

Selected Explanatory notes to the Third Quarter ended September 30, 2023 (Un-audited):

1. Legal form of the Company:

Phoenix Insurance Co. Ltd. was incorporated as a public limited Company in Bangladesh in the year 1986 under the Companies Act 1913 (present 1994). The Company, within the stipulation laid down by Insurance Act 2010 and directives as received from Insurance Development & Regulatory Authority (IDRA) time to time, provides non-life Insurance services.

2. Basis of preparation:

3rd Quarter Financial Statements (Un-audited) have been prepared based on International Accounting Standard (IAS)-34 "Interim Financial Reporting" and in accordance with other International Financial Reporting Standards (IFRS), the Companies Act 1994, the Insurance Act 2010, Securities and Exchange Rules 1987 and other applicable Laws and Regulations.

3. Accounting Policies and method of computations:

Accounting policies and methods of computations followed in preparing this 3rd Quarter Financial Statements are consistent with those used in the Annual Financial Statements prepared and published for the year ending December 31,2022.

4. Issued, Subscribed and Paid-up Capital:

Issued, Subscribed and Paid-up Capital consists of 40,341,572 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	
1986	As per MOA & AOA	100	300000	30,000,000	30,000,000
1994	Initial Public Offering	100	300000	30,000,000	60,000,000
2002	5% stock dividend	100	30000	3,000,000	63,000,000
2003	5% stock dividend	100	31500	3,150,000	66,150,000
2004	25% stock dividend	100	165375	16,537,500	82,687,500
2005	25% stock dividend	100	206718	20,671,800	103,359,300
2006	30% stock dividend	100	310077	31,007,700	134,367,000
2007	20% stock dividend	100	268734	26,873,400	161,240,400
2008	22% stock dividend	100	354728	35,472,800	196,713,200
2009	25% stock dividend	100	491783	49,178,300	245,891,500
Face Value Change			24589150	245,891,500	
2010	25% stock dividend	10	6147287	61,472,870	307,364,370
2011	5% stock dividend	10	1536821	15,368,210	322,732,580
2012	25% stock dividend	10	8068314	80,683,140	403,415,720
Total			40341572	403415720	

5. Gross and Net premium earned:

During the 3rd Quarter ended September 30, 2023, Company earned gross and net premium income Tk. 526.40 and Tk. 299.62 million as against Tk. 560.26 and Tk. 307.29 million respectively for the corresponding same period of the previous year.

6. Provision for current Income Tax:

The Company has been calculated provision for current income tax base on taxable income after necessary add back in accordance with the provision of Finance Act 2022 and the Income Tax Ordinance 1984. Details calculation are as follows:

Particulars	As on 30-09-2023	As on 30-09-2022
Net profit before Tax	88,658,603	101,643,834
Less: Reserve for exceptional loss	29,962,192	30,729,480
Less: Dividend income from shares	9,414,197	10,539,973
Total taxable income	49,282,214	60,374,381
Current Tax:		
Income tax on 49,282,214 @ 37.50%	18,480,830	22,640,393
Income tax on 9,414,197 @ 20% of Dividend Income	1,882,839	2,107,995
Total	20,363,670	24,748,387

7. Net Assets Value per share:

The Company has been calculated Net Assets Value per share based on the basis of the weighted average number of ordinary shares outstanding for the 3rd quarter ended September 30, 2023. Details calculations are as follows:

Shareholder's Equity / No. of share outstanding Tk. 1,479,052,447 / 40,341,572 = Tk. 36.66

The Company's Net Assets Value per Share (NAV) decreased due to cash & cash equivalents has been decreased for paying cash dividend.

8. Earning per share:

The Company has been calculated Earning per share on the basis of the weighted average number of ordinary shares outstanding for the 3rd Quarter ended September 30, 2023. Details calculations are as follows:

Net profit after tax / No. of share outstanding Tk. 71,117,719/ 40,341,572 = Tk. 1.77

The Company's Earnings per share (EPS) decreased due to gross premium and investment & others income have been decreased from 3rd quarter' 2022.

9. Net Operating Cash Flows per share:

The Company has been calculated the Net Operating cash Flows per share on the basis of the weighted average number of ordinary shares outstanding for the 3rd Quarter ended September 30, 2023. Details calculations are as follows:

Net operating cash flows / No. of share outstanding Tk. 58,073,040 / 40,341,572 = Tk. 1.44

The Company's Net Operating Cash Flow per Share (NOCFPS) is lower due to collection from premium & other income has been decreased.

10. Reconciliation of Net profit to Net Operating Cash Flows:

Details calculations are as follows:

Particulars	As on 30-09-2023	As on 30-09-2022
Net profit before Tax	71,117,719	101,643,834
Adjustment:		
Depreciation	9,537,502	10,043,163
Gain on sale of share	(1,140,767)	-
Gain on disposal of fixed assets	-	1,863,344
Changes in Working Capital:		
Increase / (Decerese) of the balance of fund & account	(2,118,364)	(21,192,386)
Increase / (Decerese) of premium deposit	(11,790,212)	3,993,082
Increase / (Decerese) of outstanding claims	(1,322,509)	(48,690,199)
Increase / (Decerese) of amount due to other person or bodies	13,965,146	(39,037,571)
Increase / (Decerese) of gratuity fund	8,390,689	5,835,741
Increase / (Decerese) of reserve for corporate social responsibility	465,000	510,000
Increase / (Decerese) of sundry creditor except tax payable	(6,038,026)	(31,466,544)
(Increase) / Decerese of inventories (stationery, forms & Ins. stamp)	149,742	234,885
(Increase) / Decerese of advance, deposit & prepayment except AIT & collection controll account	(5,437,009)	13,533,617
(Increase) / Decerese of amount due from other person or bodies	20,188,571	140,107,350
(Increase) / Decerese of collection control account	(23,660,622)	(52,537,456)
Income Tax paid	(14,233,820)	(21,064,959)
Net cash generated from operating activities	58,073,040	63,775,901

11. Key Management Personal Compensation:

Total amount of compensation paid key management personal (up to E.V.P.) except Director and Chairman. We paid them fees for attending meeting of the Company. The detail of key management personal as per the paragraph 17 of IAS 24: "Related Party Disclosures" is presented below:

Particulars	As on 30-09-2023	As on 30-09-2022
Basic Salary	14,841,021	14,298,687
House Rent	5,685,912	5,799,344
Medical	957,175	979,858
Corporate Allowance	964,760	985,500
Festival Bonus	2,208,252	3,177,486
Performance Bonus	-	2,884,689
Others	7,644,495	7,011,855
Provident Fund	2,173,214	2,380,878
Total	35,474,929	37,518,297

12. Related party transactions:

As per the Paragraph 18 of IAS 24, details transaction with related parties and balances them as at September 30, 2023 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Income
Pakia Cotton & Spinning Mills Ltd.	Common Director	Insurance Business	24,284,454
Partex Group	Common Director	Insurance Business	21,707,364
Total			45,991,818

13. Workers' Profit Participation and Welfare Fund (WPPF):

Bangladesh Insurance Association (BIA) had submitted a letter to The Secretary of Financial Institution Division of The Ministry of Finance, copy to The Chairman of BSEC, copy to The Chairman of IDRA and other bodies for taking a necessary step to exemption the WPPF for Insurance Industry as per letter no. BIA - 3 (58) / 2023-48 dated February 06, 2023. Considering this connections the decision not yet finalized of Workers' Profit Participation and Welfare Fund (WPPF) in the Company amount not charged in the accounts.