

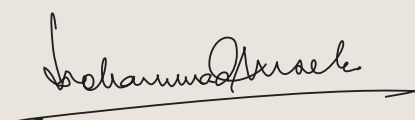
# STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

AS AT 31ST DECEMBER, 2020

Figures in Taka

CAPITAL & LIABILITIES	NOTE	2020	2019
<b>Shareholder's Equity &amp; Liabilities</b>			
<b>Shareholder's Equity</b>			
Share Capital	04	403,415,720	403,415,720
Share premium		897,121	897,121
Reserve & Surplus	05	1,173,037,068	1,002,793,799
<b>Liabilities &amp; Provision</b>			
Balance Of Fund & Account	06	135,255,424	189,926,151
Premium Deposit	07	25,094,299	16,505,575
Deferred liability for Gratuity	08	32,204,694	27,792,334
Reserve for Corporate Social Responsibility (CSR)	09	2,777,526	3,540,026
Deferred liability for Tax	10	65,604,204	54,277,509
Estimated liabilities in respect of outstanding			
Claims whether due or intimated	11	91,495,432	82,664,325
Amount due to other persons or bodies			
Carrying on insurance business	12	34,932,558	34,750,306
Sundry Creditors	13	369,579,988	340,457,269
<b>Total</b>		<b>2,334,294,035</b>	<b>2,157,020,135</b>
<b>Net Asset Value (NAV)</b>		<b>39.10</b>	<b>34.88</b>

Annexed notes form part of these Financial Statements



Chairman



Director



Chief Executive Officer

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021

# STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)


AS AT 31ST DECEMBER, 2020

Figures in Taka

ASSETS	NOTE	2020	2019
<b>Non-Current Assets</b>			
Property Plant & Equipment	14	288,155,517	291,842,935
Investment	15	717,182,772	581,554,148
<b>Current Assets</b>			
Inventories	16	1,139,423	1,185,280
Sundry Debtors (Advance, deposit & others)	17	504,018,525	491,641,088
Amount due from other persons or bodies carrying on insurance business	18	357,621,753	355,549,194
Interest outstanding		1,436,875	1,512,500
Cash and Cash Equivalents	19	464,739,170	433,734,990
<b>Total</b>		<b><u>2,334,294,035</u></b>	<b><u>2,157,020,135</u></b>

  
Chief Financial Officer

  
DMD & Company Secretary

  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

## STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

*Figures in Taka*

PARTICULARS	NOTE	2020	2019
Expenses of Management (Not applicable to any particular fund or account)		19,421,623	17,325,689
Directors Fees		1,196,400	976,000
Audit Fees		250,000	250,000
Depreciation		10,787,181	11,726,963
Advertisement & Publicity		2,196,936	1,523,106
Subscription & Donation		2,745,899	1,110,630
Legal and Professional Fees		556,815	430,495
Registration Fee		1,688,392	1,308,495
<b>Provision</b>		<b>10,000,000</b>	<b>5,500,000</b>
Provision for Gratuity		9,000,000	5,000,000
Provision for Corporate Social Responsibility (CSR)		1,000,000	500,000
<b>Profit before tax</b>		<b>121,885,772</b>	<b>115,269,990</b>
<b>Provision for taxation</b>	20	<b>27,898,698</b>	<b>22,266,722</b>
Current Tax		29,648,907	24,704,504
Deferred Tax	21	(1,750,209)	(2,437,782)
Profit after tax transferred to profit & loss appropriation account		93,987,074	93,003,268
<b>Total</b>		<b>151,307,395</b>	<b>138,095,679</b>

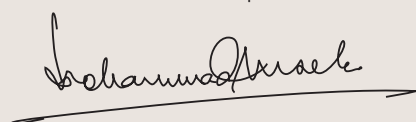
## STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2020

*Figures in Taka*

PARTICULARS	NOTE	2020	2019
Transfer to Retained earnings		93,987,074	93,003,268
Transfer to Fair value reserve		124,666,081	(130,633,089)
<b>Total</b>		<b>218,653,155</b>	<b>(37,629,821)</b>
<b>Earnings Per Share</b>		<b>2.33</b>	<b>2.31</b>

Annexed notes form part of these Financial Statements



Chairman



Director



Chief Executive Officer

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021

## STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

*Figures in Taka*

PARTICULARS	NOTE	2020	2019
Profit / (Loss) Transferred from:		<b>87,348,438</b>	<b>97,496,997</b>
Fire Revenue Account		(21,537,698)	(5,396,837)
Marine Revenue Account		67,647,733	49,080,633
Misc. Revenue Account		41,238,403	53,813,201
Interest Income	22	26,389,164	20,666,853
Dividend Income	23	19,360,129	4,423,626
Other Income	24	18,209,663	15,508,204
<b>Total</b>		<b><u>151,307,395</u></b>	<b><u>138,095,679</u></b>

## STATEMENT OF OTHER COMPREHENSIVE INCOME


FOR THE YEAR ENDED 31ST DECEMBER 2020

*Figures in Taka*

PARTICULARS	NOTE	2020	2019
Profit after tax		93,987,074	93,003,268
<b>Other Comprehensive income:</b>			
Changes in fair value gain/(loss)		138,517,868	(145,147,877)
Deferred tax on		(13,851,787)	14,514,788
<b>Total</b>		<b><u>218,653,155</u></b>	<b><u>(37,629,821)</u></b>

  
Chief Financial Officer

  
DMD & Company Secretary

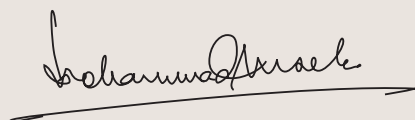
  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

## PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	Figures in Taka	
	2020	2019
Reserve for Exceptional Losses	33,787,293	47,326,954
Dividend Paid	48,409,886	48,409,886
Balance transferred to Balance Sheet	77,273,150	64,107,553
<b>Total</b>	<b>159,470,329</b>	<b>159,844,393</b>

Annexed notes form part of these Financial Statements



Chairman



Director



Chief Executive Officer

As per annexed report of even date.  
Place: Dhaka  
Date: June 03, 2021


## PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	Figures in Taka	
	2020	2019
Balance brought forward from previous year	64,107,553	65,393,015
Net profit for the year brought down from Profit and Loss Account	93,987,074	93,003,268
Adjustment of Depreciation on revaluation reserve	1,375,703	1,448,109
<b>Total</b>	<b>159,470,329</b>	<b>159,844,393</b>

  
Chief Financial Officer

  
DMD & Company Secretary

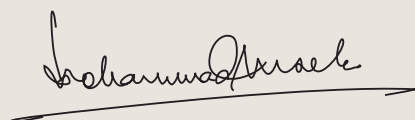
  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

## CONSOLIDATED INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	NOTE	Figures in Taka	
		2020	2019
Claims Under Policies Less: Re-Insurance	25	59,620,074	52,038,157
Commission		85,227,382	106,144,059
Expenses of Management	27	228,923,984	272,411,728
Profit/(Loss) transfer to Profit & Loss A/c.		87,348,439	97,496,996
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risk)		135,255,424	189,926,151
<b>Total</b>		<b>596,375,303</b>	<b>718,017,091</b>

Annexed notes form part of these Financial Statements



Chairman



Director



Chief Executive Officer

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021


## CONSOLIDATED INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	NOTE	Figures in Taka	
		2020	2019
Balance of Account at the Beginning of the year		189,926,151	176,204,829
Premium Less Re-Insurance		337,872,934	473,269,540
Commission on Re-Insurance Ceded		68,576,218	68,542,722
<b>Total</b>		<b>596,375,303</b>	<b>718,017,091</b>

  
Chief Financial Officer

  
DMD & Company Secretary

  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

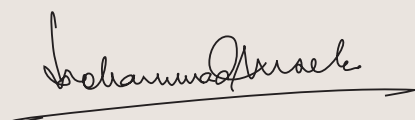


# FIRE INSURANCE REVENUE ACCOUNT

## FOR THE YEAR ENDED 31ST DECEMBER 2020

*Figures in Taka*

PARTICULARS	2020	2019
Claims under policies less re-insurances	18,506,938	1,020,632
Paid during the year	9,864,859	18,939,715
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	20,037,266	11,395,187
	29,902,125	30,334,902
Less: Outstanding at the end of the previous year	11,395,187	29,314,270
Commission	43,807,106	46,253,667
Expenses of Management	113,471,777	114,534,551
Profit/(Loss) transferred to Profit & Loss Account	(21,537,697)	(5,396,837)
Balance of account at the end of the year as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income of the year	36,623,794	48,512,594
<b>Total</b>	<b>190,871,918</b>	<b>204,924,607</b>



Chairman



Director



Chief Executive Officer

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021

## FIRE INSURANCE REVENUE ACCOUNT


FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	2020	2019
Balance of account at the beginning of the year	48,512,594	40,717,549
Premium less: re-insurances	91,559,486	121,281,485
Commission on re-insurances	50,799,838	42,925,573
Total	190,871,918	204,924,607

*Figures in Taka*

  
Chief Financial Officer

  
DMD & Company Secretary

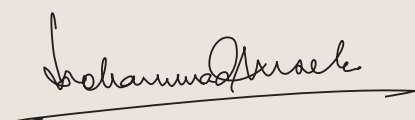
  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

# MARINE INSURANCE REVENUE ACCOUNT

## FOR THE YEAR ENDED 31ST DECEMBER 2020

Figures in Taka

PARTICULARS	2020	2019
Claims under policies less re-insurances	17,242,142	43,566,714
Paid during the year	25,533,452	8,764,724
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	49,321,001	57,612,311
	74,854,453	66,377,035
Less: Outstanding at the end of the previous year	57,612,311	22,810,321
Commission	23,447,573	36,815,874
Expenses of Management	63,544,573	93,039,451
Profit transferred to Profit & Loss Account	67,647,733	49,080,633
Balance of account at the end of the year as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income on marine cargo and 100% of premium income on marine hull of the year	51,325,636	82,051,927
Cargo	51,148,552	81,021,369
Hull	177,084	1,030,558
<b>Total</b>	<b>223,207,657</b>	<b>304,554,599</b>



Chairman



Director



Chief Executive Officer

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021


# MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	Figures in Taka	
	2020	2019
Balance of account at the beginning of the year	82,051,927	84,966,549
Premium less: re-insurances	128,048,463	203,583,981
Commission on re-insurances	13,107,267	16,004,069
<b>Total</b>	<b>223,207,657</b>	<b>304,554,599</b>

  
Chief Financial Officer

  
DMD & Company Secretary

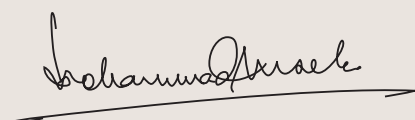
  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

## MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

Figures in Taka

PARTICULARS	MOTOR	MISC.	2020	2019
Claims under policies less re-insurances	22,783,002	1,087,992	23,870,994	7,450,811
Paid during the year	14,726,358	664,298	15,390,656	12,530,804
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	19,534,863	2,602,302	22,137,165	13,656,827
	34,261,221	3,266,600	37,527,821	26,187,631
Less: Outstanding at the end of the previous year	11,478,219	2,178,608	13,656,827	18,736,820
Commission	14,120,195	3,852,508	17,972,703	23,074,518
Expenses of Management	36,271,578	15,636,056	51,907,634	64,837,726
Profit transferred to Profit & Loss Account	31,757,788	9,480,615	41,238,403	53,813,201
Balance of account at the end of the year as shown in the Balance Sheet being reserve for unexpired risks @ 40% of premium income of the year	40,649,768	6,656,226	47,305,994	59,361,630
<b>Total</b>	<b>145,582,331</b>	<b>36,713,397</b>	<b>182,295,728</b>	<b>208,537,885</b>



Chairman



Director



Chief Executive Officer

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021


## MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PARTICULARS	MOTOR	MISC.	Figures in Taka	
			2020	2019
Balance of account at the beginning of the year	43,957,910	15,403,720	59,361,630	50,520,731
Premium less: re-insurances	101,624,421	16,640,564	118,264,985	148,404,074
Commission on re-insurances	-	4,669,113	4,669,113	9,613,080
<b>Total</b>	<b>145,582,331</b>	<b>36,713,397</b>	<b>182,295,728</b>	<b>208,537,885</b>

  
Chief Financial Officer

  
DMD & Company Secretary

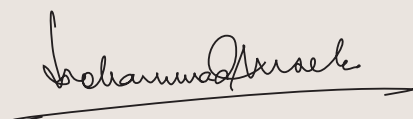
  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED DECEMBER 31, 2020

Figures in Taka

PARTICULARS	2020	2019
<b>A) Cash Flow from Operating Activities:</b>		
Collections from premium and other income	476,668,119	447,601,125
Payments for management expenses, re-insurance and claims	(376,390,009)	(409,942,654)
Income Tax paid	(16,921,356)	(12,117,061)
<b>Net Cash provided by operating activities</b>	<b>83,356,754</b>	<b>25,541,410</b>
<b>B) Cash Flow from Investing Activities :</b>		
Purchase of fixed assets	(10,031,932)	(765,760)
Disposal of fixed assets	3,200,000	-
Decrease/(Increase) of investment in shares	2,889,244	(12,754,049)
<b>Net Cash used in Investing activities</b>	<b>(3,942,688)</b>	<b>(13,519,809)</b>
<b>C) Cash flow from Financing Activities :</b>		
Cash dividend paid	(48,409,886)	(48,409,886)
<b>Net Cash used in financing activities</b>	<b>(48,409,886)</b>	<b>(48,409,886)</b>
Net Increase/(Decrease) in cash & equivalents during the year (A+B+C)	31,004,180	(36,388,285)
Cash & Cash equivalents at the beginning of the year	433,734,990	470,123,276
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>464,739,170</b>	<b>433,734,990</b>
<b>Net operating cash flow per share</b>	<b>2.07</b>	<b>0.63</b>



Chairman



Director



Chief Executive Officer



Chief Financial Officer



DMD &amp; Company Secretary



Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Figures in Taka

Sl. No.	PARTICULARS	Share Capital	Reserve for Exceptional	Revaluation Reserve	Fair Value Reserve	Share Premium	Retained Earnings	Total
1	Opening Balance	403,415,720	513,617,375	156,745,596	270,154,072	897,121	62,276,756	1,407,106,640
2	Dividend Paid	-	-	-	-	-	(48,409,886)	(48,409,886)
3	Adjustment of depreciation on revaluation reserve	-	-	(825,422)	-	-	825,422	-
4	Net profit for the year after tax provision	-	-	-	-	-	93,987,074	93,987,074
5	Transfer to exceptional loss	-	33,787,293	-	-	-	(33,787,293)	-
6	Investment Reserve	-	-	-	124,666,081	-	-	124,666,081
7	Transfer to General Reserve	-	-	-	-	-	-	-
	<b>Total</b>	<b>403,415,720</b>	<b>547,404,668</b>	<b>155,920,174</b>	<b>394,820,153</b>	<b>897,121</b>	<b>74,892,073</b>	<b>1,577,349,909</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

Figures in Taka

Sl. No.	PARTICULARS	Share Capital	Reserve for Exceptional	Revaluation Reserve	Fair Value Reserve	Share Premium	Retained Earnings	Total
1	Opening Balance	403,415,720	466,290,421	157,614,461	400,787,161	897,121	64,141,463	1,493,146,347
2	Dividend Paid	-	-	-	-	-	(48,409,886)	(48,409,886)
3	Adjustment of depreciation on revaluation reserve	-	-	(868,865)	-	-	868,865	-
4	Net profit for the year after tax provision	-	-	-	-	-	93,003,268	93,003,268
5	Transfer to exceptional loss	-	47,326,954	-	-	-	(47,326,954)	-
6	Investment Reserve	-	-	-	(130,633,089)	-	-	(130,633,089)
7	Transfer to General Reserve	-	-	-	-	-	-	-
	<b>Total</b>	<b>403,415,720</b>	<b>513,617,375</b>	<b>156,745,596</b>	<b>270,154,072</b>	<b>897,121</b>	<b>62,276,756</b>	<b>1,407,106,640</b>


  
Chairman

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

  
DMD & Company Secretary

  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021



# FORM "AA"

## Classified Summary of Assets

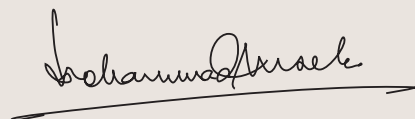
AS AT 31ST DECEMBER-2020

Figures in Taka

SL. NO.	PARTICULARS	2020	2019
	<b>NON CURRENT ASSETS</b>		
	Property Plant & Equipment		
(a)	Land	152,825,000	152,825,000
(b)	Building	99,109,961	104,326,275
(c)	Furniture & Fixture	9,145,807	9,461,771
(d)	Office Equipment	5,331,104	5,233,808
(e)	Electric installation	499,424	488,819
(f)	Air Cooler	1,579,302	946,087
(g)	Vehicle	17,219,293	15,998,453
(h)	Telephone installation	2,445,626	2,562,722
	<b>Sub total:</b>	<b>288,155,517</b>	<b>291,842,935</b>
	<b>INVESTMENT</b>		
(a)	National Investment Bond	25,000,000	25,000,000
(b)	Investment to PSL	60,000,000	60,000,000
(c)	Shares of Listed Companies	586,292,712	450,664,088
(d)	Shares of Unlisted Companies	45,890,060	45,890,060
	<b>Sub total:</b>	<b>717,182,772</b>	<b>581,554,148</b>
	<b>CURRENT ASSETS</b>		
(a)	Fixed Deposit	310,647,875	283,374,458
(b)	Short term Deposits	95,804,166	121,250,932
(c)	Current Account	15,993,351	12,272,270
(d)	Cash in hand	42,293,778	16,837,330
(e)	Interest Outstanding	1,436,875	1,512,500
(f)	Sundry Debtors	504,018,525	491,641,088
(g)	Stock of Stationery & Stamps	1,139,423	1,185,280
(h)	Amount due from other persons & bodies carrying on insurance business	357,621,753	355,549,194
	<b>Sub total:</b>	<b>1,328,955,746</b>	<b>1,283,623,052</b>
	<b>TOTAL ASSETS</b>	<b>2,334,294,035</b>	<b>2,157,020,135</b>

Certificate under regulation 7 (a) & (b) of part 1 of the first schedule to the Insurance Act.

Certified that the values of all assets have been reviewed, that the said assets except the shares in listed companies, have been set forth in the balance sheet at amounts not exceeding their realizable or market value, and that the investments in shares have been valued at cost. For the purpose of comparison market value of shares shown to the financial statements have been ascertained on the basis of average rates of last transactions of 2020 of the relevant shares published in the daily newspapers.



Chairman



Director



Chief Executive Officer



Chief Financial Officer



DMD &amp; Company Secretary



Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

As per annexed report of even date.

Place: Dhaka

Date: June 03, 2021

# NOTES TO THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31ST DECEMBER, 2020

## 1.00 General Information:

### 1.01 Legal form and status of the Company:

Phoenix Insurance Company Ltd. was incorporated as a public limited company in Bangladesh on 27th November' 1986 under the Companies Act 1913 (present 1994) and obtained the certificate of commencement of business from the Registrar of Joint Stock Companies, Bangladesh with effect from the same date, however the certificate of commencement of insurance business from the Controller of Insurance, Government of Peoples Republic of Bangladesh was obtained with effect from 1st December' 1986.

With the authorization of Securities and Exchange Commission the Company issued 300,000 ordinary shares at Tk. 100 each to public in 1994 and was listed with Dhaka Stock Exchange and Chittagong Stock Exchange subsequently. The Company carries its insurance activities through thirty-one branches throughout the country.

### 1.02 Principal activities and nature of operations:

The principal activity of the Company continued to carry on all kinds of insurance, guarantee, and indemnity business other than life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2020 under review.

### 1.03 Date of financial statements authorized for issue:

Financial Statements of the Company for the year ended December 31, 2020 were authorized for issue on June 03, 2021 in accordance with a resolution of the Board of Directors.

## 2.00 Summary of significant accounting related policies:

### 2.01 Basic of accounting:

The financial statements of the Company under reporting have been prepared under historical cost convention except Land & Building which is stated at revalue amount in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practice in Bangladesh in addition compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. These Statements have also been prepared in accordance with applicable International Accounting Standards (IASs) and as were adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) under name & style International Accounting Standards (IASs) with reference to disclosures of accounting policies and valuation of investment both.

### 2.02 Basic of preparation:

The Balance Sheet has been prepared in accordance with the regulation as contained in part-1 of the First Schedule and as per Form "A" as set forth in part-2 of that Schedule. Revenue Accounts for specific classes of non-life insurance business has been prepared in accordance with the regulation as contained in part-1 of the Third Schedule and as per Form "F" as set forth in part-2 of that Schedule of the Insurance Act 1938 as amended (new Insurance Act 2010). The classified summary of the assets has been prepared in accordance with Form "A" as set forth in part-2 of aforesaid Act.

### 2.03 Branch accounting:

The Company has thirty one (31) branches under its umbrella without having any overseas branch during the year ended December 31, 2020. The accounts of the branches are maintained and consolidated at the head

office level. Only petty cash books are being maintained at the respective branches for meeting day to day expenses.

#### **2.04 Public sector business:**

As per Government decision effective from April 1990, all the Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 45 private sectors Insurance Companies on co-insurance basis 50% being underwritten by Sadharan Bima Corporation and the balance equally by 45 private sectors Insurance Companies.

Company's share of public sector business is accounted for in the year in which the statement of accounts from the Sadharan Bima Corporation is received up to June 30, 2020. The statements of accounts for the period from July 1, 2019 to June 30, 2020 have been received from the Sadharan Bima Corporation and accordingly, the Company's share of Public Sector business for that period has been accounted for in the accompanying accounts. This practice is being followed consistently.

#### **2.05 Reporting currency and level of precision:**

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

#### **2.06 Foreign currency transaction:**

All foreign exchange transactions are converted to Bangladeshi Taka, which is the reporting currency, the rate of exchange were affected in the time of transaction. Insurance contracts which were underwritten in foreign currency are converted to Bangladeshi Taka at the rate of exchange prevailing the time of underwriting and revenue is recognized accordingly.

#### **2.07 Property, plant and equipment:**

##### **A. Valuation of fixed assets**

All fixed assets are stated at cost less accumulated depreciation as per IAS 16: "Property, Plant and Equipment". The cost of acquisition of an assets comprise its purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

##### **B. Recognition of fixed assets**

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost 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 item can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repair and maintenance other than major replacement, renewals and or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

##### **C. Subsequent cost**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is de-recognized.

##### **D. Depreciation**

Property, Plant and Equipment are depreciated following the reducing balance method on the basis of life expectancy of the assets in accordance with IAS-16. Depreciation on newly acquired assets except land which is not depreciated, are charged for irrespective of the date of acquisition, and while no depreciation is

charged during the year in which assets are disposed off. Assets category wise depreciation rates are as follows:

Particulars	Rate
Building	5%
Furniture & Fixture	10%
Office Equipment	15%
Electric Installation	15%
Air Cooler	15%
Vehicle	20%
Telephone Installation	5%

#### E. De-recognition

An item of property, plant and equipment is de-recognized upon disposal or future economic benefits are expected from it use. Any gain or loss arising on de-recognition of the assets is included in the statement of comprehensive income in the year the assets is de-recognized.

#### F. Impairment of assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with IAS-36: "Impairment of Assets" considering the current economic situation. Management concludes that there is no such indication exists.

#### G. Revaluation of assets

Fixed assets were revalued by the Company as on December 31, 2010 which was conducted by professional independent valour G. K. Adjusters Ltd. In order to reflect the fair picture of the Company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arise due to the revaluation were transferred to the revaluation reserve account as per IAS-16: "Property, Plant and Equipment".

### 2.08 Reserve or contingencies accounts:

#### A. Reserve for exceptional losses

As per para 6 of the 4th schedule of Income Tax Ordinance 1984 to meet the exceptional losses, Company sets aside 10% of the net premium income of the year which it is set aside from the balance of the profit to the reserve for exceptional losses. Detail calculations have been given in note 5.01.

#### B. Revaluation reserve

Revaluation surplus is transferred to revaluation reserve after restating the asset at the revalued amount.

### 2.09 Employee benefit:

#### A. Contributory provident fund

The Company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee and is funded by equal contribution from the company and the employees. This fund is invested separately from the Company.

#### B. Gratuity scheme

The Company operates a gratuity scheme under which regular confirmed employee is entitled to benefit at graduated scale based on the length of service. The length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the Company. The Company has a funded gratuity for all eligible employees who have completed minimum 8 (Eight) years of continuous service with the Company. Required amount of gratuity is calculated on the basis depending on the length of service for

every completed year as well as proportionate to the fraction period of service as of the end of the respective year.

#### **C. Incentive bonus**

The Company have resorted a policy namely incentive bonus scheme for its employees who meet certain criteria based on their annual performance ascertained on net profit after tax with the approved in the Board meeting and the paid amount are accounted for the year to which same relates.

#### **D. Group insurance policy**

The Company has been operating a group insurance policy for all permanent employees for the supporting of family assistance after death of any employee's as per group insurance policy terms and condition.

### **2.10 Revenue recognition:**

#### **A. Underwriting premium income**

Gross underwriting business as well as re-insurance thereof and claim settled etc. have been recorded separately for each class of business and the net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

#### **B. Investment income recognition**

Interest on FDRs and Bangladesh Government Treasury Bond are recognized on accrual basis after making provision for income tax deductible at source. Interest on STD/SND accounts, cash dividend on investment in share and other income are recognized on cash basis for stock dividend that received by the Company against its investment, number of share increased and average cost of investment decreased.

#### **C. Dividend income**

Dividend income has been accounted for only when the right to receive the dividend is established.

### **2.11 Expenses and taxes:**

#### **A. Recognition of expenses**

Expenses are recognized in the Statement of Profit or Loss and Other Comprehensive Income on the basis of direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Statement of Profit or Loss and Other Comprehensive Income in the running of the business and in maintaining the property, plant and equipment in a state of efficiency.

#### **B. Income tax**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income.

#### **C. Current tax**

The tax currently payable is based on taxable profits for the year. Taxable profits differs from profits 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 other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the balance sheet date.

#### **D. Deferred tax**

The corporation accounted for deferred tax as per IAS-12 " Income Taxes". Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary difference between the carrying amounts of assets and liability for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference or unused tax losses and credits can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. They are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profit against which to utilize the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the corporation at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

**2.12 Balance of funds & accounts:**

These have been arrived at after making provision for Unexpired Risks @ 40% of net premium income on all business except marine hull insurance where provision has been made at 100% on net premium income.

**2.13 Management expenses:**

Total management expenses have been allocated among the different classes of business on the basis of gross premium income.

**2.14 Cash and cash equivalents:**

According to IAS-7 "Cash Flow Statements" cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, cash in hand and bank balances have been considered as cash and cash equivalents.

**2.15 Debtors and other receivable:**

These are carried at bill amount, unsecured and considered good and collectible.

**2.16 Stock of stationery & form:**

The Company used stationery and various printed forms such as policy, cover notes, motor certificates, money receipts, petty cash voucher, envelope, cheque payments voucher, letter head pad etc. for their service purpose. These are not saleable and charged in the accounts at cost basis. Net realized value is estimated of selling price in the ordinary course of business but the stationery & forms of the Company is not held for sale.

**2.17 Collection control account:**

Collection control account is the outstanding premium for both policy and cover note in respect of Fire and Marine class of business as at reporting date under bank guarantee which will be subsequently received and adjusted.

**2.18 Creditors and accruals:**

Liabilities are recognized for amounts to be paid in the future for service received, whether or not billed by the suppliers.

**2.19 Earnings per share (EPS):**

The Company calculates Earning Per Share (EPS) in accordance with IAS-33, which has been shown on the face of Profit and Loss Appropriation Account.

**2.20 Basic earnings per share:**

This has been calculated by dividing the basic earnings by the weighted average of ordinary shares outstanding during the year in accordance with ISA-33 "Earnings Per Share" which has been shown on the face of Profit and Loss Appropriation Account.

**2.21 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 of the year after tax has been considered as fully attributable to the ordinary shareholders.

**2.22 Cash flow statements:**

Cash Flow Statement is prepared principally in accordance with IAS-7 "Cash Flow Statements" and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules 1987.

**3.00 Additional information of financial statements:****A. Responsibility for preparation and presentation of financial statements**

The Board of Directors is responsible for the preparation and presentation of financial statements under Section 183 of the Companies Act 1994 and as per the provision of "The International Accounting Standards Committee" (IASC).

**B. Components of the financial statements**

According to the International Accounting Standard (IAS)-1: "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position (Balance Sheet) as at December 31, 2020.
- (ii) Statement of Profit & Loss Account & Other Comprehensive Income for the year ended December 31, 2020.
- (iii) Related Revenue Accounts for the year ended December 31, 2020.
- (iv) Statement of Cash Flows for the year ended December 31, 2020.
- (v) Statement of Changes in Equity for the year ended December 31, 2020.
- (vi) Significant Accounting Policies and Explanatory Notes.

**C. Risk and uncertainties for use estimates in preparation of financial statements**

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of affect financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

**D. Comparative information**

Comparative information have been disclosed in respect of the year 2019 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

Figure of the year 2019 have been rearranged whenever considered necessary to ensure comparability with the current year.

**E. Reporting period**

Financial statements of the Company is consistently one calendar year from 1st January to 31st December.

#### 4.00 Share capital:

##### Authorized Capital:

100,000,000 Ordinary Share of Tk. 10 each Issued, Subscribed and Paid-up Capital: 40,341,572 Ordinary Share of Tk. 10 each

A distribution schedule of each class of equity / security setting out the number of holders and percentage in the following categories as on 31st December 2020:

*Figures in Taka*

##### Group "A" Shareholders (Sponsors)

Shareholding range	No.of Shareholders	No.of Share	(%) Total holding	(%) of Total paid-up capital
300001 to 400000 Shares	1	302,170	1.98	0.75
500001 to 1000000 Shares	10	8,347,933	54.74	20.69
Over 1000000 Shares	4	6,600,140	43.28	16.36
<b>Total</b>	<b>15</b>	<b>15,250,243</b>	<b>100.00</b>	<b>37.80</b>

##### General Public

Shareholding range	No.of Shareholders	No.of Share	(%) Total holding	(%) of Total paid-up capital
Less than 500 Shares	1,690	251,391	1.00	0.60
500 to 5000 Shares	1,378	2,520,087	10.04	6.25
5001 to 10000 Shares	250	1,932,442	7.70	4.79
10001 to 20000 Shares	144	2,102,563	8.38	5.21
20001 to 30000 Shares	53	1,359,490	5.42	3.37
30001 to 40000 Shares	32	1,147,616	4.58	2.84
40001 to 50000 Shares	31	1,442,484	5.75	3.58
50001 to 100000 Shares	50	3,712,878	14.80	9.20
100001 to 1000000 Shares	33	6,614,573	26.36	16.40
Over 1000000 Shares	3	4,007,805	15.97	9.94
<b>Total</b>	<b>3,664</b>	<b>25,091,429</b>	<b>100.00</b>	<b>62.18</b>

##### Composition of Shareholdings as on 31st December 2020 was under:

Type of Shareholders	No.of Shareholders	No.of Share	Share Face Value	%
Sponsor Group	15	15,250,243	152,502,430	37.80
General Public (Institutions)	159	5,192,867	51,928,670	12.88
General Public (Individuals)	3,505	19,898,462	198,984,620	49.32
<b>Total</b>	<b>3,679</b>	<b>40,341,572</b>	<b>403,415,720</b>	<b>100.00</b>



## 5.00 Reserves &amp; Surplus:

Figures in Taka

Particular	Notes	2020	2019
Reserve for exceptional losses	5.01	547,404,668	513,617,375
Retained earning		74,892,073	62,276,756
Asset revaluation reserve	5.02	155,920,174	156,745,596
Fair value reserve	5.03	394,820,153	270,154,072
<b>Total</b>		<b>1,173,037,068</b>	<b>1,002,793,799</b>

## 5.01 Reserve for exceptional losses

As per paragraph 6 of the fourth schedule of Income Tax Ordinance 1984, as earlier, for the year 2020, 10% of the net premium was transferred to reserve for exceptional losses. Details calculation as under:

Particular	2020	2019
Opening Balance	513,617,375	466,290,421
Add: Reserve during the year	33,787,293	47,326,954
<b>Closing Balance</b>	<b>547,404,668</b>	<b>513,617,375</b>

A sum of Tk. 35,142,677 has been provided for reserve for exceptional losses during the year, which is 10% of the net premium Tk. 351,426,770 earned during the year.

The class wise summary of reserve for exceptional loss provision is as follows:

Particulars	Fire	Marine	Motor	Miscellaneous	2020	2019
Gross Premium	320,109,583	180,175,905	101,879,670	43,965,672	646,130,830	780,575,102
Less: Reinsurance premium on ceded	(217,525,490)	(38,280,633)	(255,249)	(10,954,492)	(267,015,864)	(269,307,085)
Less: Reinsurance premium on PSB	(11,024,607)	(13,846,809)	-	(16,370,616)	(41,242,032)	(37,998,477)
<b>Net Premium</b>	<b>91,559,486</b>	<b>128,048,463</b>	<b>101,624,421</b>	<b>16,640,564</b>	<b>337,872,934</b>	<b>473,269,540</b>
Rate of Provision	10%	10%	10%	10%	10%	10%
<b>Reserve for exceptional losses</b>	<b>9,155,949</b>	<b>12,804,846</b>	<b>10,162,442</b>	<b>1,664,056</b>	<b>33,787,293</b>	<b>47,326,954</b>

## 5.02 Revaluation reserve

The Company's Land and Building were revalued as on 31st December 2010 by professional independent valuer G. K. Adjusters Ltd. using on the basis of market availability and physical condition of those fixed assets. The details value of such revalued assets is as follows:

Particulars	Cost Value of Assets as on 31.12.2010	Revalued amount as on 31.12.2010	Revaluation Surplus as on 31.12.2010	WDV Value of Revaluation Reserve as on 31.12.2020	WDV Value of Revaluation Reserve as on 31.12.2019
Land	6,474,844	152,825,000	146,350,156	140,237,156	140,237,156
Building	37,280,239	81,050,000	43,769,761	15,683,018	16,508,440
<b>Total</b>	<b>43,755,083</b>	<b>233,875,000</b>	<b>190,119,917</b>	<b>155,920,174</b>	<b>156,745,596</b>

Figures in Taka

## 5.02(a): Carrying value of Revaluation surplus

Particular	2020	2019
Opening Balance	156,745,596	157,614,461
Less: Adjustment of excess depreciation	(825,422)	(868,865)
<b>Closing Balance</b>	<b>155,920,174</b>	<b>156,745,596</b>

## 5.03 Fair Value Reserve

Particular	2020	2019
Opening Balance	270,154,072	400,787,161
Transfer from other comprehensive income	124,666,081	(130,633,089)
<b>Closing Balance</b>	<b>394,820,153</b>	<b>270,154,072</b>

## 6.00 Balance of Fund &amp; Account

As per para 27 A (2) (b) Insurance Act' 1938 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. Class wise un-expired risk reserve is as follows:

Class of Business	Net Premium	Percentage	2020	2019
Fire	91,559,486	40%	36,623,794	48,512,594
Motor	101,624,421	40%	40,649,768	43,957,910
Miscellaneous	16,640,564	40%	6,656,226	15,403,720
Marine	127,871,379	40%	51,148,552	81,021,369
Marine Hull	177,084	100%	177,084	1,030,558
<b>Total</b>	<b>337,872,934</b>		<b>135,255,424</b>	<b>189,926,151</b>

## 7.00 Premium Deposits:

The below mentioned amount includes premium received against cover notes for which policies have not been issued within 31st December 2020. While the risks against non-marine hull have been assumed from the issuance of cover notes, risks against marine cargo have not been assumed until shipment advice are provided and accordingly, policies are issued.

This represents the amount deposited with the Company against cover notes for which no policy has been issued up to 31st December 2020. The breakup is as under:

Particular	2020	2019
Marine Cargo	25,094,299	16,505,575
<b>Total</b>	<b>25,094,299</b>	<b>16,505,575</b>

**8.00 Gratuity Fund:**

The Company has been made the provision for Employee's Gratuity Fund during the year as per International Accounting Standard (IAS)-19 under employee's retirement benefit scheme.

*Figures in Taka*

Particulars	2020	2019
Opening Balance	27,792,334	23,829,640
Add: Provision made this year	9,000,000	5,000,000
Less: Paid during the year	(4,587,640)	(1,037,306)
<b>Closing Balance</b>	<b>32,204,694</b>	<b>27,792,334</b>

**9.00 Reserves for Corporate Social Responsibility (CSR):**

Particulars	2019	2018
Opening Balance	3,540,026	3,440,026
Add: Provision made this year	1,000,000	500,000
Less: Payment during the year	(1,762,500)	(400,000)
<b>Closing Balance</b>	<b>2,777,526</b>	<b>3,540,026</b>

**10.00 Deferred Liability for Tax:**

Particulars	2020	2019
Opening Balance	54,277,509	71,230,079
Add: Provided for the year	11,326,695	(16,952,570)
<b>Closing Balance</b>	<b>65,604,204</b>	<b>54,277,509</b>

Details calculation of Deferred Liability for Tax is as follows:

Particulars	2020	2019
<b>(a) Property, Plant &amp; Equipment at cost:</b>		
(i) WDV of fixed asset at accounting base	115,666,998	117,978,712
(ii) WDV of fixed asset at Tax base	67,250,556	69,307,405
(iii) Taxable temporary difference (i-ii)	48,416,442	48,671,307
Tax Rate	37.50%	37.50%
(iv) Closing Deferred Tax Liability	18,156,166	18,251,740
(v) Opening Deferred Tax Liability	18,251,740	18,660,471
<b>(vi) Provision for Deferred Tax Expenses / (Income) (iv-v)</b>	<b>(95,574)</b>	<b>(408,731)</b>

Figures in Taka

Particulars	2020	2019
<b>(b) Gratuity Payable:</b>		
(i) At accounting base	(32,204,694)	(27,792,334)
(ii) At Tax base	-	-
(iii) Deductible temporary difference (i-ii)	(32,204,694)	(27,792,334)
Tax Rate	37.50%	37.50%
(iv) Closing Deferred Tax Liability	(12,076,760)	(10,422,125)
(v) Opening Deferred Tax Liability	(10,422,125)	(8,936,115)
<b>(vi) Provision for Deferred Tax Expenses / (Income) (iv-v)</b>	<b>(1,654,635)</b>	<b>(1,486,010)</b>
<b>(c) Revaluation on Building:</b>		
(i) WDV at accounting base	26,138,364	27,514,067
(ii) WDV at Tax base	-	-
(iii) Taxable temporary difference (i-ii)	26,138,364	27,514,067
Tax Rate	37.50%	37.50%
(iv) Closing Deferred Tax Liability	9,801,887	10,317,775
(v) Opening Deferred Tax Liability	10,317,775	10,860,816
<b>(vi) Provision for Deferred Tax Expenses / (Income) (iv-v)</b>	<b>(515,889)</b>	<b>(543,041)</b>
<b>(d) Revaluation on Land:</b>		
(i) WDV at accounting base	146,350,156	152,825,000
(ii) WDV at Tax base	-	-
(iii) Taxable temporary difference (i-ii)	146,350,156	152,825,000
Tax Rate	4.00%	4.00%
(iv) Closing Deferred Tax Liability	5,854,006	6,113,000
(v) Opening Deferred Tax Liability	6,113,000	6,113,000
<b>(vi) Provision for Deferred Tax Expenses / (Income) (iv-v)</b>	<b>(258,994)</b>	<b>-</b>
<b>(e) Fair Value Reserve:</b>		
(i) Carrying value at accounting base	438,689,059	300,171,191
(ii) Carrying value at Tax base	-	-
(iii) Taxable temporary difference (i-ii)	438,689,059	300,171,191
Tax Rate	10.00%	10.00%
(iv) Closing Deferred Tax Liability	43,868,906	30,017,119
(v) Opening Deferred Tax Liability	30,017,119	44,531,907
<b>(vi) Provision for Deferred Tax Expenses / (Income) (iv-v)</b>	<b>13,851,787</b>	<b>(14,514,788)</b>
<b>Closing Deferred Liability for Tax in this year</b>	<b>11,326,695</b>	<b>(16,952,570)</b>

**11.00 Estimated Liability in respect of Outstanding Claims Whether Due or Intimated:***Figures in Taka*

Class of Business	2020	2019
Fire	20,037,266	11,395,187
Marine	49,321,001	57,612,311
Motor	19,534,863	11,478,219
Miscellaneous	2,602,302	2,178,608
<b>Total</b>	<b>91,495,432</b>	<b>82,664,325</b>

All the claims of which the company received intimation within 31st December 2020 have been taken into consideration while the estimating the liability in respect of outstanding claims.

**12.00 Amount Due to Other Person or Bodies Carrying on Insurance Business :**

This amount is payable to Sadharan Bima Corporation on account of re-insurance arrangements with them and to other local insurance companies under co-insurance scheme. Break up of the amount is as under:

Particulars	2020	2019
Sadharan Bima Corporation Treaty Business	33,756,719	33,489,567
Port Folio Commission on Acceptance	11,504	11,504
Port Folio Loss Withdraw	888,955	888,955
Co-Insurance Business	275,380	360,280
<b>Total</b>	<b>34,932,558</b>	<b>34,750,306</b>

**13.00 Sundry Creditors:**

Particulars	2020	2019
Bills Payable	145,270	170,998
Tax Deduction on Employee's Salaries	610,225	1,015,179
VAT	3,025,210	4,138,912
Commission Payable	784,749	314,374
Provision for Incentive Bonus	12,500,000	7,500,000
Provision for Audit Fee	250,000	250,000
Provision for Office Rent	423,897	-
Companies Contribution to P.F.	-	783,214
Employees Contribution to P.F.	-	783,214
Provident Fund Loan & Interest Realized	-	472,270
Provision for Income Tax (Notes: 13.01)	304,275,799	274,626,892
Security Receipts	100,000	100,000
Outstanding Refund Premium	7,739,168	726,926
Insurance Stamps on Deposit Premium	425,670	275,290
Provision for Expenses & Others	9,300,000	9,300,000
Temporary Loan (Mercantile Bank Limited)	30,000,000	40,000,000
<b>Total</b>	<b>369,579,988</b>	<b>340,457,269</b>

## 13.01 Provision for Income Tax

Figures in Taka

Particulars	2020	2019
Opening Balance	274,626,892	249,922,388
Add: Provision during the year	29,648,907	24,704,504
Less: Adjustment / Settlement during the year	-	-
<b>Closing Balance</b>	<b>304,275,799</b>	<b>274,626,892</b>

## 14.00 Property, Plant &amp; Equipment :

Details of the above have been shown in A-1. Depreciation has been charged on all fixed assets at "Reducing Balance Method".

Particulars	2020	2019
<b>Cost / Revaluation:</b>		
Opening Balance	442,833,566	442,067,806
Addition during the year	10,031,932	765,760
Disposal / Adjustment during the year	(8,230,000)	-
<b>Closing Balance</b>	<b>444,635,498</b>	<b>442,833,566</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	150,990,631	139,263,668
Addition during the year	10,787,181	11,726,963
Disposal / Adjustment during the year	(5,297,831)	-
<b>Closing Balance</b>	<b>156,479,981</b>	<b>150,990,631</b>
<b>Written Down Value</b>	<b>288,155,517</b>	<b>291,842,935</b>

## 15.00 Investment :

Break up of the amount is as under:

Particulars		2020	2019
Investment at Amortized Cost	15.01	85,000,000	85,000,000
Fair Value through Other Comprehensive Income	15.02	632,182,772	496,554,148
<b>Total</b>		<b>717,182,772</b>	<b>581,554,148</b>

## 15.01 Investment at Amortized Cost

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity. Break up of the amount is as under:

Particulars	2020	2019
BD Govt. Treasury Bond (10yrs)	25,000,000	25,000,000
Investment to PSL	60,000,000	60,000,000
<b>Total</b>	<b>85,000,000</b>	<b>85,000,000</b>

## 15.01(a) BD Govt. Treasury Bond (BGTB)

Particulars of Investment	Cost Value
Govt. Treasury Bond (Deposit with NCC Bank Ltd. Motijheel Main Br.)	25,000,000

The amount Tk. 25,000,000 represented statutory deposit with Bangladesh Bank as required by Insurance Act' 2010.

Nature of Security	ISIN No.	Interest Rate	Issue Date	Maturity Date	Amount (Tk.)
10Y BGTB	BD 0923341103	12.10%	13-3-2013	13-3-2023	25,000,000

## 15.01(b) Investment to PSL

The amount deposited to Phoenix Securities Ltd. (PSL) for doing share trade on behalf of Phoenix Insurance Company Ltd. Actually, PICL give them empower to sale or buy the shares through CDBL to PSL A/c and the profit will be transfer to PICL accordingly.

Particulars of Investment	Amount (Tk.)
Investment to PSL	60,000,000

## 15.02 Fair Value through Other Comprehensive Income

Available for sale investments are those non-derivation investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as fair value through other comprehensive income. The company follows trade date accounting for 'regular way purchase and sales' of investments. As of December 31, 2020 company designated the following shares as available for sale. Details are as follows:

Particulars	No. of Shares 31/12/2020	Value at cost as on 31/12/20	Fair Market value at cost as on 31/12/2020	Value at cost as on 31/12/2019	Fair Market value at cost as on 31/12/2019
<b>Quoted Share:</b>					
The City Bank Ltd.	5,606,157	76,604,711	139,032,694	71,267,687	112,681,533
Dhaka Bank Ltd.	-	-	-	9,159,108	9,236,952
Phoenix Finance & Investment Ltd.	16,169,013	65,790,248	444,647,858	65,790,248	327,956,399
Ekush First Unit Fund	93,284	932,840	1,062,219	-	-
ICBI Bank	100	1,990	430	1,990	300
ILFSL	8,820	145,864	52,920	145,864	52,920
Orion Pharma	27,360	1,368,000	1,496,592	1,368,000	735,984
<b>Unquoted Share:</b>					
Phoenix Medical Centre Ltd.	46,000	4,600,000	1,840,000	4,600,000	1,840,000
Phoenix Securities Ltd.	676,386	42,480,606	42,480,606	42,480,606	42,480,606
CDBL	571,181	1,569,454	1,569,454	1,569,454	1,569,454
<b>Total</b>		<b>193,493,713</b>	<b>632,182,772</b>	<b>196,382,957</b>	<b>496,554,148</b>

Investment in shares that do not have any quoted market price in the active market and whose fair value cannot be measured reliably, were recognized at cost.

## 15.03 Changes in Fair Value of the Shares

*Figures in Taka*

Particulars	2020	2019
Fair value of the investment	632,182,772	496,554,148
Less: Cost price of the investment	193,493,713	196,382,957
<b>Fair value reserve required at 31st December</b>	<b>438,689,059</b>	<b>300,171,191</b>
Less: Fair value reserve at 1st January	270,154,072	400,787,161
Less: Adjustment for Deferred Tax	30,017,119	44,531,907
<b>Fair Value Adjustment for the Year</b>	<b>138,517,868</b>	<b>(145,147,877)</b>

**16.00 Inventories :** *Figures in Taka*

Particulars	Notes	2020	2019
Stationery & Forms		1,035,598	1,006,245
Insurance Stamps	16.01	103,825	179,035
<b>Total</b>		<b>1,139,423</b>	<b>1,185,280</b>

Stocks of stationery and forms have been valued at cost.

**16.01 Insurance Stamps**

Particulars	2020	2019
Opening Balance	179,035	175,310
Add: Purchase	3,500,000	4,000,000
Less: Recovery on Use	(3,575,210)	(3,996,275)
<b>Closing Balance</b>	<b>103,825</b>	<b>179,035</b>

**17.00 Sundry Debtors (Including Advances, Deposit & Others) :**

Particulars	2020	2019
Advance against Office Rent	26,423,365	25,447,015
Advance against Others	69,683,237	68,172,781
Security Deposit	1,056,040	1,056,040
Advance against Co-Insurance Commission	509,105	4,946,242
Advance Income Tax (17.01)	255,201,063	238,279,707
Collection Control Accounts (Policies & Cover Note)	143,158,576	142,720,170
P.F. Forfeited A/c	1,088,991	-
Advance against Co-Insurance Premium	3,648,295	7,769,280
Agents Balance	3,249,853	3,249,853
<b>Total</b>	<b>504,018,525</b>	<b>491,641,088</b>

**17.01 Advance Income Tax**

Particulars	2020	2019
Opening Balance	238,279,707	226,162,646
Add: Addition during the year	16,921,356	12,117,061
Less: Adjustment / Settlement during the year	-	-
<b>Closing Balance</b>	<b>255,201,063</b>	<b>238,279,707</b>

**18.00 Amount Due from Other Persons or Bodies Carrying on Insurance Business :**

Particulars	2020	2019
SBC (Treaty)	140,982,054	152,017,411
Co-Insurance Claim Recoverable	19,906,687	20,388,499
SBC (Facultative)	94,698,246	83,477,413
SBC (Treaty) Accepted	6,917,163	6,917,163
SBC (Facultative) Accepted	1,203,525	1,203,525
Port Folio Loss on Acceptance	842,668	842,668
SBC Co-Insurance Business	93,071,410	90,702,515
<b>Total</b>	<b>357,621,753</b>	<b>355,549,194</b>



## 19.00 Cash &amp; Cash Equivalents:

Figures in Taka

Particulars	Notes	2020	2019
Cash in Hand	19.01	42,293,778	16,837,330
STD / SND Account		95,804,166	121,250,932
Current Account		15,993,351	12,272,270
Fixed Deposit Receipt (FDR)	19.02	310,647,875	283,374,458
<b>Total</b>		<b>464,739,170</b>	<b>433,734,990</b>

## 19.01 Cash in Hand

Sl. No.	Name of Branches	2020	2019
01	Head Office	13,931,102	3,790,256
02	Local Office	8,524,125	519,265
03	Imamgonj Branch	36,556	25,196
04	Motijheel Branch	3,882,931	494,064
05	New Market Branch	1,734,085	245,198
06	B. B. Avenue Branch	19,640	46,050
07	English Road Branch	781,020	1,394,166
08	Mouchak Branch	400,339	118,803
09	Bangshal Branch	1,657,675	378,065
10	Sadarghat Branch	578,891	563,002
11	Kawran Bazar Branch	56,591	634,082
12	Gulshan Branch	17,553	54,270
13	Chawk Bazar Branch	31,156	170,352
14	Islampur Branch	551,810	96,663
15	Mirpur Branch	354,090	519,908
16	Narayangonj Branch	1,145,311	507,994
17	Agrabad Branch	2,082,696	716,667
18	Khatungonj Branch	1,132,109	934,701
19	Khulna Branch	1,731,519	1,701,335
20	Kushtia Branch	457,182	424,277
21	Jessore Branch	1,793,833	1,822,795
22	Rajshahi Branch	396,980	235,588
23	Bogura Branch	224,430	210,669
24	Pabna Branch	214	745
25	Dinajpur Branch	135,238	220,349
26	Rangpur Branch	270,200	264,245
27	Cumilla Branch	75,915	231,053
28	Sylhet Branch	22,328	146,050
29	Mymensingh Branch	123,260	103,210
30	Chaumuhani Branch	119,253	256,829
31	Barishal Branch	15,554	2,930
32	Madaripur Branch	10,192	8,553
	<b>Total</b>	<b>42,293,778</b>	<b>16,837,330</b>

## 19.02 Fixed Deposit Receipt

Figures in Taka

Particulars	2020	2019
Opening Balance	283,374,458	264,807,692
Add: Creation during this year	9,000,000	3,000,000
Add: Interest Conversion to FDR	18,273,417	15,566,766
Less: FDR encashment	-	-
<b>Closing Balance</b>	<b>310,647,875</b>	<b>283,374,458</b>

## 20.00 Income Tax Expenses:

Particulars	Notes	2020	2019
Current Tax	13.01	29,648,907	24,704,504
Deferred Tax Expenses / (Income)	21.00	(1,750,209)	(2,437,782)
<b>Total</b>		<b>27,898,698</b>	<b>22,266,722</b>

## 21.00 Deferred Tax Expenses / (Income):

Particulars	Notes	2020	2019
Deferred Tax Liabilities as at 31st December	13.00	65,604,204	54,277,509
Less: Deferred Tax Liabilities as at 01st January	13.00	(54,277,509)	(71,230,079)
Deferred Tax Provided for the Year		11,326,695	(16,952,570)
Deferred Tax Income on Land & Building		(774,883)	-
Deferred Tax Expenses on Changes in Fair Value		13,851,787	(14,514,788)
<b>Total</b>		<b>(1,750,209)</b>	<b>(2,437,782)</b>

## 22.00 Interest Income :

Particulars	2020	2019
Interest on FDR's	20,730,158	15,566,766
Interest on BGTB	2,949,375	3,025,000
Interest on STD / SND Accounts	2,709,631	2,075,087
<b>Total</b>	<b>26,389,164</b>	<b>20,666,853</b>

## 23.00 Dividend Income :

Particulars	2020	2019
The City Bank Ltd.	8,259,236	3,281,264
Dhaka Bank Ltd.	520,670	-
Phoenix Finance & Investments Limited	9,152,272	-
CDBL	1,427,953	1,142,362
<b>Total</b>	<b>19,360,129</b>	<b>4,423,626</b>

**24.00 Other Income :***Figures in Taka*

Particulars	2020	2019
Rental Income (Phoenix Bhaban)	15,000,000	10,000,000
Profit on Sale of Vehicles	267,831	-
Rental Income (Rupayan Tower)	758,400	845,100
Rental Income (Makka Madina Tower)	-	1,063,104
Profit on Sale of Share	794,441	-
Income from Investment to Phoenix Securities Limited	300,000	3,600,000
Income from P.F Forfeited A/c	1,088,991	-
<b>Total</b>	<b>18,209,663</b>	<b>15,508,204</b>

**25.00 Claim under Policies less Re-insurance:**

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total
Claim paid during the year	9,864,859	7,758,622	17,774,830	14,726,358	664,298	50,788,967
Claim outstanding at the end of the year	20,037,266	47,555,970	1,765,031	19,534,863	2,602,302	91,495,432
Claim outstanding at the beginning of the year	11,395,187	55,548,674	2,063,637	11,478,219	2,178,608	82,664,325
<b>Total amount-2020</b>	<b>18,506,938</b>	<b>(234,082)</b>	<b>17,476,224</b>	<b>22,783,002</b>	<b>1,087,992</b>	<b>59,620,074</b>
<b>Total amount-2019</b>	<b>1,020,632</b>	<b>39,345,958</b>	<b>4,220,756</b>	<b>8,349,611</b>	<b>(898,800)</b>	<b>52,038,157</b>

**26.00 Premium less Re-insurance:**

Class of Business	On Direct Business	On Re-insurance Business	Total
Fire	320,109,583	228,550,097	91,559,486
Marine Cargo	175,771,871	47,900,492	127,871,379
Marine Hull	4,404,034	4,226,950	177,084
Motor	101,879,670	255,249	101,624,421
Miscellaneous	43,965,672	27,325,108	16,640,564
<b>Total</b>	<b>646,130,830</b>	<b>308,257,896</b>	<b>337,872,934</b>

**27.00 Management Expenses:**

As per section 40 (C-2) of Insurance Act 1938, all expenses of management excluding insurance stamps wherever incurred, whether directly or indirectly, in respect of Fire, Marine and Miscellaneous insurance business transacted in Bangladesh have been fully charged to the respective revenue accounts in the proportion of gross premium. This year total management expenses are Tk. 228,923,984 where as Tk. 272,411,728 were in 2019.

**28.00 Allocation of Management Expenses:**

Management expenses of the Company Tk. 228,923,984 has been allocated to the revenue accounts based on gross premium in the following ratio:

*Figures in Taka*

Revenue Account	Gross Premium including PSB	Ratio %	Share of Expenses Management	Stamp Expenses	Total
Fire	320,109,583	50%	112,896,487	575,290	113,471,777
Marine (Cargo)	175,771,871	27%	61,991,355	-	61,991,355
Marine (Hull)	4,404,034	1%	1,553,218	-	1,553,218
Motor	101,879,670	16%	35,930,998	340,580	36,271,57
Miscellaneous	43,965,672	7%	15,505,846	130,210	15,636,056
<b>Total</b>	<b>646,130,830</b>	<b>100%</b>	<b>227,877,904</b>	<b>1,046,080</b>	<b>228,923,984</b>

**29.00 Earnings per Share (EPS):**

The Company calculated Earnings per Share (EPS) in accordance with IAS-33 "Earnings per Share" which has been shown on the face of the income statement and this has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year. Details calculations were as follows:

Particulars	2020	2019
a) Earnings attributable to ordinary shareholders (Net profit after taxation and provision)	93,987,074	93,003,268
b) Weighted average number of ordinary shares outstanding during the year	40,341,572	40,341,572
<b>c) Earnings per Share (a/b)</b>	<b>2.33</b>	<b>2.31</b>

The Company's Earnings per Share (EPS) increased due to dividend income and other income have been increased from last year.

**30.00 Net Assets Value per Share (NAV):**

The Company calculated Net Assets Value per Share (NAV) on the basis of the weighted average number of ordinary shares outstanding for the year. Details calculations were as follows:

Particulars	2020	2019
a) Net assets	1,577,349,909	1,407,106,640
b) Weighted average number of ordinary shares outstanding during the year	40,341,572	40,341,572
<b>c) Net Assets Value per Share (a/b)</b>	<b>39.10</b>	<b>34.88</b>

Maximum amount of investment in share market during the year, the market price of the Company's equity investment have been increased as a result NAV have been increased from last year.

**31.00 Net Operating Cash Flow per Share (NOCFPS):**

The Company calculated Net Operating Cash Flow per Share (NOCFPS) on the basis of the weighted average number of ordinary shares outstanding for the year. Details calculations were as follows:

Particulars	2020	2019
a) Net cash provided by operating activities	83,356,754	25,541,410
b) Weighted average number of ordinary shares outstanding during the year	40,341,572	40,341,572
<b>c) Net Operating Cash Flow per Share (a/b)</b>	<b>2.07</b>	<b>0.63</b>

The Company's Net Operating Cash Flow per Share (NOCFPS) is higher due to dividend and interest has been increased and management expenses decreased from last year.

## 31.01 Reconciliation of Net Profit to Net Operating Cash Flows:

Figures in Taka

Particulars	2020	2019
Net profit before Tax	121,885,772	115,269,990
<b>Adjustment:</b>		
Depreciation	10,787,181	11,726,963
Gain on disposal of fixed asset	267,831	-
Gain on sale of share	794,441	-
<b>Changes in Working Capital:</b>		
Increase / (Decrease) of the balance of fund & account	(56,717,933)	13,721,322
Increase / (Decrease) of premium deposit	8,588,724	(21,105,315)
Increase / (Decrease) of outstanding claims	8,831,107	11,802,914
Increase / (Decrease) of amount due to other persons or bodies	182,252	(4,579,566)
Increase / (Decrease) of gratuity fund	4,412,360	3,962,694
Increase / (Decrease) of reserve for corporate social responsibility	(762,500)	100,000
Increase / (Decrease) of sundry creditor except tax payable	(508,342)	19,837,383
(Increase) / Decrease of inventories (stationery, forms & insurance stamps)	45,857	30,505
(Increase) / Decrease of advance, deposit & prepayment except AIT & collection control A/c	4,982,325	(3,983,480)
(Increase) / Decrease of amount due from other persons or bodies	(2,072,559)	(94,085,447)
(Increase) / Decrease of collection controller A/c	(438,406)	(15,039,992)
Income Tax paid	(16,921,356)	(12,117,061)
<b>Net Cash Generated from Operating Activities</b>	<b>83,356,754</b>	<b>25,541,410</b>

## 32 Key Management Personal Compensation:

Total amount of compensation paid key management personal (up to G.M) except Director and Chairman. We paid them fees for attending meeting of the Company. The detail of key management personal as per the paragraph 17, IAS of 24: "Related Party Disclosures" is presented below:

Particulars	2020	2019
	Senior Executives	Senior Executives
Basic Salary	15,122,148	11,717,100
House Rent	6,421,413	4,718,550
Medical	1,092,313	751,704
Corporate Allowance	1,236,000	900,000
Festival Bonus	2,427,678	1,952,850
Performance Bonus	2,040,821	1,462,061
Others	5,831,620	4,256,052
Provident Fund	1,727,974	2,004,408
<b>Total</b>	<b>35,899,967</b>	<b>27,762,725</b>

**33 Related Party Disclosures:**

Phoenix 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 contained in International Accounting Standard (IAS) 24 "Related Party Disclosures" 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. Details of transactions with related parties and balances thereof as at December 2020 were as follows:

*Figures in Taka*

Name of Related Party	Relationship	Nature of Transactions	Income
Appollo Ispat Complex Ltd.	Common Director	Nature of Transactions	2,313,205
Pakiza Cotton & Spinning Mills Ltd.	Common Director	Nature of Transactions	29,648,659
Partex Group	Common Director	Nature of Transactions	14,674,481
Phoenix Security Limited	Common Director	Nature of Transactions	300,000
<b>Total</b>			<b>46,936,345</b>

**34 Director's Benefit Disclosure:**

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- 53.03.0000.009.18.123 dated 31-05-2018, a Director may be paid fees for attending Board meeting or its Committee meetings which shall not exceed Tk. 8,000 (Eight Thousand) for attending each meeting. Details are given below:

Particulars	Attendance fee per meeting	Meeting held	Total attended	2020	2019
Board Meeting	8,000	9	123	980,400	814,000
Claims Committee	8,000	2	6	48,000	54,000
Audit Committee	8,000	3	17	136,000	108,000
N.R.C	8,000	1	4	32,000	-
<b>Total</b>				<b>1,196,400</b>	<b>976,000</b>

**35 Auditor's Remuneration:**

Zoha Zaman Kabir Rashid & Co. Chartered Accountants has been appointed as Company's Statutory Auditor for this year by the shareholders at its 34th Annual General Meeting held on 16 September, 2020 and fixed their remuneration of Tk. 250,000/- including Tax.

**36 Contingent Liabilities:**

The following claims against policy have been treated as Contingent Liability:

Name of Claimer	Type of Policy	Case Number	Claimed Amount	Remarks
M/s. Mahmood Brothers	Insurance Guarantee	1/1991	3,523,433	Pending in High Court
M/s. Euroasia Felt Industry Ltd.	Fire	143/2008	53,471,314	Pending in High Court

The issued file cases to the Lower and High Court above claims according to their demand. The Courts are yet to settle the cases. The company believed that the claims are not lawfully demandable according to the Insurance Act, will not materially affect the financial statements.

**Contingent Liability for tax:**

*Figures in Taka*

Assessment Year	Provision for Tax	Tax Paid	Tax Demand	Remarks
2011-2012	12,000,000	11,090,121	58,247,611	Stay order by High Court
2012-2013	12,947,168	12,893,142	93,500,896	Stay order by High Court
2013-2014	37,000,000	36,903,563	87,035,976	Stay order by High Court
2014-2015	45,700,000	52,451,303	-	Self assessment U/S-82 BB
2015-2016	29,600,000	26,165,984	78,587,270	Stay order by High Court
2016-2017	37,000,000	37,506,453	68,525,390	Under appeal
2017-2018	27,600,000	13,419,042	106,499,533	Under appeal
2018-2019	20,875,220	16,029,895	-	Self assessment U/S-82 BB
2019-2020	27,200,000	17,081,113	-	Under hearing
2020-2021	24,704,504	16,767,375		Submitted
<b>Total</b>	<b>274,626,892</b>	<b>240,307,991</b>	<b>492,396,676</b>	

**37 Event after Balance Sheet Date:**

The Board of Directors has recommended 15% cash on paid up capital for the year ended December 31, 2020 as per approval of Board meeting held on June 03, 2021 as dividend on paid up capital of Tk. 403,415,720 subject to the approval in the Annual General Meeting to be held on August 11, 2021. Proposed dividend amount of the year is Tk 60,512,358 After allowing this dividend the accumulated Profit / (loss) of the company will arrive at Tk. 16,760,792 only.

**38 General:**

1. No. of Employees received salary up to Tk. 3,000: Nil
2. No. of Employees received salary above Tk.3,000: 276.
3. The Board of Directors received no remuneration from the company other than fees for attending Board Meetings.
4. During the year 9 no. of Board Meetings were held.
5. All shares have been fully called and paid up.
6. There were no preference shares issued by the company.