

Selected Explanatory notes to the 1st Quarter ended March 31, 2021 (Un-audited):

1. Legal form of the Company:

Phoenix Insurance Co. Ltd. was incorporated as a public limited Company in Bangladesh in the year 1986 under the Companies Act 1913 (present 1994). The Company, within the stipulation laid down by Insurance Act 2010 and directives as received from Insurance Development & Regulatory Authority (IDRA) time to time, provides non-life Insurance services.

2. Basis of preparation:

1st Quarter Financial Statements (Un-audited) have been prepared based on Bangladesh Accounting Standard (BAS)-34 "Interim Financial Reporting" and in accordance with other Bangladesh Accounting Standard (BAS), the Companies Act 1994, the Insurance Act 2010, Securities and Exchange Rules 1987 and other applicable Laws and Regulations.

3. Accounting Policies and method of computations:

Accounting policies and methods of computations followed in preparing this 1st Quarter Financial Statements are consistent with those used in the Annual Financial Statements prepared and published for the year ending December 31,2020.

4. Issued, Subscribed and Paid-up Capital:

Issued, Subscribed and Paid-up Capital consists of 40,341,572 Ordinary shares of Tk. 10/= each fully paid-up.

Year	Particulars	Value per Share	Paid -up Capital		Cumulative Paid -up Capital
			No. of Shares	Taka	
1986	As per MOA & AOA	100	300000	30,000,000	30,000,000
1994	Initial Public Offering	100	300000	30,000,000	60,000,000
2002	5% stock dividend	100	30000	3,000,000	63,000,000
2003	5% stock dividend	100	31500	3,150,000	66,150,000
2004	25% stock dividend	100	165375	16,537,500	82,687,500
2005	25% stock dividend	100	206718	20,671,800	103,359,300
2006	30% stock dividend	100	310077	31,007,700	134,367,000
2007	20% stock dividend	100	268734	26,873,400	161,240,400
2008	22% stock dividend	100	354728	35,472,800	196,713,200
2009	25% stock dividend	100	491783	49,178,300	245,891,500
Face Value Change			24589150	245,891,500	
2010	25% stock dividend	10	6147287	61,472,870	307,364,370
2011	5% stock dividend	10	1536821	15,368,210	322,732,580
2012	25% stock dividend	10	8068314	80,683,140	403,415,720
Total			40341572	403415720	

5. Gross and Net premium earned:

During the 1st Quarter ended March 31, 2021, Company earned gross and net premium income Tk. 201.40 and Tk.137.98 million as against Tk. 167.08 and Tk. 106.13 million respectively for the corresponding same period of the previous year.

6. Provision for current Income Tax:

The Company has been calculated provision for current income tax base on taxable income after necessary add back in accordance with the provision of Finance Act 2019 and the Income Tax Ordinance 1984. Details calculation are as follows:

Particulars	As on 31-03-2021	As on 31-03-2020
Net profit before Tax	35,117,736	27,598,454
Less: Reserve for exceptional loss	13,797,962	10,613,594
Less: Dividend income from shares	856,771	-
Total taxable income	20,463,003	16,984,860
Current Tax:		
Income tax on 20,463,003 @ 37.50%	7,673,626	6,369,323
Income tax on 856,771 @ 20%	171,354	-
Total	7,844,980	6,369,323

7. Net Assets Value per share:

The Company has been calculated Net Assets Value per share based on the basis of the weighted average number of ordinary shares outstanding for the 1st quarter ended March 31, 2021. Details calculations are as follows:

Shareholder's Equity / No. of share outstanding Tk. 1,499,979,182 / 40,341,572 = Tk. 37.18

The Company's Net Assets Value per Share (NAV) decreased due to investment has been decreased.

8. Earning per share:

The Company has been calculated Earning per share on the basis of the weighted average number of ordinary shares outstanding for the 1st Quarter ended March 31, 2021. Details calculations are as follows:

Net profit after tax / No. of share outstanding Tk. 27,660,811 / 40,341,572 = Tk. 0.69

The Company's Earnings per share (EPS) increased due to gross premium and other income have been increased from 1st quarter 2020.

9. Net Operating Cash Flows per share:

The Company has been calculated the Net Operating cash Flows per share on the basis of the weighted average number of ordinary shares outstanding for the 1st Quarter ended March 31, 2021. Details calculations are as follows:

Net operating cash flows / No. of share outstanding Tk. 11,665,062 / 40,341,572 = Tk. 0.29

The Company's Net Operating Cash Flow per Share (NOCFPS) is lower due to payments of all expenses, Income Tax and VAT has been increased.

10. Reconciliation of Net profit to Net Operating Cash Flows:

Details calculations are as follows:

Particulars	As on 31-03-2021	As on 31-03-2020
Net profit before Tax	35,117,736	27,598,454
Adjustment:		
Depreciation	2,660,112	2,477,942
Gain on disposal of fixed assets	-	(267,831)
Changes in Working Capital:		
Increase / (Decerese) of the balance of fund & account	8,696,287	(4,880,977)
Increase / (Decerese) of premium deposit	47,139	2,398,777
Increase / (Decerese) of outstanding claims	(8,707,491)	4,667,250
Increase / (Decerese) of amount due to other person or bodies	17,654,624	(2,789,910)
Increase / (Decerese) of gratuity fund	2,920,916	1,425,177
Increase / (Decerese) of reserve for corporate social responsibility	(762,500)	(487,500)
Increase / (Decerese) of sundry creditor except tax payable	(11,364,560)	(4,731,742)
(Increase) / Decerese of inventories (stationery, forms & Ins. stamp)	105,060	(44,990)
(Increase) / Decerese of advance, deposit & prepayment except AIT & collection controll account	18,584,042	34,501,843
(Increase) / Decerese of amount due from other person or bodies	(51,928,824)	2,833,053
(Increase) / Decerese of collection control account	4,642,521	(46,760,030)
Income Tax paid	(6,000,000)	(1,770,164)
Net cash generated from operating activities	11,665,062	14,169,352

11. Related party transactions:

As per the Paragraph 18 of IAS 24, details transaction with related parties and balances them as at March 31, 2021 are as

Name of Related Party	Relationship	Nature of Transaction	Income
Pakia Cotton & Spinning Mills Ltd.	Common Director	Insurance Business	8,808,355
Partex Group	Common Director	Insurance Business	2,236,473
Total			11,044,828