

FEDERAL INSURANCE COMPANY LIMITED

Selected notes to the Quarterly Financial Statements(unaudited) for the 3rd Quarter ended September 30,2020

1.00 Background Federal Insurance Company Limited (the Company) was incorporated on 11 November 1987 under the Companies Act 1913 vide registration No. C-16853 (839)/87 with the object of carrying on in and outside Bangladesh all kinds of Insurance Business other than Life Insurance Business and obtained the Certificate of Commencement of Business from the Registrar of Joint Stock Companies and Firms, Bangladesh on the same date. However, the Certificate of Commencement of Insurance Business from the Controller of Insurance, Government of Bangladesh was obtained on 17 November 1987. In 1995, the Company issued public portion of shares and was listed with Dhaka Stock Exchange from 26 June 1995. The Company was also listed with Chittagong Stock Exchange from 20 November 1995.

2.00 Basis of preparation The Quarter Financial Statements (un-audited) have been prepared in accordance with International Accounting Standards (IAS)-34, the Companies Act, 1994, the Securities & Exchange Rules, 1987, The insurance Act, 2010 and Other applicable laws and regulations.

3.00 Depreciation Depreciation on fixed assets has been calculated in accordance with paragraph 55 of BAS 16.

4.00 Net Assets Value

	Jan-Sep,2020	Jan-Sep,2019
Calculation of Net Assets Value (NAV) per share		
Net Assets	822,030,056	782,792,657
Weighted average number of ordinary shares .	67,656,803	67,656,803
Net Assets Value (NAV) per Share	12.15	11.57

5.00 Net Earnings Per Share(EPS)

	Jan-Sep,2020	Jan-Sep,2019
Earning per share(EPS)calculated in accordance with "IAS 33"		
Earning Attributable to the Ordinary Shareholders (Net profit after tax)	39,237,398	36,803,783
Weighted average number of ordinary shares	67,656,803	67,656,803
Earnings Per Share(EPS):	0.58	0.54

6.00 Net Operating Cash Flow Per Share(NOCFPS)

Details calculation is as follows:

	Jan-Sep,2020	Jan-Sep,2019
Net Cash from Operating Activities	91,914,924	27,194,888
Weighted average number of ordinary shares	67,656,803	67,656,803
Net Operating Cash Flow Per Share	1.36	0.40

7.00 Provision for Income Tax Provision for income tax has been made in accordance with the provision of income Tax Ordinance 1984. Difference between tax base depreciation and accounting base depreciation is insignificant, thus, provision for deferred tax liability or deferred tax assets has not been considered in the Intirm financial statements.

8.00 Comparative Information

Figure have been rearranged/restated wherever necessary to conform to current period's presentation.

9.00 Reconciliation statement of net Operating Cash Flow for the 3rd quarter 2020 making adjustment of non cash items for non-operating items and for the net changes in operating accruals.

	Jan-Sep,2020	Jan-Sep,2019
A. Cash flow from operating activities :		
Net profit before tax	62,937,398	58,803,783
Add : Depreciation	8,408,055	7,543,687
(Profi)/Loss on sale of assets	-	(947,153)
	71,345,453	65,400,317
Increase in current liabilities :		
Outstanding claim	-	-
Lease Liabilities(Operating Lease)	-	-
Gratuity	-	-
Amount due to other persons or bodies carrying on insurance business	3,033,357	173,151
Sundry Creditors	-	-
Premium deposit account	1,487,410	325,640
Unexpired Risks	-	-
	4,520,767	498,791
Decrease in current assets :		
Outstanding premium	-	654,900.00
Interest Accrued but not due	995,145	-
Sundry debtors	-	-
Stock of Stationery	18,982	31,690.00
Amount due from other persons or bodies carrying on insurance business	32,352,177	805,870
Deferred Tax Assets/(Liabilities)	-	-
	33,366,304	1,492,460
Increase in current assets :		
Outstanding premium	-	-
Interest Accrued but not due	-	(78,663)
Sundry debtors	(7,465,000)	(3,613,000)
Stock of Stationery	-	-
Amount due from other persons or bodies carrying on insurance business	-	-
Deferred Tax Assets/(Liabilities)	-	-
	(7,465,000)	(3,691,663)
Decrease in current liabilities :		
Outstanding Claims	(3,749,476)	(858,473)
Amount due to other persons or bodies carrying on Insurance business	-	-
Lease Liabilities(Operating Lease)	-	-
Gratuity	-	-
Premium deposit account	-	-
Sundry creditors	(1,898,626)	(21,259,375)
Unexpired Risks	(4,204,498)	(14,387,169)
	(9,852,600)	(36,505,017)
Net cash flow from operating activities	91,914,924	27,194,888

Sk. Md. Anwar Uddin
Company Secretary

Simul Kanti Barua
Deputy Managing Director & CFO

AMM Mohiuddin Chowdhury
Chief Executive Officer

Elias Siddiquee
Vice Chairman

Enamul Hoq
Chairman, Board of Directors