

## FEDERAL INSURANCE COMPANY LIMITED

Selected notes to the Quarterly Financial Statements (unaudited) for the Half Year ended June 30,2021

- 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**
- |   | <b>Jan-June,2021</b> | <b>Jan-June,2020</b> |
|---|----------------------|----------------------|
| Calculation of Net Assets Value (NAV) per share |                      |                      |
| Net Assets                                      | 876,316,488          | 838,992,681          |
| Weighted average number of ordinary shares .    | 67,656,803           | 67,656,803           |
| <b>Net Assets Value (NAV) per Share</b>         | <b>12.95</b>         | <b>12.40</b>         |
- 5.00 **Net Earnings Per Share(EPS)**
- |  | <b>Jan-June,2021</b> | <b>Jan-June,2020</b> |
|--|----------------------|----------------------|
| Earning per share(EPS)calculated in accordance with "IAS 33"             |                      |                      |
| Earning Attributable to the Ordinary Shareholders (Net profit after tax) | 37,323,806           | 28,630,318           |
| Weighted average number of ordinary shares                               | 67,656,803           | 67,656,803           |
| <b>Earnings Per Share(EPS):</b>  | <b>0.55</b>          | <b>0.42</b>          |
- 6.00 **Net Operating Cash Flow Per Share(NOCFPS)**
- |  | <b>Jan-June,2021</b> | <b>Jan-June,2020</b> |
|--|----------------------|----------------------|
| Details calculation is as follows:         |                      |                      |
| Net Cash from Operating Activities         | 93,426,547           | 41,014,853           |
| Weighted average number of ordinary shares | 67,656,803           | 67,656,803           |
| <b>Net Operating Cash Flow Per Share</b>   | <b>1.38</b>          | <b>0.61</b>          |
- 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 2nd quarter 2021 making adjustment of non cash items for non-operating items and for the net changes in operating accruals.

	<b>Jan-June,2021</b>	<b>Jan-June,2020</b>
<b>A. Cash flow from operating activities :</b>		
Net profit before tax	59,718,090	45,930,318
Add : Depreciation	12,270,921	4,473,852
(Profi)/Loss on sale of assets	-	-
	<b>71,989,011</b>	<b>50,404,170</b>
<b>Increase in current liabilities :</b>		
Outstanding claim	-	-
Lease Liabilities(Operating Lease)	-	-
Gratuity	-	-
Amount due to other persons or bodies carrying on insurance business	-	124,822
Sundry Creditors	-	-
Premium deposit account	-	2,741,541
Unexpired Risks	16,074,573	-
	<b>16,074,573</b>	<b>2,866,363</b>
<b>Decrease in current assets :</b>		
Outstanding premium	-	-
Interest Accrued but not due	4,750,954	1,336,583
Sundry debtors	-	-
Stock of Stationery	83,495	-
Amount due from other persons or bodies carrying on insurance	39,976,288	8,977,554
Deferred Tax Assets/(Liabilities)	-	-
	<b>44,810,737</b>	<b>10,314,137</b>
<b>Increase in current assets :</b>		
Outstanding premium	-	-
Interest Accrued but not due	-	-
Sundry debtors	(15,488,847)	(9,573,996)
Stock of Stationery	-	-
Amount due from other persons or bodies carrying on insurance	-	-
Deferred Tax Assets/(Liabilities)	-	-
	<b>(15,488,847)</b>	<b>(9,573,996)</b>
<b>Decrease in current liabilities :</b>		
Outstanding Claims	(2,223,919)	(1,979,984)
Amount due to other persons or bodies carrying on Insurance	-	-
Lease Liabilities(Operating Lease)	-	-
Gratuity	-	-
Premium deposit account	(5,584,702)	-
Sundry creditors	(16,150,306)	(3,023,009)
Unexpired Risks	-	(7,992,828)
	<b>(23,958,927)</b>	<b>(12,995,821)</b>
<b>Net cash flow from operating activities</b>	<b>93,426,547</b>	<b>41,014,853</b>

Sk. Md. Anwar Uddin  
Company Secretary

Simul Kanti Barua  
Deputy Managing Director & CFO

A M M Mohiuddin Chowdhury  
Chief Executive Officer