

PIONEER/HO/CS/42/2020

July 22, 2020

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon,
Sher-e-Bangla Nagar Administrative Area
Dhaka 1207.

Subject : 2nd Quarter (Q-2) un audited accounts 2020.

Dear Sir,

We are pleased to inform you that the Board of Directors of Pioneer Insurance Company Limited in their 218th meeting (virtual), by using digital platform, held on 22nd July, 2020, at 4:00 p.m. has approved the 2nd Quarter (Q-2) un audited accounts 2020, copy enclosed herewith for your kind perusal.

Interconnected information are as follows:

SL No.	Particulars	30.06.2020 Tk	30.06.2019 Tk
1	Gross Premium	1,391,977,561	1,647,428,085
2	Earning Per Share (EPS) for Q2	1.99	1.46
3	Earning Per Share (EPS) for Q1 & Q2	4.02	2.51
4	Net Asset Value(NAV)	3,235,496,115	3,397,682,132
5	Net Asset Value Per Share	46.23	48.55
6	Net Operating Cash Flow Per Share	3.43	3.56

Thanking you.

Yours faithfully,


Tarik ur Rahman
CEO (C.C.)

C.C. to: 1. The Managing Director, Dhaka Stock Exchange Limited, Stock Exchange Building,
9/F, Motijheel C/A, Dhaka.

2. The Chief Executive Officer, Chittagong Stock Exchange Limited, Eunoos Trade Centre
(Level-15),52-53, Dilkusha C/A, Dhaka-1000.

PIONEER INSURANCE COMPANY LIMITED
SECOND QUARTER (Q2) ACCOUNTS

Un-audited Statement of Profit or Loss and other Comprehensive Income
For the Second Quarter(Q2) ended June 30, 2020

	January to June-20 <u>Taka</u>	January to June-19 <u>Taka</u>	April to June-20 <u>Taka</u>	April to June-19 <u>Taka</u>
A. INCOME :				
Gross Premium	1,391,977,561	1,647,428,085	611,712,037	873,258,847
Less: Reinsurance Premium	567,836,651	646,422,605	247,014,510	339,468,995
Net Premium	824,140,910	1,001,005,480	364,697,527	533,789,852
Reinsurance Commission	70,753,507	42,893,989	25,360,875	24,683,679
Income from Investment and other sources	53,635,986	41,426,856	30,209,659	19,637,771
	948,530,403	1,085,326,325	420,268,061	578,111,302
B. EXPENDITURE :				
Claims	207,952,164	302,983,054	85,746,330	145,545,871
Expenses	383,727,626	477,374,035	176,820,496	238,317,315
	591,679,790	780,357,089	262,566,826	383,863,186
C. RESERVE FOR UNEXPIRED RISKS ADJUSTMENTS	(43,382,551)	82,129,225	(41,857,728)	61,526,865
D. PROFIT BEFORE TAX (A-B-C)	400,233,164	222,840,011	199,558,963	132,721,251
E. PROVISION FOR TAXES	118,616,374	47,500,000	60,058,187	30,500,000
F. NET PROFIT AFTER TAX (D-E)	281,616,790	175,340,011	139,500,776	102,221,251
G. RESERVE	80,622,012	96,554,312	35,776,593	50,414,633
H. BALANCE OF PROFIT B/F	193,850,361	132,847,341	291,120,956	159,826,422
I. RETAINED EARNINGS (F-G+H)	394,845,139	211,633,040	394,845,139	211,633,040
Earning per Share	4.02	2.51	1.99	1.46



Chief Financial Officer



Company Secretary



Chief Executive Officer(CC)

Sd/-

Director

Sd/-

Chairman

PIONEER INSURANCE COMPANY LIMITED
SECOND QUARTER (Q2) ACCOUNTS

Un-audited Statement of Financial Position
As at June 30, 2020

	As at 30 June 2020 <u>Taka</u>	As at 31 Dec. 2019 <u>Taka</u>
A. FIXED ASSETS	534,854,438	543,798,639
B. CURRENT ASSETS :		
Stock of Printing	1,898,215	1,787,141
Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
Investment (Share)	1,300,098,216	1,431,645,807
Sundry Debtors	1,674,903,110	1,427,496,749
Insurance Stamp	5,052,371	6,983,205
Cash & Bank Balance (including FDR)	1,500,046,825	1,261,281,596
Total Current Assets	4,506,998,737	4,154,194,498
C. CURRENT LIABILITIES :		
Fund accounts, creditors & accruals	1,806,357,060	1,612,566,221
D. NET WORKING CAPITAL (B-C)	2,700,641,677	2,541,628,277
E. NET ASSETS (A+D)	<u>3,235,496,115</u>	<u>3,085,426,916</u>
FINANCED BY :		
Share Capital	699,806,250	699,806,250
Share Premium	144,000,000	144,000,000
Revenue Reserve	1,996,844,726	2,047,770,305
Retained Earnings	394,845,139	193,850,361
Total Shareholders' Equity	<u>3,235,496,115</u>	<u>3,085,426,916</u>
Net Assets Value Per Share	46.23	44.09



 Chief Financial Officer



 Company Secretary



 Chief Executive Officer(CC)

Sd/-

 Director

Sd/-

 Chairman

PIONEER INSURANCE COMPANY LIMITED
SECOND QUARTER (Q2) ACCOUNTS

Un-audited Statement of Cash Flows
For the Second Quarter(Q2) ended June 30, 2020

	January to June-20 <u>Taka</u>	January to June-19 <u>Taka</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Collection from Premium & Other Income	1,379,685,197	1,629,787,219
Management Expenses, Commission, Reinsurance & Claims	(1,099,569,474)	(1,328,855,146)
Income-tax paid	(40,000,000)	(51,930,250)
	240,115,723	249,001,823
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,350,494)	(6,581,979)
	(1,350,494)	(6,581,979)
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend	-	-
NET CASH FLOWS FOR THE YEAR:	238,765,229	242,419,844
Cash and Bank Balance at the beginning of the year	1,261,281,596	996,525,371
Cash and Bank Balance at the end of the period	<u>1,500,046,825</u>	<u>1,238,945,215</u>
Net Operating Cash Flow Per Share	3.43	3.56

Reconciliation Statement of Net Profit with Cash Flows from Operating Activities

Profit before tax	400,233,164
Add Non-Cash expenses (Depreciation)	10,294,695
Less Increase in Current Assets (Sundry Debtors, Accrued Interest, Stock of Printing etc.)	205,586,601
Add Increase in Current Liabilities (Premium Deposit, Outstanding Claims, Unexpired Risk Reserve etc.)	63,531,997
Add Increase in Current Liabilities (Sundry Creditors)	11,642,468
Less Income tax paid	<u>40,000,000</u>
Cash Flows from Operating Activities	<u>240,115,723</u>



 Chief Financial Officer



 Company Secretary



 Chief Executive Officer(CC)

Sd/-

 Director

Sd/-

 Chairman

PIONEER INSURANCE COMPANY LIMITED
SECOND QUARTER(Q2) ACCOUNTS

Statement of Change in Equity for the Second Quarter (Q2) ended June 30, 2020

Particulars	Share Capital	Share Premium	General Reserve	Reserve for Fair Value of Share	Reserve for exceptional loss	Retained Earnings	Total
Equity as at January 01,2020	699,806,250	144,000,000	4,500,000	949,080,699	1,094,189,606	193,850,361	3,085,426,916
Net Profit for this period (after adjustment of tax)						281,616,790	281,616,790
Transfer to Reserve for exceptional losses					80,622,012	(80,622,012)	
Transfer to Reserve for fair value share				(131,547,591)			(131,547,591)
Equity as at 30th June, 2020	699,806,250	144,000,000	4,500,000	817,533,108	1,174,811,618	394,845,139	3,235,496,115
Equity as at 30th June, 2019	699,806,250	144,000,000	4,500,000	1,322,937,006	1,014,805,836	211,633,040	3,397,682,132



Chief Financial Officer



Company Secretary



Chief Executive Officer(CC)

Sd/-

Director

Sd/-

Chairman

PIONEER INSURANCE COMPANY LIMITED
Selected explanatory notes to the Quarterly Financial Statements for the Second
Quarter (Q2) ended June 30, 2020.

1. Basis of preparation: Quarterly abridged Financial Statement (un-audited) has been prepared in accordance with BSEC notification no-BSEC/CMRRCD/2006-158/208/Admin/91, dated 20 June 2018 and based on International Accounting Standard(IAS)- 34 “Interim Financial Reporting” as adopted in IFRS, the Company Act-1994, the Insurance Act-2010, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2. Significant Accounting Policies and Method of Computation: Accounting policies and methods of computation followed in preparing this Quarterly Financial Statements are consistent with those used in the Annual Financial Statements prepared and published for the year ending December 31, 2019.

3. Issued, Subscribed and Paid-up Capital : Issued, Subscribed and Paid-up Capital consists of 69,980,625 Ordinary Shares of Tk. 10/= each fully paid-up.

Year	Particulars	Value per Share	Paid up capital		Cumulative Paid-up capital
			No. of Shares	Taka	
1996	As per MOA & AOA	10	6,000,000	60,000,000	60,000,000
2001	Initial Public Offering	10	9,000,000	90,000,000	150,000,000
2009	25% Bonus	10	3,750,000	37,500,000	187,500,000
	20% Rights	10	3,750,000	37,500,000	225,000,000
2010	25% Bonus	10	4,687,500	46,875,000	271,875,000
2011	30% Bonus	10	8,156,250	81,562,500	353,437,500
2012	20% Bonus	10	7,068,750	70,687,500	424,125,000
2013	20% Bonus	10	8,482,500	84,825,000	508,950,000
2014	25% Bonus	10	12,723,750	127,237,500	636,187,500
2015	10% Bonus	10	6,361,875	63,618,750	699,806,250
	Total:		69,980,625	699,806,250	

4. Class wise Gross Premium:

Class of Premium	As on 30/06/2020	As on 30/06/2019
Fire	746,163,517	853,068,894
Marine	300,209,010	432,538,806
Motor	115,735,727	166,452,562
Misc.	229,869,307	195,367,823
Total:	1,391,977,561	1,647,428,085

5. Provision for Income Tax: Provision for tax Tk. 118,616,374 includes Tk. 116,374 as provision for Deferred Tax Liabilities / (Assets).

Provision for Income Tax has been made on taxable income after necessary add back in accordance with the provision of Finance Act 2020 and the Income Tax Ordinance 1984. Details calculations are given below:



Particulars	As on 30/06/2020	As on 30/06/2019
Net Profit	400,233,164	222,840,011
Less: Reserve for exceptional loss	80,622,012	96,554,312
Less: Cash Dividend Income Received	8,422,132	0
Taxable Income	311,189,020	126,285,699
Tax @ 37.50%	116,695,882	47,357,137
Tax on Cash Dividend Income @ 20%	1,684,426	0
Total Current Tax	118,380,308	47,357,137
Provision for Tax	118,500,000	47,500,000

Provision has been made for deferred tax liability/ (assets) for the period ended 30, June 2020 in order to comply with the requirement of IAS- 12. Calculations are given below:

Particulars	As on 30/06/2020
W.D.V. of Fixed Assets as per Financial position	534,854,438
W.D.V. of Fixed Assets as per Tax basis	534,544,108
Taxable temporary difference	310,330
Tax rate	37.50%
Deferred tax liabilities as on 30/06/2020	116,374

6. **Depreciation:** Depreciation on Fixed Assets has been calculated in accordance with paragraph 55 of BAS-16.

7. **Investment in Share:** Incompliance with IFRS-9, Investment in Share, available for sale, has been shown in Fair Value (Market Value) and necessary provision has been made in Financial Statement as Revenue Reserve.

8. **Revenue Reserve : Tk.1,996,844,726**

Details are given below:

	As on 30/06/2020	As at 31/12/2019
Reserve for Exceptional Losses	1,174,811,618	1,094,189,606
General Reserve	4,500,000	4,500,000
Reserve for Fair Value of share	817,533,108	949,080,699
Total:	1,996,844,726	2,047,770,305

9. **Net Assets Value:**

Calculation of Net Assets Value (NAV) per share

	As at June, 2020	As at 31/12/2019
Net Assets	3,235,496,115	3,085,426,916
Weighted average number of ordinary shares	69,980,625	69,980,625
Net Assets Value per Share	46.23	44.09

10. Earnings per Share:

Earnings per share (EPS) calculated in accordance with "IAS 33" .

Particulars	Jan-June,2020	Jan-June,2019
Net Profit after Tax	281,616,790	175,340,011
Weighted average number of Ordinary shares	69,980,625	69,980,625
Earnings per Share	4.02	2.51

11. Net Operating Cash Flows Per Share:

Details calculation is as follows:

Particulars	As on 30/06/2020	As on 30/06/2019
Net cash generated from operating activities	240,115,723	249,001,823
Weighted average number of ordinary shares	69,980,625	69,980,625
Net Operating Cash Flows Per Share	3.43	3.56

12. Related party transactions:

In accordance with Para 18 of IAS-24, details transaction with related parties and balance with them as at June 30, 2020 are given below:

Name of the related party	Relationship	Amount of transaction	Outstanding balance	Doubtful debts	Expenses in respective Doubtful debts
Apex Footware Ltd.	Common Director	37,184,166	-	-	-
Apex Tannery Ltd.	Common Director	15,712,112	-	-	-
Square Group	Common Director	96,066,275	-	-	-
ACI Group	Common Director	39,201,704	-	-	-
Shamsul Alamin Group	Common Director	3,357,089			
Total:		191,521,346			

13. No payment / benefits have been made for any key management personal as compensation during the period.

The detail of published Second Quarter (Q2) financial statements is available in the website of the Company. The address of the website is www.pioneerinsurance.com.bd


Chief Financial Officer


Company Secretary


Chief Executive Officer (CC)

Sd/-
Director

Sd/-
Chairman