

PRAGATI LIFE INSURANCE LIMITED

Balance Sheet (Un-Audited)

As at 31 March 2010

| CAPITAL AND LIABILITIES | 31 Mar'10 Taka | 31 Dec'09 Taka | Growth Rate (%) |
|---|---------------------------|---------------------------|----------------------------|
| SHAREHOLDER'S CAPITAL | | | |
| Authorised Capital | | | |
| 25,00,000 Ordinary Shares of Tk.100 each | 250,000,000 | 250,000,000 | - |
| Issued, Subscribed and Paid-up Capital | | | |
| 7,50,000 Ordinary Shares of Tk.100 each fully paid up in cash | 75,000,000 | 75,000,000 | - |
| Life Insurance Fund | 1,658,870,361 | 1,511,229,566 | 9.77 |
| Liabilities and Provisions | | | |
| Estimated liabilities in respect of outstanding claims, whether due or intimated | 23,661,860 | 27,841,646 | (15.01) |
| Amount due to Other Persons or Bodies carrying on insurance business | 18,353,311 | 18,353,311 | - |
| Sundry Creditors | 46,764,395 | 90,699,526 | (48.44) |
| Premium Deposits | 9,577,222 | 16,609,792 | (42.34) |
| | 98,356,788 | 153,504,275 | (35.93) |
| | 1,832,227,149 | 1,739,733,841 | 5.32 |

| PROPERTY AND ASSETS | 31 Mar'10 Taka | 31 Dec'09 Taka | Growth Rate (%) |
|--|---------------------------|---------------------------|----------------------------|
| Loans | | | |
| On Insurers' Policies within their surrender value | 5,699,418 | 3,746,933 | 52.11 |
| Investment (At Cost) | | | |
| Statutory Deposit with Bangladesh Bank(BGTB) | 4,000,000 | 4,000,000 | - |
| Bond - Orascom Telecom Bangladesh Ltd | 10,000,000 | - | - |
| Bangladesh Govt. Treasury Bond | 442,300,000 | 417,300,000 | 5.99 |
| Investment in Share | 432,319,045 | 338,056,908 | 27.88 |
| | 888,619,045 | 759,356,908 | 17.02 |
| Agents' Balance | 153,992 | 153,992 | - |
| Outstanding Premium | 170,251,110 | 174,974,410 | (2.70) |
| Interest, Dividend and Rent Accrued but not due | 35,084,005 | 25,946,769 | 35.22 |
| Advances, Deposits & Sundry Debtors | 106,341,860 | 156,094,455 | (31.87) |
| Cash, Bank and Other Balances | | | |
| On Fixed Deposit with Banks | 239,288,925 | 231,042,783 | 3.57 |
| On STD Accounts with Banks | 86,789,131 | 85,690,215 | 1.28 |
| On Current Accounts with Banks | 101,286,198 | 97,555,057 | 3.82 |
| Cash in Hand | 3,938,682 | 3,175,746 | 24.02 |
| Collection in Hand | 96,151,867 | 113,549,200 | (15.32) |
| | 527,454,803 | 531,013,001 | (0.67) |
| Stamps, Printing & Stationery in Hand | 6,503,082 | 5,241,284 | 24.07 |
| Fixed Assets (At Cost Less Depreciation) | 92,119,834 | 83,206,089 | 10.71 |
| | 1,832,227,149 | 1,739,733,841 | 5.32 |

Majedur Rashid Chowdhury
Sr. Manager (F & A)

Chandra Shekhar Das ACA
Asstt Managing Director

Zafar Halim
Managing Director

PRAGATI LIFE INSURANCE LIMITED

Cash Flow Statement For the First Quarter ended 31 March 2010

| | Jan-Mar'10 Taka | Jan-Mar'09 Taka |
|---|---------------------|---------------------|
| A. <u>Cash flows from operating activities:</u> | | |
| Collection from premium | 374,807,063 | 310,564,399 |
| Other Income received | 691,342 | 816,261 |
| Payment for claims | (71,976,095) | (37,578,451) |
| Payment for management expenses, re-insurance and others | (208,004,390) | (139,336,627) |
| Source Tax (Income Tax) deducted | (805,597) | (521,032) |
| Net cash flows from operating activities | 94,712,323 | 133,944,550 |
| B. <u>Cash flows from investing activities:</u> | | |
| Acquisition of fixed assets | (15,199,341) | (13,060,796) |
| Loan against policies paid (Net of Realization) | (1,952,485) | (324,615) |
| Investments made | (129,262,137) | (28,400,000) |
| Interest, Dividends and Rents received | 48,251,368 | 23,007,597 |
| Net cash flows from investing activities | (98,162,595) | (18,777,814) |
| C. <u>Cash flows from financial activities :</u> | | |
| Refund of excess subscription against IPO | (10,000) | (15,000) |
| Dividend Paid | (97,926) | (212,560) |
| | (107,926) | (227,560) |
| D. Net increase in cash and cash equivalents (A+B+C) | (3,558,198) | 114,939,176 |
| E. Cash and cash equivalents at the beginning of the year | 531,013,001 | 406,158,269 |
| F. Cash and cash equivalents and the end of the period (D+E) | 527,454,803 | 521,097,445 |

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PRAGATI LIFE INSURANCE LIMITED
Life Revenue Account (Un-Audited)
For the First Quarter ended 31 March 2010

| EXPENDITURE | For the 3 months ended | | Growth Rate (%) |
|--|------------------------|----------------------|-----------------|
| | Jan to Mar-10 | Jan to Mar-09 | |
| | Taka | Taka | |
| Claims & Surrenders (Less Re-Insurance) | | | |
| By Death | 13,875,204 | 12,270,134 | 13.08 |
| By Maturity | 3,900,429 | 2,469,999 | 57.91 |
| By Surrender | 395,048 | 180,935 | 118.34 |
| By Survival Benefit | 28,672,360 | 19,541,305 | 46.73 |
| By Hospitalization | 18,397,538 | 10,066,956 | 82.75 |
| | 65,240,579 | 44,529,329 | 46.51 |
| Profit Commission | 2,555,730 | 2,231,451 | 14.53 |
| Total Claims & Surrenders | 67,796,309 | 46,760,780 | 44.99 |
| Expenses of Management | | | |
| (a) Commissions to Insurance Agents (Less that on Re-Insurance) | 78,971,748 | 59,768,812 | 32.13 |
| (b) Allowances and Commissions (other than commission included in sub-item (a) preceding) | 69,250,060 | 53,263,713 | 30.01 |
| | 148,221,808 | 113,032,525 | 31.13 |
| Salaries etc.(other than to agents and those contained in the allowances and commissions) | 23,568,796 | 19,391,172 | 21.54 |
| Travelling and conveyance | 1,025,770 | 862,547 | 18.92 |
| Insurance Policy Stamp | 1,848,695 | 1,385,362 | 33.44 |
| Advertisement and Publicity | 1,043,002 | 834,784 | 24.94 |
| Printing and Stationery | 2,109,232 | 1,568,538 | 34.47 |
| Office Rent | 7,708,658 | 7,020,084 | 9.81 |
| Car Fuel,Maintenance & Repairs | 3,585,146 | 3,027,490 | 18.42 |
| Bank Charges | 1,560,890 | 1,354,320 | 15.25 |
| Repair & Maintenance | 2,015,640 | 1,632,156 | 23.50 |
| Electricity & Utility Expenses | 498,652 | 456,320 | 9.28 |
| Entertainment | 425,640 | 326,540 | 30.35 |
| Meeting Seminer & Symposium | 512,640 | 400,562 | 27.98 |
| Depreciation | 6,285,596 | 4,834,313 | 30.02 |
| Other Expenses | 6,390,975 | 4,952,678 | 29.04 |
| | 58,579,332 | 48,046,866 | 21.92 |
| Total Management Expenses | 206,801,140 | 161,079,391 | 28.38 |
| Total Expenses | 274,597,449 | 207,840,171 | 32.12 |
| Balance of the fund at the end of the period as shown in the Balance Sheet | 1,658,870,361 | 1,227,986,754 | 35.09 |
| | 1,933,467,810 | 1,435,826,925 | 34.66 |

| INCOME | For the 3 months ended | | Growth Rate (%) |
|--|------------------------|----------------------|-----------------|
| | Jan to Mar-10 | Jan to Mar-09 | |
| | Taka | Taka | |
| Balance of Life Fund at the Beginning of the Year | 1,511,229,566 | 1,140,937,675 | 32.46 |
| Premium Less Re-Insurance | | | |
| First Year Premium - IPL | 81,605,430 | 46,212,540 | 76.59 |
| First Year Premium - PB | 18,199,604 | 19,037,805 | (4.40) |
| First Year Premium -Takaful | 12,369,420 | 16,249,802 | (23.88) |
| First Year Premium -PIBD | 8,246,073 | 7,643,935 | 7.88 |
| First Year Premium -IDPS | 7,498,448 | 14,799,687 | (49.33) |
| First Year Premium -PUD | 3,425,150 | 4,200,350 | (18.46) |
| | 131,344,125 | 108,144,119 | 21.45 |
| Renewal Premium - IPL | 81,354,180 | 67,501,215 | 20.52 |
| Renewal Premium - PB | 44,361,127 | 40,732,686 | 8.91 |
| Renewal Premium - PIBD | 9,830,343 | 6,415,055 | 53.24 |
| Renewal Premium - Takaful | 10,132,560 | 6,213,540 | 63.07 |
| Renewal Premium -IDPS | 11,662,550 | 6,993,549 | 66.76 |
| Renewal Premium -PUD | 313,260 | - | - |
| | 157,654,020 | 127,856,045 | 23.31 |
| Group Insurance Premium - Life | 50,315,253 | 25,337,731 | 98.58 |
| Group Insurance Premium - Health | 30,770,365 | 15,796,432 | 94.79 |
| | 81,085,618 | 41,134,163 | 97.12 |
| Gross Premium | 370,083,763 | 277,134,327 | 33.54 |
| Less: Reinsurance Premium | 5,925,465 | 4,847,695 | 22.23 |
| Net Premium | 364,158,298 | 272,286,632 | 33.74 |
| Interest, Dividends and Rents | 57,388,604 | 21,786,357 | 163.42 |
| Other Income | 691,342 | 816,261 | (15.30) |
| | 1,933,467,810 | 1,435,826,925 | 34.66 |

Notes:

- Accounting Policies: The interim accounts have been prepared using the same accounting policies as those adopted in the accounts for the financial year ended 31 December 2009 and there have been no changes in those policies since then.
- Previously reported interim period's figures have been restated to confirm to current period's presentation.
- Recognition and measurement: a) Measurements for interim reporting period are on a Year-To-Date basis: b) Principles involved for recognizing liabilities, income and expenses for interim periods are the same as for annual financial statements.
- IPL,PB,PIBD,IDPS,PUD represents Individual Product Line, Pragati Bima, Pragati Islami Bima Division, Islami Deposit Pension Scheme,Pragati Urban Division respectively.

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