

UN-AUDITED FINANCIAL STATEMENTS

OF

MEGHNA INSURANCE COMPANY LIMITED

Pritam Zaman Tower (4th Floor)
37/2 Purana Paltan, Dhaka-1000

FOR THE PERIOD FROM 1st JULY TO 30th SEPTEMBER 2021

Meghna Insurance Company Limited
Statement of Financial Position
As at September 30, 2021


Particulars	Notes	Amount in Taka	
		30.09.21	31.12.20
Shareholder's equity & liabilities			
Share capital			
Authorized share capital	4.00	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up-capital	4.00	240,000,000	79,350,000
Reserve, surplus or contingency account			
Reserve for exceptional losses	5.01	121,734,663	114,734,663
Reserve for unrealized gain		4,146,141	1,895,674
Profit or Loss Appropriation Account	5.02	30,704,198	10,656,469
Total shareholders' equity		396,585,002	206,636,806
Balances of fund & accounts			
Fire insurance business	6.00	40,270,544	176,133,377
Marine insurance business (Cargo)		10,751,956	52,557,990
Marine insurance business (Hull)		21,894,299	44,587,061
Motor insurance business		343,885	590,268
Miscellaneous insurance business		7,089,987	53,922,242
		190,417	24,475,816
Liabilities and provisions			
Estimated liability in respect of outstanding claims whether due or intimated	7.00	678,484,047	551,791,077
Amount due to other persons or bodies carrying on insurance business	8.00	183,141,007	141,604,092
Long term loan	9.00	197,921,771	155,432,323
Short term loan	10.00	-	33,532,603
Lease Liability	11.00	-	17,441,247
Premium deposit	12.00	12,579,324	14,384,190
Sundry creditors	13.00	137,318,038	50,484,267
Provision for income tax	14.01	76,844,283	81,406,747
Provision for deferred tax	14.03	69,433,908	55,340,774
		1,245,716	2,164,834
Total liabilities, fund & provisions		718,754,591	727,924,454
Total shareholders' equity & liabilities		1,115,339,593	934,561,261
Assets and properties			
Non-current assets			
Property, plant & equipments	15.00	267,144,440	269,715,352
Intangible Assets	16.00	242,014,907	244,564,272
Investments in treasury bond	17.00	129,532	151,079
		25,000,000	25,000,000
Right-of-use asset	18.00	15,358,646	16,621,263
Current assets			
Stock of printing, stationery & stamps	19.00	832,836,508	648,224,646
Amount due from other persons or bodies carrying on insurance business	20.00	4,349,069	2,719,142
Advance, deposit & prepayments	21.00	120,576,142	111,275,061
Interest and dividend receivable	22.00	144,082,510	125,057,055
Short term investment	23.00	5,887,516	5,964,680
Cash and cash equivalents	24.00	419,670,699	258,871,484
		138,270,572	144,337,223
Total assets and properties		1,115,339,593	934,561,261
Net asset value per share	29.00	16.52	26.04


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Profit or Loss Appropriation Account
For the period from 1st July to 30 September 2021

Particulars	Notes	Amount in Taka	
		July-Sept 21	July-Sept 20
Net profit after tax for the year brought down		2,234,828	-53,121,968
Balance brought forward from last period		29,469,371	118,373,063
TOTAL		31,704,198	65,251,095
Reserve for exceptional losses		1,000,000	2,500,000
Stock Dividend			-
Prior year's adjustment			-
Balance transferred to statement of financial position		30,704,198	62,751,095
TOTAL		31,704,198	65,251,095


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Statement of Profit or Loss and Other Comprehensive income
For the period from 1st July to 30 September 2021

Particulars	Notes	Amount in Taka		Amount in Taka	
		Jan-Sept 21	Jan-Sept 20	July-Sept 21	July-Sept 20
Operating profit/(loss) transferred from:		53,955,636	109,970,812	513,879	-98,145,904
Fire insurance revenue account		-56,043,754	-1,273,598	-8,369,189	-94,338,416
Marine cargo insurance revenue account		50,575,211	44,484,048	8,037,951	429,639
Marine hull insurance revenue account		166,464	-681,949	-327,894	-824,010
Motor insurance revenue account		54,858,387	45,328,863	4,785,676	335,219
Miscellaneous insurance revenue account		4,399,328	22,113,448	-3,612,665	-3,748,336
Non-operating income					
Interest /profit	27.00	20,861,859	15,247,842	11,417,337	7,787,503
Dividend income	27.00	-	-	-	-
Miscellaneous income	27.00	-	185,228	-	5,000
Profit / (Loss) on sale of share	27.00	319,719	-286,148	297,999	-183,105
Profit / (Loss) on sale of assets	27.00	-925	437	-	-
Total Income		75,136,289	125,118,171	12,229,215	-90,536,506
Less: Management Expenses					
Expenses of Management (not applicable to any particular fund or account)	25.00	29,843,274	22,179,878	10,067,974	5,910,555
Finance Cost	26.00	3,060,180	6,114,659	148,322	1,615,692
Net Profit/(Loss) before tax and WPPF		42,232,834	96,823,634	2,012,918	-98,062,753
Workers' Profit participation fund		2,011,087	4,610,649	95,853	-4,669,655
Net Profit after WPPF		40,221,747	92,212,984	1,917,065	-93,393,098
Provision for taxation:		13,174,018	35,072,847	-317,763	-40,271,130
Current tax	14.02	14,093,134	33,975,519	405,167	-40,219,814
Deferred tax	14.03	-919,117	1,097,328	-722,930	-51,316
Profit after tax transferred to profit & loss appropriation account		27,047,729	57,140,138	2,234,828	-53,121,968
Other comprehensive income					
Changes in fair value of shares	23.02	-83,230	1,063,229	-334,004	1,329,588
Total comprehensive income		26,964,499	58,203,366	1,900,824	-51,792,380
Earning Per Share (EPS)	28.00	1.29	7.20	0.09	-6.69


The accompanying notes 1 to 42 and Annexure A,B,C form an integral part of these financial statements.


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Consolidated Revenue Account
For the period from 1st July to 30 September 2021

Particulars	Notes	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total 30.09.21	Total 30.09.20
CLAIMS UNDER POLICIES LESS RE-INSURANCE :								
Paid during the period:	34.00	29,348,536	3,006,358	-	1,951,269	23,284	34,329,447	25,060,886
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		158,534,853	15,443,643	-	9,162,511	-	183,141,007	156,951,418
Less: Outstanding claims at the end of the Previous year		187,883,389	18,450,001	-	11,113,780	23,284	217,470,454	182,012,304
		180,700,710	12,386,498	-	7,749,131	-	200,836,339	99,708,597
Total Claims under Policies less Reinsurances:		7,182,679	6,063,503	-	3,364,649	23,284	16,634,115	82,303,707
Agency Commission	35.00	-	-	-	-	-	-	17,485,191
Management Expenses		25,882,625	34,658,367	626,683	9,335,704	5,393,097	75,896,476	75,809,261
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive income		(8,369,189)	8,037,951	-327,894	4,785,676	-3,612,665	513,879	-98,145,904
Reserve for Unexpired Risks transferred to Balance of Funds and Account at the end of the year in the Statement of Financial Position	6.00	10,751,956	21,894,299	343,885	7,089,987	190,417	40,270,544	38,501,876
Total :		35,448,071	70,654,120	642,674	24,576,016	1,994,132	133,315,014	115,954,131

Reserve for Unexpired Risks in the Balance of Funds and Account at the beginning of the year :	33.00	3,313,300	13,106,886	145,908	6,851,049	737,584	24,154,728	12,841,036
Premium Less Re-insurance		26,879,891	54,735,748	343,885	17,724,967	476,042	100,160,533	95,396,836
Commission on Re-insurance ceded		5,254,880	2,811,486.00	152,881	-	780,506	8,999,753	7,716,259
Total :		35,448,071	70,654,120	642,674	24,576,016	1,994,132	133,315,014	115,954,131


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Fire Insurance Revenue Account
For the period from 1st July to 30 September 2021

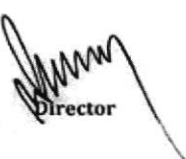
Particulars	Notes	Amount in Taka	
		30.09.21	30.09.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		3,313,300	-2,150,138
Premium less re-insurance	33.00	26,879,891	35,197,144
Commission on re-insurance ceded		5,254,880	4,858,603
Total		35,448,071	37,905,609
Claims under policies less re-insurance			
Paid during the period:		29,348,536	20,908,842
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		158,534,853	148,049,777
Less: Outstanding claims at the end of the Previous year (if any)		187,883,389	168,958,619
		180,700,710	90,102,246
Total Claims under Policies less Reinsurances:	34.00	7,182,679	78,856,373
Agent commission			7,755,738
Expenses of management	35.00	25,882,625	31,553,056
Profit/(loss) transferred to profit or loss account		(8,369,189)	(94,338,416)
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	10,751,956	14,078,858
Total		35,448,071	37,905,609


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Marine Cargo Insurance Revenue Account
For the period from 1st July to 30 September 2021

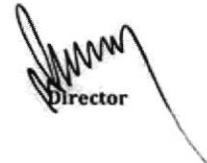
Particulars	Notes	Amount in Taka	
		30.09.21	30.09.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		13,106,886	9,474,201
Premium less re-insurance	33.00	54,735,748	37,624,273
Commission on re-insurance ceded		2,811,486	2,074,336
Total		70,654,120	49,172,810
Claims under policies less re-insurance			
Paid during the period:		3,006,358	1,783,446
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		15,443,643	3,774,666
		18,450,001	5,558,112
Less: Outstanding claims at the end of the Previous year (if any)		12,386,498	5,156,920
Total Claims under Policies less Reinsurances:	34.00	6,063,503	401,192
Agent commission			6,482,560
Expenses of management	35.00	34,658,367	26,809,710
Profit/(loss) transferred to profit or loss account		8,037,951	429,639
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	21,894,299	15,049,709
Total		70,654,120	49,172,810


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Marine Hull Insurance Revenue Account
For the period from 1st July to 30 September 2021

Particulars	Notes	Amount in Taka	
		30.09.21	30.09.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		145,908	-378,598
Premium less re-insurance	33.00	343,885	571,901
Commission on re-insurance ceded		152,881	8,551
Total		642,674	201,854
Claims under policies less re-insurance			
Paid during the period:		-	-
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	-
Less: Outstanding claims at the end of the Previous year (if any)		-	-
Total Claims under Policies less Reinsurances:	34.00	-	-
Agent commission			26,663
Expenses of management	35.00	626,683	427,300
Profit/(loss) transferred to profit or loss account		-327,894	-824,010
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	343,885	571,901
Total		642,674	201,854

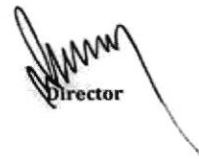
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Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Motor Insurance Revenue Account
For the period from 1st July to 30 September 2021

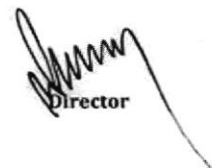
Particulars	Notes	Amount in Taka	
		30.09.21	30.09.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		6,851,049	5,833,654
Premium less re-insurance	33.00	17,724,967	21,686,409
Commission on re-insurance ceded		-	-
Total		24,576,016	27,520,063
Claims under policies less re-insurance Paid during the period:		1,951,269	1,728,790
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		9,162,511	2,159,335
		11,113,780	3,888,125
Less: Outstanding claims at the end of the Previous year (if any)		7,749,131	1,281,791
Total Claims under Policies less Reinsurances:	34.00	3,364,649	2,606,334
Agent commission			3,164,096
Expenses of management	35.00	9,335,704	12,739,850
Profit/(loss) transferred to profit or loss account		4,785,676	335,219
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	7,089,987	8,674,564
Total		24,576,016	27,520,063


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Miscellaneous Insurance Revenue Account
For the period from 1st July to 30 September 2021

Particulars	Notes	Amount in Taka	
		30.09.21	30.09.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		737,584	61,917
Premium less re-insurance	33.00	476,042	317,109
Commission on re-insurance ceded		780,506	774,769
Total		1,994,132	1,153,795
Claims under policies less re-insurance			
Paid during the period:		23,284	639,808
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	2,967,640
Less: Outstanding claims at the end of the Previous year (if any)		23,284	3,607,448
		-	3,167,640
Total Claims under Policies less Reinsurances:	34.00	23,284	439,808
Agent commission			56,134
Expenses of management	35.00	5,393,097	4,279,345
Profit/(loss) transferred to profit or loss account		-3,612,665	-3,748,336
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	190,417	126,844
Total		1,994,132	1,153,795


The accompanying notes 1 to 42 and Annexure A,B,C form an integral part of these financial statements.


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited
Statement of Change in Equity
For the period from 1st July to 30 September 2021

(Amount in Taka)

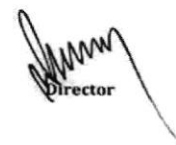
Particulars	Share Capital	Reserve for Exception Losses	Reserve for unrealized gain/(loss)	Profit or Loss Appropriation	Total
Balance as on July 01, 2021	240,000,000	120,734,663	2,146,448	29,469,370	392,350,481
Reserve for exceptional losses for the period	-	3,000,000		(3,000,000)	-
Prior year adjustment	-			-	-
Right Share issued	-			-	-
Unrealized gain/ (loss) for Investment in share	-		(334,004)	-	(334,004)
Adjustment on sale of share	-		2,333,697	-	2,333,697
Profit for the period/ year	-			2,234,828	2,234,828
Balance as on September 30, 2021	240,000,000	123,734,663	4,146,141	28,704,197	396,585,001
Balance as on July 01, 2020	79,350,000	109,734,663	-728,580	118,373,062	306,729,145
Reserve for exceptional losses for the year	-	2,500,000		(2,500,000)	-
Prior year adjustment	-			-	-
Stock dividend	-			-	-
Unrealized gain/ (loss) for Investment in share	-		1,329,588	-	1,329,588
Adjustment on sale of share	-		226,706	-	226,706
Profit for the year	-			(53,121,968)	(53,121,968)
Balance as on September 30, 2020	79,350,000	112,234,663	827,714	62,751,094	255,163,471


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited

Statement of Cash Flows

For the period from 1st July to 30 September 2021

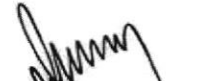
Particulars	Notes	Amount in Taka	
		30.09.21	30.09.20
Cash flows from operating activities :			
Collections of premium and other income		168,285,688	138,466,176
Payments for management expense, re-insurance and claims		(107,387,279)	(117,770,905)
Income tax paid		(1,165,339)	(1,491,129)
Net Cash from operating activities		59,733,070	19,204,142
Cash flows from Investing activities :			
Acquisition of property, plant & equipment		(897,490)	(672,240)
Disposal of property, plant & equipment		-	-
Investment & others income		9,358,883	8,961,794
Other advance paid		(9,558,786)	(24,389,086)
Investment in share		(8,302,053)	(451,120)
Sales of Investment		2,577,275	461,500
Short term investment		(13,000,000)	(10,000,000)
Net Cash used in Investing activities		(19,822,171)	(26,089,152)
Cash flows from Financing activities :			
Proceeds from issuing of share		-	-
Receipt of Long Term Loan		-	-
Repayment of Long Term Loan		-	(4,062,883)
Receipt of Short Term Loan		-	-
Repayment of Short Term Loan		-	(3,083,265)
Lease Liability		(2,439,376)	(2,246,282)
Interest Expense		(148,322)	(1,615,692)
Cash dividend paid		-	-
Net cash from financial activities		(2,587,698)	(11,008,122)
Net Increase/(Decrease) in cash & cash equivalents during the		37,323,200	(17,893,132)
Cash and cash equivalents at the beginning of the period/year		100,947,372	141,345,502
Cash and cash equivalents at the end of the year/period		138,270,572	123,452,370
Net Operating Cash Flows per Share (NOCS)		2.49	2.42


Company Secretary


Chief Financial Officer


Chief Executive Officer


Director


Director

Meghna Insurance Company Limited

Notes to the Financial Statements

For the period ended 30th September 2021

1. The company and its activities

1.1 Legal form of the company

Meghna Insurance Company Limited was incorporated with Registrar of Joint Stock Companies & Firms, Bangladesh as a public company limited by shares bearing certificate of incorporation number C- 30434(1650)/96 March 18, 1996 under the Companies Act (XVIII)1994.

1.2 Registered office of the company

The registered office of the company is located at, Pritom Zaman Tower, 37/2 Purana Palton Dhaka-1000.

1.3 Principal activities and nature of the business.

The principal activities of the company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

2. Basis of preparation and presentation of financial statements

2.1 a) Statement of compliance

Third Quarter financial statements have been prepared based on International Accounting Standard (IAS) "Interim Financial Reporting" (IAS-34) and in accordance with other International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS), the Companies Act 1994, the Insurance Act 2010, Securities and Exchange Rules 1987, BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81. Dated 20 June 2018 and other applicable laws and regulations applicable in Bangladesh. The policies, wherever appropriate, are explained in the succeeding notes.

b) Compliance of International Accounting Standards (IASs) And International Financial Reporting Standards (IFRS)

In preparing and presenting financial statements, considering relevant for the significant accounting issues of the company, following IASs & IFRS have been implemented by the company, which were issued by the Institute of Chartered Accountants (ICAB) formulated in the light of the IASs & IFRS issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the balance sheet date:

SI No.	Name of IAS	No of IAS / IFRS		Status
1	Presentation of Financial Statements	IAS	1	Complied
2	Statements of Cash Flows	IAS	7	Complied
3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Complied
4	Events after the Reporting Period	IAS	10	Complied
5	Income Tax	IAS	12	Complied
6	Property, plant and equipment	IAS	16	Complied
7	Insurance Contracts	IFRS	4	Complied
8	Financial Instruments: Disclosures	IFRS	7	Complied
9	Financial Instruments	IFRS	9	Complied
10	Fair Value Measurement	IFRS	13	Complied



11	Leases	IFRS	16	Complied
12	Related party transaction	IAS	24	Complied
13	Financial instruments' presentation	IAS	32	Complied
14	Earnings per share	IAS	33	Complied
15	Interim Financial Reporting	IAS	34	Complied
16	Impairment of Assets	IAS	36	Complied
17	Provision, Contingent Liabilities and Contingent Assets	IAS	37	Complied
18	Intangible Assets	IAS	38	Complied

Interim Financial Reporting:

Interim period is a financial reporting period shorter than a full financial period. Interim financial report means a financial report containing either a complete set of financial statements (as described in IAS 1 Presentation of Financial Statements) or a set of condensed financial statements for an interim period

IAS 34 requires that condensed Interim Financial Statements contain at a minimum:

- a condensed statement of financial position;
- a condensed statement or condensed statements of profit or loss and other comprehensive income;
- a condensed statement of changes in equity;
- a condensed statement of cash flows; and
- selected explanatory notes.

These Interim Financial Statements present selected explanatory notes that are intended to assist users in understanding the results of the operations of the company for the current interim period.

2.2 Other regulatory compliance

The company also required to comply with the following laws and regulations in addition to the above-mentioned compliances:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991
- iv) The Value Added Tax Rules, 1991
- v) Stamp Act, 1899

2.3 Implication of Covid-19 on our business:

The outbreak of the pandemic caused by the novel coronavirus (COVID -19) in 2020, has triggered an immense change in terms of lifestyle, economical drift and the behavior of customer across the world. The grievous impact of the pandemic had hit hard the global economy including global share markets, job market, travels, health care industries, insurance industry, different service industries and had many economies plunge into recession in 2020. The International Monetary Fund estimated that the global economy has shrunk by 4.4% in 2020 and claimed that it the worst since Great Depression of the 1930s is a clear indication where the global economy is heading.



Due to the outbreak of pandemic the real GDP growth of Bangladesh has decelerated 5.2% in FY 2019-2020 only for the sharp fall in RMG sector's revenue, decrease private investments and business interruption. The insurance industry of Bangladesh has always been struck with many pullbacks, even without the pandemics. Yet only 6% of the population of the country is protected by a range of insurance products. In the year 2019, the insurance penetration of the country was around only 0.6% whereas the global average is 2.8%. Though the insurance penetration was consistently low over the years, the industry has observed a gradual growth over the last few years starting from 2011 till 2019 in terms of premium income and claim payment as well.

The insurance gap, which indicates assets at risk that are not covered by insurance, stands at \$5.5 billion, or 2.1% of the GDP. The high economic development of Bangladesh seems to have no relation with the insurance sector, a puzzle that needs to be solved to take the country towards a path of sustainable growth. In a recent analysis, research firm Light Castle Partners found that Bangladesh is the most underinsured country in the non-life insurance category, despite standing to lose as much as 0.8% of its GDP to natural disasters a year. Data by Swiss Re Institute, a leading global re-insurer, also shows overall insurance penetration in Bangladesh stood at a meagre 0.57% in 2018 – the lowest among emerging Asian countries. Penetration rate is measured as the ratio of premium underwritten in a particular year to the GDP.

Insurance penetration was 5.27% in Thailand in 2018, followed by 4.77% in Malaysia, 4.22% in China, 3.70% in India, 2.42% in Vietnam, 1.95% in Indonesia, 1.82% in the Philippines and 1.15% in Sri Lanka. Taiwan has the highest penetration rate with 18%.

Main impact of Covid-19 on MICTL relates to decline commission income in 2020. Lockdown resulted to deferral in policy renewals and auto renewal of motor policies were renewed later post lockdown. Management expenses has been increased due to nonperformance of several branches. However, 6.60% growth was achieved in overall all class wise business.

Business continuity activity to move to home working has been put in place with a focus on maintaining acceptable levels of service for claims and existing customer renewals without material customer detriment. The Company continues to work closely with its suppliers to understand and manage the impact of COVID-19 on our supply chain. The COVID-19 development has led to significant reductions in market values in the early part of 2020 and heightened volatility. Management are regularly assessing the impact on the financial, liquidity and solvency position with actions in place to respond where appropriate. The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing.

2.4. Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements does not include any adjustments should the Meghna Insurance Company Limited be unable 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 such an intention or need exists, the financial statement may have to be prepared on a different basis and, if so, the basis used is disclosed.



2.5 Accrual Basis:

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the Company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when it satisfies the definitions and recognition criteria for those elements in the Framework

2.6 Basis of preparation

The financial statements of the Company have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh except property, plant & equipment. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.7 Branch accounting

The company has 47 branch offices with no overseas branch as on 30th September 2021. Accounts of the branches are maintained at the head office.

2.8 SEGMENT-WISE PERFORMANCE

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 that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The Company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous

In line with the general practices, the underwriting business of the company covers fire insurance, marine insurance, motor insurance and miscellaneous insurance businesses. Out of total premium earned, it is found that major contribution is made by the fire insurance, followed by marine insurance and miscellaneous insurance. Over-all and segment-wise performance of your company is shown in tables below:

Gross Premium Income

Year	Gross premium (in Million Taka)	Growth (%)
2020	619.40	6.60%
2019	581.04	25.79%
2018	461.91	12.02%
2017	412.34	-12.54%
2016	471.47	12.30%

During the period from January 01, 2021 to 30th September 2021 Gross Premium Income was 489.42 million in Taka.



Business Segment-wise Gross Premium Income (in Million Taka)

Business Segments	2020	2019	Growth (%)
Fire Insurance	242.35	213.64	13.44%
Marine Insurance	156.01	148.01	5.15%
Motor Insurance	136.72	121.42	12.60%
Miscellaneous Insurance	84.33	97.61	-13.61%

During the period from January 01, 2021 to 30th September 2021 Business Segment-wise Gross Premium Income (in Million Taka)

Business Segments	June 2021
Fire Insurance	166.21
Marine Insurance	215.55
Motor Insurance	62.64
Miscellaneous Insurance	45.02

Segregation of Net Premium

Business Segments	2020		2019		Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	131.17	29.94%	110.55	28.27%	18.65%
Marine Insurance	110.80	25.29%	105.67	27.02%	4.85%
Motor Insurance	134.41	30.68%	117.47	30.04%	14.42%
Miscellaneous Insurance	61.66	14.08%	57.39	14.67%	7.45%
Total	438.04	100.00%	391.08	100.00%	12.01%

During the period from January 01, 2021 to 30th June 2021 Business Segment-wise Net Premium Income (in Million Taka)

Business Segments	June 2021
Fire Insurance	89.99
Marine Insurance	181.82
Motor Insurance	61.47
Miscellaneous Insurance	3.24

2.8 Responsibility for preparation and presentation of financial statements

The Management is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act, 1994 and as per the provisions of the framework for the "Presentation of Financial Statements" of International Accounting Standard (IAS)-1.

2.9 Reporting period

Generally, the accounting period of the company is from January to December of every Gregorian calendar year. Here, the financial statements of the company have been prepared for the period ended 30th September 2021.



2.10 Components of the financial statements

According to the International Accounting Standards (IASs) 1 "Presentation of Financial Statements", the complete set of financial statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss Account and other Comprehensive Income.
- iii) Profit or loss Appropriation account.
- iv) Statement of Cash Flows
- v) Statement of Changes in Equity
- vi) Notes to the financial statements
- vii) Other following statements are included:
 1. Consolidated Revenue Account
 2. Fire Insurance Revenue Account
 3. Marine Cargo Insurance Revenue Account
 4. Marine Hull Insurance Revenue Account
 5. Motor Insurance Revenue Account
 6. Miscellaneous Insurance Revenue Account

2.11 Use of estimates and judgment

The preparation of financial statements in conformity with IASs/IFRSs require management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on going concern basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.12 Functional & presentation currency

These financial statements are prepared in Bangladeshi Taka, which is the company's functional currency as well as the presentational currency.

2.13 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature of the function are presented separately unless are immaterial.

3.0 Significant accounting policies & applications

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements. Accounting and valuation methods are disclosed for reasons of clarity. The company classified the expenses using the function of expenses method as per IAS-1.

3.1 Changes in accounting policies:

Accounting policies must be applied consistently to promote comparability between financial statements of different accounting periods. However, a change in accounting policy may be necessary to enhance the relevance and reliability of information contained in the financial statements. As per IAS 8 changes in accounting policies must be applied retrospectively and adjust all comparative amounts in the statements for each prior period presented. Company has retrospective effect in investment in share due to present in fair value presentation as per IFRS-9.

