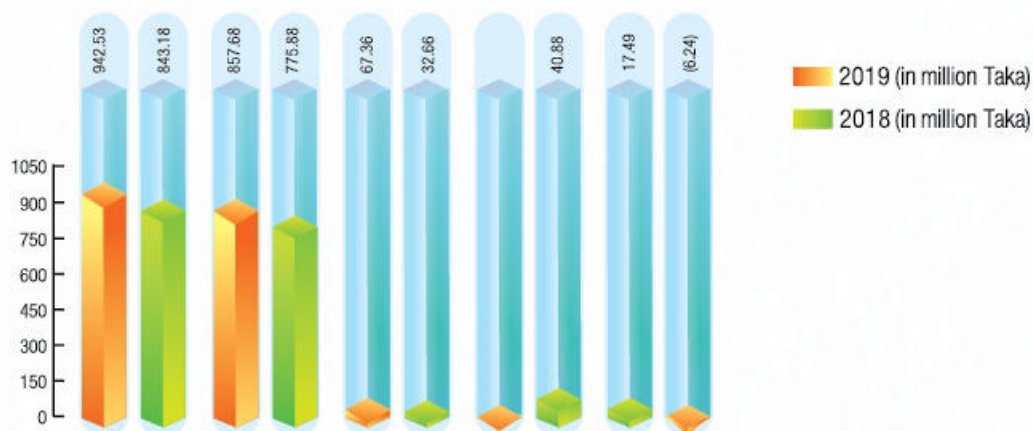
EVA = Net operating profit minus Income tax minus Cost of capital during the year

Economic Value Added is important because it is used as an indicator of how profitable of company projects are and it therefore serves as a reflection of management performance.

Economic Value Added is an estimate of the amount by which earnings exceed or fall short of required minimum return for Shareholders at comparable risks. As a Non-life Insurance company, Prime Insurance Company is deeply concerned for delivering higher value to its Stakeholders, Shareholders/Equity providers and all of its investors. The following table and graphs are indicate the EVA at the year ended on 31 December 2019 and 2018.

For the year ended 31st December	Amount in million (BDT)			
	2019	2018	Growth in BDT	Growth %
Total Revenue	942.53	843.18	99.35	11.78
Total expenses	857.68	775.88	81.80	10.54
Government/Corporate Taxes	67.36	32.66	34.70	106.25
Capital Charges	-	40.88	(40.88)	(100.00)
Economic Value Added	17.49	(6.24)	23.73	(380.29)

Economic Value Added are shown in Graphs for the year 2019 and 2018 (Figure in million Taka) as under:



Market

VALUE ADDED STATEMENT

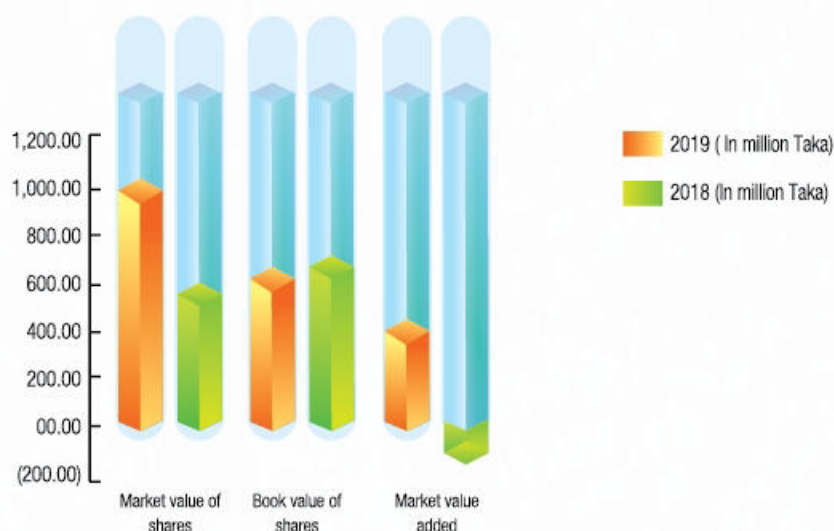
While Economic Value added (EVA) measures internal performance, Market Value Added (MVA) is a measure of external performance that indicates how the market has evaluated the company's performance in terms of market value of share compared to book value of shares.

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 31 December, 2019 ' the total Paid-up Capital share Market value of Prime Insurance Company Limited stood at Tk.1062.81 million whereas the book value of the Shareholder's Equity stood Tk.666.77 million as against 560.02 million and 690.16 million in the year 2018 . A positive MVA indicates that the company has created added value to shareholders wealth for the year 2019. The following statement indicates the MVA as at 31 December 2019 compared to the MVA of previous year 2018 .

Particulars	For the Year 2019			For the year 2018			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	40,877,498	26.00	1,062,814,948	40,877,498	13.70	560,021,723	502,793,225	89.78
Book Value of shares outstanding	40,877,498	16.31	666,767,990	40,877,498	16.88	690,160,379	(23,392,389)	-3.39
Market Value Added :			396,046,958			(130,138,656)	526,185,614	-0.04

Market Value Added are shown in graphs for the year 2019 and 2018 as below:



Contribution to the NATIONAL EXCHEQUER/GOVERNMENT FUND

We recognize that Prime Insurance Company Limited 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 business VAT, withholding VAT, Corporate tax, withholding taxes and excise duty to the Government/National exchequer
- * Creating employment
- * Maximizing shareholders Value
- * Taking environment initiatives
- * Supporting Community
- * Financial assistance to the insolvent meritorious students
- * Increase mass awareness about traffic Rules of Bangladesh
- * Provide attractive returns to shareholders

For this reason, the company made significant contribution to the Government every year by payment of Income tax, VAT, Stamp duty, withholding source Vat, Source taxes etc. In the year 2019, the company contributed Tk.91.61 million to the National Exchequer as against Tk. 89.74 Million in 2018 and raised of 1.87% over the year 2018.

Prime Insurance Company also made an economic impact by creating employment and trained them to serve the country. PICL has been employed as many as 173 employees as on 31st December 2019. During the period the company has spent TK.0.17 Million for training and HR development. The Company also paid 64.92 Million as salary and allowances to its employees and employees of the company paid Tk.2.34 million as taxes to the Government with highest payment of Tk.0.82 million by an individual employees.

Contribution to the National Exchequer/to the Government Fund:

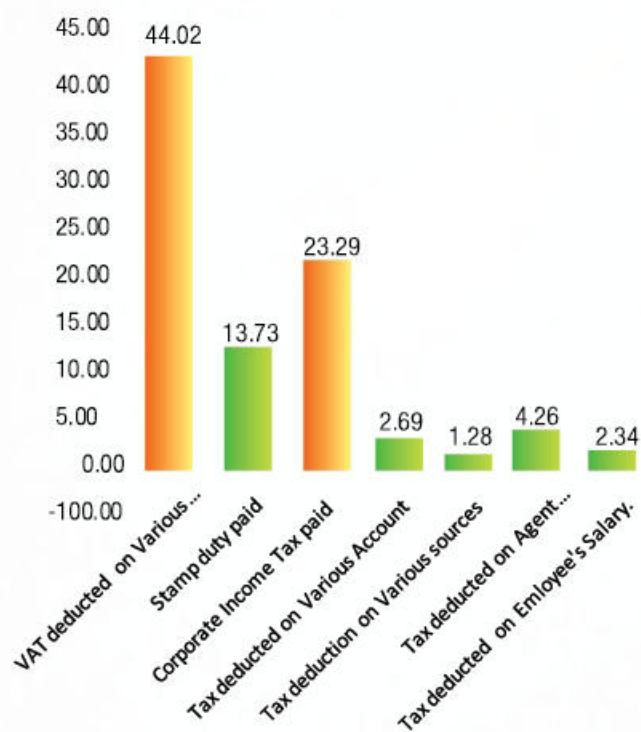
VAT, Stamp, Corporate tax, Source VAT & Taxes Contribution to National Exchequer are given below:

Particulars	Figure in Million (BDT)			
	2019	2018	Growth	Growth (%)
VAT deducted on various account and paid (Business & others sources)	44.02	42.80	1.22	2.85
Stamp duty paid	13.73	22.92	(9.19)	(40.10)
Corporate income tax paid	23.29	12.59	10.70	84.99
Tax deducted on various account (FDR, dividend, STD & Others)	2.69	2.45	0.24	9.80
Tax deduction on various sources	1.28	1.25	0.03	2.40
Tax deducted on Agent Commission	4.26	4.47	(0.21)	(4.70)
Tax deducted on employees salary.	2.34	3.26	(0.92)	(28.22)
Total amount paid :	91.61	89.74	1.87	2.08

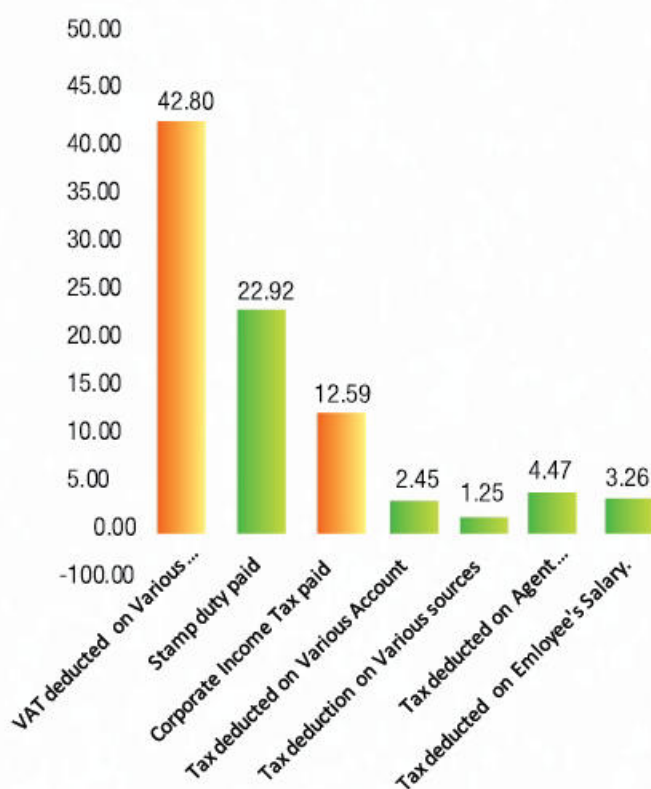


Contribution to the Government / National Exchequer are shown in Graphs for the year 2019 and 2018 as below:

Contribution to National Exchequer-2019 (in million Taka)



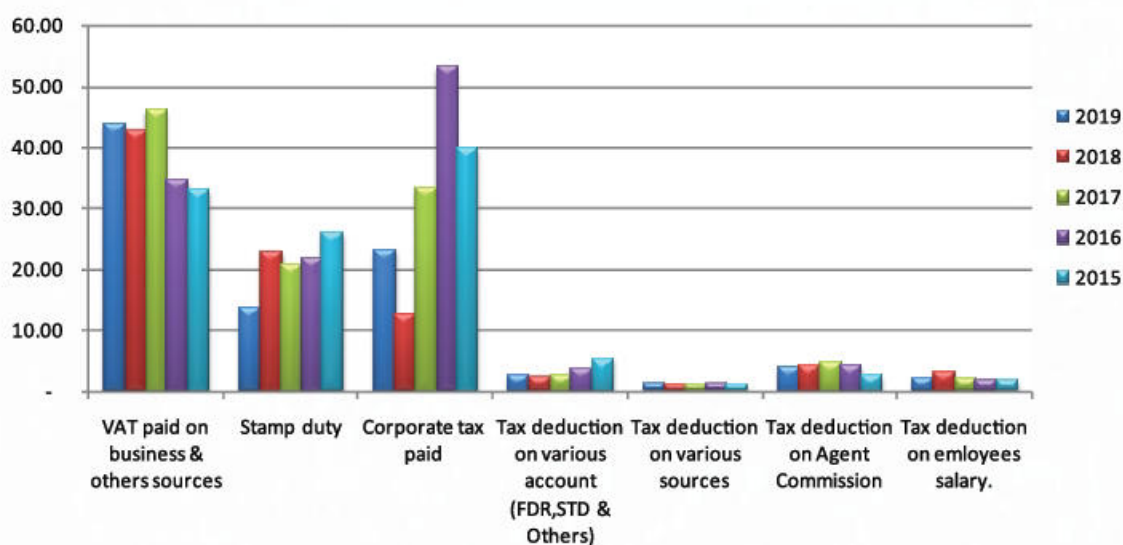
Contribution to National Exchequer 2018 (in million Taka)



At a glance 5 Years VAT, Stamp, Corporate tax, Source VAT & Taxes Contribution to National Exchequer are given below:

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
VAT paid on business & others sources	44.02	42.80	46.44	34.94	33.25
Stamp duty	13.73	22.92	20.93	21.86	25.99
Corporate tax paid	23.29	12.59	33.59	53.20	40.18
Tax deduction on various account (FDR,STD & Others)	2.69	2.45	2.70	3.87	5.40
Tax deduction on various sources	1.28	1.25	1.05	1.26	1.13
Tax deduction on Agent Commission	4.26	4.47	4.87	4.54	2.79
Tax deduction on employees salary.	2.34	3.26	2.10	1.94	1.81
Total :	91.61	89.74	111.68	121.61	110.55

At a glance 5 years highlights of contribution to the National Exchequer



Market Business Position of THE PRIME INSURANCE COMPANY

Bangladesh Non-Life Insurance Business Market Composition and PICL Status:

Non-life Insurance market Share position of the company's insurance business reflects the ability to exercise underwriting and pricing discipline as well as the risk management effectiveness of a company 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 generation insurance company. In 2019, PICL has earned recorded premium income of Tk. 71.17 crore over the previous year. In the Year 2019, Prime Insurance Co. Ltd. Gross Premium income has increased to 4.23% over the year 2018.

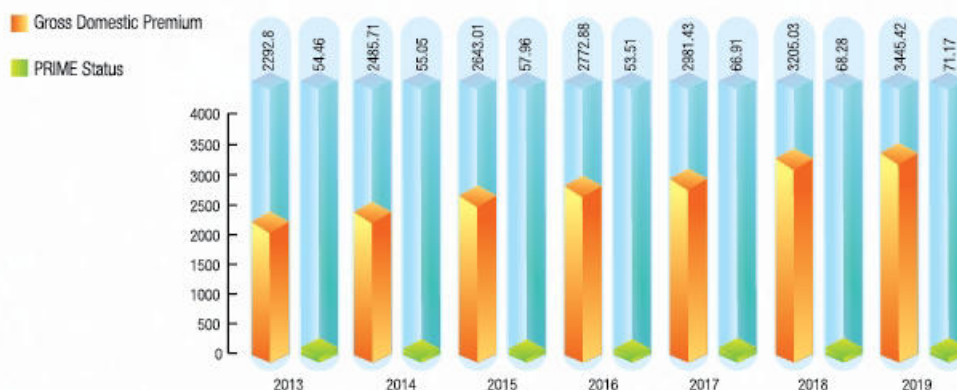
Bangladesh private sector Non-life insurance provisional premium income in 2018 was Tk.3205.03 crore on where PICL's contribution to Gross Domestic Premium Income (GDPI) was Tk. 682.84 million. In 2019 which is the highest business earned Tk. 71.17 crore in 2019.

company' history. In 2019, the company earned premium income Tk.711.68 million. In 2020, the company has projected earned premium income of Tk.1000.00 million. Last 5 years premium growth and penetration rate (Non-life insurance premium as % of GDP is shown in the chart below :

Year	Gross Domestic Premium Income	PICL's status on Gross Domestic Premium	% PICL's status on GDPI
2010	1657.55	20.01	1.21
2011	1933.43	30.54	1.59
2012	2167.27	44.03	2.08
2013	2292.80	54.46	2.37
2014	2,485.71	55.05	2.25
2015	2,643.01	57.96	2.19
2016	2,772.88	53.51	1.93
2017	2,981.43	66.91	2.24
2018	3,205.03	68.28	2.13
2019	3,445.42	71.17	2.07

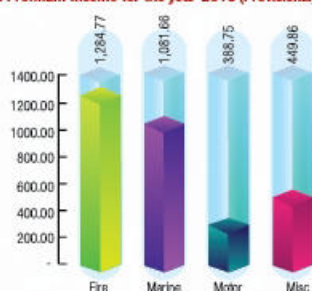
At a glance Year wise private sector Bangladesh Non-Life Insurance Companies Gross premium income and Prime Insurance Company's premium income position out of 46 Non-life Insurance Company are given below:

Non-life Insurance year wise Gross Premium Income and Prime insurance status:

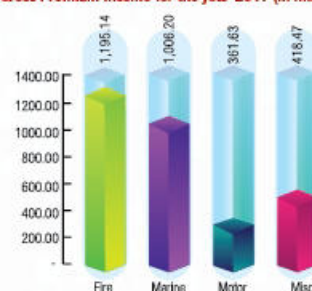


Class wise Premium income of Non- life Insurance is as follows :

Gross Premium Income for the year 2018 (Provisional) (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 RESERVING (INCLUDING IBNER)

Claims settlements is one of the crucial functions of an insurance Company, because it is the ultimate test of a responsible and efficient insurer. Prime Insurance has corporate philosophy on claims management setting out broad approach aiming to provide high quality service and expeditious settlement of claims. It specifies the nature of claim service and also the IT enabled interactive process to know the status of the claim. Prime Insurance manages the claims rather than handling them .

Excellence in claims handling is a competitive edge for an insurance company and it is a service that clients greatly value. Payment of legitimate insurance claims for losses that have been suffered by the insured is the primary reason for buying insurance.

Underwriting and claims settlement are the two vital aspects of the functioning of any insurance company. The basis of insurance is risk pooling, which carries the obligation of paying losses. A client obtains an insurance policy by paying a price called premium with the objective of obtaining financial indemnification upon happening of a loss against some named perils to contract, the client therefore has the following expectations :

- a) Adequate insurance coverage, which does not leave him high and dry in time of need, with right pricing.
- b) Timely delivery of defect free policy documents with relevant guidelines endorsements/warranties conditions.
- c) should a claim happen, quick settlement to the insured's satisfaction.

The claim handling process starts with the notification a licensed loss to Prime Insurance and the company appoints a licensed loss adjuster immediately upon receipt of the intimation.

Prime Insurance undertakes all necessary steps expeditiously in an orderly sequence : contact the insured, arrange to inspect the loss through a loss adjuster, ascertain quantum of loss and company's liability etc. Prime Insurance also suggests their clients the preventive measures to be adopted to avert/minimize the loss and to take steps to protect the salvage.

In order to ensure speedy disposal of claims, the insured and/or their agent are always requested to submit all available supporting documents without delay. A list of minimum requirement of

supporting documents/papers for claims arising under each class of business is maintained at the Head Office.

As soon as Prime Insurance receives all necessary papers along with survey report from the loss adjuster, the company quickly scrutinizes all documents against its check list of requirements, verifies the loss adjustment made by the surveyor and if in order, proceeds with the settlement of claim without any loss of time.

In recognition to the very high claim paying ability, Prime Insurance has been awarded a Credit Rating of "AA-" based on audited financial statements for the year 2018 as against rating "AA-" for the year 2017 by the Credit Rating Information and Services Limited (CRISL).

Incurred But Not Reported (IBNR) Losses:

IBNR refers to reserve for Claims that have occurred but have not been reported to the insurer. In other words, IBNR refers to losses that are not filed with the insurer or re-insurer until years after the issuance of policy. It is a reserve to provide for insurance policy sold. It is a reserve to provide for claims in respect of claim events that have occurred before the accounting date but have still to be reported to the insurer by that date. In the case of a re-insurer, the reserve needs also to provide for claims that although known to the cedant, have not yet been reported to the re-insurer as being liable to involve the re-insurer.

Some liability claims may be filed long after the event that caused the injury to occur. Asbestos-related diseases, for example, do not show up until decades after the exposure.

IBNR also refers to estimates made about claims already reported but where the full extent of injury is not yet known such as, workmen's compensation claim where the degree to which work-related injuries prevents worker from earning what he or she earned before the injury unfolds over time. Prime Insurance regularly reviews and adjusts reserves for such losses as new information becomes available.

Incurred But Not Enough Reported (IBNER) Reserve

IBNER refers to future development of known (reported) claims, which may alternatively be described as reserve for incurred (and

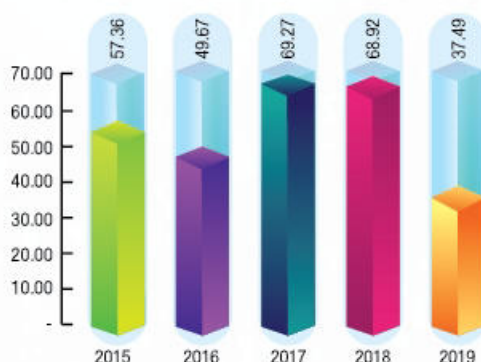
reported, but not enough reserve claims. Such a reserve reflecting expected changes (increases and decreases) in estimates for reported claims only (i.e, excluding any "true" or pure" IBNR claims).

Under the current insurance laws of Bangladesh, it is not yet obligatory to provide reserves for IBNR/ or IBNER claimd . However, under solvency margin regulations proposed under Insurance Act 2010, such reserves will be required to be maintained in the manner to be prescribed by the relevant Rules.

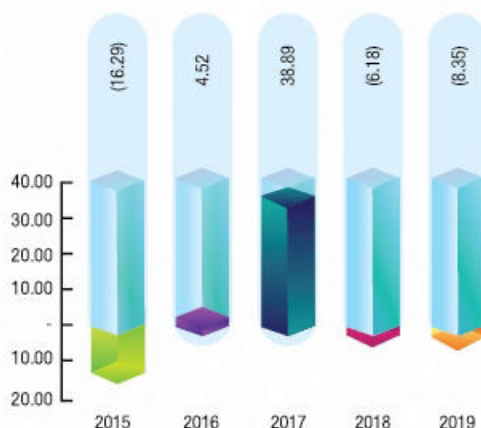
It is mandatory to provide quarterly report to the Insurance Development & Regulatory Authority (IDRA) showing/stating therein cause of delay in settlement with ageing thereof. Prime Insurance Company mantions provision against such type of outstanding claim with ageing thereof. But, under the insurance law of the country, it is not obligatory to provides reserve for IBNR & or IBNER claims. Scenarios of the claim paid and outstanding for the last of 5 years are appended below:

Description	Amount in Taka				
	2019	2018	2017	2016	2015
1. Claims Outstanding at the beginning of the year	68,918,000	69,287,456	49,671,371	57,355,958	45,976,138
2. Claims Lodged/intimation during the year	32,531,976	151,477,507	115,646,353	48,561,276	153,747,661
3. Total Claims : 3=(1+2)	101,449,976	220,764,963	165,317,724	105,917,234	199,723,799
4. Claims Paid during the year	63,956,832	151,846,963	96,030,268	56,245,863	142,367,841
5. Claims Paid as % of Total Claims	63.04	68.78	58.09	53.10	71.28
6. Claims Outstanding at the End of the Year : 6=(3-4)	37,493,144	68,918,000	69,287,456	49,671,371	57,355,958

Year wise Outstanding claims (Amount In million Taka)



Net Claims (In Million Taka)



SOLVENCY MARGIN STATUS

Solvency margin is the amount by which the assets of an insurer exceed its liabilities, and will form part of the insurer's funds. Methods of valuation of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of an insurance company corresponds to its ability to pay claims. The solvency of an insurance company or its financial strength depends chiefly on whether sufficient technical reserves like Exceptional claims losses reserve, Unexpired risk reserve fund, General reserve fund, Investment fluctuation fund (Fair Value Reserve), Dividend equalization 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 stockholders. In Bangladesh regulations for Solvency margin for Non Life Insurance Company have been prepared by IDRA but not yet been approved by the Finance Ministry thereby not yet promulgated through official gazette.

On 31 December 2019, Prime Insurance Company Limited achieved solvency margin above the required level. PICL required solvency was BDT 90.78 Million whereas the Company' available Solvency margin was BDT 388.10 million which means the value of assets had been more than the liabilities. Therefore, the available solvency ratio was 3.91 times of required Solvency margin in 2019 as against 4.28 times in the year 2018. Assets, Liabilities and Solvency Margin of the Company for the year ended 31 December 2019 is as under :

Statement of Solvency Margin Based on Premium Income for the year 2019:

For 2019		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	8.66	263.13	0.50	131.57	26.31	1.73	26.31
2	Marine Cargo	85.10	178.64	0.70	125.05	25.01	17.02	25.01
3	Marine Hull	0.73	1.43	0.50	0.72	0.14	0.15	0.14
4	Motor	35.00	37.64	0.85	31.99	6.40	7.00	7.00
5	Miscellaneous	7.86	230.84	0.70	161.59	32.32	1.57	32.32
6	Total :	137.35	711.68					90.78

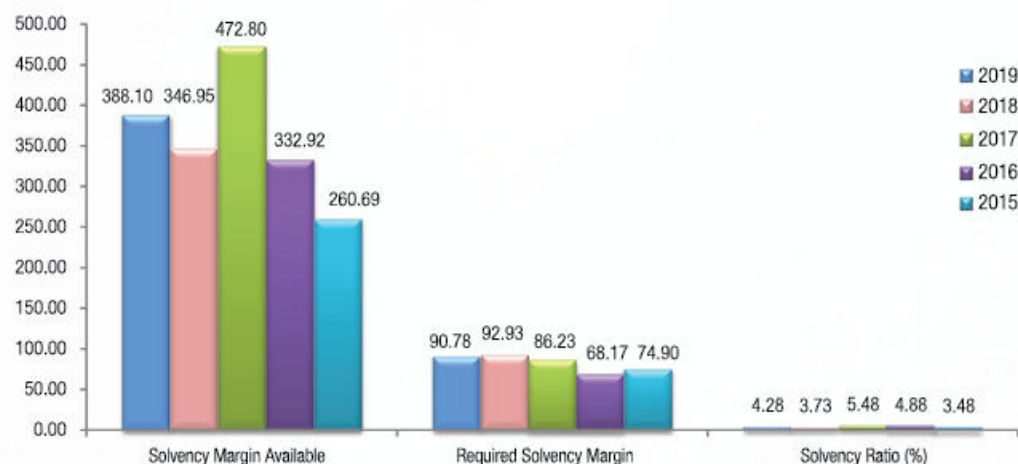
For 2019		RSM-1						Million Taka	
SSL#	Class of Business	Net Incurred Claims (NC)	Gross Incurred Claims (GC)	Factor	Gross Claims after application of factor	30% of Net Claims	30% of Gross Claims factor	Figure in col.(7) &(8) which ever are higher	Required Solvency Margin-1 RSM-2) which ever higher
	2	4	3	5	6	7	8	9	10
	Fire	13.10	29.66	0.50	14.83	3.93	8.90	8.90	26.31
	Marine Cargo	(20.86)	22.76	0.70	15.93	(6.26)	6.83	6.82	25.01
	Marine Hull	-	0.00	0.50	0.00	-	0.00	-	0.14
	Motor	3.69	2.95	0.85	2.51	1.11	0.89	1.11	7.00
	Miscellaneous	(4.28)	8.62	0.70	6.03	(1.28)	2.59	2.59	32.32
	Total :	(8.35)	63.99					19.42	90.78

In million Taka						
Particulars			Particulars			Solvency Margin Available (A-B)
A. Total Assets as per Balance Sheet		1,365.40	B. Total Liabilities		1039.38	
Less :			Less :			
Amount due from others	281.41		Sundry creditors	83.00		
Sundry Debtors	13.44		Amount due to others	87.14		
Premium collection control account	10.36		Provision for income tax	339.15		
Cumputers etc	3.20		Deposit premium	86.61		
Furniture & fixture	17.61		Reserve for unexpired risk	55.38		
Total :		326.02	Total :		651.28	
A) Total Assets		1,039.38	B) Total Liabilities		651.28	388.10

Particulars	Amount in Taka			
	2019	2018	Growth	%
Solvency Margin Available (SMA)(A-B)	388.10	346.96	41.14	
Required Solvency Margin (RSM)	90.78	92.93	6.25	
Solvency Ratio (ASM/RSM) (Times)	4.28	3.73	0.18	

At a balance 5 years Required solvency margin and Available solvency margin position of the Company are given below:

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Required Solvency Margin	90.78	92.93	86.23	68.17	74.90
Available Solvency Margin	388.10	346.95	472.80	332.92	260.69
Solvency Margin Ratio (Times)	4.28	3.73	5.48	4.88	3.48



Required Solvency Margin is BDT 90.78 Million in the year 2019 where was BDT 92.93 million in 2018

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	2019	Percentage	2018	Percentage	Growth in 2019	Growth %
Reserve for exceptional claims losses :	242.08	93.83	228.35	81.15	14	6.01
General reserve fund	10.40	4.03	10.40	3.70	-	0.00
Investment fluctuation fund	-	0.00	-	-	-	0.00
Retained earnings	5.51	2.14	42.64	15.15	(37)	(87.08)
Total Reserve & Surplus:	257.99	100.00	281.39	100	(23)	

Reserve and Surplus-2019 & 2018 (in million Taka)



Accounting Ratios Pertaining TO INSURANCE BUSINESS OF THE COMPANY

Prime Insurance Company has been increasing in terms of quality in every year by dint of hard work of the Head of branches, all executives including the top executives. All of executives has given allout efforts to smooth servicing to the clients properly. Management team also supported the Head of Branches if any, for procuring the business by providing fastest and uninterrupted services to the clients efficiently. The management of the Company expect to higher business growth and profitability in 2020 due IDRA have to take some effective steps for develop of Insurance industries.

Details of comparative various Accounting Ratios Pertaining to Company's insurance business and profitability for the year 2019 and 2018 are given below:

Particulars	Amount in Taka					%
	2019	Ratios (%) -2019	2018	Ratios (%) -2018	Growth	
Gross premium (GP) income	711,679,113		682,835,182		28,843,931	4.22
Net premium (NP) income	137,351,806		241,264,153		(103,912,347)	(43.07)
Re-insurance premium ceded as % of GP	574,327,307	80.70	441,571,029	64.67	132,756,278	30.06
Retention ratio as of GP	137,351,806	19.30	241,264,153	35.33	(103,912,347)	-360.26
Net R/I commission Earned as % of GP	135,637,711	19.06	65,029,673	9.52	70,608,038	108.58
Net R/I commission earned as % of NP	135,637,711	98.75	65,029,673	26.95	70,608,038	108.58
Agent commission paid as % of GP	95,223,489	13.38	92,238,727	13.51	2,984,762	3.24
Management expenses allocated as % of GP	120,876,238	16.98	123,924,866	18.15	(3,048,628)	(2.46)
Management expenses allocated as % of NP	120,876,238	88.00	123,924,866	51.36	(3,048,628)	(2.46)
Un allocated expenses as % of GP	20,222,770	2.84	22,218,281	3.25	(1,995,511)	(8.98)
Un allocated expenses as % of NP	20,222,770	14.72	22,218,281	9.21	(1,995,511)	(8.98)
Gross claims paid as % of GP	63,956,831	8.99	173,704,761	25.44	(109,747,930)	(63.18)
Gross claims paid as % of NP	63,956,831	46.56	173,704,761	72.00	(109,747,930)	(45.49)
Net claims paid as % of GP	(8,353,295)	-1.17	(6,175,657)	-0.90	(2,177,638)	35.26
Net claims paid as % of NP	(8,353,295)	-6.08	(6,175,657)	-2.56	(2,177,638)	35.26
Combined expenses as % of GP	227,969,202	32.03	232,206,217	34.01	(4,237,015)	(1.82)
Combined expenses as % of NP	227,969,202	165.97	232,206,217	96.25	(4,237,015)	(1.82)
Operating income as % of GP	106,534,055	14.97	101,734,851	14.90	4,799,204	4.72
Operating income as % of NP	106,534,055	77.56	101,734,851	42.17	4,799,204	4.72
Profit before tax ratio on turnover	84,856,072	11.92	78,525,901	11.50	6,330,171	8.06
Net profit ratio (after Tax) on turnover	17,489,339	2.46	45,867,601	6.72	(28,378,262)	(61.87)

Review on ASSETS QUALITY

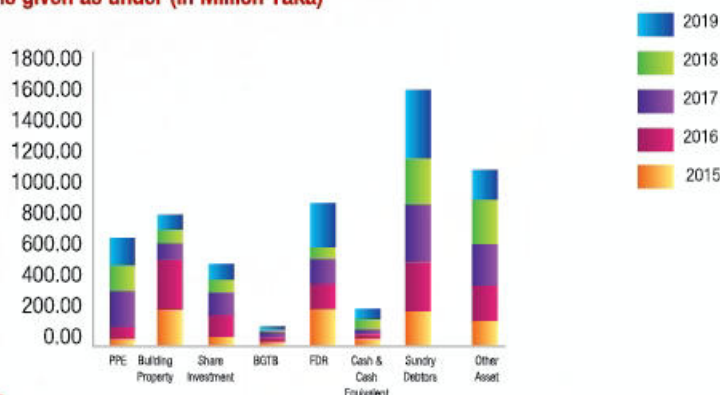
Prime Insurance Company Limited always focuses on the superior assets quality so that these will bring highest value to the Company, ensure satisfactory return to the stakeholders and ensure sustainable development of business and financial growth position of the company. To perform the said objectives, 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 showing five years growth of the assets may demonstrate how the Company maintains its assets quality to increase value to the Company. Assets quality and ratios analysis of the company for the year 2019 and 2018 are given below:

Particulars	Amount in Taka				% of Growth over 2018
	2019	%	2018	%	
Non-Current assets	327,014,309	23.95	360,268,346	27.63	(9.23)
Current assets :	1,038,384,148	76.05	943,706,550	72.37	10.03
Total investment :	535,599,338	39.23	407,762,048	31.27	31.35
Cash at Bank (STD & CD Account)	32,759,968	2.40	55,839,474	4.28	(41.33)
Fixed Deposit Receipts (FDR)	269,400,000	19.73	86,400,000	6.63	211.81
Share Investment	104,039,370	7.62	136,122,574	10.44	(23.57)
Bangladesh Govt. Treasury Bond	25,000,000	1.83	25,000,000	1.92	-
Advance against building property	104,400,000	7.65	104,400,000	8.01	-
Fixed assets:					
Property, Plant & Equipments	155,721,723	11.40	158,899,717	12.19	(2.00)
Other assets	34,710,124	2.54	40,246,055	3.09	(13.76)
Total assets :	1,365,398,457		1,303,974,896		4.71

Year wise investment and assets quality of the Company are given below (in million Taka):

Year	Property, Plant & Equipment	Building property	Share investment	Govt. Treasury Bond	Investment in Fixed deposits	Cash and bank balance	Sundry Debtors (including advances, deposits & pre-payments)	Other Assets	Total Assets
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	49.53	377.97	176.13	1222.82
2018	199.15	104.40	136.12	25.00	86.40	56.48	397.30	299.12	1303.97
2019	190.43	104.40	104.04	25.00	269.40	33.36	422.45	216.32	1365.40

Year wise Assets quality graphs is given as under (in Million Taka)



Investable Assets Quality of the Company:

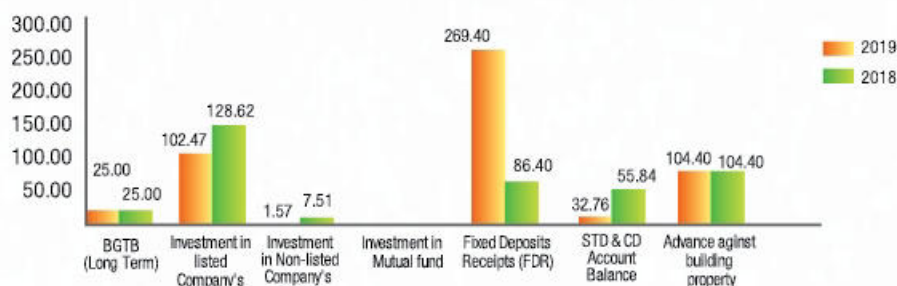
Particulars	Amount in Taka				Growth/ (Declined) 2019	%
	2019	%	2018	%		
A) Share Investment & Debentures :						
Long Term (10 Years Bangladesh Govt. Treasury Bond)	25,000,000	4.67	2 25,000,000	6.13	-	-
Share Investment :					-	-
Share investment listed Company	102,469,920	19.13	128,615,399	31.54	(26,145,479)	(20.33)
Share investment non listed Company	1,569,450	0.29	7,507,175	1.84	(5,937,725)	(79.09)
Investment in mutual fund	-	0.00	-	0.00	-	-
Total :	129,039,370		161,122,574		(32,083,204)	(19.91)
B) Cash at bank :	302,159,96		142,240,050		159,919,918	112.43
Fixed Deposits Receipts (FDR)	269,400,000	50.30	86,400,000	21.19	183,000,000	211.81
STD & CD account balance	32,759,968	6.12	55,840,050	13.69	(23,080,082)	(41.33)
C) Building Property :						
Building property (advance)	104,400,000	19.49	104,400,000	25.60	-	-
Total investable assets: (A+B+C)	535,599,338	100	407,762,624	100	127,836,714	92.52
Property, plant, office equipment & others fixed assets	190,431,847		199,145,772		(8,713,925)	(4.32)

In the year 2013 the Company has purchased 02 (One) unit floor space measuring 11,500 sft with 5 car parking at Unique Heights (9th floor): 117, Kazi Nazrul Islam Avenue, Ramna Dhaka. The book value of the floor at cost was Tk.129.94 million.

In the year 2014 the Company has purchased another 01 (One) Unit floor space measuring 4,236 sft with 2 car parking at Unique Heights (9th floor): 117, Kazi Nazrul Islam Avenue, Ramna Dhaka.

The book value of the floor cost was Tk.47.35 million. The total Cost Price of 3 (three) units floor stood Tk.177.29 million. The Company already shifted its Corporate office at Unique heights (9th floor) on 1st September, 2015. As per BAS-16, advance against building property of Unique Heights has been recognized as property, plant and equipment under cost model and accordingly depreciation has been charged.

Investable Assets position are given belows (in Million Taka):





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

Claims Settlement over the year



Prime Insurance Company Limited handed over a Fire Claim Cheque amounting Tk. 2,41,22, 731 (Tk. Two Crore Forty One Lac Twenty Two Thousand Seven Hundred Thirty One only) to Acorn Infrastructure Services Limited. Syed Monirul Huq, Managing Director and CEO (CC) of the Prime Insurance Company Limited, handed over the Cheque to Mr. Md. Abdur Razzaque Ruhani, Chief Executive Officer of Acorn Infrastructure Services Limited at their office in Banani, Dhaka. Among others Mr. Saif Md. Imran Siddique, Chief Financial Officer and Mr. B.M. Kaisaruzzaman, Head of Commercial & Regulatory Affairs, Acorn Infrastructure Services Limited, Mr. Sujit Kumar Bhowmik, Assistant Managing Director, Md. Delwar Hossain, Head of Claims, Asaduzzaman, Head of Public Relations of Prime Insurance Company Limited were present on the occasion.



Prime Insurance Company Limited handed over a Motor Claim Cheque to Bengal Overseas Ltd. Mohammed Monirul Alam, SEVP & Head of Mohakhali Branch of the Prime Insurance Company Limited handed over the Cheque to Mr. Alamgir Hossain, Managing Director, Bengal Overseas Ltd.

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:

- Accuracy of financial statistics
- Optimization of operational competence
- Compliance with the laws and regulation

REPORTING STRUCTURE



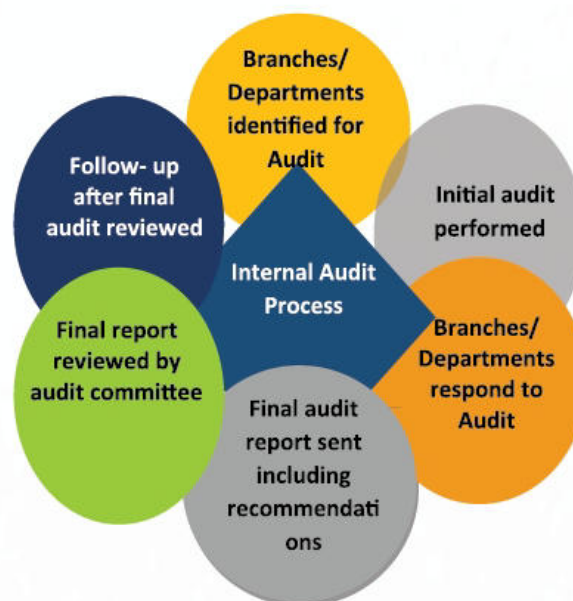
Scope: The scope of internal audit operations and its function are, by its very nature, quite expansive. The internal audit function will assist the Company in fulfilling its vision, mission, strategic initiatives, and objectives. It helps the Company to adhere to its core values following systematic 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:

- Systems audit
- Operational audit including efficiency audit
- 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 acts as communication and planning tool. Though 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)

'The GRI Sustainability Reporting Standards helps companies use transparency to create social, environmental and economic benefits'

Timothy J. Mohin, Chief Executive GRI

The Global Reporting Initiative (GRI) is an international independent standard organization that helps businesses, governments, and other entities to understand and communicate its impacts on issues such as climate change, human rights, and corruption. GRI was formed by the United States based non-profitmaking CERES (formerly the Coalition for Environmentally Responsible Economies) and Tellus Institute, with the support of the United Nations Environment Programme (UNEP) in 1997. Under its umbrella and using its guidelines, companies will be more transparent about their environmental, economic and social impacts. In Bangladesh, GRI reporting is especially applicable for all corporate houses that operate from Bangladesh, and Dhaka Stock Exchanges Limited has already taken a practical initiative to use the GRI indexes for the publicly listed companies. It is a tool to reach the global level of reporting and bringing transparency within the organization.

GRI report is also a part of TBL (Triple Bottom Lines) and enthruse the Three Pillars namely People, Planet and Profit concept and ensure the sustainability of the business entity as well as the sustainability of people and also of the planet. As Prime Insurance Company Limited is striving for excellence to create a social environment and economic benefits, we prepared a sustainability report as per GRI guidelines. GRI sustainability reporting standards (GRI Standards) is being used by organizations around the world to communicate the stakeholders about the impacts on the economy, the environment and society.

Importance of Sustainability Reporting: Sustainability reporting is now a mainstream business practice. According to a KPMG Survey, by 2017, 93 percent of the world's largest 250 corporations reported on their sustainability performance. Sustainability Reporting is about disclosing the company's most significant impacts. A sustainability report must encompass the company's values and governance model and should link as performance, progress, strategy, and commitment to a sustainable economy.

Benefits of Sustainability reporting: There are internal and external benefits of sustainability reporting. The internal benefits are structured Vision and Strategy, Management System, Strength and Weakness, descriptions of Employee Motivation, and targets to achieve those. The external benefits are Reputation and Trust, Attracting Capital, Stakeholders Engagement and Competitive Advantage to attain.

The Reporting Principles for defining Report Content: The important components of the Sustainability Reporting are the Sustainability Context, Stakeholders' Inclusiveness, Materiality and Competitiveness. It follows the five sequential steps for Sustainability Reporting which is Preparing, Connecting, Defining, Monitoring and Reporting. GRI is also connected with Global Goals or United Nation's Sustainable Development Goals (SDGs). The Constitution of the People's Republic of Bangladesh states that 'The state shall endeavor to protect and improve the environment and to preserve and safeguard the natural resources, biodiversity, wetlands, forests, and wildlife for the present and future citizens'.

GRI in the spectrum of Energy and Climate:

By nature both Energy and Climate are intertwined with the environment and extraction of natural resources. To achieve the aim of sustainable preservation of nature is of paramount importance to any Insurance Company. Although Prime Insurance has been underwriting business of power sector, but for a transition from a carbon-based economy to a sustainable economy, it is important to use energy as efficiently as possible and to focus our business massively in renewable energy systems, and 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. So, we also give thrust for solar energy and renewable energy. Apart from this, we are taking risks on pollution, climatic disaster and disasters like floods and earthquakes. These risks are taken to conserve nature and make people insured against those sorts of disaster.

The Future Strategy and Conserving the Nature from Carbon Emission:

At Prime Insurance Company Limited, we are working to protect nature and maintaining practices to preserving nature. We are

reshaping our goals in sync with the sustainability reporting Tguidelines in conserving the nature and lives for the future generations. We are now more focused on the deployment of mature technologies such as solar power or wind power systems to take risks and underwriting. Prime Insurance has already set up its goal to ensure those products with a view to ensuring renewable power to save fossil-fuel energy for safeguarding the climate.

Our Focus Area for GRI

To communicate our internal and external stakeholders our focus area and actions are given below:

1. To maintain the updating reporting systems and maintain a checklist in line with the GRI guidelines.
2. To get prepared as per the guidelines of our regulators and Bangladesh Security Exchange Commissions regarding the disclosures
3. To define our scopes of work as an insurer and maintaining the GRI guidelines properly.

4. To monitor the development works of the government, nature and environment preservation issues, business issues and include it in our agenda of change.

5. To make GRI the central hub for sustainability reporting frameworks and initiatives and select collaboration partnership opportunities that serve GRI's vision and mission for upgrading our company as a truly world class insurance service provider.

6. To drive effective use of sustainability information to improve the performance of the company and reach to the world level of sustainability indexes.

As a Publicly listed Company, Prime Insurance Company Limited is working in the Dhaka Stock Exchange Limited for updating policy framework, and it informs investors for brining transparency and building effective reporting system. As an ISO 9001:2015 certified Company, we wish to be a world-class company and through application of the GRI process we will be able to cope with the challenges of GRI reporting.



Report On ISO CERTIFICATION

Prime Insurance Company is the 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 in the year 2018 and onward.

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.
- Enhance customer satisfaction through effective process improvements to all systems of the business and to assure conformity to our customer's and applicable statutory and regulatory requirements.

What we did in 2019

At the beginning of 2019, 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 2020

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. Moreover, we will continuously enhance customer satisfaction through effective process improvements i.e. to establishment of better monitoring system & assurance of immediate response.



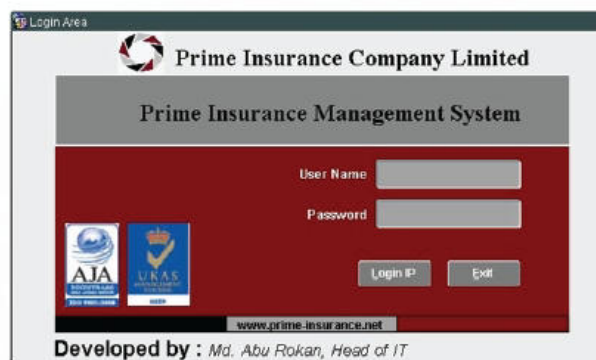
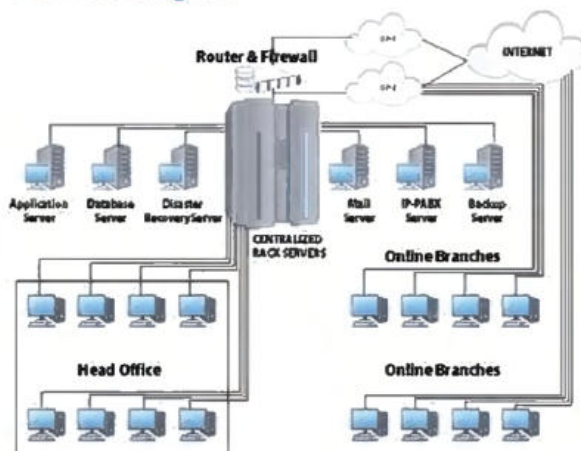
Report on ONLINE BUSINESS SYSTEM

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



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 Skypemeeting, 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.

Online Payment Gateway

We have introduced an online payment system for Motor Insurance & Overseas Medclaim Policy (OMP) on our website. Clients can easily paid premium through our online payment gateway by credit card, debit card, Bkash, Qcash, Mobicash and many others payments systems.

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

The Company 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

It is well known, for the Muslim, Hajj is one of the fundamental rituals amongst the five pillars for those who are financially and physically sound. During the period of performing Hajj, they need to continue their journey uninterruptedly' however, the voyage sometimes comes across many unexpected accidental occurrences i.e. bodily injury, permanent disability even death. Hajj Insurance Policy can give the assurance of making the holy journey smooth, secured and sound.

So the Company has designed its product into the following two categories for the benefits of Pilgrims with a nominal premium for 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

The Company 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 the Company, those have also uplifted the image of the Company in the industry. The Company wishes to continue such a way of introducing the exclusive products and services to make a healthy, secured and tension free life for the people of Bangladesh.

Report on RE-INSURANCE

Reinsurance is the life blood of a non-life insurance company whereas a number of risks of different sizes, i.e. small, medium, big and large, are underwritten. Hence reinsurance provides the main underwriting support to protect the financial stability of an 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 a company as well.

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.

SadharanBima Corporation(SBC) 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 SadharanBima 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.

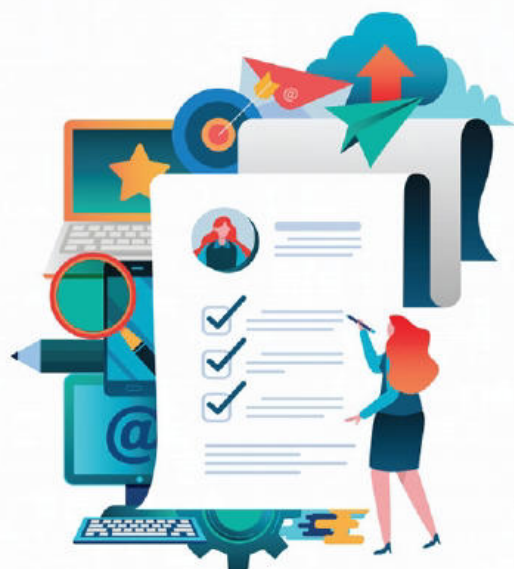
Other than reinsurance treaty we have build-up our strong affiliation with world's reputed reinsurers. Our most modern technological developments are the key success of service standard, good relationship with the insured as well as reinsurers and brokers. Risk mitigation and loss prevention are given the highest priority for Prime's vision. We have ceded premium Tk. 574.33 million to our reinsurer in the year of 2019 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, the Company 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 SurveyRisk 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, the Company 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 concern to its stakeholders' and managing their interest . Following historical information will help taking investment decision :

Details of financial information for the year from 2012 to 2019 are as under

Financial year -2019	
Dividend declared Cash (Proposed)	0%
Date of 24th Annual General Meeting	March 30,2020
Annual Report 2019 dispatched	March 16,2020
Record date	March 12,2020
Announcement of 2019 Final Results	Feb 22,2020
Publication of Third Quarter Financial Statements (un-audited)	October 30,2019
Publication of Second Quarter Financial Statements (Un-audited)	July 22,2019
Publication of First Quarter Financial Statements (Un-audited)	May 4,2019
Financial year -2018	
Dividend declared Cash (Proposed)	10%
Date of 23th Annual General Meeting	March 31,2019
Annual Report 2018 dispatched	March 16,2019
Record date	March 07,2019
Announcement of 2018 Final Results	February 07,2019
Publication of Third Quarter Financial Statements (un-audited)	October 30,2018
Publication of Second Quarter Financial Statements (Un-audited)	July 19,2018
Publication of First Quarter Financial Statements (Un-audited)	May 14,2018
Financial year -2017	
Dividend declared Cash (Proposed)	15%
Date of 22th Annual General Meeting	March 29,2018
Annual Report 2017 dispatched	March 15,2018
Record date	March 6,2018
Announcement of 2017 Final Results	February 07,2018
Publication of Third Quarter Financial Statements (un-audited)	October 26,2017
Publication of Second Quarter Financial Statements (Un-audited)	July 29,2017
Publication of First Quarter Financial Statements (Un-audited)	April 22,2017
Financial year -2016	
Dividend declared Cash (Proposed)	13%
Date of 21th Annual General Meeting	March 30,2017
Annual Report 2016 dispatched	March 16,2017
Record date	March 14,2017
Announcement of 2016 Final Results	Feb 20,2017
Publication of Third Quarter Financial Statements (un-audited)	October 30,2016
Publication of Second Quarter Financial Statements (Un-audited)	July 27,2016
Publication of First Quarter Financial Statements (Un-audited)	May 07,2016

Financial year -2015	
Dividend declared Cash (Proposed)	12.50%
Date of 20th Annual General Meeting	March 30, 2016
Annual Report 2015 dispatched	March 16, 2016
Record date	March 14, 2016
Announcement of 2015 Final Results	February 22,2016
Publication of Third Quarter Financial Statements (un-audited)	October 30,2015
Publication of Second Quarter Financial Statements (Un-audited)	July 27,2015
Publication of First Quarter Financial Statements (Un-audited)	May 12,2015

Financial year -2014	
Publication of Financial Statement for the 1st Quarter (Un-audited)	May 12,2014
Publication of Financial Statement for the Half Year (Un-audited)	July 27,2014
Publication of Financial Statement for 3rd Quarter (un-audited)	October 27,2014
Announcement of 2014 Final Results	Feb 22,2015
Record date	March 04,2015
Annual Report 2014 dispatched	March 10,2015
Date of 19th Annual General Meeting	March 30,2015
Transfer of Stock dividend 2014 to shareholders B O Account	April 29,2015
Despatch of sales proceeds of fractional shares	
Dividend declared Cash 5% and Stock dividend 10%	15%

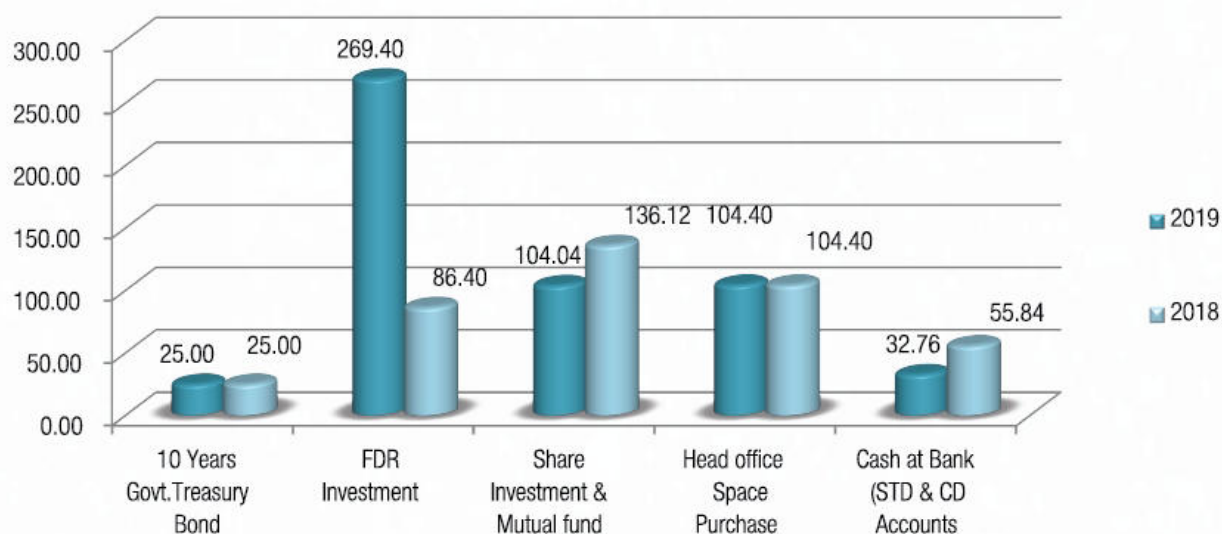
Financial year -2013	
Publication of Financial Statement for the 1st Quarter (Un-audited)	May 09,2013
Publication of Financial Statement for the Half Year (Un-audited)	August 05,2013
Publication of Financial Statement for 3rd Quarter (un-audited)	October 30,2013
Announcement of 2013 Final Results	Feb 16,2014
Record date	Feb 26,2014
Annual Report 2013 dispatched	March 10,2014
Date of 18th Annual General Meeting	March 23,2014
Transfer of Stock dividend 2013 to shareholders B O Account	April 09,2014
Despatch of sales proceeds of fractional shares	August 25,2014
Dividend declared (Proposed)	15%

Financial year -2012	
Announcement of 2012 Final Results	Feb 17,2013
Record date	Feb 28,2013
Annual Report 2012 dispatched	March 18,2013
17 Annual General Meeting	March 31,2013
Transfer of Stock dividend 2012 to shareholders B O Account	April 09,2013
Despatch of sales proceeds of fractional shares	
Dividend declared	15%

Investment PROFILE

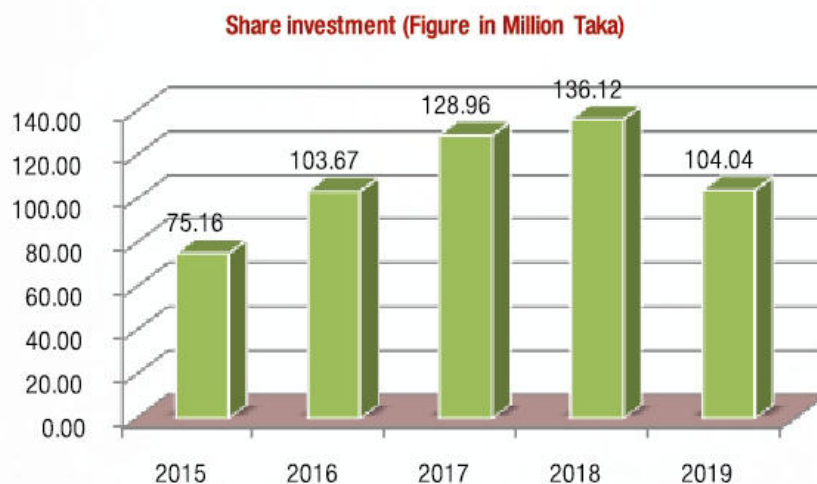
In the year 2019, the investment portfolio of Prime Insurance Company against Share investment, FDR, and fixed asset increased to 31.35% compare over the year 2018 due to control of management expenses. The company invested major fund in FDR in high credit worthy Banks/Financial Institutions. Investment in Investment in capital asset, fixed asset and other non-current asset are as follows :

Particulars	2019		2018		Growth/ (Declined) -2019	Growth Declined %
	Amount (in Million Tk.)	Total %	Amount (in Million Tk.)	Total %		
10 Years Bangladesh Govt.Treasury Bond	25.00	4.67	25.00	6.13	0.00	-
FDR investment	269.40	50.30	86.40	21.19	183.00	211.81
Share investment & Mutual fund	104.04	19.42	136.12	33.38	-32.08	(23.57)
Advance against building property	104.40	19.49	104.40	25.60	0.00	-
Cash at bank (STD & CD accounts)	32.76	6.12	55.84	13.69	-23.08	(41.33)
Total investment :	535.60	100.00	407.76	100.00	127.84	31.35
Plant , Office Equipment & others Fixed Assets	190.43	35.55	199.15	48.84	(8.72)	(4.38)



a. Share Investment :

The Company registered total share investment of fair value of Taka 104.04 million in 2019 which was Taka 136.12 million in 2018 and decreased of 23.57% due to realized and unrealized loss during the year. The major investment of the company were not much strategic in 2019. Last 5 years Share investment graph is appended below :



b. FDR Investment :

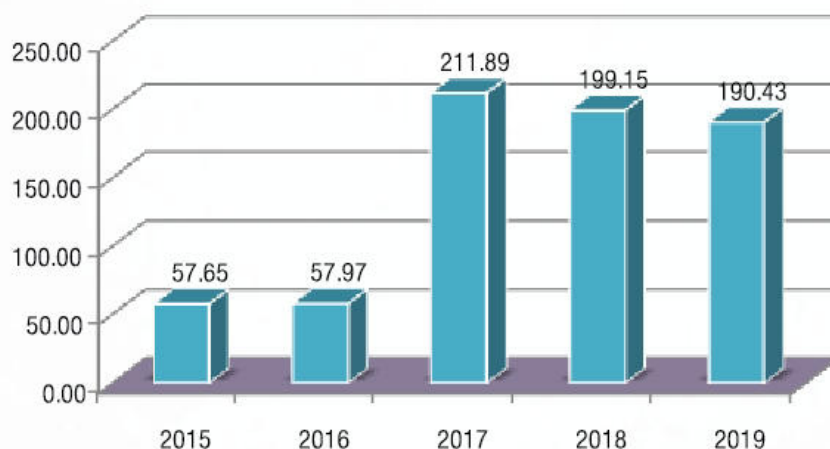
In the year 2019, the Company has invested in FDR of Tk. 269.40 million which was Taka 86.40 million in 2018. It was a dramatic increased of 111.31% in FDR in comparison with 2018. The major investment of FDR of the company are invested authorised schedule bank of Bangladesh Bank. 5 Years FDR Investment Position of the Company are graphically representing below :



c. Property, Plant & Equipment :

In the year 2019, the company Property, Plant & Equipment Value stood at Tk. 190.43 million which was Tk. 199.15 million in 2018. The value decreased to 4.38% due to recognition of floor space of Unique Heights as property, Plant & Equipment under BAS-16 and charged depreciation as per company policy.

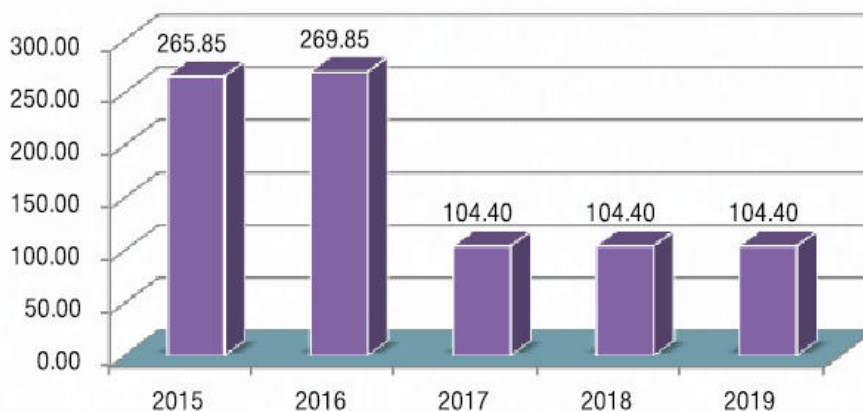
Property, Plant & Equipment (in Million Taka)



Advance against building property:

In the year 2019, the company's advance against floor space value stood at Tk. 104.40 million which was Tk. 104.40 million in 2018. In 2018 Tk. 165.45 million was recognised as PPE under BAS-16.

Building Property Value (In Million Taka)





AUDITORS' REPORT **AND FINANCIAL STATEMENTS**





Auditor's Report 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 balance sheet as at 31 December 2019, profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 31 December 2019, and of its profit and loss accounts, statements of changes in equity and cash flow statements 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 auditor's 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.

Emphasis of Matter

We draw attention to Note-32.01 of the financial statements, detailing the effect of former CEO & Managing director's resignation and drawing emolument from the Company. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for year ended December 31, 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our Response To The Risk
Premium Income Premium income is the most financially significant item in the statement of profit and loss account. The company has reported gross premium income of Taka 637,860,145 for the year ended 31 December 2019.	Our procedures included obtaining an understanding of management's premium income recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note- 2.5 of the financial statements. In addition, we assessed whether the disclosed revenue recognition policy was in accordance with relevant Insurance Act & rules.

Risk	Our Response To The Risk
<p>Gross general insurance premium comprises the total premium received during the year for which insurance policy has been issued by contracts with Prime Insurance Company Limited. As the premium income recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.</p> <p>See Revenue Account to the financial statements.</p>	<p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • We conducted analytical procedures & recalculation of premium income. • On a sample basis, we reviewed policy to ensure the appropriate policy stamp was affixed to the contract and amount for deposit premium along with amount for policy stamp & VAT has been reflected in the premium register. • We ensured that premium income was being deposited in the designated bank account on a sample basis. • We carried out on a sample basis if appropriate re-insurance has been done on treaty basis and moreover, appropriate re-insurance premium was deducted from the gross premium. • We tested on a sample basis that appropriate VAT was collected & deposited through Treasury Challan to Bank. • We conducted substantive testing of premium income recorded over the year using sampling techniques by examining the relevant supporting documents including policy, premium register, bank reconciliation report, bank statement and we also confirmed selected customers' outstanding premium at the financial position date, selected on a sample basis by considering the amount outstanding with those customers. • We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off to ensure that the unearned premium income if any has not been included in the premium income. • 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.



Fair Value Of Investment Of Marketable Securities:

The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain /Loss and dividend received) is credited to the Profit or Loss Account. Unrealized capital gain or losses also recorded in the Profit or Loss Account as per the policy of the company and maintain deferred tax on such amount.

This item has significant impact on net asset value of the company and Profit or Loss Account 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.

At the yearend 2019, the provision made for fair value of investment in shares decreased from cost price by Tk. 27,595,654 with an effect in the profit and loss accounts.

See note no.-17.3.

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:

- Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.
- Ascertained the valuation of the holding as per IFRS 13.
- 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 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.

Risk	Our Response To The Risk
<p>Provision for Income Tax</p> <p>Provision for income tax made in the Statement of Profit or Loss and Other Comprehensive Income for Tk. 66,416,864 for the year ended 31 December, 2019.</p> <p>Where the amount of tax payable is uncertain, the company establishes provisions based on management's judgements as regards the likelihood of material tax exposures and the probable amount of the liability. We consider this area as a key audit matter given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexities of dealing with tax rules and regulations in numerous jurisdictions.</p>	<ul style="list-style-type: none"> • We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. • In calculation with our tax specialists, we evaluated management's judgements in respect of estimates of tax exposures and probability of Tax payment in order to assess the adequacy of tax provisions also understand and evaluate management's judgments. • The evidence obtained in the context of the financial statements in respect of provision made so far.

Fair Value Of Investment Of Marketable Securities:

Prime Insurance Company Limited has represented the amount related with the claim due to or intimated from the insured which involves management judgement & risk of over & understatement of the value.

As a result, financial statements may show distorted amount which may also concern on going concern issue for the company.

At year end the 2019, the total balance under the head of estimated liability in respect of outstanding claims whether due to or intimated for and claim payment of Taka 37,493,144 and Tk. 62,496,493 respectively.

We tested the design and operating effectiveness of controls around the due and intimated claim recording process. We additionally carried out the following substantive testing around this item:

- 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.

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 auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 identified above when it becomes available 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 on the other information obtained prior to the date of the auditor's report, 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 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 judgement 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.



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;

Ad)As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the profit & loss account of the Company;

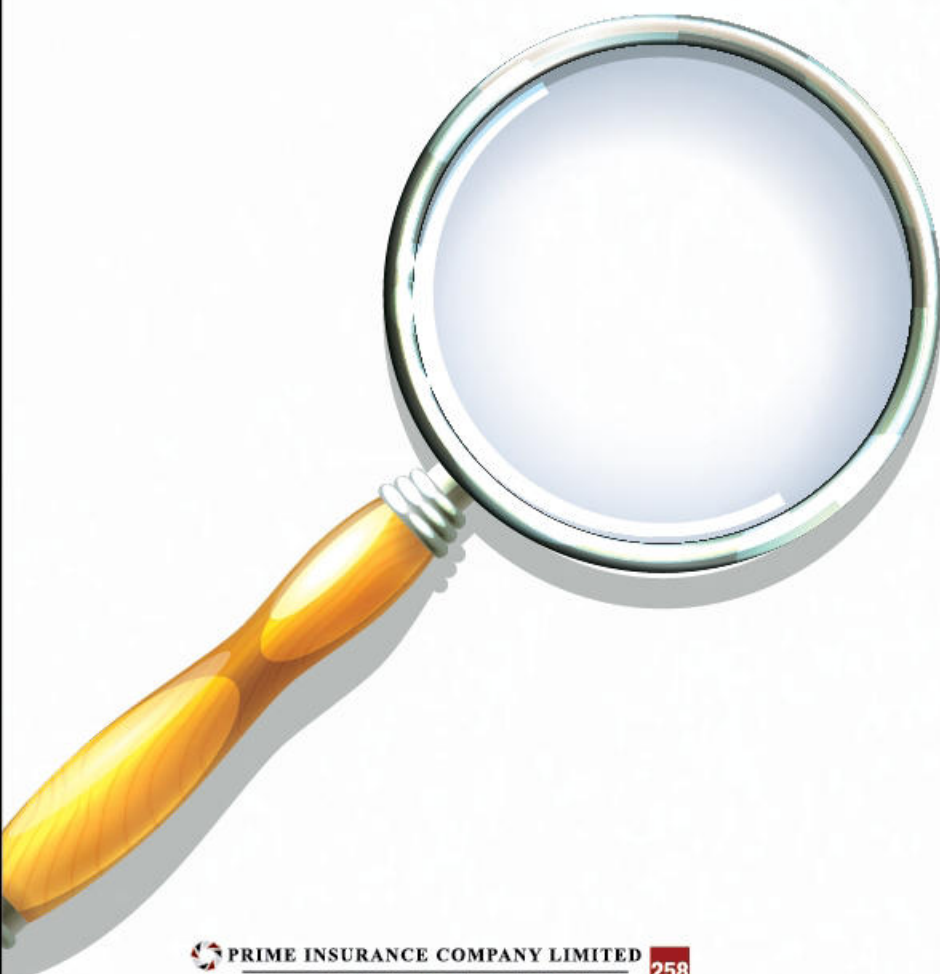
e) The balance sheet, profit & loss account appropriation account, profit & loss account, related revenue accounts, statement of changes in equity and statement of cash flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and

f) The expenditure was incurred for the purpose of the Company's business.

Place:Dhaka
February 22,2020



Ahmed Zaker &Co.
Chartered Accountants



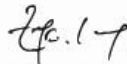
PRIME INSURANCE COMPANY LIMITED


Statement of Financial Position (Balance Sheet)

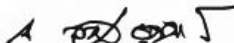
As at December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Shareholders' Equity & Liabilities			
Share capital			
Authorised share capital			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
Issued, subscribed & paid-up capital			
40,877,498 ordinary shares of Tk.10 each	6.00	408,774,980	408,774,980
Reserve and contingent account		257,993,010	281,381,169
Reserve for exceptional losses	7.00	242,080,490	228,345,309
General reserve fund	8.00	10,400,000	10,400,000
Profit & loss appropriation account		5,512,521	42,635,860
Shareholders' equity:		666,767,990	690,156,149
Balance of funds and accounts	9.00	55,378,660	96,669,632
Fire insurance business		3,464,810	24,949,683
Marine insurance business		34,041,251	44,803,588
Marine hull insurance business		729,897	273,285
Motor insurance business		13,999,436	16,270,440
Miscellaneous insurance business		3,143,267	10,372,636
Premium deposits	10.00	86,609,188	32,931,099
Liabilities and provisions		556,642,618	484,218,016
Estimated liability in respect of outstanding claims whether due or intimated	11.00	37,493,144	68,918,000
Amount due to other persons or bodies carrying on insurance business	12.00	87,141,388	77,161,945
Sundry creditors	13.00	83,001,243	56,497,961
Income tax provision	14.00	339,151,955	272,735,091
Deferred tax liability	14.04	9,854,888	8,905,019
Total shareholder's equity & liabilities		1,365,398,457	1,303,974,896

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

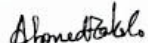

Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director


Syed Monirul Huq
Chief Executive Officer(cc)

Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020


Ahmed Zaker & Co.
Chartered Accountants

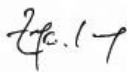
PRIME INSURANCE COMPANY LIMITED

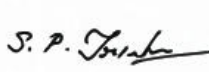
Statement of Financial Position (Balance Sheet)

As at December 31, 2019

Particulars	Notes	Amount In Taka	
		2019	2018
Property and Assets			
Non-current assets		327,014,309	360,268,346
Property, plant and equipment	15.00	197,974,940	199,145,772
Bangladesh Govt Treasury Bond	16.00	25,000,000	25,000,000
Investment (at fair value)	17.00	104,039,370	136,122,574
Current assets		1,038,384,148	943,706,550
Stock of printing & stationery	18.00	2,561,428	3,226,453
Insurance stamp in hand		1,413,056	1,371,310
Premium collection control account	19.00	10,361,267	8,968,848
Interest accrued but not received	20.00	17,422,300	11,734,629
Amount due from other persons or bodies carrying on insurance business	21.00	281,408,787	378,223,659
Sundry debtors (including advances, deposits & pre-payments)	22.00	422,453,294	397,302,179
Deferred tax assets	14.04	-	-
	23.00	302,764,016	142,879,472
Cash and cash equivalents		604,048	639,998
Cash in hand		32,759,968	55,839,474
Cash at Bank		269,400,000	86,400,000
Fixed deposit receipt (FDR)			
Total assets		1,365,398,457	1,303,974,896
Net Assets Value Per Share (NAVPS)	34.00	16.31	16.88

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


Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director


Syed Monirul Huq
Chief Executive Officer(cc)

Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020


Ahmed Zaker & Co.
Chartered Accountants

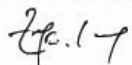
PRIME INSURANCE COMPANY LIMITED

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

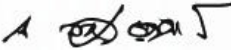
For the Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Operating profit/(loss) transferred from:		106,534,055	101,734,851
Fire insurance revenue account		13,334,483	(19,095,369)
Marine insurance revenue account		92,913,284	86,985,451
Marine hull insurance revenue account		70,164	283,609
Motor insurance revenue account		22,946,901	31,804,137
Miscellaneous insurance revenue account		(22,730,777)	1,757,023
Non-operating income:			
(Interest, dividend and rents not applicable to any particular fund or account)		(1,455,213)	(990,669)
Interest income	24.00	19,393,334	14,141,384
Realized gain/(loss) on share investment.	25.00	(373,965)	(9,047,308)
Dividend income	26.00	5,514,860	4,763,374
Increased/(Decreased) of fair value on investment in shares	17.03	(27,595,654)	(11,472,550)
Other income	27.00	1,606,212	621,892
Foreign exchange gain	27.07	-	2,539
Total income		105,078,842	100,744,182
Less: Expenses of management			
(not applicable to any particular fund or account)		20,222,770	22,218,281
Director's fees	28.00	2,140,800	1,599,000
Advertisement & publicity		947,832	1,275,863
Audit fees	29.00	630,000	625,000
Donation & subscriptions		210,369	103,400
Legal & professional fees		1,222,605	963,940
Depreciation	15.00	9,086,670	10,678,247
Registration fees	30.00	785,260	769,432
Meeting expenses		1,152,430	1,164,441
Incentive for employees	13.06.01	4,046,804	5,038,958
Profit before tax		84,856,072	78,525,901
Provision for tax	14.01	66,416,864	29,496,201
Deferred tax expenses/(income) for the year	14.04	949,869	3,162,099
Profit after tax transferred to profit & loss appropriation account		17,489,339	45,867,601
Total		105,078,842	100,744,182
Earnings per share (EPS)	5.01	0.43	1.12

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


Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director


Syed Monirul Huq
Chief Executive Officer (cc)

Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020


Ahmed Zaker & Co.
Chartered Accountants

PRIME INSURANCE COMPANY LIMITED

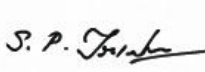
Profit & Loss Appropriation Account

For the Year Ended December 31, 2019

Particulars	Notes	Amount In Taka	
		2019	2018
Opening balance of appropriation accounts		42,635,860	76,679,316
Profit/(loss) carried forward during the year		17,489,339	45,867,601
Total profit after tax		60,125,199	122,546,917
Appropriation			
Reserve for exceptional losses	7.01	13,735,181	18,094,811
Cash dividend paid		40,877,498	61,316,247
General reserve fund	8.00	-	500,000
Retained earnings transferred to balance sheet		5,512,521	42,635,860
Total		60,125,199	122,546,917

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


Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director


Syed Monirul Huq
Chief Executive Officer (cc)

Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020


Ahmed Zaker & Co.
Chartered Accountants

PRIME INSURANCE COMPANY LIMITED

Consolidated Insurance Revenue Account

For the Year Ended December 31, 2019

PARTICULARS	Amount in Taka						PARTICULARS	Amount in Taka							
	2019			2018				2019			2018				
	Fire	Marine	Marine Hull	Motor	Misc.	Total		Fire	Marine	Marine Hull	Motor	Misc.	Total		
Claims under policies less re-insurances:	13,100,062	(20,861,177)	-	3,692,722	(4,284,901)	(8,353,294)	(6,175,657)	Balance of account at the beginning of the year:	24,949,683	44,803,588	273,285	16,270,440	10,372,636	96,669,632	102,096,593
Claims paid during the year	29,140,884	22,174,094	-	2,881,825	8,299,690	62,496,493	151,846,963	Premium less re-insurances	8,662,025	85,103,127	729,897	34,998,590	7,858,167	137,351,806	241,264,153
Advt: RI claims paid / adjusted on PSB	487,078	584,911	-	67,415	320,882	1,460,286	21,850,035	Premium underwritten	250,979,008	158,805,495	1,064,042	35,011,354	192,000,246	637,860,145	624,688,597
Advt: Claims paid on re-insurance acceptance	-	-	-	-	53	53	7,763	Less: Premium refund	425,485	1,869,389	-	16,003	726,006	3,036,883	9,763,749
Less: RI loss claims recovered / (adjusted) on RI credence	30,326,627	4,806,493	-	-	4,045,535	39,778,655	25,277,050	Advt: Premium on PSB	12,576,881	21,699,934	365,900	2,643,048	39,381,298	76,667,061	67,499,326
Less: Claims paid/recoverable on RI (adjusted) on RI credence	-	-	-	-	-	-	133,948,294	Less: Re-insurance premium ceded	244,125,216	77,079,047	382,815	2,551,620	184,281,813	508,420,511	383,360,781
Advt: Claims outstanding at the end of the year	29,723,189	5,080,248	-	1,529,474	1,180,233	37,493,144	68,918,000	Less: Re-insurance premium on PSB	10,343,163	16,453,886	317,230	88,189	38,704,348	65,906,796	58,210,248
Advt: Outstanding claims recoverable on RI	-	-	-	-	-	-	-	Advt: Premium on Re-insurance accepted	-	-	-	-	188,790	188,790	411,008
Less: Claims recovered on PSB	435,737	406,163	-	-	264,715	1,106,615	20,285,618	Net Commission earned on Re-insurances	78,562,465	30,067,773	199,356	1,012,084	25,796,033	135,637,711	65,029,673
Less: Claims outstanding at the end of the previous year	14,888,725	43,487,774	-	785,992	9,755,509	68,918,000	69,287,456	Commission earned on RI Ceded	77,420,501	24,616,590	80,938	1,012,084	20,085,861	123,215,974	53,773,934
Expenses of management	44,691,790	30,340,714	242,871	6,302,752	39,208,111	120,876,238	123,924,866	Less: Commission paid on RI accepted	-	-	-	-	66,077	66,077	143,853
Agent commission	37,583,028	23,540,416	159,606	5,249,303	28,691,136	95,223,489	92,238,727	Advt:Commission earned on PSB	1,141,964	3,238,687	17,447	-	5,172,658	9,570,756	8,087,685
Profit/(loss) transferred to profit & loss account	13,334,483	92,913,284	70,164	22,946,901	(22,730,777)	106,534,055	101,734,851	Advt: Profit commission	-	2,212,496	100,971	-	603,591	2,917,058	3,311,907
Balance of account at the end of the year as shown in the balance sheet	3,464,810	34,041,251	729,897	13,999,436	3,143,267	55,378,660	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	112,174,173	159,974,488	1,202,538	52,281,114	44,026,836	369,650,149	408,392,419	Total	112,174,173	159,974,488	1,202,538	52,281,114	44,026,836	369,650,149	408,392,419

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

Life 1-7

Md. Zakiullah Shahid
Chairperson

S. P. Trisha

Saheda Pervin Trisha
Vice-Chairperson

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

Syed Monirul Huq

Syed Monirul Huq
Chief Executive Officer(cc)

Ahmed Zaker & Co.

Ahmed Zaker & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka

February 22, 2020

PRIME INSURANCE COMPANY LIMITED

Fire Insurance Revenue Account

For the Year Ended December 31, 2019

PARTICULARS	Amount in Taka		PARTICULARS	Amount in Taka	
	2019	2018		2019	2018
Claims under policies less re-insurances:	13,100,062	2,029,597	Balance of account at the beginning of the year:	24,949,683	15,500,512
Claims paid during the year	29,140,884	128,927,820	Premium less re-insurances	8,662,025	62,374,207
Add: R/I claims paid / adjusted on PSB	487,078	1,654,036	Premium underwritten	250,979,008	304,866,148
Add: Claims paid on re-insurance acceptance	-	-	Less: Premium refunded	425,485	-
Less: R/I loss claims recovered / adjusted on R/I cedece	30,926,627	7,489,440	Add: Premium on PSB	12,576,881	8,380,364
Less: Claims paid recoverable on on R/I	-	124,950,747	Less: Re-insurance premium ceded	244,125,216	244,691,329
Add: Claims outstanding at the end of the year	29,723,189	14,888,725	Less: Re-insurance premium on PSB	10,343,163	6,180,976
Less: Claims recovered on PSB	435,737	1,021,261	Add: Premium on re-insurance accepted	-	-
Add: Outstanding claims recoverable R/I	14,888,725	9,979,536			
Less: Claims outstanding at the end of previous year	-	-			
Expenses of management	44,691,790	56,849,783	Commission earned on re-insurances	78,562,465	32,588,897
Agent commission	37,583,028	45,729,922	Commission earned on R/I ceded	77,420,501	31,421,104
Profit/(Loss) transferred to Profit & Loss Account.	13,334,483	(19,095,369)	Less: Commission paid on R/I accepted	-	-
Balance of account at the end of the year as shown in the Balance sheet	3,464,810	24,949,683	Add: Commission earned on PSB	1,141,964	708,419
			Add: Profit commission	-	459,374
(Reserve for unexpired risks being 40% of premium income on Fire of the year).					
Total	112,174,173	110,463,616	Total	112,174,173	110,463,616

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

S. P. Shahid

Md. Zakiullah Shahid
Chairperson

S. P. Shahid

Saheda Pervin Trisha
Vice-Chairperson

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

Syed Monirul Huq

Syed Monirul Huq
Chief Executive Officer(cc)

Ahmed Zaker & Co.

Ahmed Zaker & Co.
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka

February 22, 2020

PRIME INSURANCE COMPANY LIMITED

Marine & Marine Hull Insurance Revenue Account

For the Year Ended December 31, 2019

PARTICULARS	Amount in Taka		
	2019	2018	Total
Claims under Policies less Re-insurances:	(20,861,177)	(20,861,177)	(6,514,335)
Claims paid during the year	22,174,094	-	22,174,094
Add: R/I claims paid/adjusted on PSB	584,911	-	584,911
Add: Claims paid on re-insurance acceptance	-	-	-
Less: R/I loss claims recovered / adjusted on R/I cedece	4,806,493	-	4,806,493
Less: Claims paid recoverable on R/I	-	-	-
Add: Claims outstanding at the end of the year	5,080,248	-	5,080,248
Less: Claims recovered on PSB	406,163	-	406,163
Add: Outstanding claims recoverable R/I	43,487,774	-	43,487,774
Less: Claims outstanding at the end of the previous year	-	-	-
Expenses of management	30,340,714	242,871	30,583,585
Agent commission	23,540,416	159,606	23,700,022
Profit/(loss) transferred to profit & loss account	92,913,285	70,164	92,983,449
Balance of account at the end of the year as shown in the balance sheet	34,041,251	729,897	34,771,148
(Reserve for unexpired risks being 40% of premium income on Marine, and 100% of premium income on Marine Hull of the year)	-	-	-
Total	159,974,488	1,202,538	161,177,026

PARTICULARS	Amount in Taka		
	2019	2018	Total
Balance of account at the beginning of the year:	44,803,588	273,285	45,076,873
Premium less re-insurances	85,103,127	729,897	85,833,024
Premium underwritten	158,805,495	1,064,042	159,869,537
Less: Premium refunded	1,869,389	-	1,869,389
Add: Premium on PSB	21,699,934	365,900	22,065,834
Less: Re-insurance premium ceded	77,079,047	382,815	77,461,862
Less: Re-insurance premium on PSB	16,453,866	317,230	16,771,096
Add: Premium on re-insurance accepted	-	-	-
Commission earned on re-insurances	30,067,773	199,356	30,267,129
Commission earned on R/I ceded	24,616,590	80,938	24,697,528
Less: Commission paid on R/I accepted	-	-	-
Add: Commission earned on PSB	3,238,687	17,447	3,256,134
Add: Profit commission	2,212,496	100,971.00	2,313,467
Total	159,974,488	1,202,538	161,177,026

S. P. Shah

Md. Zakullah Shahid
Chairperson

Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020

S. P. Shah

Saheda Pervin Trisha
Vice-Chairperson

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

Syed Monirul Huq

Syed Monirul Huq
Chief Executive Officer(cc)

Ahmed Zaker & Co.

Ahmed Zaker & Co.
Chartered Accountants

PRIME INSURANCE COMPANY LIMITED

Motor Insurance Revenue Account

For the Year Ended December 31, 2019

PARTICULARS	Amount in Taka		PARTICULARS	Amount in Taka	
	2019	2018		2019	2018
Claims under policies less re-insurances:	3,692,722	(1,394,417)	Balance of account at the beginning of the year:	16,270,440	18,214,934
Claims paid during the year	2,881,825	4,292,652	Premium less re-insurances	34,998,590	40,676,101
Add: R/I claims paid/adjusted on PSB	67,415	162,839	Premium underwritten	35,011,354	40,451,178
Add: Claims paid on re-insurance acceptance	-	-	Less: Premium refund	16,003	4,802
Less: R/I less claims recovered / adjusted on R/I cedece	-	-	Add: Premium on PSB	2,643,048	2,773,084
Less: Claims paid recoverable on on R/I	-	900,900	Less: Re-insurance premium ceded	2,551,620	2,390,248
Less: Claims outstanding at the end of the year	1,529,474	785,992	Less: Re-insurance premium on PSB	88,189	153,111
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	785,992	5,735,000			
Expenses of management	6,392,752	7,843,717	Commission earned on re-insurances	1,012,084	1,699,799
Agent commission	5,249,303	6,066,956	Commission earned on R/I ceded	1,012,084	1,699,799
Profit/(loss) transferred to profit & loss account	22,946,902	29,859,644	Less: Commission paid on R/I accepted	-	-
Balance of account at the end of the year as shown in the balance sheet	13,999,436	16,270,440	Add: Commission earned on PSB	-	-
(Reserve for unexpired risks being 40% of Motor premium income of the year)			Add: Profit commission	-	-
Total	52,281,114	60,590,834	Total	52,281,114	60,590,834

S. P. Shah

Md. Zakirullah Shahid
Chairperson

S. P. Shah

Saheda Pervin Trisha
Vice-Chairperson

A. Z. M. Sazzadur Rahman

A.Z.M Sazzadur Rahman
Director

Syed Monirul Huq

Syed Monirul Huq
Chief Executive Officer(cc)

Syed Monirul Huq

Syed Monirul Huq
Chartered Accountants

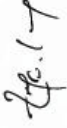
Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020


PRIME INSURANCE COMPANY LIMITED


Miscellaneous Insurance Revenue Account


For the Year Ended December 31, 2019


PARTICULARS	Amount in Taka	
	2019	2018
Claims under policies less re-insurances:	(4,284,901)	(296,502)
Claims Paid during the year	8,299,690	10,676,830
Add: R/I claims paid / adjusted on PSB	320,882	18,580,422
Add: Claims paid on re-insurance acceptance	53	7,763
Less: R/I loss claims recovered / adjusted on R/I cedece	4,045,535	4,383,213
Less: Claims paid recoverable on R/I	-	6,520,048
Add: Claims outstanding at the end of the year	1,160,233	9,755,509
Less: Claims recovered on PSB	264,715	18,367,122
Add: Outstanding claims recoverable R/I	-	-
Less: Claims outstanding at the end of the previous year	9,755,509	10,046,643
Expenses of management	39,208,111	22,836,830
Agent commission	28,691,136	2,516,460
Profit/(Loss) transferred to Profit & Loss Account.	(22,730,777)	1,757,023
Balance of account at the end of the year as shown in the Balance sheet.	3,143,267	10,372,636
(Reserve for unexpired risks being 40% of Miscellaneous premium income of the year).		
Total	44,026,836	47,186,447
Commission earned on re-insurances	25,796,033	14,925,505
Commission earned on R/I ceded	20,085,861	9,144,968
Less: Commission paid on R/I accepted	66,077	143,853
Add: Commission earned on PSB	5,172,658	5,384,502
Add: Profit commission	603,591	539,888
Total	44,026,836	47,186,447

 **Md. Zakiullah Shahid**
Chairperson

 **Saheda Pervin Trisha**
Vice-Chairperson

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

 **Syed Monirul Huq**
Chief Executive Officer(cc)

 **Ahmed Zaker & Co.**
Chartered Accountants

Signed in terms of our separate report of even date.
Dated: Dhaka
February 22, 2020

PRIME INSURANCE COMPANY LIMITED

Statement of Changes in Shareholders' Equity

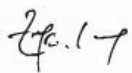
For the Year Ended December 31, 2019


For the year 2019


Particulars	Amount In Taka				
	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2019	408,774,980	10,400,000	228,345,309	42,635,859	690,156,149
Cash dividend for the year 2018				(40,877,498)	(40,877,498)
Profit after tax for the year	-	-	-	17,489,339	17,489,339
Appropriation made during the year	-		13,735,181	(13,735,181)	-
Balance as at December 31, 2019	408,774,980	10,400,000	242,080,490	5,512,520	666,767,990

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)	(0)
Balance as at December 31, 2018	408,774,980	10,400,000	228,345,309	42,635,859	690,156,149


Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director

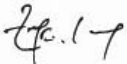

Syed Monirul Huq
Chief Executive Officer(cc)


PRIME INSURANCE COMPANY LIMITED

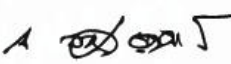
Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2019

Particulars	Amount In Taka	
	30.12.2019	30.12.2018
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from premium & Others	451,818,635	678,918,782
Payment for management expenses, re-insurance and claims	(253,838,379)	(606,605,417)
Income tax, VAT & Stamp paid	(23,290,096)	(75,617,716)
Net cash flows from operating activities	174,690,160	(3,304,351)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,313,290)	(241,550)
Investment in shares	(45,631,772)	(283,376,512)
Sale proceeds of investment in shares	50,119,322	264,744,010
Sale proceeds of fixed assets	2,417,199	1,224,163
Advance against fixed assets	-	-
Interest received	13,705,663	9,689,179
Dividend received	5,514,860	3,810,698
Interest paid on margin loan	-	-
Net cash flows from investing activities	24,811,982	(4,150,012)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividend paid	(39,617,598)	(61,316,247)
Net cash flows from financing activities	(39,617,598)	(61,316,247)
Increase/(decrease) in cash and cash equivalent (A+B+C)	159,884,544	(68,770,610)
Cash and cash equivalent at the beginning of the year	142,879,472	211,650,082
Cash and Cash Equivalent at the closing of the year	302,764,016	142,879,472
Net operating cash flow per share	4.27	(0.08)


Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director


Syed Monirul Huq
Chief Executive Officer(cc)

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 17 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 2019 under review.

1.03 Date of financial statements authorised for issue

Financial Statements of the Company for the year ended December 31, 2019 were authorized for issue on February 22, 2020 in accordance with a resolution of the Board of Directors of the Company.

2.00 Significant accounting policies, basis of preparation & presentation of financial statements and Other related policy information

2.01 Basis of accounting preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. Disclosure of financial information as required by Insurance act 2010 have been complied with and while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts in applicable cases for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act, 1938.

Management responsibility

2.02 The Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) 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 International Accounting Standard (IAS) 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, 2019

- 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 of financial statements

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 (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

Compliance with the Core IAS/IFRS or Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

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 (ICAB). While preparing the financial statements as of 31 December 2019, Prime Insurance Company applied all the applicable of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by ICAB. Details are given below:

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) .	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
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).

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 International Accounting Standard (IAS-34), Interim Financial Reporting, publicly traded entities are encouraged to provide interim financial reports that conform 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.

vii)

Prime Insurance Company applies the same accounting policies in its interim financial statements as are applied in its annual financial statements.

viii) Reporting period

Financial statements of the company consistently cover one calendar year from 1 January 2019 to 31 December, 2019.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

viii) Branch accounting

The company has 17 (Seventeen) branches under its umbrella without having any overseas branch up to the year ended December 31, 2019. 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 (IFRS-15)

Revenue is recognised in accordance with International Accounting Standard (IFRS-15): Revenue from contracts with customers, unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by Directives of the Regulatory Authority.

ii) Underwriting premium income

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

iii) Public sector business (PSB)

As per Government decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among 45 private sector insurance companies.

The premium in respect of Company's share of Public Sector insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Shadharan Bima Corporation is received. The statements of account for the period from July 2018 to June 2019 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognised in these financial statements accordingly. Such method of account for the Public Sector Insurance Business (PSB) has been consistently followed.

iv) Re-insurance ceded and accepted

a) Re-insurance ceded and Accepted with Sadharan Bima Corporation

Necessary adjustment in respect of Re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the Company and Shadharan Bima Corporation (SBC) and Foreign Re-Insurers.

b) Re-insurance with foreign re-insurer

Fifty percent (50%) of the re-insurable non-life insurance business shall be re-insured with Sadharan Bima Corporation and the remaining fifty percent (50%) of such business may be re-insured either with the SBC or with any other insurer whether in or outside Bangladesh.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

v) Cover notes converted into policy (CCP)

Amounts received against issue of cover notes that have not been converted into policy are not recognised as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months from the date of issue of such cover notes as per circular of the then Chief Controller of Insurance.

vi) Investment income

a) Interest on FDRs, 10-years & 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.

b) Cash dividend income and stock dividend from investment:

Dividend income on investment in shares are recognised when the Company is entitled to dividend from the investee and shown in the Statement of Profit or Loss and other Comprehensive Income. For stock dividend, the number of related shares of investee increases effecting decrease in average cost of investment.

2.06 Valuation non-current assets

i) Government bond

Ten-year & fifteen years 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 statement.

iii) Property, plant and equipments

All fixed assets are stated at cost less accumulated depreciation as per International Accounting Standard (IAS)-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 equipments

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.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

Depreciation on property, plant & equipments

Property, Plant & Equipment are depreciated following the reducing balance method on the basis of economic life expectancy of the assets in accordance with IAS-16. Depreciation on addition of fixed assets has been charged when it is available for use. The Property, Plant & Equipment are depreciated at the following rates:

Items	Rate %
Building floor space	2%
Motor vehicles	20%
Furniture & fixtures	10%
Office equipment	15%
Electrical equipment	15%
Computer	20%

The value of all assets as shown in the Balance Sheet and in the annexed Classified Summary of Assets drawn up in accordance with form "AA" of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the Balance Sheet amount and Form "AA" amount.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognised.

Impairment of assets

As per IAS 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 International Accounting Standard (IAS) -19, "Employee's Retirement 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.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 Chairperson 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 International Accounting Standard (IAS) -19 "Employee Benefits". It may be mentioned here that all confirmed employee's have been receive 2(two) basic up to 2008. 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 fund, the Company provides other benefits to the employees like earned leave benefit, 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 reserve @ 40% of net premium income on Fire, Marine Cargo, Motor and Miscellaneous business and 100% on Marine hull business concern.

2.09 **Allocation of expenses of management**

As per applicable insurance laws relevant management expenses wherever incurred directly or indirectly have been allocated amongst different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium income.

2.10 **Cash flow statement**

Cash flow statement is prepared in accordance with IAS-7 Statement of Cash Flows and the cash flow from the operating activities has been presented under direct method as prescribed by the Bangladesh 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 International Accounting Standard (IAS) -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 presentaion as per International Accounting Standard (IAS)-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 IAS -2.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

2.14 Re-arrangement of head of accounts:

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), some of the heads of accounts have been re-arranged wherever necessary.

3.00 Recognition of expenses and taxes

Expenses are recognised on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Revenue Accounts and Statement of Profit or Loss and Comprehensive Income in running the business and in maintaining the Property, Plant and Equipment in state of efficiency.

3.01 Borrowing costs

In accordance with International Accounting Standard (IAS-23)- Borrowing Costs that are directly attributable to the acquisition and construction of a qualifying asset form part of the cost of that asset and therefore, should be capitalised. Other borrowing costs are recognised as an expense.

3.02 Provision for income taxes

The company has made the income tax provision on the basis of International Accounting Standard (IAS) -12 "Income Taxes", Income Tax Ordinance, 1984 as amended from time to time and Finance Act, 2019.

3.03 Current tax provision

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates as per Income Tax Ordinance 1984, that have been effective on the balance sheet date.

3.04 Deferred taxes

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all 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.

4.00 Reserve or Contingencies Accounts

4.01 Reserve for exceptional losses

As per Para 6 of the 4th Schedule of Income Tax Ordinance, 1984 to meet the exceptional losses, the Company sets aside maximum ten percent of the net premium income of the year in which it is set aside from the balance of the profit to reserve for exceptional losses. As per Insurance law maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income during the year. In the year under review, the Company sets aside 10% of net premium or below 10%.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 IAS-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 mainly four 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 International Accounting Standard (IAS) -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	
		2019	2018
a.	Earnings attributable to the ordinary shareholders (Net profit after tax)	17,489,339	45,867,601
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
e.	Basic earnings per share after tax (EPS) (e=a/d)	0.43	1.12

Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

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

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

Deviation from previous period: Lower Earnings Per Share (EPS) at the same period of preceding year due to huge unrealized loss of investment in shares and provision for pending tax & liabilities 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.

6.00 At December 31, 2019 there was no scope for dilution and hence no diluted EPS is required to be calculated.

Sl. No.	Particulars	Amount in Taka	
		2019	2018
Authorised share capital			
	10,00,00,000 ordinary shares of Tk.10 each	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital			
	1,50,00,000 ordinary share of Tk. 10 each	150,000,000	150,000,000
	Bonus shares issued in different years: 25,877,498 bonus shares of Tk. 10 each	258,774,980	258,774,980
	Paid-up capital	408,774,980	408,774,980

All group (Sponsors Directors, Institutions & Public Shareholders):

Particulars	2019		2018	
Category of Shareholders	No. of Shares holding	% of holding paid up capital.	No. of Shares holding	% of holding paid up capital.
A. Group-A: Sponsors & Directors: 2,509,469 shares of Tk.10 each fully paid-up	25,094,696	61.39%	14,004,631	34.26%
B.Institutions: 4958441 shares of Tk.10 each fully paid-up.	4,958,441	12.13%	11,854,474	29.00%
B. Group-B: Public Shareholders: 10,824,361 shares of Tk.10 each fully paid-up	10,824,361	26.48%	15,018,393	36.74%
Total (A+B+C)	40,877,498	100%	40,877,498	100%
Strategic Buyer:				
1. Banks, ICB, MFs & Insurance Companies	0	0%	922,818	2.26%
2. Employees	-	0%	-	0%
3. Banks, ICB, MFs & Insurance Companies	-	0%	-	0%
4. Fareast Islami life Insurance Ltd.	3,754,006	9.81%	0	0%
5. Ramisha BD. Ltd.	0	0%	2,500,000	6.12%
6. Fareast Islami Securities Ltd.	0	0%	2,595,000	6.35%

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

Classification of shareholders as per their share holdings as on December 31, 2019

All Directors (Sponsors, Institutions and Public shareholders)	For the year 2019			For the year 2018		
Class Interval	No. of share	No. of share holders	% of holding on paid up capital.	No. of share	No. of share holders	% of holding on paid up capital.
001-5000	1373681	1799	3.36	1789024	1860	4.38
5001-10000	709335	82	1.74	830785	107	2.03
10001-300000	7928271	132	19.40	8282797	194	20.26
10001-300000	3,352,923	9	8.20	4404331	10	10.77
600001-1500000	20,054,560	20	49.06	17128904	17	41.9
1500001-5000000	7,458,728	3	18.25	8441657	5	20.65
Total	40,877,498	2,045	100.00	40877498	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 10.00% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

	Notes No.	AMOUNT in Taka	
		2019	2018
Opening balance as on 1 January	7.01	228,345,309	210,250,498
Add: Transferred during the year (tax exempted)		13,735,181	18,094,811
Closing balance as on 31 December		242,080,490	228,345,309

7.01 Class wise exceptional loss reserve

This represents profit set-aside during the year under review at 10.00% (2018 : 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.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

10% Exceptional Loss Reserve on Net Premium	Amount in Taka		
	Net Premium	2019	2018
1 Fire insurance business	8,662,025	866,203	4,678,066
2 Marine insurance business	85,833,024	8,583,302	8,421,169
3 Motor insurance business	34,998,590	3,499,859	3,050,708
4 Miscellaneous insurance business	7,858,167	785,817	1,944,869
Total	137,351,806	13,735,181	18,094,812

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	
	2019	2018
Opening balance as on 1 January	10,400,000	9,900,000
Add: Transferred during the year	-	500,000
Closing balance as on 31 December	10,400,000	10,400,000

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	2019	2018
1 Fire insurance business	8,662,025	40%	3,464,810	24,949,683
2 Marine insurance business	85,103,127	40%	34,041,251	44,803,588
3 Marine Hull insurance business	729,897	100%	729,897	273,285
4 Motor insurance business	34,998,590	40%	13,999,436	16,270,440
5 Miscellaneous insurance business	7,858,167	40%	3,143,267	10,372,636
Total	137,351,806		55,378,660	96,669,632

10.00 Premium deposit

The below mentioned amount includes premium received against cover notes for which policies have not been issued within 31 December, 2019. 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, 2019

	Amount in Taka	
	2019	2018
Premium deposits	86,609,188	32,931,099
Total:	86,609,188	32,931,099

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 belows.

	Amount in Taka	
	2019	2018
Fire insurance business	29,723,189	14,888,725
Marine insurance business	5,080,248	43,487,774
Motor insurance business	1,529,474	785,992
Miscellaneous insurance business	1,160,233	9,755,509
Closing balance as on 31 December	37,493,144	68,918,000

All the claims of which the Company received intimations within December 31, 2019 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 Shadharan Bima Corporation and other foreign re-insurers and private sector insurance companies on account of re-insurance arrangements with them and to other local insurance companies under co-insurance premium. Break up of the amount is as under:

	Amount in Taka	
	2019	2018
1 Re-insurance ceded premium to SBC	69,604,566	54,332,472
2 Re-insurance ceded premium to Abroad	16,215,202	11,028,494
3 Co-insurance premium payable to other insurance companies	1,321,620	11,800,979
Closing balance as on 31 December	87,141,388	77,161,945

13.00 Sundry creditors (including provision for expenses and taxes)

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

	Notes no:	Amount in Taka	
		2019	2018
Audit fees payable	13.01	1,766,091	1,411,091
VAT payable	13.02	5,828,508	6,223,325
Employees' tax deduction at source		119,150	280,667
Income tax deduction at source		495,812	624,352

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

	Notes no:	Amount in Taka	
		2019	2018
Bills payable		119,820	119,820
Insurance stamps on deposit premium	13.03	42,716,559	33,227,522
Security deposit		765,082	605,082
Unclaimed dividend	13.04	4,399,005	3,139,105
Gratuity fund	13.05	41,789	1,180,243
Accrued expenses	13.06	7,938,758	6,785,400
Provident fund payable	13.07	102,501	162,317
Office rent tax		630	-
Agent commission tax		372,359	-
Salary payable		1,538,142	2,227,642
Deposit premium payable to clients		7,981,105	-
Service charge payable (Hansa management)		1,031,535	511,395
Lease Liabilities		7,784,397	-
Closing balance as on 31 December		83,001,243	56,497,961

13.01 Audit fees payable

	Amount in Taka	
	2019	2018
Opening balance as on 1 January	1,411,091	1,029,508
Add: Provision made during the year	630,000	625,000
Total	2,041,091	1,654,508
Less: Paid during the year	275,000	243,417
Closing balance as on 31 December	1,766,091	1,411,091

13.02 VAT payable

	Amount in Taka	
	2019	2018
Opening balance as on 1 January	6,223,325	4,914,805
Add: Payable during the year	40,490,299	41,425,722
Total	46,713,624	46,340,527
Less: Paid during the year	40,885,116	40,117,202
Closing balance as on 31 December	5,828,508	6,223,325

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, 2019

13.03 Insurance stamp on deposit premium

	Amount in Taka	
	2019	2018
Opening balance as on 1 January	33,227,522	33,574,507
Add: Payable during the year	23,220,137	22,568,212
Total	56,447,659	56,142,719
Less: Paid during the year	13,731,100	22,915,197
Closing balance as on 31 December	42,716,559	33,227,522

13.04 Unclaimed dividend

Unclaimed dividend amounting to Tk.4,399,005 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	
	2019	2018
1 Dividend payable for the year 2018	1,259,900	-
2 Dividend payable for the year 2017	355,920	355,920
3 Dividend payable for the year 2016	1,631,527	1,631,527
4 Unclaimed dividend previous year	1,151,658	1,151,658
Total unclaimed dividend	4,399,005	3,139,105

13.04 Employees gratuity fund

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

13.05 VAT payable

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

	Amount in Taka	
	2019	2018
Opening balance as on 1 January	1,180,243	2,699,699
Add: Provision made during the year	4,800,000	4,000,000
Total	5,980,243	6,699,699
Less: Transferred to the gratuity fund	4,350,000	4,000,000
Less: Paid to the employees from company's own fund	1,588,454	1,519,456
Closing balance as on 31 December	41,789	1,180,243

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

13.06 Accrued expenses

	Notes No:	Amount in Taka	
		2019	2018
Incentive	13.06.01	6,814,076	5,648,398
Health insurance		365,955	365,955
Mobile		65,300	68,300
Telephone (resident)		15,230	17,130
Telephone & fax (office)		19,700	20,000
Electricity		224,850	225,450
Car allowance		238,645	217,410
Car fuel		118,942	115,557
Car maintenance		76,060	107,200
Closing balance as on 31 December		7,938,758	6,785,400

13.06.01 Incentive/performance bonus for employees

	Amount in Taka	
	2019	2018
Opening balance as on 1 January	5,648,398	6,290,518
Add: Provision made during the year	4,046,804	5,038,958
Total	9,695,202	11,329,476
Less : Paid during the year	2,881,126	5,681,078
Closing balance as on 31 December	6,814,076	5,648,398

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 International Accounting Standard (IAS)-19 under "Employees Retirement Benefit Scheme".

	Amount in Taka	
	2019	2018
Opening balance as on 1 January	162,317	199,249
Add: Provision made during the year	4,670,858	5,304,072
Total fund	4,833,175	5,503,321
Total Provident fund transferred & paid	4,730,674	5,341,004
Less: Transferred to the Employees Provident fund Account.	4,730,674	5,341,004
Less: Paid to the employees from company's own fund	-	-
Closing balance as on 31 December	102,501	162,317

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

14.00 Corporate income tax provision

The provision for current income tax has been calculated based on the profit of the company before provision considering admissible and inadmissible expenses as per Income Tax Ordinance 1984 and Finance Act, as amended by the Government time to time. Details are as follows:

	Notes No.	Amount in Taka	
		2019	2018
Opening balance as on 1 January		272,735,091	243,238,890
Add: Provision made during the year	14.02	35,861,594	29,496,201
Add: Provision made for previous year	14.03	30,555,270	
Total		339,151,955	272,735,091
Less: Adjustment made for Assessment year		-	-
Closing balance as on 31 December		339,151,955	272,735,091

14.01 Tax provision:

	Notes No.	Amount in Taka	
		2019	2018
Current tax provision during the year	14.02	35,861,594	29,496,201
Tax provision for previous year	14.03	30,555,270	-
		66,416,864	29,496,201

14.02 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)		86,311,285	13,735,181	72,576,105
Interest income from FDR & STD Accounts (U/s 22)	24.00	19,393,334	-	19,393,334
Capital gains from share trading (U/s 31)	25.00	(373,965)	(373,965)	-
Gain (unrealised) on investment in securities	-	(27,595,654)	(27,595,654)	-
Dividend income from investment in securities (U/s 54 Rule 19)	26.00	5,514,860	-	5,514,860
Fixed assets sales (Motor car) U/S -16(3)	27.00	1,476,653	-	1,476,653
Other income (U/S-33)	27.00	129,559	-	129,559
Total profit/income (before Tax)		84,856,072	(14,234,439)	99,090,511

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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%	72,576,105	37.50	27,216,039
Income tax on interest income @ 37.50%	19,393,334	37.50	7,272,500
Income tax on capital gains from share trading @10%	-	10	-
Income tax on dividend income @ 20%	5,514,860	20	1,102,972
Income tax on capital gains from share trading @10%	-	10	-
Gain from sale of motor car @15%	1,476,653	15	221,498
Gain from sale of furniture & fixture @15%	-	15	-
Other income @37.50%	129,559	37.50	48,585
Total tax liability during the year	99,090,511		35,861,594

14.03 Deferred tax

Deferred tax liabilities for previous year

	Amount in Taka	
	2019	2018
Assessment year 2012-2013 and Accounting year 2011	14,875,535	-
Assessment year 2013-2014 and Accounting year 2012	15,679,735	-
Total deferred tax provision during the year	30,555,270	-

Tax authority has imposed additional tax as per Income Tax Ordinance 1984 on excess management expenses for the assessment year from 2010-2011 to assessment year 2013-2014.

14.04 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the year ended December 31, 2019 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 International Accounting Standard (IAS)-12 Income Taxes"

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

	Amount in Taka	
	2019	2018
Carrying amount of property, plant and equipment excluding land	190,431,847	199,145,772
Tax base	146,883,142	164,718,351
Total difference	43,548,705	34,427,421
Less: Permanent difference	2,951,796	3,689,745
Taxable temporary difference	40,596,909	30,737,676
Provision for gratuity	41,789	1,180,243
Provident fund payable	102,501	162,317
Provision for incentive bonus	6,814,076	5,648,398
Deductible temporary difference	6,958,366	6,990,958
Provision for change in fair value of shares	27,595,654	
Total (taxable)/deductible temporary difference	(33,638,543)	(23,746,718)
Tax rate	37.50%	37.50%
	(12,614,454)	(8,905,019)
Deferred tax assets on Change in fair value of shares (10%)	2,759,565	-
Deferred tax assets/(liability) as at 31 December	(9,854,888)	(8,905,019)
Deferred tax liability in previous year	(8,905,019)	(5,742,920)
Deferred tax (expense)/income for the year	(949,869)	(3,162,099)



PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

15.00 Property, plant and equipment (at cost less accumulated depreciation)

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

PARTICULARS	COST				DEPRECIATION				WRITTEN DOWN VALUE (WDV)	
	Opening balance as at 01-01-2019	Addition during the year	Disposal during the year	Balance as on 31-12-2019	Rate	Opening balance as at 01-01-19	Charged during the year	Adjustment during the year	Balance as on 31-12-19	Balance as on 31-12-2018
Land	165,451,600	-	-	165,451,600	0%	6,551,883	3,177,994	-	9,729,877	158,899,717
Building	36,750,050	-	7,940,750	28,809,300	20%	25,286,200	2,292,770	7,000,204	20,578,766	11,463,850
Motor car	1,999,090	-	-	1,999,090	20%	1,702,660	59,286	-	1,761,946	296,430
Motor cycle	27,550	-	-	27,550	20%	17,392	2,032	-	19,424	10,158
Furniture & fixtures	37,705,714	1,250	-	37,706,964	10%	18,097,783	1,960,856	-	20,058,639	19,607,931
Electrical fans	281,945	-	-	281,945	15%	243,611	5,750	-	249,361	38,334
Air cooler	6,098,240	-	-	6,098,240	15%	3,845,590	337,898	-	4,183,488	2,252,650
Electrical equipment	3,558,980	10,900	-	3,569,880	15%	2,177,306	208,069	-	2,385,375	1,381,674
Typewriters	739,700	-	-	739,700	15%	739,699	0	-	739,699	1
Photocopy machine	642,979	-	-	642,979	15%	535,919	16,059	-	551,978	107,060
Office equipment	5,372,469	33,000	-	5,405,469	15%	3,661,477	259,124	-	3,920,601	1,710,992
Computer	13,828,978	1,146,500	-	14,975,478	20%	11,121,574	656,131	-	11,777,705	2,707,404
Telephone & mobile installation	4,087,236	49,350	-	4,136,586	15%	3,577,162	80,212	-	3,657,374	510,074
Fax machine	704,290	17,500	-	721,790	15%	626,319	13,008	-	639,327	77,971
Camera & television	213,415	32,290	-	245,705	15%	143,518	12,906	-	156,424	69,897
Generator	48,360	22,500	-	70,860	20%	36,731	4,576	-	41,306	11,629
Total Taka - 2019 (A)	277,510,596	1,313,290	7,940,750	270,883,136		78,364,824	9,086,670	7,000,204	80,451,289	199,145,772

PARTICULARS	COST				DEPRECIATION				WRITTEN DOWN VALUE (WDV)	
	Opening balance as at 01-01-2019	Addition during the year	Disposal during the year	Balance as on 31-12-2019	Rate	Opening balance as at 01-01-19	Charged during the year	Adjustment during the year	Balance as on 31-12-19	Balance as on 31-12-2018
Right of use of Assets	-	9,365,954	-	9,365,954	0%	-	1,822,861	-	1,822,861	7,543,093
Total Taka - 2019 (B)	-	9,365,954	-	9,365,954		-	1,822,861	-	1,822,861	7,543,093
Grand Total (A+B)	277,510,596	10,679,244	7,940,750	280,249,090		78,364,824	10,909,531	7,000,204	82,274,150	197,974,940
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

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 31/12/2019	Fair value (Tk.) as on 31/12/2019	Value at Cost (Tk.) as on 31/12/2018	Fair value (Tk.) as on 31/12/2018
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	16,000,000	16,000,000
Total:	25,000,000	25,000,000	25,000,000	25,000,000

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

	Amount in Taka	
	2019	2018
Held for trading	-	-
Fair value through profit & loss	104,039,370	136,122,574
	104,039,370	136,122,574

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 31/12/2019	Fair Market Value(Tk.) as on 31/12/2019	Value at Cost (Tk.) as on 31/12/2018	Fair Market Value (Tk.) as on 31/12/2018
a) Listed Securities	17.01	167,674,721	102,469,920	166,224,546	128,615,399
b) Non-listed Securities (571,181 Shares in Central Depository (BD) Ltd & Others	17.02	1,569,450	1,569,450	7,507,175	7,507,175
Closing balance		169,244,171	104,039,370	173,731,721	136,122,574

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, 2019 the company had the following securities:

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

17.01 Investment in listed securities

Name of Company/Securities	No. of shares	Average cost price (Tk)	Value at cost (Tk.) as on 31/12/2019	Fair Value (Tk.) as on 31/12/2019	Value at cost (Tk.) as on 31/12/2018	Fair value (Tk.) as on 31/12/2018
Advent Pharma Limited	379	0.00	-	8,338	-	14,111
ALARABANK	107,100	21.48	2,300,330	1,841,610	-	-
Aman Cotton Fibrous Limited	7,846	40.00	313,840	167,904	-	-
AAMRANET	15,900	82.40	1,310,115	597,840	1,310,115	882,000
Active fine Chemical	58,800	34.04	2,001,682	860,760	2,001,682	1,658,160
Bashundhra Paper Mills Limited	10,807	80.00	864,560	497,122	-	-
Baraka Power Limited	293,700	37.56	11,030,460	6,666,990	11,030,460	8,223,600
BRAKBANK	16,400	69.13	1,133,744	936,440	-	-
BATBC	180	956.61	172,190	174,582	-	-
Beximco Pharma	15,000	111.86	1,677,926	1,041,000	1,677,926	1,186,500
BSCCL	16,500	154.09	2,542,415	1,547,700	-	-
CONFIDENCE CEMENT	11,500	152.16	1,749,893	1,220,150	-	-
Coppertech Industries Ltd.	5,215	9.09	47,410	123,074	-	-
Fareast Finance & Investment	3,540	4.88	17,287	11,328	17,287	18,762
First Finance Ltd.	1,500	52.05	78,071	6,450	78,071	8,550
First Security Islami Bank	44,000	12.79	562,931	426,800	562,931	436,000
Genex Infosys Limited	12,035	8.70	104,660	779,868	-	-
Golden Harvest Agro (GHAIL)	191,979	42.76	8,208,410	3,685,997	8,208,410	5,357,153
IDLC Finance Limited	130,000	76.58	9,955,192	5,902,000	9,955,192	9,061,000
Ido-Bangla Pharma	3,529	8.34	29,433	63,522	29,433	100,701
Intraco Refueling Station	6,160	8.66	53,340	81,928	53,340	150,080
Kattaku Textile	10,744	8.33	89,533	121,407	-	22,466
KPCL	66,000	117.04	7,724,490	3,082,200	7,724,490	3,913,800
Lankabangla Finance	1,307,800	35.05	45,832,505	23,540,400	45,832,505	29,948,620
MPETROLEUM	55,245	229.56	12,682,210	8,998,641	-	-
M.L. Dyeing Ltd.	8,335	8.70	72,480	256,718	42,270	125,542
Mercantile Bank Ltd	293,250	17.45	5,117,740	3,870,900	2,486,201	1,890,000
New Line Clothings Limited	12,320	8.77	108,081	183,568	-	-
OLYMPIC	10,000	247.52	2,475,222	1,650,000	-	-
Shahjibazar Power Co.Ltd.(SPCL)	346,029	107.08	37,053,943	24,269,679	37,053,943	32,393,444
SIM Tex Industries	33,580	39.63	1,330,697	571,195	4,438,695	3,696,330
Square Pharma	9,737	265.56	2,585,777	1,839,319	2,584,502	2,311,949
United Power Co Ltd (UPGDCL)	25,130	318.76	8,010,327	6,221,149	31,027,414	26,972,600
SS Steel Limited	14,841	9.09	134,920	336,891	67,460	-
Sea Pearl Beach Resort	4,101	9.09	37,290	170,192	-	-
Silco Pharmaceuticals Limited	12,397	8.33	103,315	383,067	-	-
Silva Pharmaceuticals Limited	9,652	9.52	91,930	161,188	-	-
VFS Thread Dyeing Ltd.	8,515	8.26	70,373	172,003	42,220	244,031
Total	3,179,746		167,674,721	102,469,920	166,224,546	128,615,399

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 31/12/2019	Fair Value (Tk.) as on 31/12/2019	Value at cost (Tk.) as on 31/12/2018	Fair market value (Tk.) as on 31/12/2018
Central Depository (BD) Ltd	571,181	2.75	1,569,450	1,569,450	1,569,450	1,569,450
Runner Autu 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	1,569,450	1,569,450	7,507,175	7,507,175
Grand Total: (b+c+d)			169,244,171	104,039,370	173,731,721	136,122,574

17.03 Changes in fair value of shares:

	Amount in Taka	
	2019	2018
Fair value of investment in shares	104,039,370	136,122,574
Cost price of the investment	169,244,171	173,731,721
Total unrealised loss	(65,204,802)	(37,609,147)
Total unrealised loss recognised in previous years as created fluctuation fund	37,609,147	26,136,597
Fair value adjustment made for the year	(27,595,654)	(11,472,550)

Previously the difference between cost and fair value of investment in securities amounting Tk.37,609,147 had been shown under investment fluctuation fund. In view of compliance of IAS-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 2019, the company has been provisioned fair value reserve an amount of Tk.27,595,654 from current year income through Profit and Loss account as a fluctuation fund. As at December 31, 2019, the fluctuation fund has arrived an amount of Tk.65,204,802

18.00 Stock of printing & stationery (inventories)

	Amount in Taka	
	2019	2018
Opening balance	3,226,453	3,753,670
Add: Purchase during the year	2,185,025	1,723,283
Total inventories	5,411,478	5,476,953
Less: Total utilisation/consumption	2,850,050	2,250,500
Closing balance	2,561,428	3,226,453

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

19.00 Premium collection control account

Marine cargo premium of Tk.8,968,848 for the year 2018 subsequently was collected/adjusted and during the year Tk. 10,361,267 has been added against Marine Cargo premium receivable against Bank Guarantee which will be adjusted within the following the month.

Break-up of the above amount is given below:

Class of Business	Amount in Taka	
	2019	2018
1 Fire insurance business	-	-
3 Marine insurance business	10,361,267	8,968,848
4 Marine Hull insurance business	-	-
5 Motor & Miscellaneous insurance business	-	-
Closing balance	10,361,267	8,968,848

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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	
	2019	2018
a) Fixed deposit receipts (FDR) with different banks		
Opening balance	3,175,469	3,118,154
Add: Accrued during the year	6,596,334	3,175,467
Total:	9,771,803	6,293,621
Less: Received during the year	3,175,467	3,118,152
Total accrued interest on FDR	6,596,336	3,175,469
b) 10-year Bangladesh Govt Treasury Bond		
Opening balance	398,453	398,452
Add: Accrued during the year	400,783	398,454
Total:	799,236	796,906
Less: Received during the year	398,453	398,453
Total accrued interest on BGTB	400,783	398,453
c) 15-year Bangladesh Govt Treasury Bond		
Opening balance	696,682	-
Add: Accrued during the year	270,563	696,682
Total:	967,245	696,682
Less: Received during the year	696,682	-
Total accrued interest on BGTB	270,563	696,682
d) Opening balance on fixed deposit with double benefit scheme		
Opening balance	7,464,025	5,067,060
Add: Accrued during the year	2,690,593	2,396,965
Total:	10,154,618	7,464,025
Less: Received during the year	-	-
Total accrued interest on FDR with double benefit scheme	10,154,618	7,464,025
Closing balance (a+b+c+d)	17,422,300	11,734,629

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 against claims, Co-insurance premium and co-insurance claims receivable other insurance companies. Which are given below:

Head of Amounts Receivable/due from	Amount in Taka	
	2019	2018
1 Co-insurance premium receivable from other insurance companies	3,029,729	3,545,425
2 Co-insurance claims receivable from other insurance companies	1,273,003	1,273,003
3 Claims receivable from SBC	260,415,858	348,526,868
4 Claims receivable from Foreign reinsure (abroad)	16,690,197	24,878,363
Closing balance as on December	281,408,787	378,223,659

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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	
		2019	2018
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	1,658,348	2,855,678
Stamp receivable on collection control premium	22.04	403,047	593,130
Advance income tax	22.05	304,609,754	278,624,870
Advance office rent		4,021,231	3,763,965
Advance against salaries		1,758,033	1,461,655
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
Advances to Mr. Ferdous Amin & Mr. Hasmat Ali		2,819,423	2,819,423
Closing balance as on December		422,453,294	397,302,179

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 IAS-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	
	2019	2018
Opening balance	104,400,000	104,400,000
During the year paid (including utility charges)	-	-
Total amount paid	104,400,000	104,400,000

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

22.03 VAT receivable on collection control premium

	Amount in Taka	
	2019	2018
Opening balance	2,855,678	2,148,796
Add: Receivable during the year	39,844,307	41,428,263
Total	42,699,985	43,577,059
Less: Received during the year	41,041,637	40,721,381
Closing balance as on December	1,658,348	2,855,678

22.04 Stamp receivable on collection control premium

	Amount in Taka	
	2019	2018
Opening balance	593,130	809,364
Add: Receivable during the year	23,250,052	31,568,787
Total	23,843,182	32,378,151
Less: Received during the year	23,440,135	31,785,021
Closing balance as on December	403,047	593,130

22.05 Advance income tax

	Notes No.	Amount in Taka	
		2019	2018
Corporate advance tax	22.05.1	255,860,950	232,570,854
Advance tax deduction at source on bank interest	22.05.2	48,748,804	46,054,016
Total Corporate Tax as on December		304,609,754	278,624,870

22.05.1 Corporate advance tax

	Amount in Taka	
	2019	2018
Opening balance	232,570,854	219,985,537
Add: Advance tax paid during the year	15,000,000	12,585,317
Add: Tax paid for the assesment year 2013-2014 & Accounting year 2012	3,135,948	-
Add: Return basis Tax paid for the assesment year 2019-2020 and Accounting year 2018	5,154,148	-
Total tax paid during the year	23,290,096	12,585,317
Total advance tax paid	255,860,950	232,570,854
Less: Adjustment made during the year for assessment year	-	-
Total corporate advance tax as on December	255,860,950	232,570,854

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 as per Income Tax Ordinance 1984.

	Notes No.	Amount in Taka	
		2019	2018
Balance on different sources			
Balance on FDR account	22.05.2.a	29,981,575	28,938,293
Balance on BGTB account	22.05.2.b	1,383,750	1,383,750
Balance on STD account	22.05.2.c	2,094,579	1,931,031
Balance on cash dividend received account	22.05.2.d	12,028,848	10,925,890
Balance on company's car	22.05.2.e	3,260,052	2,875,052
Total balance as on December		48,748,804	46,054,016

22.05.2.a Tax deducted at source on FDR interest

	Amount in Taka	
	2019	2018
Opening balance	28,938,293	28,102,114
During the year deduction	1,043,282	836,179
Balance as on December	29,981,575	28,938,293
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	29,981,575	28,938,293

22.05.2.b Tax deducted at source on Bangladesh Govt Treasury Bond (BGTB) interest

	Amount in Taka	
	2019	2018
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	
	2019	2018
Opening balance	1,931,031	1,802,767
During the year deduction	163,548	128,264
Balance as on December	2,094,579	1,931,031
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	2,094,579	1,931,031

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

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

	Amount in Taka	
	2019	2018
Opening balance	10,925,890	9,973,214
During the year deduction (including corporate dividend tax)	1,102,958	952,676
Balance as on December	12,028,848	10,925,890
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	12,028,848	10,925,890

22.05.2.e Advance tax paid against Company's car

	Amount in Taka	
	2019	2018
Opening balance	2,875,052	2,340,052
During the year deduction	385,000	535,000
Balance as on December	3,260,052	2,875,052
Less: Adjustment made during the year for assessment year	-	-
Closing balance as on December	3,260,052	2,875,052

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

	Amount in Taka	
	2019	2018
Total Co-operative fund of Unique Heights	2,100,000	2,100,000

The above advance has been made to the Borak Real State for Unique Heights Co-operative Fund against service charge purpose time to time in future.

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. Details are given below:

	Notes No.	Amount in Taka	
		2019	2018
01. Cash in hand		604,048	639,998
02. Balance with banks:		302,159,968	142,239,474
Cash at Bank		32,759,968	55,839,474
a) Short term deposits		28,985,380	49,055,883
b) Foreign currency account		-	190,117
c) Current deposits		3,774,588	6,593,474
d) Fixed deposit receipt	23.01	269,400,000	86,400,000
Closing balance as on December		302,764,016	142,879,472

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

23.01 Fixed deposit receipt (FDR)

	Amount in Taka	
	2019	2018
Opening balance	86,400,000	164,944,478
Add: Placed during the year	388,400,000	69,700,000
Less: Encashed during the year	(205,400,000)	(148,244,478)
Closing balance as on December	269,400,000	86,400,000

24.00 Interest income

This represents the amount received or accrued during the year on interest bearing account with different banks under the

Head of interest accounts	Amount in Taka	
	2019	2018
1 10-years Bangladesh Treasury Bond (9.45% on Tk.9,000,000)	852,830	850,500
2 15-years Bangladesh Treasury Bond (8.12% on Tk.16,000,000)	852,780	1,474,170
3 On fixed deposits receipts	13,530,317	8,401,676
4 On fixed deposits receipts (Bouble Benefit Scheme)	2,690,593	2,396,965
5 On short term deposits	1,466,814	1,018,073
Total	19,393,334	14,141,384

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	
	2019	2018
Income from share trading	-	18,547,979
Less: Loss on share sale	373,965	27,595,287
Net income/(loss) from share trading	(373,965)	(9,047,308)

25.01 Loss on shares sale

This represents the amount realized loss during the year from sale of investment shares.

	Amount in Taka	
	2019	2018
Total loss on shares sale	373,965	27,595,287

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	
	2019	2018
Cash dividend received from share investment	5,514,860	4,763,374

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

27.00 Other non-operating income

	Notes No.	Amount in Taka	
		2019	2018
Gains on sale of motor car	27.01	76,647	184,942
Gains on sale of motor car	27.02	149,301	
Gains/(loss) on sale of motor car	27.03	60,175	(15,390)
Gains/(loss) on sale of motor car	27.04	198,069	(31,773)
Gains/(loss) on sale of motor car	27.05	245,243	-
Gains/(loss) on sale of motor car	27.06	747,218	-
Total gain/(loss) on sale of motor car		1,476,653	137,779
Gains on sale of furniture & fixtures		-	-
Other income		129,559	502,718
Total		1,606,212	621,892

27.01 Profit from sale/transfer of Motor Car:

Amount in Taka		
	2019	2018
Cost price	1,600,000	-
Less: Accumulated depreciation	1,385,252	-
Written down value	214,748	
Sale/ Transfer CAR No. DM-Ga-33-4761	291,395	-
Profit /(Loss):	76,647	-

27.02 Profit from sale/transfer of Motor Car:

Amount in Taka		
	2019	2018
Cost price	1,470,000	1,380,000
Less: Accumulated depreciation	1,272,700	1,148,474
Written down value	197,300	231,526
Sale Car No. KM-Kha-11-0219/Transfer of Car No-DM-GA-31-9123	346,601	416,468
Profit /(Loss):	149,301	184,942

27.03 Profit from sale/transfer of Motor Car:

Amount in Taka		
	2019	2018
Cost price	1,988,000	1,680,000
Less: Accumulated depreciation	1,721,175	1,398,143
Written down value	266,825	281,857
Sale Car No. DM-GA-31-5206 and Transfer of Car No-DM-GA-31-9127	327,000	266,467
Profit/(Loss):	60,175	(15,390)

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

27.04 Profit from sale/transfer of Motor Car:

Cost price	
Less: Accumulated depreciation	
Written down value	
Sale Car No. DM-Ga-14-5769 and Transfer of Car No-DM-GA-33-2869	
Profit/(Loss):	

Amount in Taka	
2019	2018
740,000	1,477,000
731,468	1,167,251
8,532	309,749
206,601	277,976
198,069	(31,773)

27.05 Profit from sale/transfer of Motor Car:

Cost price	
Less: Accumulated depreciation	
Written down value	
Sale Car No. DM-Ga-22-0062	
Profit/(Loss):	

Amount in Taka	
2019	2018
843,750	-
702,192	-
141,558	-
386,801	-
245,243	-

27.06 Profit from sale/transfer of Motor Car:

Cost price	
Less: Accumulated depreciation	
Written down value	
Sale CM-Ga-12-0454	
Profit / (Loss):	

Amount in Taka	
2019	2018
1,299,000	-
1,187,417	-
111,583	-
858,801	-
747,218	-

27.07 Gains / (loss) on foreign exchange

Gains/(loss) on foreign exchange	
----------------------------------	--

Amount in Taka	
2019	2018
-	2,539

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:

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

Particulars	Attendance fee per meeting	Meeting held	Total attended	Amount in Taka	
				31.12.2019	31.12.2018
Board meeting		13		1,416,400	929,000
Executive committee meeting		3		178,800	247,000
Audit Committee meeting		5		250,400	253,000
Remuneration Committee				-	-
Claims Review Committee		3		56,400	60,000
NRC Meeting		4		158,400	
Election committee & others		3		80,400	110,000
Total				2,140,800	1,599,000

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).

29.00 Audit fees

	Amount in Taka	
	2019	2018
Statutory audit	250,000	250,000
Corporate governance audit	30,000	25,000
Special audit	350,000	350,000
Total	630,000	625,000

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	
	2019	2018
Registration renewal fee	785,260	769,432

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

31.00 Employee's salary and other allowances

	Amount in Taka	
	2019	2018
1 Employees salary and allowances (including CEO's salary)	64,921,338	69,636,112
2 Employees provident fund (Company's contribution)	2,336,650	2,652,036
3 Employees gratuity fund	4,800,000	4,000,000
4 Employees group insurance	228,131	225,765.00
5 Employees incentive bonus	4,046,804	5,038,958
6 Employees festival bonus	5,453,157	5,368,387
Total	81,786,080	86,921,258

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

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. In 2019, the Chief Executive Officer's (Current Charge) salaries and allowances status are given below:

Salary and allowances former CEO up to June 30,2019

Basic Salary and allowances	Amount in Taka	
	2019	2018
1 Basic salary	1,781,868	3,437,500
2 House rent	895,126	1,718,750
3 House maintenance	537,074	1,031,250
4 Responsibilities charges	358,052	687,500
5 Entertainment	-	-
6 Leave fare assistance	550,000	550,000
7 Medical charge	-	183,658
8 Festival bonus	606,376	577,500
9 Incentive/Performance bonus & other allowances	-	2,200,000
10 Furniture allowance	600,000	
Total	5,328,496	10,386,158

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

Salary and allowances Chief Executive Officer (Current Charge) as a regular Employee's

Basic Salary and allowances	Amount in Taka	
	2019	2018
1 Basic salary	817,128	770,895
2 House rent	367,704	346,905
3 House maintenance	163,428	154,176
4 Responsibilities charges	-	-
5 Entertainment	122,568	115,638
6 Leave fare assistance	122,568	115,638
7 Medical charge	122,568	115,638
8 Festival bonus	136,188	125,914
9 Arrear salary & other allowances	16,800	124,148
10 Incentive/Performance bonus & other allowances	136,188	125,914
Total	2,005,140	1,994,866

The above amount has been shown in Revenue Account as Management expenses in the Financial Statements.

32.01 CEO & Managing director resignation

The former Chief Executive Officer and Managing Director drew Tk. 600,000 as one time furniture allowance and Leave fare assistance Tk. 550,000 totaling to Tk. 1,150,000 without observing the entitlement procedure including the consent of the Board of Directors. Legal opinion as to her entitlement above were sought for and Law firm "Law and Remedy" opined that the fund was withdrawn illegally and she (CEO & MD) is under obligation to return back the entire money to the company and the matter is pending.

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	
	2019	2018
1 Fire insurance business	37,583,028	45,729,922
2 Marine insurance business	23,540,416	27,677,013
3 Marine Hull insurance business	159,606	248,376
4 Motor insurance business	5,249,303	6,066,956
5 Miscellaneous insurance business	28,691,136	12,516,460
Total	95,223,489	92,238,727

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, 2019

34.00 Net assets value (NAV) and Net Assets Value Per Share (NAVPS)

Net Asset Value Per Share (NAVPS) 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. The break up of Net Assets Value Per Share (NAVPS) is given below:

		Amount in Taka	
		2019	2018
a.	Total assets as of December 31		
i)	Non-current (fixed) assets	327,014,309	360,268,346
ii)	Current assets	1,038,384,148	943,706,550
	Total assets as of December 31	1,365,398,457	1,303,974,896
b.	Total current liabilities as of December 31	698,630,467	613,818,747
i)	Balance of fund (Unexpired risk reserve)	55,378,660	96,669,632
ii)	Deposit premium	86,609,188	32,931,099
iii)	Estimated liabilities in respect of outstanding claims whether due of intimated	37,493,144	68,918,000
iv)	Amount due to other persons or bodies carrying on insurance business	87,141,388	77,161,945
v)	Creditors and accruals	339,151,955	272,735,091
vi)	Income tax provision	9,854,888	8,905,019
vii)	Deferred tax liability	83,001,243	56,497,961
c.	Net Assets Value (Shareholders' equity) (a-b)	666,767,991	690,156,149
d.	Number of shares outstanding during the year	40,877,498	40,877,498
e.	Net assets value per share (NAVPS) at the balance sheet date (c/d)	16.31	16.88

35.00 Net operating cashflows

Net Operating Cash Flows (NOCFs) per share has been calculated by dividing net cash used in operating activities reported in the cash flows statement by the weighted average number of ordinary shares in issue.

		Amount in Taka	
		2019	2018
	Net cash used in operating activities	174,690,160	(3,304,351)
	Weighted average number of shares	40,877,498	40,877,498
	Net operating cash flows per share (NOCFPS) on shares at balance sheet date (a/b)	4.27	(0.08)

Deviation from previous period: Higher positive cash flow per share at the same period of preceding year due to increased direct premium income, control the management expenses and non payment of provisional expenses during the year.

PRIME INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2019

35.01 "Reconciliation of net profit to net operating cash flow"

	2019
Net profit before tax	84,856,072
Adjustment:	
Depreciation	9,086,670
Interest Income	(19,393,334)
Dividend income	(5,514,860)
Increased/(Decreased) of fair value on investment in shares	27,595,654
Profit on sales of fixed assets	(1,476,653)
Profit/Loss on sales share	373,965
Changes in working capital:	
Increase/(decrease) the balance of fund	(41,290,972)
Increase/(decrease) the premium deposit	53,678,089
Increase/(decrease) of amount due to other persons or body	9,979,443
Increase/(decrease) of Outstanding claims	(31,424,856)
Increase/(decrease) of sundry creditor except payable for fixed asset and tax payable	7,969,948
(Increase)/decrease of Stock of stamps & others	(41,746)
(Increase)/decrease of Advance, deposit & prepayment except AIT, Advance for fixed assets & collection control a/c	701,108
(Increase)/decrease of premium control account	(1,392,419)
(Increase)/decrease of amount due from other persons or body	96,814,872
(Increase)/decrease Stock of printing & stationery	665,025
(Increase)/decrease Insurance stamp in hand	9,489,037
Income tax paid	(25,984,884)
Net cash generated from operating activities	174,690,160

36.00 Number of employees engaged

Total number of 173 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, 2019.

37.00 Event after the reporting period (balance sheet date)

The Board of Directors has recommended no dividend for the year ended December 31, 2019 .

Under International Accounting Standard (IAS) 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 IAS 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 International Accounting Standard (IAS)-24 and under the condition No 1.5(vi) of the Corporate governance code (CGC) guidelines 2018, 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, 2019 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	113,600	-	-	-
Dekko group	Common Director	Insurance	37,010,381	-	-	-
Getco	Common Director	Insurance	-	-	-	-
Popular Pharma	Common Director	Insurance	7,280,820	-	-	30,528
Electra	Common Director	Insurance	8,727,938	-	-	-

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, Taxes and penal VAT demanded by VAT and Tax authorities are as follows.

Particulars	Amount in Taka	
	2019	2018
Additional VAT	12,266,825	12,266,825
Disputed VAT	23,918,583	23,918,583
Miscellaneous claims	83,810,000	83,810,000
Taxes liabilities	44,996,367	-
Total	195,547,045	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.

Md. Zakiullah Shahid
Chairperson

Saheda Pervin Trisha
Vice-Chairperson

A.Z.M Sazzadur Rahman
Director

Syed Monirul Huq
Chief Executive Officer(cc)

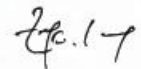
PRIME INSURANCE COMPANY LIMITED

Classified Summary of Assets

For the Year Ended December 31, 2019

Form "AA"

Sl. No.	Class of Assets	Amount in Taka	
		31.12.2019 Book Value	31.12.2018 Book Value
A. NON CURRENT ASSETS:			
i) Property, Plant & Office Equipments		197,974,940	199,145,772
(a)	Unique Heights (Floor space)	155,721,723	158,899,717
(b)	Motor car	8,230,534	11,463,850
(c)	Motor cycle	237,144	296,430
(d)	Bi-cycle	8,126	10,158
(e)	Furniture & fixtures	17,648,325	19,607,931
(f)	Electrical fans	32,584	38,334
(g)	Air cooler	1,914,753	2,252,650
(h)	Electrical equipment	1,184,505	1,381,674
(i)	Typewriters	1	1
(j)	Photocopy machine	91,001	107,060
(k)	Office equipment	1,484,868	1,710,992
(l)	Computer	3,197,773	2,707,404
(m)	Telephone & mobile Installation	479,212	510,074
(n)	Fax machine	82,463	77,971
(o)	Camera & television	89,281	69,897
(p)	Generator	29,554	11,629
(q)	Right of use of Assets	7,543,093	
ii) Investment:		129,039,370	161,122,574
(a)	10 Years Bangladesh Government Treasury Bond	25,000,000	25,000,000
(b)	Shares of Listed Company	102,469,920	128,615,399
(c)	Investment in Non Listed Company	1,569,450	7,507,175
(d)	Mutual funds	-	-
Total non current assets =(i+ii)		327,014,310	360,268,345
B) CURRENT ASSETS:		1,038,384,148	943,706,550
(a)	Investment in fixed deposits receipts (FDR)	269,400,000	86,400,000
(b)	STD Accounts balance with banks	28,985,380	49,055,883
(c)	Current accounts balance with banks	3,774,588	6,783,591
(d)	Cash in hand as on December 31,2018.	604,048	639,998
(e)	Premium collection control account	10,361,267	8,968,848
(f)	Interest accrued	17,422,300	11,734,629
(g)	Sundry debtors	422,453,294	397,302,179
(h)	Amount due from other persons or bodies carrying on insurance business	281,408,787	378,223,659
(i)	Stock of printing materials in hand	2,561,428	3,226,453
(j)	Stamps in hand	1,413,056	1,371,310
C) OTHER ASSETS		-	-
Deferred tax assets			
TOTAL ASSETS =(A+B+C)		1,365,398,457	1,303,974,895


Md. Zakiullah Shahid
Chairperson


Saheda Pervin Trisha
Vice-Chairperson


A.Z.M Sazzadur Rahman
Director


Syed Monirul Huq
Chief Executive Officer (CC)





Events Highlights



Prime Insurance Company Limited has signed a Medical Services Agreement (MSA) with Bangkok Hospital and Life & Health Ltd. on 11th February, 2019 in Dhaka at its own premises. Ms. Mohammodi Khanam, former Managing Director & CEO of the Prime Insurance Company Limited exchanging MSA (Medical Services Agreement) with counterpart Dr. Shakti Ranjan Paul, Chairman, Life & Health Ltd. and Adviser, Bangkok Hospital where Honorable Chairperson of the Board of Prime Insurance Company Limited Mr. Md. Zakiullah Shahid, Vice Chairperson Ms. Saheda Pervin Trisha and other members of the board and dignitaries from Bangkok Hospital were present at the event.



Honorable Chairperson of the Board of Directors of Prime Insurance Company Limited Mr. Md. Zakiullah Shahid, Vice-Chairperson Ms. Saheda Pervin Trisha and Former Managing Director & CEO Ms. Mohammodi Khanam are seen among others in a two-day long Annual Branch Conference of Prime Insurance Company Limited held on 25th and 26th February, 2019 at its Head office in Dhaka.



Prime Insurance launched online payment system in motor and overseas mediclaim policy through an in-house event at Primes Head Office on 3rd March 2019. Through these facilities now any person will be able to take Motor Certificate and Overseas Mediclaim Policy online. The event was inaugurated by Md. Shafiqur Rahman Patwary, Honorable Chairman of Insurance Development & Regulatory Authority (IDRA). Among others Mr. Gokul Chand Das, Member, IDRA, Mr. Md. Zakiullah Shahid, Chairperson of the Board of Directors of Prime Insurance Company Limited, Ms. Saheda Pervin Trisha, Vice-Chairperson, Ms. Mahanur Ummel Ara, Executive Committee Chairperson of Prime Insurance Company Limited and Ms. Mohammodi Khanam, former Managing Director & CEO of Prime Insurance Company Limited were also present.



Prime Insurance Company Limited celebrated International Women's Day 2019 with a different dimension under the title 'Balance for Better' held on 10th March 2019 at its Head office, Dhaka. Ms. Saheda Pervin Trisha, Vice Chairperson of Board of Directors of Prime Insurance Company Limited, Ms. Sonia Rahman, spouse of Md. Zakiullah Shahid, Chairperson of Prime Insurance Company Limited and Ms. Mohammodi Khanam, former Managing Director & CEO of Prime Insurance graced the occasion and other members & spouses of the board of directors, valued clients and female members of Prime family were also present.



Prime Insurance Company Limited celebrated Bima Mela 2018 by the startup rally organized by IDRA held on 15th March 2019 at Chattogram.



Prime Insurance Company Limited organized an eighteen days Training Program titled "English Communication Training Course" at its Head Office, Dhaka.



The 23rd Annual General Meeting (AGM) of Prime Insurance Company Limited was held at the Hotel Purbani International Ltd, Dhaka, on March 31, 2019. Mr. Md. Zakiullah Shahid, Chairperson of the Board of Prime Insurance Company Limited presided over the meeting with the presence of the Board of Directors and former Managing Director & CEO Ms. Mohammodi Khanam.



Prime Insurance Company Limited and Universal Medical College Hospital Ltd signed a Corporate Health Agreement for the valued clients of Prime Health Plan to get special discount and cashless facilities from Universal Medical College Hospital Ltd. Photo shows Mr. Syed Monirul Huq, Managing Director & CEO (CC), Prime Insurance Company Limited and Dr. Ashis Kumar Chakraborty, Managing Director, Universal Medical College Hospital Ltd are exchanging documents.



Indian Chamber of Commerce (ICC) along with Insurance Institute of India, Life Insurance Council of India, India-Thai Chamber of Commerce, Thailand Insurance Institute and PwC as the Process Partner, launched '2nd Emerging Asia Insurance Conclave & Awards 2019' held at Holiday Inn, Sukhumvit, Bangkok on June 14, 2019. Prime Insurance won awards in multiple categories. Ms. Mohammodi Khanam, former Managing Director & CEO of Prime Insurance Company Limited received 'Women in Insurance Leadership Award' given to her by Mr. Sudhin Roy Chowdhury, former Director, LIC and Ex-Member Life and the Award of Special Recognition for Health Insurance Company of the year category given by Mr. Naba Gopal Banik, Retired Member, Insurance Development and Regulatory Authority (IDRA) of Bangladesh.



Prime Insurance Company Limited and Prescription Point Ltd. signed a Corporate Health Agreement at the Head Office of Prescription Point recently. Ms. Mohammodi Khanam, former Managing Director & CEO, Prime Insurance Company Limited and Mr. Khondaker Abu Ashfaque, Managing Director, signing documents on behalf of their respective company. Among others Mr. Khandaker Abul Khair, Executive Director, Ms. Rokshana Hasin, Head of HR of Prescription Point were also present.



A Conference on Construction, Engineering & Power Risk Management was held on 3rd July, 2019 at the Prime Insurance Company Limited Head Office jointly organized by Prime Insurance Company Limited and TYRSERS, London. Mr. Zakiullah Shahid, Chairperson of the Board of Directors, Prime Insurance Company Limited presided over the event. Among others, the Vice Chairperson of the Board of Directors Ms. Saheda Pervin Trisha, former Managing Director and CEO of the Prime Insurance Company Limited Ms. Mohammodi Khanam, Mr. Rotimi Odeniran, Director, International P&C, Head of Construction, Engineering & Power of TYRSERS, London, Mr. Thomas Van Raemdonck, Associate Director, International Construction, Engineering and Power, TYRSERS, Ms. Grace Pope, Senior Broker International Construction, Engineering & Power, TYRSERS, Heiko Senior Underwriter of Helvetia Construction Section, Mr. Mark Stevens, Senior Underwriter of Helvetia Power Section, Mr. Marcus Eung-Chul Kim, Senior Underwriter of Samsung Fire & Marine and Mr. Ferdinand Dela Torre, Head of Facultative of Samsung Singapore were also present at the event.



Prime Insurance Company Limited has held its half yearly branch Conference on 22 July 2019 at its head office. All the branch heads and marketing executives attended the meeting. The chairperson of the board of directors Md. Zakiullah Shahid, Vice Chairperson Ms. Saheda Pervin Trisha, former Managing Director and CEO Ms. Mohammodi Khanam and most of the directors were present in the half yearly branch conference.





Prime Insurance Company Limited won the prestigious ICAB National Award for the Best Presented Annual Reports 2018 under the Insurance Category. The Honorable Chairperson of Prime Insurance Company Limited Mr. Md. Zakiullah Shahid and Mr. Enamul Haque Khan, EVP & Company Secretary received the award from Mr. Tipu Munshi, MP, Honorable Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh in a program held at local hotel in Dhaka, Bangladesh on 30th November 2019. Among others Mr. CQK Mustaq Ahmed, Chairman, Financial Reporting Council (FRC), Bangladesh, Mr. Muhammed Farhad Hussain FCA, Chairman, Review Committee for Published Accounts & Reports (RCPAR), Mr. A F Nesaruddin FCA, President, Institute of Chartered Accountants of Bangladesh (ICAB) were present in the award giving ceremony.



Prime Insurance Company Limited has been awarded the winner in the 6th Institute of Chartered Secretaries of Bangladesh (ICSB) National Award for Corporate Governance Excellence, 2018 based on the published annual report 2018. Mr. Syed Monirul Huq, Managing Director & CEO (CC) and Mr. Enamul Haque Khan, EVP & Company Secretary of Prime Insurance Company Limited received the award from Dr. AB Mirza Md. Azizul Islam, Former Advisor, Caretaker Government of Bangladesh and Mr. Muzaffar Ahmed FCMA FCS, President, Institute of Chartered Secretaries of Bangladesh (ICSB) in a program held at local hotel in Dhaka, Bangladesh on 21 December 2019.



Mr. Syed Monirul Huq, the Chief Executive Officer (CC) of the Prime Insurance Company Limited and other Head of Departments greeted Mr. Md. Saiful Hasib, a veteran public administrator with a bouquet who joined Prime Insurance Company Limited as the Advisor.



Mr. Asad Uz Zaman, Vice President of the Prime Insurance Company Limited, is exchanging pleasantries with Mr. Mahfuz Anam the editor and publisher of The Daily Star and an iconic voice of the people on 12th February, 2020, the 29th year celebrations of The Daily Star.

Corporate Social Responsibility



Prime Insurance Company Limited organized a free health check-up campaign along free doctor consultancy, test and check-up on 21st March 2019 at National Finance Ltd office, Pragati Sarani, Dhaka. Ms. Mohammodi Khanam, former Managing Director & CEO of Prime Insurance Company Limited, Mr. A.F.M Barkatullah, Managing Director of National Finance Ltd are seen in the picture.



As part of our Corporate Social Responsibility (CSR), Prime Insurance Company Limited partnered with, 'Road Safety Foundation' organized an awareness seminar titled 'Compensation For Road Accident Victims: Need of Road Safety Insurance and Separate Road Safety Funds' for creating public opinion for making third party insurance mandatory held on 29th June, 2019 at the VIP Lounge at the National Press Club. Professor Al Mahub Uddin Ahmed presided over the seminar where Professor Moazzem Hossain PhD. Ex Director, Accident Research Institute (ARI), Bangladesh University of Engineering and Technology (BUET), presented the keynote paper. Professor Mizanur Rahman, Former Chairman of National Human Rights Commission, Legal economist and Vice President of Road Safety Foundation, Osman Ali, General Secretary of Bangladesh Road Transport Workers Federation, Ramesh Chandra Gosh, Chairman of Bangladesh Bus Truck Owners Association and former Managing Director and CEO of Prime Insurance Company Limited Ms. Mohammodi Khanam spoke at the occasion.



The 40th Anniversary Celebration of the Centre for the Rehabilitation of the Paralyzed (CRP) was held at Savar CRP Centre on 11 December, 2019. Mr. Asad Uz Zaman, Head of Public Relations, Corporate Affairs and Customer Care greeted Ms. Valerie Valerie Ann Taylor for serving the humanity for decades. Among others Mr. Benoit Prefontaine, Canadian High Commissioner in Bangladesh, Mr. Robert Chatterton Dickson, British High Commissioner in Bangladesh and Mr. Saidur Rahman, the President of the Trust for the Rehabilitation of the Paralyzed (TRP) were present on the occasion.



On the midnight of 1st of January, 2020 Prime Insurance Company distributed blankets and warm clothes to the disadvantage section of people in the city. Chief Executive Officer (CC) Mr. Syed Monirul Huq, Mr. Asad Uz Zaman, Vice President, Mr. Anwar Shameem, Assistant Vice President, Head of Establishment and Logistics and A.K. Ryhan, Deputy Manager, CEO's Secretariat of the Prime Insurance Company Limited are seen in the photo.

Disclosure Checklist: SECRETARIAL STANDARD

Title	Compliance status		Remarks
	Complied	Not - complied	
Convening of a Meeting			
Authority 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.	✓		
Notice 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.	✓		
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.	✓		
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.	✓		
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.			
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'.			
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.			

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 24th Annual General Meeting of the Company to be held on Wednesday,
May 20, 2020 at 11:00 AM.

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 24th Annual General Meeting of the Company to be held on Wednesday,

May 20, 2020-----

Name of the Member/Proxy -----

Registered Folio/ BO ID

Signature-----

Date-----



PRIME INSURANCE COMPANY LIMITED

Unique Heights (9th Floor) 117, Kazi Nazrul Islam Avenue, Dhaka-1000.

Phone : (+88-02) 55138659-62, FAX : (+88-02) 55138658

Email : info@prime-insurance.net