

"If you have any query about this document, you may consult issuer, issue manager and underwriter"

PROSPECTUS

FOR

PUBLIC OFFERING OF 450,000 ORDINARY SHARES OF TK 100.00 EACH (AT PAR)
TOTTALLING TK 45,000,000.00

OPENING DATE FOR SUBSCRIPTION: 26.11.2006

CLOSING DATE FOR SUBSCRIPTION: 30.11.2006

FOR NON-RESIDENT BANGLADESHI QUOTA SUBSCRIPTION CLOSES ON: 09.12.2006



MANAGER TO THE ISSUE

Prime Finance & Investment Limited

63 Dilkusha C/A (3rd Floor), Dhaka 1000, Phone: 9563883 Fax: 9563692

E-mail: info@primefinance.net Website: www.primefinance.net

UNDERWRITERS

Prime Finance & Investment Limited

63 Dilkusha C/A (3rd Floor), Dhaka-1000

ICB Capital Management Limited

8, DIT Avenue (14th Floor), Dhaka-1000

Grameen Capital Management Limited

Grameen Bank Bhawan, Mirpur-2, Dhaka-1216

BANKERS TO THE ISSUE

Dhaka Bank Limited Prime Bank Limited

Southeast Bank Limited The City Bank Limited

National Credit and Commerce Bank Limited Investment Corporation of Bangladesh

Date of the Prospectus: 12.07.2006

Issue shall be placed in " N " Category

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR."



Prime Islami Life Insurance Limited

(A P U B L I C C O M P A N Y L I M I T E D B Y S H A R E S)

CORPORATE OFFICE: RAJ BHABAN (6TH FLOOR), 29 DILKUSHA C/A, DHAKA 1000

PHONE: 9560889, 9554538; FAX: 880-2-9564390

E-MAIL: plicl@bdonline.com

WEB: www.primeislamilife.com



Availability of Prospectus

Prospectus of Prime Islami Life Insurance Limited may be obtained from the Company, the Manager to the Issue, the Underwriters and the Stock Exchanges as follows:

COMPANY	CONTACT PERSON	TELEPHONE NUMBER(S)
Prime Islami Life Insurance Limited Raj Bhaban (6 th Floor), 29 Dilkusha C/A Dhaka-1000	Habibur Rahman Executive Vice President & Company Secretary	9560889, 9554538
MANAGER TO THE ISSUE		
Prime Finance & Investment Limited 63, Dilkusha C/A (3rd Floor) Dhaka-1000	Md. Rezaul Haque Assistant Vice President	9563883
UNDERWRITERS		
Prime Finance & Investment Limited 63, Dilkusha C/A (3rd Floor) Dhaka-1000	Md. Rezaul Haque Assistant Vice President	9563883
Grameen Capital Management Limited Grameen Bank Bhaban Mirpur-2 Dhaka-1216	Md. Aliuzzaman Managing Director	9005257-69
ICB Capital Management Ltd. BSB Bhaban 8, D.I.T Avenue (14 th Floor) Dhaka-1000	Md. Iftikhar-uz-zaman Chief Executive Officer	7160326
STOCK EXCHANGES		
Dhaka Stock Exchange Ltd. 9/F, Motijheel C/A Dhaka-1000	DSE Library	9564601-7
Chittagong Stock Exchange Ltd. 1080, Sheikh Mujib Road, Agrabad Chittagong-4100	CSE Library	(031) 714632-3 (031) 720871-3

Prospectus is also available on the web sites (www.secbd.org), (www.primefinance.net), (www.primeislamilife.com), (www.dsebd.org), (www.csebd.com) and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.



Corporate Directory

Registered Office

Raj Bhaban (6th Floor)
29, Dilkusha C/A
Dhaka-1000
Phone: 9560889, 9554538

Auditor

M. M. Rahman & Co.
Chartered Accountants
54 Dilkusha C/A, Dhaka-1000
Phone: 9561553

Tax Adviser

Mr. Howlader Mahfel Huq, FCA
Managing Partner
Mahfel Huq & Co.
Chartered Accountants
99 Motijheel C/A, Dhaka-1000

Principal Bankers

Prime Bank Limited
Islami Bank Bangladesh Limited
Bangladesh Krishi Bank



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Abbreviated words and technical terms used in prospectus

IPO	: Initial Public Offering
Commission	: Securities and Exchange Commission
SEC	: Securities and Exchange Commission
PILIL	: Prime Islami Life Insurance Limited
The Company / Issuer	: Prime Islami Life Insurance Limited
Issue	: Public Issue
DSE	: Dhaka Stock Exchange Limited
CSE	: Chittagong Stock Exchange Limited
RJSC	: Registrar of Joint Stock Companies & Firms
Stockholder	: Shareholder
NBR	: National Board of Revenue
CIB	: Credit Information Bureau
NRB	: Non Resident Bangladeshi(s)
Allotment	: Letter of Allotment of Shares
FC Account	: Foreign Currency Account
STD Account	: Short Term Deposit Account
Securities	: Shares of Prime Islami Life Insurance Limited
Market of the Securities	: Share Market
Offering Price	: Price of the securities of Prime Islami Life Insurance Limited being offered
Subscription	: Application Money
CDBL	: Central Depository Bangladesh Limited
NAV	: Net Asset Value
EPS	: Earning Per Share
Sponsors	: The Sponsor Shareholders of Prime Islami Life Insurance Limited
Rules	: Securities and Exchange Commission (Public Issue) Rules, 2006
Depository Act	: Depository Act, 1999
Ordinance	: Securities and Exchange Ordinance, 1969
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
Corporate Office	: Head Office of the Company
Registered Office	: Raj Bhaban, 6 th Floor, 29 Dilkusha Dhaka-1000
BO A/C.	: Beneficiary Owner account or Depository Account



Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969

PART – A

1. The company shall go for Initial Public Offer (IPO) for 4,50,000 ordinary shares only of Tk.100.00 (Taka One hundred) each per share worth Taka 4,50,00,000.00 (Taka Four crore fifty lacks) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations issued there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in four national daily newspapers (in two Bengali and two English), within 03 (three) working days of issuance of this letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue manager within 03 (three) working days from the date of issuance of this letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue manager a diskette containing the text of the vetted Prospectus in "MS-Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five)** working days from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **five working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at condition 2 above, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open FC account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the abovementioned accounts for IPO purpose; and close these accounts after refund of over-subscription. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh within 07(seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.



9. The following declaration shall be made by the company in the prospectus, namely:-

“Declaration about Listing of Shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after 25 (twenty five) days of the publication of the abridged version of the prospectus and shall remain open for 5 (Five) consecutive banking days.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. Application shall be sent by the NRB applicants to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 05 (five) working days, in respect of the following matters, namely:
- (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the banker to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within 3 (three) weeks after the closure of the subscription along with bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by the CEOs of the issuer company and the issue manager). The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 6(six) weeks from the date of the subscription closure) if any of the following events occur:
- (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.



18. All the applicants shall first be treated as applied for one minimum market lot of 50 shares worth Tk.5000/-. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. Lottery (if applicable) shall be held within 5 (five) weeks from closure of the subscription date.
20. The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.
21. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (twenty four) hours of allotment.
22. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to para -16 above). The issuer must notify the underwriter to take up the underwritten shares within 10 (ten) days of the subscription closing date on full payment of the share money within 15(fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.
23. All issued shares of the issuer at the time of according this consent shall be subject to a lock- in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later:

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.
24. Either a Jumbo Share (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding, which shall contain the expiry date of lock-in period or Sponsors/Directors/Promoters/Shareholders' shareholding shall be converted into demat form but shall be locked-in for three years as per the condition at **para-23** above.
25. In case of Jumbo Share Certificate issued to the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).
26. In case of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders, the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within one week of listing of the shares with the stock exchange(s).
27. The company and the issue manager shall apply to the stock exchanges for listing within 7(seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
28. The company shall not declare any benefit other than cash dividend based on the financial statement for the period ended December 31, 2005.

Part – B

1. The issue manager (i.e. Prime Finance and Investment Limited) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies



thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall not account for any upward revaluation of its fixed assets creating reserve without prior permission from the Securities and Exchange Commission.
6. The company shall furnish report to the Commission on utilization of IPO proceeds within 15 days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
7. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
8. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the EGM under intimation to SEC and stock exchange(s).
9. Directors on the company's Board: This will be in accordance with the applicable laws, rules and regulations.

PART – C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART – D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO account).

2. The issue manager shall also ensure due compliance of all above.

General Information

The Prospectus has been prepared by **Prime Finance & Investment Limited** from information supplied by **Prime Islami Life Insurance Limited** (the Company) and also several discussions with the Chairman, Managing Director, Directors and related Executives of the Company which is publicly available. The Board of Directors of the Prime Islami Life Insurance Limited hereby confirms that to the best of their knowledge and belief the information contained herein is true and correct in all material respects and that there are no other material facts the omission of which would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The Issue, as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.



Declarations and due diligence certificates

Declaration about the Responsibility of the Directors and CEO of the Company

“Prime Islami Life Insurance Limited” in Respect of the Prospectus

This Prospectus has been prepared, seen and approved by us and we collectively and individually accept full responsibility for the authenticity and accuracy of the statement, information given in the prospectus, documents, financial statements, exhibits, annexure, papers provided to the issue Manager and Underwriter and submitted to the Securities and Exchange Commission in support thereof, and confirm after making all reasonable inquiries, that all conditions and requirements concerning this Public Issue and Prospectus have been met, and that there are no other information or documents the omission of which make any information or statements therein misleading, for which the Commission may take any civil, criminal or administrative action against us as it may deem fit.

We also confirm that full and fair disclosure has been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/-
Manzoor Ul Karim
Chairman

Sd/-
M.A. Wahhab
Director

Sd/-
Z. M. Kaiser
Director

Sd/-
Sipanta Kumar Saha
Director

Sd/-
Alak Saha
Director

Sd/-
Sarwat Khaled Simin
Director

Sd/-
K. M. Rakib Hasan
Director

Sd/-
Tareque Ekramul Haque
Director

Sd/-
Maimuna Hossain
Director

Sd/-
A. K. M. Nurul Islam
Director

Sd/-
Nargis Akhter Adel
Director

Sd/-
Sefat Zerín Shawon
Director

Sd/-
Sabiha Khaleque
Director

Sd/-
K. M. Mortuza Ali
Managing Director



Consent of the Director(s) to Serve as Director(s)

We the under signed Directors do hereby give our consent to serve the company:

Sd/-
Manzoor Ul Karim
Chairman

Sd/-
M.A. Wahhab
Director

Sd/-
Z. M. Kaiser
Director

Sd/-
Sipanta Kumar Saha
Director

Sd/-
Alak Saha
Director

Sd/-
Sarwat Khaled Simin
Director

Sd/-
K. M. Rakib Hasan
Director

Sd/-
Tareque Ekramul Haque
Director

Sd/-
Maimuna Hossain
Director

Sd/-
A.K.M. Nurul Islam
Director

Sd/-
Nargis Akhter Adel
Director

Sd/-
Sefat Zerín Shawon
Director

Sd/-
Sabiha Khaleque
Director

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies & Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994, vide RJSC's Receipt **No-0082934** dated **13-07-2006**



Due Diligence Certificate from the Issue Manager

Subject: Public Offer of 450,000 Ordinary Shares of Tk. 100 each of Prime Islami Life Insurance Limited.

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- (b) All the legal requirements connected with the said issue have been duly complied with; and
- (c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue.

For Manager to the issue

Sd/-

A. K. M. Nozmul Haque

Managing Director
Prime Finance & Investment Limited
June 21, 2006



Due Diligence Certificate from the Underwriters

Sub: Public Offer of 450,000 Ordinary Shares of Tk 100 each of Prime Islami Life Insurance Limited.

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company

WE CONFIRM THAT:

- (a) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- (c) This Underwriting Commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-
Managing Director
Prime Finance & Investment Limited
Dated: June 21, 2006

Sd/-
Chief Executive Officer
ICB Capital Management Limited
Dated: June 21, 2006

Sd/-
Managing Director
Grameen Capital Management Limited
Dated: June 21, 2006

Declaration by the Issuer about the approval from the SEC for any Material Change

In case of any material change in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-

K. M. Mortuza Ali

Managing Director
Prime Islami Life Insurance Limited
March 30, 2006

Declaration by the Issue Manager about the approval from the SEC for any Material Change

In case of any material change in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

A. K. M. Nozmul Haque

Managing Director
Prime Finance & Investment Limited
April 25, 2006



Risk factors & management perceptions about the risks

Interest rate risks

Volatility of money market, which ultimately imposes upward pressure on interest rate structure, may erode organization profitability.

Management perception

Since the company does not have any borrowings, the adverse change in interest rate structure may not affect company's business operation adversely.

Exchange rate risks

Devaluation of local currency against major international currencies affects business performance of import based companies or companies borrowing in foreign currency affects adversely.

Management perception

Prime Islami Life Insurance Limited does not have foreign currency loan. Moreover the company is not directly or indirectly involved in import business. So that the company is exposed with less risk regarding devaluation of local currency in respect of foreign currency.

Industry risks

The Company is operating in a highly competitive industry. Entrance of competitor in the business arena may hamper business growth of the company

Management perception

The company has successfully accessed the market till date and is performing well in offering products and services at competitive terms.

Market and technology-related risks

To be competitive in the market Insurance companies always need to develop new products and services as well as to introduce new insurance policies. Failing of which may make the Company outperformed by its competitors.

Management perception

The company is operating on under shariah principles. There are small scopes of introducing new products. The company has always tried to offer best products/services to its clients at a competitive package.

Potential or existing government regulations

As an insurance company, Prime Islami life Insurance Limited is directly regulated by the Chief Controller of Insurance. Any unfavorable change in regulations may affect the Company's business.

Management perception

Any unfavorable changes in government policy may affect all insurance companies simultaneously. In such a situation the company may redesign its business policy in accordance with changing governmental policies to retain an edge over its competitors in the competitive market



Potential changes in global or national policies

Unfavorable change in global and national policies will affect company's business operation.

Management perception

Any change in global and national policy may affect all insurance company simultaneously.

Operations risks

Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers thus reducing premium and profitability.

Management perception

PILIL does not apprehend any loss of business due to its competent management team and expanding trend of insurance business in the country. PILIL has already proved its leading role by its attractive earning performance.



Financial structure

1. Financial structure prior to IPO

Issued & Fully Paid up Capital as on date (Details given in Balance Sheet)

Tk 30,000,000.00

2. Financial structure after IPO

a) Issued & Fully Paid up Capital as on date

Tk 30,000,000.00

b) IPO (Initial Public Offering)

Tk 45,000,000.00

Total Capital Structure after IPO will be

Tk 75,000,000.00

Use of proceeds

Net proceeds of the offerings

The net proceeds of the present issue of 450,000 ordinary shares of Tk 100 each (at par) totaling Tk 45.0 million will strengthen the capital base of the Insurance and augment business expansion. The fund through public issue will be used for investment.

Underwriting of shares

The Initial Public Offering (IPO) is for 450,000 ordinary shares of Tk 100 each (at par) amounting to Tk 45,000,000. As per SEC's guideline 50% of the said amount i.e. 225,000 ordinary shares of Tk 100 each (at par) amounting to Tk 22,500,000 has been underwritten by the following institutions:

Sl.	Name and Address of Underwriters	Number of shares	Amount (Tk)
1.	Prime Finance & Investment Limited 63, Dilkusha C/A (3rd Floor), Dhaka 1000, Phone : 9563883	125,000	12,500,000
2.	Grameen Capital Management Limited Grameen Bank Bhaban Mirpur Two, Dhaka-1216 Phone: 9005257-69	50,000	5,000,000
3.	ICB Capital Management Ltd. 8, DIT Avenue (14th Floor), Dhaka-1000 Phone: 7160326	50,000	5,000,000
Total		225,000	22,500,000

Principal terms and conditions of underwriting agreements

1. If and to the extent that the shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the Underwriters in writing to subscribe for the shares not subscribed and ask the Underwriter to pay for them in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque / Bank Draft by the Underwriters it will be deemed that the Underwriters, have not fulfilled their obligation towards the Underwriting Commitment under the Agreement, until such time as the Cheque/ Bank Draft has been en-cashed and the Company's account credited.
3. In such a case the Company shall, within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, send proof of subscription and deposit of Share Money by the Underwriters to the Commission.



4. In the case of failure by the Underwriters to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this agreement and also other penalties as may be determined by the commission may be imposed on him.
5. In the case of failure by the underwriters to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this agreement.
6. In the case of failure by the company to call upon the underwriters for the aforementioned purpose within the stipulated time, the company and its directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the underwriters

The Company shall pay to the underwriters an underwriting commission at the rate of **1.00%** of the value at issue price of the shares hereby agreed to be underwritten by them.

Underwriter's right to represent in the board of directors of the company

The Underwriters shall not have any right to have any representatives in the Company's Board of Directors.

Officer or director of the underwriter(s) acting as director of the company

Ms. Sabiha Khaleque, Director of Prime Finance & Investment Limited – one of the underwriters, is the Director of the Prime Islami Life Insurance Limited.

Allotment and subscription

Disclosure in respect of issuance of security in demat form

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

Conditions of offer, subscription and allotment of shares

Offer

1. Shares

Particulars	No. of shares	Amount in Tk
A. 10% of IPO i.e. 45,000 Ordinary Shares of Tk 100 each shall be reserved for Non Resident Bangladeshis(NRB)	45,000	4,500,000.00
B. 10% of IPO i.e. 45,000 Ordinary Shares of Tk 100 each shall be reserved for mutual funds	45,000	4,500,000.00
C. The remaining 80% of IPO i.e. 360,000 Ordinary Shares of Tk 100 each shall be opened for subscription by the General Public	360,000	36,000,000.00
Total	4,50,000	45,000,000.00

2. All securities as stated in clause 1.A, 1.B, & 1.C shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
3. In case of over-subscription under any of the categories mentioned in the clause 1.A, 1.B & 1.C the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
4. In case of under subscription under any of the 10% categories mentioned in the clause 1.A, 1.B, the un subscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.



5. In case of under-subscription of the public offering, the un-subscribed portion of securities shall be taken up by the underwriter(s)
6. The lottery as stated in clause (3), (4) shall be conducted in presence of representatives from the issuer, the stock exchange and the applicants, if there be any.

Application for Subscription

1. Application for shares may be made for a minimum lot for **50** Ordinary shares to the value of Tk. **5,000** respectively and should be made on the Company's Printed Application forms. Application Form and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/ cyclostyled/hand written/typed copies of the forms. Applications must not be for less than **50** shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
4. An applicant cannot submit more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purpose.
5. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.
6. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked "**Prime Islami Life Insurance Limited**" and shall bear the crossing "**A/C Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.
7. All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue (VIDE INSTRUCTIONS for Application for Shares by investors other than Non-Resident Bangladeshis).



Bankers to the Issue

Dhaka Bank Limited

Agrabad Branch, Chittagong
Amin Bazar Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
EPZ Branch, Savar
Foreign Exchange Branch, Dhaka
Imamaganj Branch, Dhaka
Islamic Banking Branch, Dhaka
Islampur Branch, Dhaka
Jubilee Road Branch, Chittagong
Kawran Bazar Branch, Dhaka
Khatungonj Branch, Chittagong
Laldighirpar Branch, Sylhet
Local Office, Dhaka
Narayanganj Branch, Narayanganj
Uttara Branch, Dhaka

Investment Corporation of Bangladesh (ICB)

Barishal Branch, Barishal
Bogra Branch, Bogra
Chittagong Branch, Chittagong
Head Office, Dhaka
Khulna Branch, Khulna
Local Office, Dhaka
Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet

NCC Bank Limited

Agrabad Branch, Chittagong
Chowhatta Branch, Sylhet
Dhanmondi Branch, Dhaka
Dilkusha Branch, Dhaka
Gulshan Branch, Dhaka
Jessore Branch, Jessore
Jubilee Road Branch, Chittagong
Khatungonj Branch, Chittagong
Khulna Branch, Khulna

Laxmipur Branch, Laxmipur
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
Moghobazar Branch, Dhaka
Motijheel Branch, Dhaka
Moulvibazar Branch, Moulvibazar
OR Nizam Road Branch, Chittagong
Rangpur Branch, Rangpur
Uttara Branch, Dhaka

Prime Bank Limited

Agrabad Branch, Chittagong
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Barishal Branch, Barishal
Bogra Branch, Bogra
Court Road Branch, Sylhet
Dhanmondi Branch, Dhaka
Elephant Road Branch, Dhaka
Eskaton Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gonakbari Branch, Savar
Gulshan Branch, Dhaka
IBB Mirpur, Dhaka
IBB O. R. Nizam Road Br. Chittagong
Islamic Banking Branch, Dhaka
Islamic Banking Branch, Sylhet
Jessore Branch, Jessore
Jubilee Road Branch, Chittagong
Kawran Bazar Branch, Dhaka
Khatungonj Branch, Chittagong
Khulna Branch, Khulna
Madhabdi Branch, Narsingdi
Mohakhali Branch, Dhaka
Motijheel Branch, Dhaka
Mouchak Branch, Dhaka
Moulvibazar Branch, Dhaka
Narayanganj Branch, Narayanganj
Pragati Sharani Branch, Dhaka

Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet
Uttara Branch, Dhaka

The City Bank Limited

Agrabad Branch, Chittagong
B.B. Avenue Branch, Dhaka
Bandar Bazar Branch, Sylhet
Barishal Branch, Barishal
Comilla Branch, Comilla
Dhaka Chamber Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gulshan Branch, Dhaka
Islampur Road Branch, Dhaka
Johnson Road Branch, Dhaka
Kawran Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Mirpur Branch, Dhaka
New Market Branch, Dhaka
Principal Office, Dhaka
Rajshahi Branch, Rajshahi
Tanbazar Branch, Narayanganj
Tongi Branch, Gazipur

Southeast Bank Limited

Agrabad Branch, Chittagong
Banani Branch, Dhaka
Cox's Bazar Branch, Cox's Bazar
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Jubilee Road Branch, Chittagong
Karwan Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Laldighirpar Branch, Sylhet
Principal Branch, Dhaka
Uttara Branch, Dhaka
Motijheel Branch, Dhaka

8. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking 'Account Payee only'.

The value of securities applied for by such person may be paid in Taka or US Dollar or UK Pound Sterling or EURO at the rate of exchange mentioned in the securities application Form.

Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account payee bank cheque payable at Dhaka with bank account number, Banks name and Branch as indicated in the securities application form

9. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound sterling or EURO) by the bankers to the issue will be remitted to the Company's **STD A/C # 3100502 with Prime Bank Limited, Islami Banking Branch, Dilkusha, Dhaka, Bangladesh** for this purpose.



10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts of the Company for IPO purpose are as follows:

Sl. No.	Name of the FC Accounts	Account No.	Bank & Branch
1	US Dollar	51100138	Prime Bank Limited, Islami Banking Branch, Dilkusha, Dhaka
2	UK Pound Sterling	52100011	Prime Bank Limited, Islami Banking Branch, Dilkusha, Dhaka
3	EURO	55100014	Prime Bank Limited, Islami Banking Branch, Dilkusha, Dhaka

11. The Company shall open FC Accounts on approval of Prospectus by SEC; and close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Allotment

The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7 (seven) weeks from the date of closure of subscription.



Description of Business

Company at a glance

Prime Islami Life Insurance Limited is a public limited company incorporated under Companies Act, 1994 on July 24, 2000 in the name of Prime Life Insurance Company Limited which subsequently had been changed in to Prime Islami Life Insurance Limited on April 22, 2002 and that the said Company had been duly incorporated as a Company under the provision of the said Act. The Company was registered under the Department of Insurance on August 06, 2000 under the Insurance Act 1938 with an authorized share capital of Tk 100 million divided into 10,00,000 ordinary shares of Tk. 100 each of which 3,00,000 ordinary shares of Tk 100 each were issued and fully paid-up by the Sponsors / Directors of the company. The Company commenced its business on July 24, 2000. The company is engaged in Islami Life Insurance Business.

The Company's registered and operational office is located at Raj Bhaban (6th Floor), 29 Dilkusha C/A, Dhaka-1000, Bangladesh. Life Insurance industry is providing economic security to the clients as well as creating long-term capital in the market. Prime Islami Life Insurance Limited has introduced innovative insurance policies with a view to attract different classes of people of the country.

Nature of business

The Company is mainly engaged in individual life including Micro Insurance Scheme (Mukto Bima) and PIDPS (Prime Islami Deposit Pension Scheme). In case of individual life Insurance (Akok Bima) the risk commences from the issue date of FPR (First Premium Receipt) and in the case of Micro Insurance Scheme (Mukto Bima) the risk covers from the date of issue of Pass Book. In addition, it also operates Group Insurance.

Products and services

A. Akok bima

1. Islamic endowment plan (Hajj Bima) with profit
2. Assurance cum pension & medical benefit plan- without profit
3. Profit & loss basis three payments assurance plan
4. Prime Islami deposit pension scheme (PIDPS)– with profit
5. Five payments endowment assurance plan profit & loss basis
6. Multiple benefits life assurance plan – without profits
7. Child protection assurance plan – with profit
8. Premium– back term assurance plan – without profit
9. Single payment endowment assurance plan with guaranteed profits
10. Couple assurance plan (Dampati Bima)– with profit
11. Jano kallyan deposit pension scheme – with profit
12. Gift assurance (upohar bima)– with profit

B. Micro insurance scheme

1. Mukto bima

C. Group insurance scheme

1. Group term life assurance plan
2. Group endowment assurance plan– without profits
 - a) 100% payable on survival of the assured till end of term
 - b) 50% of sum assured payable on survival of the assured till end of term
 - c) 25% of sum assured payable on survival of the assured till end of term

Market for the product

The company has numbers of diversified financial products which market is spread out all over the country that is covering the urban, sub urban and rural areas of Bangladesh.

**Relative contribution to income** (as per audited accounts)

Particulars	31.12.2005	(%)	31.12.2004	(%)	31.12.2003	(%)
First year premium	210,917,439	61.49	114,091,520	62.40	98,666,327	75.83
Renewal premium	131,621,880	38.37	67,865,220	37.11	31,167,812	23.95
Group insurance premium	495,744	0.14	895,147	0.49	280,257	0.22
Total	343,035,063	100	182,851,887	100	130,114,396	100

Associate / related concerns business

Prime Islami Life Insurance Limited does not have any associated/related company either as a subsidiary, parent or sister concern except those separate entities owned by the Sponsors / Directors.

Holding company

The Company is neither a holding company nor a subsidiary of a company or a group of companies.

Distribution of products/services

The Company operates its business through Dhaka Head Office and distributes its services through units agency and organizational offices throughout the country.

Competitive condition in business

The competitive environment in the insurance industry in Bangladesh is quite complex. There are nationalized insurance having extensive branch networks, holding huge premium deposit and enjoying certain prerogatives. There are leading international insurance company branches with focused business objectives, reliabilities, experiences, state-of-the-art technologies and highly skilled human resources. Further, there are the first generation private insurance company having comparative large branch networks, reasonable access to technology and market and the Prime Islami Life Insurance Limited is the third-generation private insurance company established in 2000. Besides, there are the second-generation private insurance company starting operations in 1996 and make the insurance business more competitive. The relative position, focus and competition are so diverse that it is difficult for any insurance company to make a favorable market entry and day by day the competition is increasing. Although there are more competition in the insurance sector the Prime Islami Life Insurance Limited has earned a notable position within a short time in this risky market through its performance, reliabilities, efficient management, experience and acceptance by its clients.

Sources of, and requirement for power, gas and water

The company does not require such utilities except for ordinary use in office work.

Customers providing 10% or more revenues

The company has no customer providing 10% or more revenues.

Material patents, trademarks, licenses or royalty agreement

The Company has not entered into any such agreement.

Number of Employees (as on December 31, 2005)

Total Number of Employees	3,987
• Total number of employees (admin)	389
• Total number of employees (development)	3,598



Description of property

1. Plants and Property

The company (mainly provider of life insurance business) operates its business through its head office situated at Raj Bhaban (6th Floor), 29 Dilkusha C/A, Dhaka-1000 and branches all over Bangladesh in rented premises. However, the company owns the following operating assets at written down value as given below:

(As per audited accounts)

Name of the Assets	31-12-2005	31-12-2004	31-12-2003
Furniture & Fixture	6,170,519	4,588,621	4,508,833
Office Decoration	1,251,791	1,184,744	1,318,483
Office Equipment	3,456,225	2,946,214	2,876,994
Motor Vehicles	11,057,835	8,184,374	5,038,192
Telephone Installation	483,921	475,024	419,993
Total	22,420,291	17,378,977	14,162,495

2. The company itself owns the entire fixed assets.
3. There is no mortgage or lien on the property of the company.
4. There is no leasehold property of the company.

Plan of operation and discussion of financial condition

Internal and external sources of cash (as per audited accounts)

(Amount in Taka)

Internal sources of cash	31-12-2005	31-12-2004	31-12-2003
Share capital	30,000,000	30,000,000	30,000,000
Life insurance fund	212,269,127	92,662,097	28,317,286
Total	242,269,127	122,662,097	58,317,286
External sources of cash			
Premium deposit	10,111,723	2,860,568	5,276,179
Total	10,111,723	2,860,568	5,276,179

Material commitments for capital expenditure

The company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out of normal business operation.

Material changes from period to period (As per audited accounts)

Particulars	Amount in Taka		
	2005	2004	2003
First year premium	210,917,439	114,091,520	98,666,327
Renewal premium	131,621,880	67,865,220	31,167,812
Group insurance premium	495,744	895,147	280,257
Gross premium	343,035,063	182,851,887	130,114,396
Less: Re-insurance premium	129,351	460,864	982,472
Premium less Re-insurance	342,905,712	182,391,023	129,131,924
Add: profit, dividend and rents	9,549,966	3,518,046	1,998,445
Add: other income	161,253	103,169	466,999
Less: previous years' adjustment	616,333	-	-
Add: balance of the life insurance fund at the beginning of the year	92,662,097	28,317,286	940,111
Total	444,662,695	214,329,524	132,537,479
Management expenses	210,147,463	113,794,775	99,617,660

Causes for material Changes

The company's gross premium, premium less reinsurance, and balance of life insurance fund as well as management expenses have increased continually due to business promotion efforts of the management.



Seasonal aspect of the company's business

The operation of the company is not, in general, affected by any seasonal variances.

Known trends, events or uncertainties

Political unrest, hartal, flood and natural calamities are the known events that may affect the business operations of the company.

Changes in the assets of the company used to pay off any liabilities

No asset of the company has been disposed off to pay the liabilities.

Loan taken from subsidiary or associate concern

The company has no subsidiary or associate concerned and did not take any loan from such party

Future contractual liabilities

The company is not likely to enter into any future contractual liability within next one year.

Future capital expenditure

The company has no plan to enter into any contractual obligation other than normal course of business in the near future.

VAT, Income tax, Customs duty or other Tax liability

VAT:

VAT is exempted on Life Insurance Business according to section 4 of second schedule u/s 3 of VAT Act 1991.

Income tax:

There are no Tax Liability up to financial year 2003(Assessment year 2004-2005). Return submitted to the LTU for financial year 2004(Assessment year 2005-2006).

Custom duty or other liabilities

There are no dues outstanding on account of Custom Duty or other tax liabilities.

Operating lease agreement

There is no operating lease of the Company.

Financial and Lease Commitment

The schedule of Lease and term finance facilities of the company is given below:

Sl. No.	Description	Agreement Number & Date	Acquisition Cost/Finance Amount	Monthly rental/ Installment	Name of the Institution	Term Duration (Months)	Date of Final Settlement
01	Lease Finance (Motor vehicle)	LA#21/2001 19-04-2001	9,50,000	34,280	Prime Finance & Investment Limited	36	11-04-2004
02	Lease Finance (Air Conditioner)	LA#38/2001 30-05-2001	12,00,000	43,310	Prime Finance & Investment Limited	36	11-04-2004
03	Lease Finance (Motor Vehicle)	LA#61/2001 29-07-2001	11,70,000	42,220	Prime Finance & Investment Limited	36	11-04-2004
04	Lease Finance (Motor Vehicle)	LA#67/2001 07-08-2001	17,40,000	62,790	Prime Finance & Investment Limited	36	11-04-2004
05	Term Finance	TFA#02-05-048 03-02-2003	65,00,000	2,27,010	Fareast Finance & Investment Limited	36	28-12-2003



Personnel related scheme

The company has training schemes for human resource development. During the year 2005, total 12 employees were sent for 3 different training and development programs.

Breakdown of issue expenses

The total Public issue expenses are estimated as follows:

Particulars	Nature of expenditure	Amount in Tk.
Manager to the Issue Fee	Fixed	225,000
Underwriting Commission	Fixed	225,000
SEC Fee:		
Application Fee	Fixed	10,000
Consent Fee	Fixed	67,500
Fees related to the Stock Exchanges:		
Application Fee (DSE)	Fixed	5,000
Annual Fee for DSE and CSE	Fixed	70,000
Listing Fees for Stock Exchanges (DSE & CSE)	Fixed	375,000
CDBL Fees and Expenses:		
Documentation Fee	Fixed	2,500
Security Deposit		-
Annual Fee	Fixed	50,000
Initial Public Offering Fee	Fixed	11,250
Commission Expenses:		
Bankers to the Issue Commission	Variable	225,000
Expenses related to Printing and Publications:		
Abridged version of Prospectus	Fixed	200,000
Notice for Prospectus, Lottery, Refund etc.	Fixed	30,000
Printing of Prospectus and Forms	Fixed	137,500
Distribution & Collection of forms and Data Processing	Variable	290,000
Lottery related expenses including BUET fee	Fixed	184,500
Distribution of allotment letters and refund warrants	Variable	80,000
Other Expenses	Variable	21,750
TOTAL		2,210,000

Issue manager

Prime Islami Life Insurance Limited has appointed Prime Finance & Investment Limited as the Manager to the Issue for the purpose of making the public offering of shares of the company.

Revaluation of assets

No revaluation of assets was made by the Company.

Transaction between the company and its holding /subsidiary company or associate company

No transaction was made between the company and its holding/subsidiary or associated companies



Declaration by the Board of Directors

We hereby declare that all requirements as specified in the Insurance Act, 1938, (Act No. IV of 1938) have been adhered to.

Sd/-
Manzoor Ul Karim
Chairman

Sd/-
M.A. Wahhab
Director

Sd/-
Z. M. Kaiser
Director

Sd/-
Sipanta Kumar Saha
Director

Sd/-
Alak Saha
Director

Sd/-
Sarwat Khaled Simin
Director

Sd/-
K. M. Rakib Hasan
Director

Sd/-
Tareque Ekramul Haque
Director

Sd/-
Maimuna Hossain
Director

Sd/-
A. K. M. Nurul Islam
Director

Sd/-
Nargis Akhter Adel
Director

Sd/-
Sefat Zerín Shawon
Director

Sd/-
Sabiha Khaleque
Director



Special report of the auditors regarding any allotment of shares to promoters of sponsor shareholders for any consideration otherwise than in cash.

This is to certify that the capital structure of **Prime Islami Life Insurance Limited** of Raj Bhaban (6th floor), 29, Dilkusha C/A, Dhaka-1000, Bangladesh as on 31st December, 2005 is as follows:

A. Authorized Capital:

1,000,000 ordinary shares of Tk. 100 each

Tk. 100,000,000

B. Issued, Subscribed and Paid-up Capital:

300,000 ordinary shares of Tk. 100 each issued
in full in cash by the Sponsors

Tk. 30,000,000

We also certify that the **Prime Islami Life Insurance Limited** has not allotted any shares for any consideration otherwise than for cash to any shareholders including the promoters or sponsors.

SD/-

Dated : 15th April, 2006.

Place : Dhaka.

(M. M. Rahman & Co.)

CHARTERED ACCOUNTANTS

Material Information which is likely to have an Impact

There is no other material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.



Directors and Officers

Information regarding directorship:

Sl. No.	Name of the Directors	Age	Position	Date of first becoming a director	Date of expiration of current term
1.	Mr. Manzoor Ul Karim	68	Chairman	24-07-2000	2006
2.	Mr. M.A. Wahhab	68	Director	29-09-2005	2006
3.	Mr. Z. M. Kaiser	43	Director	24-07-2000	2007
4.	Mr. Sipanta Kumar Saha	44	Director	24-07-2000	2007
5.	Mr. Alak Saha	37	Director	24-07-2000	2007
6.	Mr. K. M. Rakib Hasan	23	Director	24-07-2000	2008
7.	Mr. Tareque Ekramul Haque	24	Director	24-07-2000	2008
8.	Ms. Maimuna Hossain	33	Director	24-07-2000	2006
9.	Mr. A. K. M. Nurul Islam	40	Director	24-07-2000	2006
10.	Ms. Nargis Akhter Adel	36	Director	24-07-2000	2006
11.	Ms. Sefat Zerine Shawon	23	Director	24-07-2000	2007
12.	Ms. Sabiha Khaleque	41	Director	24-07-2000	2007
13.	Ms. Sarwat Khaled Simin	23	Director	09-02-2005	2006

Directors' involvement in other organizations:

Name of sponsors/directors	Rank in PILIL	Name of the company where he/she is also a director or partner
Mr. Manzoor-Ul-Karim	Chairman	Prime Insurance Company Limited Supreme Jute & Knittex Limited
Mr. M.A. Wahhab	Director	Mawsons Ltd.
Mr. Z. M. Kaiser	Director	Nil
Mr. Sipanta Kumar Saha	Director	Nil
Mr. Alak Saha	Director	Royal International Royal International Limited H. R. Sons Limited Excel Technologies Limited Glory Fashions Limited K. B. Interlining Limited
Mr. K. M. Rakib Hassan	Director	PFI Securities Ltd
Mr. Tareque Ekramul Haque	Director	Acorn Limited PFI Securities Limited
Ms. Maimuna Hossain	Director	Nil
Mr. A. K. M. Nurul Islam	Director	Nil
Ms. Nargis Akhter Adel	Director	K & K Tops Textile Company Limited
Ms. Sefat Zerine Shawon	Director	Nil
Ms. Sabiha Khaleque	Director	Prime Insurance Company Limited Maksons Bangladesh Limited Prime Finance & Investment Ltd
Ms. Sarwat Khaled Simin	Director	Nil



Family relationship among directors and top five officer:

Family relationship among directors

Name of the Directors	Status	Relationship
Ms. Sarwat Khaled Simin	Director	Daughter of Ms. Sabiha Khaleque (Director)

Family relationship between directors and top five officers

No family relationship exists between directors and top five officers of Prime Islami Life Insurance Limited.

Short bio-data of the directors:

Mr. Manzoor-ul-Karim, Chairman

Mr. Manzoor Ul Karim is a sponsor Director of Prime Islami Life Insurance Limited. He obtained Masters in Arts degree. He is now leading the Board of Directors of the company. He was a civil servant, who had served a number of Ministries as Secretary. Before his retirement he was the Secretary, Ministry of Home Affairs, Govt. of the Peoples Republic of Bangladesh. He had been a father figure of Bangladesh Scouts for last two decades as its Chief National Commissioner. He was also Senior Advisor of UNICEF, Bangladesh. He is also director of Supreme Jute & Knittex Limited.

Mr. M.A. Wahhab

Mr. M.A. Wahhab is a Director of Prime Islami Life Insurance Limited. He is a Banker by profession and contributed to build up Banking sector in Post liberation Bangladesh. He retired as Managing Director of National Bank Limited. A prestigious bank in private sector. He is a sponsor shareholder of Prime Bank Limited and Vice Chairman of the Board of Governors of Primeasia University Foundation. He is the Managing Director of Mawsons Limited.

Mr. Z. M. Kaiser

Mr. Z. M. Kaiser obtained M.Sc. degree from Jahangirnagar University. He is a Sponsors Director of Prime Islami Life Insurance Limited and also he is a college teacher. He is also associated with a number of benevolent organizations.

Mr. Sipanta Kumar Saha

Mr. Sipanta Kumar Saha is a renowned businessman. He obtained both of his B.Sc. (Hon's) and M.Sc. degrees. He is a sponsor director of Prime Islami Life Insurance Limited.

Mr. Alak Saha

Mr. Alak Saha is a renowned businessman. He is a sponsor Director of Prime Islami Life Insurance Limited. He is also Managing Director of Royal International Limited and Chairman of Excel Technology Limited. Mr. Alak Saha is engage in business fro a long time. Since inception his business career, Mr. Saha has gained experience in different business sector and exploring his talents in developing growth of the company.

Mr. K. M. Rakib Hassan

Mr. K. M. Rakib Hassan is a sponsor Director of Prime Islami Life Insurance Limited. He has accomplished his Masters in Business Administration. He is associated with other business organization. He is also director of PFI securities Limited, a sister concern of Prime Finance and Investment Limited.

Mr. Tareque Ekramul Haque

Mr. Tareque Ekramul Haque is a sponsor Director of Prime Islami Life Insurance Limited. He has accomplished Masters of Science. He is associated with numbers of organizations. He is a director of Acorn Limited, a private Limited company and PFI securities limited, a sister concern of Prime Finance and Investment Limited.

Ms. Maimuna Hossain

Ms. Maimuna Hossain obtained M.A. degree. She is a sponsor director of Prime Islami Life Insurance Limited. She is associated with different social activities. She is contributing her talents to develop growth of the company.

Mr. A. K. M. Nurul Islam

Mr. A. K. M. Nurul Islam is a renowned businessman. He is a sponsor Director of Prime Islami Life Insurance Limited. He is engaged in different social activities for a long time.

Ms. Nargis Akhter Adel

Ms. Nargis Akhter Adel is a sponsor Director of Prime Islami Life Insurance Limited. She is also a Director of K & K Tops Textile Company. She is involved in business for a long time and explore his talents to formulate strategies to develop business of the company.

Ms. Sefat Zerín Shawon

Ms. Sefat Zerín Shawon is a sponsor Director of Prime Islami Life Insurance Limited. She has obtained Masters in Arts. As a young business personnel, she is exploring talents to develop business of the company.



Ms. Sabiha Khaleque

Ms. Sabiha Khaleque, a science graduate, is involved in a good number of business ventures including insurance companies. She has traveled various countries for business purpose. She is also involved in different socio-cultural organizations in Bangladesh. She is also a director of Prime Finance & Investment Limited.

Ms. Sarwat Khaled Simin

Ms. Sarwat Khaled Simin is a director of Prime Islami Life Insurance Ltd. She has obtained Bachelor degree in Business Administration. After completion of her education she engaged herself in business activities and employed her talents to develop company's business activities.

Credit Information Bureau (CIB) report

Neither the company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of Bangladesh Bank.

Description of other Senior Executives and Officers:

Name	Position	Educational Qualification	Date of joining	Name(s) of organization(s) where worked during the last five years
Mr. K. M. Mortuza Ali	Managing Director	M.Com ACII (London)	01.10.02	Bangladesh Insurance Academy
Mr. Habibur Rahman	EVP & Company Secretary	B.Com	16.09.01	Janata Insurance Co. Ltd
Mr. Nurul Afsar	Vice President	HSC	07.05.01	Fareast Islami Life Insurance Co. Ltd
Mr. S. M. Rokon Uddin	Vice President	MSS	03.05.01	National Life Insurance Ltd
Mr. Emran Ullah Talukder	Vice President	M.Com CA (CC)	01.07.01	Fareast Islami Life Insurance Co. Ltd
Mr. Sk. Md. Abu Khaled	Joint Vice President	BA	16.08.01	Fareast Islami Life Insurance Co. Ltd
Mr. Nazrul Islam	Joint Vice President	MA	23.10.03	Falcon Knitwear Pvt. Ltd
Mr. Shahidul Alam	Joint Vice President	BA	15.02.03	Delta Life Insurance Co. Ltd
Mr. Mirza Wali Ullah	Secretary	MSS	17.08.03	Al- Arafah Islami Life Insurance (Takaful)
Mr. Tareq Hosen Mozumder	Asstt. Vice President	M.Com	29.12.03	Delta Life Insurance Co. Ltd
Mr. Helal Uddin Khan	Asstt. Vice President	B.Com	08.09.01	Jiban Bima Corp.
Mr. Chandra Shekhar Das	Joint Asstt. Vice President	M.Com CA (Group-1)	01.02.02	Nil
Mr. Haroun Ur Rashid	Senior Executive Officer	M.Com	01.04.04	Desh Group, Dhaka
Mr. Sanaul Haque Khan	Executive Officer	Matriculation	04.09.02	Jiban Bima Corp.(Dev.Admin)
Mr. Fazlul Kabir	Senior Executive Officer	MSS	14.07.03	Fareast Islami Life Insurance Co. Ltd

Involvement of directors and officers in certain legal proceedings

No Directors or officers of the Company was involved in any of the following types of legal proceedings in the last ten years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the company filling the prospectus was a director, officer or general partner at the time of the bankruptcy or within two years prior to that time;
- Any conviction of an officer, director in a criminal proceeding or any criminal proceeding pending against him;
- Any order, judgment or decree of any court of competent jurisdiction against any officer, director permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any officer or director or nominee in any type of business, securities or banking activities;
- Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any officer or director in any type of business, securities or banking activities.



Certain relationship and related transactions

Transaction with related parties

The transaction between the company and directors are disclosed in the auditors' disclosure part of the prospectus. Neither proposed any transaction nor had any transaction during the last two years with following related parties:

- any director or executive officer of the company;
- any director or officer;
- any person owning 5% or more of the outstanding stock of the company;
- any member of the immediate family (including spouse, parents, children, and in-laws) of any of the above persons
- any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiary/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus

except loan given to the executives as stated below:

(Amount in Tk.)

Name	Position	Balance outstanding as on December 31, 2005
Mr. S.M. Rokon Uddin	Vice President	4,000.00
Mr. Abdus Salam	Assistant Vice President	15,000.00
Mr. A.K.M. Altaf Hossain	Joint Assistant Vice President	4,000.00
Other Employees	Officers & Executives	536,795.00
Total		5,59,795.00

Directors' facilities

The Directors did not enjoy any interest, any facilities, whether pecuniary or non-pecuniary excepting fee for attending in the Meetings of the Board of Directors.

Executive Compensation

Remuneration paid to top five officers:

(Amount in Tk.)

Sl. No.	Name of the employees	Designation	Amount paid for the year ended 31-12-2005
1.	Mr. K. M. Mortuza Ali	Managing Director	1,020,000
2.	Mr. Habibur Rahman	EVP & Company Secretary	324,885
3.	Mr. S.M. Rokon Uddin	Vice President	264,748
4.	Mr. Emran Ullah Talukder	Vice President	247,800
5.	Mr. Nurul Afsar	Vice President	222,000
Total			2,079,433

Aggregate amount of remuneration paid to Directors and Officers (As per audited accounts ending 31-12-2005):

Group	Amount Paid in Tk.
Directors' Fee	228,500
Officers' Salary	91,157,060

The amount of remuneration paid to any director during last accounting year

The company did not pay any amount to any body who was not an officer, director of the company during the last period.

Future compensation

There is no contract with any director or officer for future compensation.

Pay increase intention

Periodical review of salary and benefits of the employees will be made depending on the growth of the company's operation.



Options granted to Directors, Officers, and Employees

The company has no option plans for Officers, Directors or Employees or any other persons.

Transaction with the Director and Subscribers to the Memorandum

The company has no transaction with the Directors and Subscribers to the Memorandum.

Tangible assets per share

The net tangible asset baking per unit of Prime Islami Life Insurance Limited is Tk. 110.53 as calculated below:

<u>Particulars</u>	<u>Amount in Tk</u>
A. Total realizable assets	136,859,000.00
B. Total liabilities	<u>103,701,000.00</u>
C. Net assets (A – B)	33,158,000.00
D. Intangible assets	<u>0</u>
E. Net tangible assets (C – D)	33,158,000.00
F. Number of shares	300,000
G. Net tangible asset per share (E / F)	110.53

Note: The valuation for 2005 has not been done. According to the Section 13(1) of Insurance Act, 1938, valuation report of life insurance business is valid up to two years. So net tangible asset per share has been calculated on the basis of valuation report of 2004.



Ownership of the Company's Securities

Shareholding structure as on 1st June, 2006

List of shareholders who owns 5% or more share of the company

Sl.	Name of Sponsors/Shareholders	Address	Subscribed Amount	%
1.	Mr. Sipanta Kumar Saha	House # 297 (5th Floor), Road # 19/B, New DOHS, Mohakhali, Dhaka.	3,000,000	10.00
2.	Mr. K. M. Rakib Hasan	S.E.G.-2, Road # 140, Gulshan - 2, Dhaka.	3,000,000	10.00
3.	Mr. Tareque Ekramul Haque	C.E.N.(F)-13, Road # 104, Gulshan – 2, Dhaka.	3,000,000	10.00
4.	Ms. Maimuna Hossain	House # 24, Road # 7, Dhanmondi R/A, Dhaka	3,000,000	10.00
5.	Ms. Nargis Akhter Adel	Sharifuddin House, 29, Abul Khairat Road, Dhaka.	3,000,000	10.00
6.	Mr. A. K. M. Nurul Islam	Vill.: Choto Makuhati, P.O.: Ghasher Pukurpar, Thana & Dist.: Munshigonj.	2,500,000	8.33
7.	Mr. M.A. Wahhab	House # 63, Avenue # 5, Block # A, Section # 6, Mirpur Housing Estate, Dhaka	2,500,000	8.33
8.	Ms. Sabiha Khaleque	D-04-07, Priopranon, 2, Paribagh, Dhaka.	2,500,000	8.33
9.	Ms. Lutfun Nahar	Flat # B-2, House # 25, Road # 68/A, Gulshan-2, Dhaka.	2,500,000	8.33
10.	Mr. Alak Saha	Vill.: East Chandpur, P.O.: Bazra, P.S.: Begumganj, Dist: Noakhali	2,500,000	8.33

List of shareholders who owns below 5% share of the company

11.	Mr. Manzoor Ul Karim	House # 144(E), Road # 13(B), Banani, Dhaka.	1,000,000	3.33
12.	Ms. Sefat Zerin Shawon	Vill. & P.O.: Radhanagar, P.S.: Bhandaria, Dist.: Pirojpur	500,000	1.67
13.	Mr. Z. M. Kaiser	Vill. & P.O.: North Chenchri, P.S.: Kathalia, Dist.: Jhalakathi	500,000	1.67
14.	Ms. Sarwat Khaled Simin	D-04-07, Priopranon, 2, Paribagh, Dhaka.	500,000	1.67
Total			30,000,000	100

Securities owned by each director

Sl.	Name of the Sponsors/Shareholders	Address	Subscribed Amount	%
1	Mr. Manzoor Ul Karim	House # 144(E), Road # 13(B), Banani, Dhaka.	1,000,000	3.33
2	Mr. M.A. Wahhab	House # 63, Avenue # 5, Block # A, Section # 6, Mirpur Housing Estate, Dhaka	2,500,000	8.33
3	Mr. Z. M. Kaiser	Vill. & P.O.: North Chenchri, P.S.: Kathalia, Dist.: Jhalakathi	500,000	1.67
4	Mr. Sipanta Kumar Saha	House # 297 (5th Floor), Road # 19/B, New DOHS, Mohakhali, Dhaka.	3,000,000	10.00
5	Mr. Alak Saha	Vill.: East Chandpur, P.O.: Bazra, P.S.: Begumganj, Dist: Noakhali.	2,500,000	8.33
6	Mr. K. M. Rakib Hasan	S.E.G.-2, Road # 140, Gulshan - 2, Dhaka.	3,000,000	10.00



7	Mr. Tareque Ekramul Haque	C.E.N. (F)-13, Road # 104, Gulshan – 2, Dhaka.	3,000,000	10.00
8	Ms. Maimuna Hossain	House # 24, Road # 7, Dhanmondi R/A, Dhaka	3,000,000	10.00
9	Mr. A. K. M. Nurul Islam	Vill.: Choto Makuhati, P.O.: Ghasher Pukurpar, Thana & Dist.: Munshigonj.	2,500,000	8.33
10	Ms. Nargis Akhter Adel	Sharifuddin House, 29, Abul Khairat Road, Dhaka.	3,000,000	10.00
11	Ms. Sefat Zerin Shawon	Vill. & P.O.: Radhanagar, P.S.: Bhandaria, Dist.: Pirojpur	500,000	1.67
12	Ms. Sabiha Khaleque	D-04-07, Priprangon, 2, Paribagh, Dhaka.	2,500,000	8.33
13	Ms. Sarwat Khaled Simin	D-04-07, Priprangon, 2, Paribagh, Dhaka.	500,000	1.67

Securities owned by the officers

No share or security of the company is held by any officer of the Company.

Lock-in Provision

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later:

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

Determination of offering price

This is to certify the value per share as on December 31, 2004 based on Net Asset Value (NAV) is Tk. 110.53 as worked out below:

<u>Particulars</u>	<u>Amount in Tk</u>
Total Realizable Assets	136,859,000.00
Total Liabilities	<u>103,701,000.00</u>
Net Assets	33,158,000.00
Value Per Share	110.53

Net Asset Value per share of Tk. 100 each is Tk. 110.53 that is higher than the face value, but the company is offering its initial issue price at Tk. 100 per share (at par).

Sd/-

(M. M. Rahman & Co.)

Chartered Accountants

Dated: 5th June, 2005.

Dhaka

Note: The valuation for 2005 has not been done. According to the Section 13(1) of Insurance Act, 1938, valuation report of life insurance business is valid up to two years. So value per share has been calculated on the basis of valuation report of 2004.



Market for securities being offered

The shares will be traded subject to the listing at:

Dhaka Stock Exchange Limited

9/F Motijheel C/A,
Dhaka-1000

and

Chittagong Stock Exchange Limited

CSE Building, 1080 Sk. Mujib Road
Agrabad, Chittagong-4100

Declaration about Listing of Shares with the Stock Exchange(s)

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 7 (seven) working days from the date of consent accorded by the commission to issue prospectus of the company for dealing in both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and Settlement

Trading and Settlement Regulation of the Stock Exchange shall apply in respect of Trading and Settlement of the shares of the Company.

Description of securities outstanding or being offered

Dividend, Voting, Pre-emption rights

The Share Capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All shareholders shall have the usual voting right voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares of in terms of the guidelines issued by the SEC from time to time.

Conversion and Liquidation rights

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend policy

- a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.



Other rights of stockholders

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a firm, to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard as adopted by ICAB. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition Extra-ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

Debt Securities

Since the Company does not have any debt securities at present and the Company is not going to issue any debt securities, there is no scope for any relevant disclosures.



Auditors' report and certificates

AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRIME ISLAMI LIFE INSURANCE LTD

We have audited the accompanying Balance Sheet of PRIME ISLAMI LIFE INSURANCE LTD. as of December 31, 2005 and the related Life Revenue Accounts, Cash flow statement, Notes to the accounts for the year then ended. The preparation of these financial statements is the responsibility of the Company's Management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2005 and of the results of its operations for the year then ended and comply with the Companies Act 1994, the Insurance Act 1938, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books.
- iii) the Company's balance sheet dealt with by the report are in agreement with the books of account.
- iv) the expenditure incurred was for the purposes of the Company's business.
- v) as per section 40-C(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of Insurance business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Life Revenue Accounts of the Company, and
- vi) as per regulation 11 of part 1 of the third schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Sd/-

M. M. Rahman & Co.
Chartered Accountants

Dated : 15th April'2006
Place : Dhaka.



Prime Islami Life Insurance Limited
Balance Sheet
As at 31st December, 2005

	<u>Notes</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>
<u>CAPITAL AND LIABILITIES :</u>			
Share Holders' Capital			
Authorised Capital			
1,000,000 Ordinary Shares of Tk. 100 each		100,000,000	100,000,000
Issued , Subscribed & Paid-up Capital	03	30,000,000	30,000,000
300,000 Ordinary Shares of Tk. 100 each fully paid-up			
Balance of Fund and Accounts (Life Insurance Fund)	04	212,269,127	92,662,097
Liabilities and Provisions		28,798,588	14,196,772
Estimated Liabilities in Respect of Outstanding Claim Whether Due or Intimated		240,654	-
Amount Due to Other Persons or Bodies Carrying on Insurance Business	05	833,332	1,030,687
Welfare Fund		694,014	-
Sundry Creditors	06	16,918,865	10,305,517
Premium Deposit		10,111,723	2,860,568
Total Taka :		271,067,715	136,858,869
<u>PROPERTY AND ASSETS :</u>			
Share Purchase		1,744,320	-
Investments : (on insurance policies within their surrender value)		-	-
Statutory Deposit with Bangladesh Bank(N.I.B) : At Cost	08	4,000,000	4,000,000
Bangladesh Govt. Islami Investment Bond (B.G.I.I.B)	09	42,000,000	12,500,000
Agents Balance :		2,160,222	1,163,401
Advance & Deposits :	10	13,397,002	5,681,331
Profit & Dividends :			
(accruing but not due)	11	7,497,411	2,523,521
Cash, Bank and Other Balances :		177,485,367	93,355,127
Fixed Deposit	12	108,112,000	50,000,000
Welfare Fund		-	616,333
Cash at Banks (including tabarru)	13	18,876,122	8,960,377
Collection in Hand	14	50,419,570	33,597,253
Cash in Hand	15	77,675	181,164
Other Assets :		22,783,393	17,635,489
Stamps in Hand	16	363,102	256,512
Fixed assets (at cost less depreciation)	28	22,420,291	17,378,977
Total Taka :		271,067,715	136,858,869

*Signed in terms of our separate report of even date annexed.

Sd/-	Sd/-	Sd/-	Sd/-
K. M. Mortuza Ali Managing Director	Waheed Murad Jamil Director	Sefat Zerín Shawon Director	Manzoor-ul-Karim Chairman

Dated : 15th April'2006
Place : Dhaka

Sd/-
M. M. Rahman & Co.
Chartered Accountants



Prime Islami Life Insurance Limited
Life Revenue Account
For The Year Ended 31st December, 2005

<u>PARTICULARS</u>	<u>NOTE</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>
BALANCE OF THE LIFE INSURANCE FUND			
AT THE BEGINNING OF THE YEAR :		92,662,097	28,317,286
Previous Years' Adjustment		(616,333)	-
PREMIUM LESS RE-INSURANCE :	17	342,905,712	182,391,023
Gross Premium		343,035,063	182,851,887
First Year Premium		210,917,439	114,091,520
Renewal Premium		131,621,880	67,865,220
Group Insurance Premium		495,744	895,147
Less : Re-insurance Premium	18	129,351	460,864
PROFIT AND DIVIDENDS	19	9,549,966	3,518,046
OTHER INCOME (Alteration Fee & Misc. Income)	21	161,253	103,169
Total Taka :		444,662,695	214,329,524

First Year Premium where the maximum Premium Paying Period is		
Two Years	-	-
Three Years	-	-
Four Years	-	-
Five Years	-	-
Six Years	-	-
Seven Years	-	-
Eight Years	-	-
Nine Years	-	-
Ten Years	160,737,919	83,332,023
Eleven Years	29,989	83,484
Twelve Years and Over (including through out life)	50,149,531	30,676,013
	210,917,439	114,091,520

CLAIM UNDER POLICIES (INCLUDING PROVISION FOR THE CLAIM DUE OR INTIMATED) LESS RE-INSURANCE :

	15,065,787	2,842,826
By Death	14,898,207	-
By Maturity	2,099,434	568,022
By Survival	-	-
By Others (Disability Claim)	12,738,773	2,274,804
	60,000	-
	167,580	-
Surrender Value	119,927	-
Profit Commission	47,653	-



<u>PARTICULARS</u>	<u>NOTE</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>
EXPENSES OF MANAGEMENT:		210,147,463	113,794,775
Commission :		77,496,515	40,741,595
a) Commission to Insurance Agent less than on Re-Insurance		38,342,150	17,946,220
b) Allowances and Commission (other than commission included in sub - item (a) above		39,154,365	22,795,375
		132,650,948	73,053,180
Salaries etc. (other than to agents and those contained in the allowances and commission)	23	91,157,060	46,236,051
Contribution Agt. Group Bima		-	686,282
Conveyance Exp.		185,646	185,830
Carriage Expenses		349,066	-
Audit Fees		80,000	25,000
Medical Expenses		309,023	219,705
Advertisement & Publicity		2,801,171	1,081,380
Printing & Stationery		3,089,041	1,373,286
Postage, Telegram & Revenue Stamp	20	706,619	487,323
Bank Charges		356,028	144,728
Development Expenses		1,241,774	983,271
Training Expenses		150,420	218,261
Meeting Allowance		493,500	498,150
Meeting Expenses		157,763	78,265
Office Rent		9,555,842	7,667,312
Car Maintenance (Fuel) Exp.		1,168,143	1,063,384
Car Maintenance (Repairs) Exp.		1,584,367	717,253
Car Insurance Expenses		342,945	240,530
Mobile, Telephone & Fax		1,772,156	1,092,090
Papers & Periodicals		65,549	45,817
Registration & Renewals	22	1,200,622	900,210
Entertainment		808,764	508,261
Subscription & Donation		265,254	149,846
Legal & Professional Fees		104,483	52,100
Office Maintenance Exp.		1,696,103	922,785
Incentive Bonus		1,196,382	378,964
Festival Bonus		1,298,109	1,009,297
Water & Electricity Charges	24	906,517	706,185
TA & DA Expenses		3,297,474	1,516,819
Actuary Fee		180,642	163,065
Wages Expense		2,057,371	1,257,621
Policy Stamps Expenses		2,313,549	1,105,413
Seminar & Conference Exp.		514,536	311,426
Service Charge(Lease Rental) (PFI)		-	244,297
Agency Office Expenses		1,222,991	729,233
Trade Licence Expenses		7,038	18,740
IPO Expenses		15,000	35,000
OTHER EXPENSES :		7,180,318	5,029,826
Depreciation on Fixed Assets		7,180,318	4,999,626
Preliminary Expenses Written Off		-	30,200
Balance of Fund at the end of the year as shown in the Balance Sheet		212,269,127	92,662,097
Total Taka:		444,662,695	214,329,524

*Signed in terms of our separate report of even data annexed

Sd/-
K. M. Mortuza Ali
Managing Director

Sd/-
Waheed Murad Jamil
Director

Sd/-
Sefat Zerine Shawon
Director

Sd/-
Manzoor-ul-Karim
Chairman

Dated : 15th April'2006
Place : Dhaka

Sd/-
M. M. Rahman & Co.
Chartered Accountants



Prime Islami Life Insurance Limited
Statement of Life Insurance Fund
For The Year Ended 31st December, 2005

<u>PARTICULARS</u>	<u>NOTE</u>	Amount (Tk.) 2005	Amount (Tk.) 2004
<u>Assets:</u>			
		271,067,715	136,858,869
Share Purchase		1,744,320	-
Statutory Deposit with Bangladesh Bank (N.I.B) :At Cost	08	4,000,000	4,000,000
Bangladesh Govt. Islami Investment Bond (B.G.I.I.B)	09	42,000,000	12,500,000
Agent Balance		2,160,222	1,163,401
Advance & Deposits	10	13,397,002	5,681,331
Profit & Dividends (accrued but not due)	11	7,497,411	2,523,521
Cash, Bank and Other Balances (including tabarru)		177,485,367	92,738,794
Welfare Fund		-	616,333
Stamps in Hand	16	363,102	256,512
Fixed Assets (at cost less depreciation)	28	22,420,291	17,378,977
<u>Liabilities :</u>			
		28,798,588	14,196,772
Estimated Liabilities in Respect of Outstanding Claim Whether Due or Intimated		240,654	-
Amount Due to Other Persons or Bodies			
Carrying on Insurance Business	05	833,332	1,030,687
Welfare Fund		694,014	-
Sundry Creditors	06	16,918,865	10,305,517
Premium Deposit		10,111,723	2,860,568
Gross Fund (Assets - Liabilities)		242,269,127	122,662,097
Less: Share Holder's Capital (Paid-Up)	03	(30,000,000)	(30,000,000)
Life Insurance Fund as at the end of the Year		212,269,127	92,662,097

Sd/-
K. M. Mortuza Ali
Managing Director

Sd/-
Waheed Murad Jamil
Director

Sd/-
Sefat Zerín Shawon
Director

Sd/-
Manzoor-ul-Karim
Chairman

Dated : 15th April'2006
Place : Dhaka

Sd/-
M. M. Rahman & Co.
Chartered Accountants



FORM - " A A "
CLASSIFIED SUMMARY OF THE ASSETS IN BANGLADESH
AS AT 31ST DECEMBER, 2005

Sl. #	CLASS OF ASSETS		BOOK VALUE	MKT. VALUE	REMARKS
01.	Bangladesh Government Security (Partirakkha Sanchaya Patra) (PSP)		-	-	
02.	Bangladesh Municipal, Port and Improvement trust Security including Debenture		-	-	
03.	Debenture of Bangladesh Railways		-	-	
04.	Guaranteed and Preference Shares of Bangladesh Railways		-	-	
05.	Annuities of Bangladesh Railways		-	-	
06.	Ordinary Shares of Railways in Bangladesh		-	-	
07.	Other Debentures of concerns in Bangladesh		-	-	
08.	Other Guaranteed and Preference Shares of Concerns in Bangladesh		-	-	
09.	Other Ordinary Shares of Concerns in Bangladesh		-	-	
10.	Loans on the Company's Policies effected in Bangladesh within their surrender value		-	-	
11.	Loans on Mortgage of Property in Bangladesh		-	-	
12.	Loans on Personal Security to persons (Domiciled & Resident in Bangladesh)		-	-	
13.	Other loans granted in Bangladesh (Land & House property in Bangladesh)		-	-	
14.	Deposit with Bangladesh Bank				
	National Investment Bond (NIB)	08	4,000,000	4,000,000	At cost
15.	Share Purchase		1,744,320	1,854,565	Market value
16.	Bangladesh Govt. Islami Investment Bond (B.G.I.I.B)	09	42,000,000	42,000,000	At cost
17.	Fixed Deposits with Banks	12	108,112,000	108,112,000	Realisable value
18.	Cash in hand and Current & SND. A/C. in Banks		18,953,797	18,953,797	Realisable value
19.	Collection in Hand	14	50,419,570	50,419,570	Subsequently Deposited
20.	Other Assets :				
	a) Agents Balances		2,160,222	2,160,222	Realisable value
	b) Outstanding Premium			-	
	c) Profit and Dividends either outstanding or accrued but not due	11	7,497,411	7,497,411	Realisable value
	d) Stamps, Forms and Stationery in hand	16	363,102	363,102	At cost
	e) Advance & Deposits	10	13,397,002	13,397,002	Realisable value
	f) Fixed Assets less Depreciation	28	22,420,291	22,420,291	Depreciated value
Total Taka :			271,067,715	271,177,960	

Sd/-
K. M. Mortuza Ali
Managing Director

Sd/-
Waheed Murad Jamil
Director

Sd/-
Sefat Zerin Shawon
Director

Sd/-
Manzoor-ul-Karim
Chairman

Dated : 15th April'2006
Place : Dhaka

Sd/-
M. M. Rahman & Co.
Chartered Accountants



Prime Islami Life Insurance Limited

Prime Islami Life Insurance Limited

Cash Flow Statement

For the year ended 31st December, 2005

<u>PARTICULARS</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>
CASH FLOW FROM OPERATING ACTIVITIES :		
A. Net cash flow from operating activities:	125,851,872	65,238,628
Cash generated from operation :	126,787,348	69,374,637
Life insurance fund accretion during the year	119,607,030	64,344,811
add : items not involving movement of cash :		
Depreciation	7,180,318	4,999,626
Preliminary expenses written off	-	30,200
Changes in working capital components :	(935,476)	(4,136,009)
Increase in Advance & Deposits	(7,715,671)	(820,915)
Increase/Decrease in profit & dividends accrued but not due	(4,973,890)	(1,962,236)
Increase in stamp in hand	(106,590)	(163,260)
Increase in agent balance	(996,821)	414,510
Estimated liabilities in respect of outstanding claim whether due or intimated	240,654	-
Amount due to other persons or bodies carrying on insurance business	(197,355)	443,364
Welfare Fund	694,014	-
Increase/Decrease in sundry creditors	6,613,348	368,139
Increase in share purchase	(1,744,320)	-
Increase in premium deposit	7,251,155	(2,415,611)
CASH FLOW FROM INVESTING ACTIVITIES :		
B. Net cash flow from investing activities :	(41,721,632)	(20,716,108)
Purchase of fixed assets	(12,221,632)	(8,216,108)
Investment made during the year	(29,500,000)	(12,500,000)
CASH FLOW FROM FINANCIAL ACTIVITIES :	-	-
Cash, Bank & Other Balance at the closing	177,485,367	93,355,127
Net increase/decrease in cash equivalent (A+B) :	84,130,240	44,522,520
Cash, Bank & Other Balance at the opening	93,355,127	48,832,607

Sd/-

K. M. Mortuza Ali
Managing Director

Sd/-

Waheed Murad Jamil
Director

Sd/-

Sefat Zerin Shawon
Director

Sd/-

Manzoor-ul-Karim
Chairman

Sd/-

Dated : 15th April' 2006
Place : Dhaka

M. M. Rahman & Co.
Chartered Accountants
Prospectus> 45



PRIME ISLAMI LIFE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31st DECEMBER, 2005

01.00 THE COMPANY & ITS NATURE OF BUSINESS:

01.01 THE COMPANY:

Prime Islami Life Insurance Ltd. is a Public Limited Company incorporated under Companies Act. 1994 on 24 July, 2000 with an authorized Share Capital of Tk. 100,000,000 divided into 1,000,000 Ordinary Shares of Tk. 100/- each of which 300,000 ordinary shares of Tk. 100/- each were issued and fully paid-up by the Sponsors / Directors of the company. The company is engaged in Islami Life Insurance Business.

01.02 NATURE OF BUSINESS:

The Company is mainly engaged in individual, group life including Micro Insurance Scheme (Mukta Bima) and P.I.D.P.S (Prime Islami Deposit Pension Scheme). In case of individual & group life Insurance (Akok Bima) the risk commences from the issue date of F.P.R (First Premium Receipt) and in the case of Micro Insurance scheme (Mukto Bima) & PIDPS the risk covers from the date of issue of Pass Book. In addition, it also operates Group Insurance.

02.00 SIGNIFICANT ACCOUNTING POLICIES:

02.01 Basis of Accounting:

These accounts have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention. Requirements as to disclosure of financial information warranted by the Insurance Act-1938 as well as International Accounting Standard as adopted in Bangladesh, so far as those are applicable to accounting for life Insurance Business, have been adhered to in presenting the Financial Statements. Such Financial Statements comprise of the Cash Flow Statement, Notes to the Financial Statement, Balance Sheet and Life Revenue Account set forth in the First & Third Schedule of Insurance Act - 1938.

02.02 Depreciation:

Depreciation on Fixed Assets have been calculated adopting straight line method on all assets at varying rates from 10% to 20% depreciating on the estimated useful life of assets.

Depreciation is charged at the rates shown below :

Furniture & Fixture	15%
Office Decoration	15%
Office Equipment	15%
Motor Vehicles	20%
Telephone Installation	10%

02.03 Commission:

Commission to Insurance Agents (Less that on Re-Insurance) represents First Year Commission, Renewal Commission and Group Commission. Allowances and Commission (Other than Commission to Insurance Agents less that on Re-insurance) represent Field officers Salary and Allowances



02.04 Cash Flow Statement:

Cash Flow Statement is prepared in accordance with IAS-7 (BAS-7) and Cash Flow from operating activities have been presented under indirect method. Cash in hand and Cash at bank have been considered as the Cash and Cash equivalents for the preparation of the Statement, which were held and available for use by the Company without any restriction and there was insignificant risk of changes in the value of these assets.

02.05 Investment:

Investment are stated at their cost of acquisition, profit on Investment as accounted for on accrual basis.

02.06 Figures in the Account :

Figures have been rounded off to the nearest Taka.

02.07 Premium Deposit:

The balance represents amount received against policies but it was not possible to issue First premium Receipt (F.P.R) against many proposals, due to non-fulfillment of underwriting requirements {such as: proof of Age, Full Medical Report (F.M.R), Declaration of Good Health (D.G.H), deficit of money (Short Premium), Report of development officer etc.} within 31st December, 2005. Cash received against those applicants and in some cases, excess collected money as first year premium was shown as premium deposits. The Amount shown in Balance Sheet as Premium deposit was fully earned by 31st December'2005.

02.08 Reporting Period :

The financial period of the Company covers from 1st January'2005 to 31st December'2005 consistently.

02.09 Comparative Information :

Comparative Information have been disclosed in respect of the year 2005 for all numerical information in the financial statements.

03.00 SHARE HOLDERS' CAPITAL: Tk. 30,000,000

<u>Particulars</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>
Authorised Capital		
1,000,000 Ordinary Shares of Tk. 100 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid - up Capital		
300,000 Ordinary Shares of Tk. 100 each fully paid - up	<u>30,000,000</u>	<u>30,000,000</u>

The above represents the contribution of the sponsors.
No prospectus has yet been issued calling for public subscription.

04.00 LIFE INSURANCE FUND: Tk. 212,269,127

The consists of the accumulated balance of Life Insurance Fund up to December 31'2005. The break-up is as under:

<u>Particulars</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>
Opening Balance as on 01.01.2005	92,662,097	28,317,286
Add: Surplus in Life Revenue Account in the year	119,607,030	64,344,811
Balance as on 31.12.2005	<u>212,269,127</u>	<u>92,662,097</u>

**05.00 AMOUNT DUE TO OTHER PERSONS OR BODIES****CARRYING ON INSURANCE BUSINESS : Tk. 833,332**

The amount represents the balance due to Asean Re-Takaful International (L) Ltd. (ARILL) Malaysia & Jiban Bima Corporation (JBC) Bangladesh on account of share of re-insurance commission, share of claim settlement after adjustment of re-insurance premium due to them. The balance of Asean Re-Takaful International (L) Ltd. (ARILL) Malaysia has been accounted for the year ended 31st December' 2005.

Balance break - up is as under:

Particulars	Amount(Tk.) 2005	Amount(Tk.) 2004
Opening Balance as on 01.01.2005	1,030,687	587,323
Add: Received during the year	129,351	460,864
	<u>1,160,038</u>	<u>1,048,187</u>
Less: Received against Re-Insurance Commission	-	17,500
	<u>1,160,038</u>	<u>1,030,687</u>
Less: Paid during the year	326,706	-
Total Taka	<u>833,332</u>	<u>1,030,687</u>

06.00 SUNDRY CREDITORS: Tk. 16,918,865

The amount is made - up as follows:

Particulars	Amount (Tk.) 2005	Amount(Tk.) 2004
Office rent payable	554,394	486,598
Agency office exp. payable	283,504	192,280
Provision for donation	1,900	-
Motor vehicle expense payable	-	74,000
Furniture bill payable	75,835	75,841
Commission payable (O.R) 07	53,413	120,856
Printing bill payable	251,040	80,917
Telephone bill payable	46,349	13,044
Electric bill payable	88,830	64,924
Provision for provident fund	375,146	-
Water bill (WASA) payable	26,951	15,661
Advertisement & publicity payable	87,465	14,787
Postage expense payable	44,860	16,894
Salary (Development) payable 25	6,412,680	3,638,196
Salary (Administration) payable 26	1,162,459	904,408
Car maintenance (Repairs) payable	12,892	9,842
Survival benefit payable	54,249	20,000
Audit fees payable	28,500	25,000
Security deposit	500	17,500
Tax / Vat payable	817,705	591,279
Licence fee payable 27	398,471	117,057
Certificate fee payable 29	4,941,100	3,186,451
Registration & renewal fees payable	1,200,622	639,982
Total Taka	<u>16,918,865</u>	<u>10,305,517</u>

**07.00 COMMISSION PAYABLE: Tk. 53,413**

The above balance is made up as under:

<u>Particulars</u>	<u>No. of Agents</u>	<u>Amount(Tk.) 2005</u>	<u>Amount(Tk.) 2004</u>
Agent commission	-	-	60,824
OR commission	05	53,413	60,032
Total Taka	<u>05</u>	<u>53,413</u>	<u>120,856</u>

08.00 STATUTORY DEPOSIT WITH BANGLADESH BANK: Tk. 4,000,000

This is comprised of the following:

The amount deposited in the Bangladesh Bank as statutory deposit as per requirement of the Insurance Act, 1938 for purchasing 3 years National Investment Bonds.

09.00 ISLAMI INVESTMENT BOND: Tk. 42,000,000

The amount deposited in the Bangladesh Bank as Government Securities as per requirement of schedule 27 of the Insurance Act, 1938 for purchasing 2 years Islami Investment Bonds.

The break up of the above balance is given below:

<u>Particulars</u>	<u>Name of Project</u>	<u>Reg. No.</u>	<u>Amount(Tk.) 2005</u>	<u>Amount(Tk.) 2004</u>
Bangladesh Bank	Akok	001204	1,500,000	1,500,000
Bangladesh Bank	Akok	002004	3,000,000	3,000,000
Bangladesh Bank	Akok	002204	3,700,000	3,700,000
Bangladesh Bank	Akok	022705	7,500,000	-
Bangladesh Bank	Akok	003605	4,000,000	-
Bangladesh Bank	Akok	008405	2,000,000	-
Bangladesh Bank	Akok	009505	2,000,000	-
Bangladesh Bank	Akok	009905	3,500,000	-
Bangladesh Bank	Mukta	001104	1,500,000	1,500,000
Bangladesh Bank	Mukta	001904	1,500,000	1,500,000
Bangladesh Bank	Mukta	002104	1,300,000	1,300,000
Bangladesh Bank	Mukta	002605	1,000,000	-
Bangladesh Bank	Mukta	003505	1,000,000	-
Bangladesh Bank	Mukta	006005	2,000,000	-
Bangladesh Bank	Mukta	007905	2,000,000	-
Bangladesh Bank	Mukta	009105	2,500,000	-
Bangladesh Bank	Mukta	101005	2,000,000	-
Total Taka			<u>42,000,000</u>	<u>12,500,000</u>

**10.00 ADVANCE & DEPOSITS: Tk. 13,397,002**

The above is comprised as follows:

Particulars		Amount(Tk.) 2005	Amount(Tk.) 2004
Adv. against TA/DA		154,957	81,600
Advance agt. training exp.		2,936	2,936
Advance development expenses		252,642	30,623
Advance income tax	10.01	1,534,809	1,085,471
Advance against office rent	10.02	7,178,810	2,455,807
Advance car maintenance (repairs)		4,781	2,381
Advance salary (admin) expenses	10.03	559,795	74,800
Advance salary (dev) expenses	10.04	1,298,291	1,009,044
Advance salary (admin) agt. group bima		(25,552)	46,636
Advance against petty cash (Fund) (Feni)		75,659	-
Advance against petty cash (Fund) (Comilla)		466,458	-
Advance against petty cash (Fund) (Ctg)		530,296	-
Advance against petty cash (Fund) (Barisal)		20,218	-
Advance against telephone bill		18,319	18,319
Advance office expenses		125,721	125,721
Advance against motor vehicles Exp		20,000	-
Advance against office equipment		2,475	-
Advance against conference exp		3,904	-
Advance against furniture & fixture		416,570	65,450
Advance against printing exp		32,116	-
Advance against advertisement exp		5,000	-
Advance legal and professional fee		46,200	46,200
Advance motor cycle expense		544,595	506,424
Advance against telephone installation		128,002	129,919
Total Taka		13,397,002	5,681,331

10.01 Advance Income Tax: Tk. 1,534,809

The movement of the above balance is given below:

Particulars	Amount(Tk.) 2005	Amount(Tk.) 2004
Opening Balance as on 01.01.2005	1,085,471	943,580
Add: Tax deduction during the period	449,338	141,891
Total Taka	1,534,809	1,085,471

10.02 Advance Agt. Office Rent : Tk. 7,178,810

This balance is made-up as under:

Particulars	Amount(Tk.) 2005	Amount(Tk.) 2004
Opening Balance	2,455,807	2,429,206
Add: Advance paid during the year	6,581,672	1,833,304
	9,037,479	4,262,510
Less: Adjustment made during the year	1,858,669	1,806,703
Total Taka	7,178,810	2,455,807

**10.03 Advance Agt. Salary (Admin) Exp : Tk. 559,795**

This balance is made-up as under:

Particulars

Opening Balance
 Add: Advance paid during the year

 Less: Recovered during the period
Total Taka

Amount(Tk.)	Amount(Tk.)
<u>2005</u>	<u>2004</u>
74,800	157,200
991,992	361,380
<u>1,066,792</u>	<u>518,580</u>
506,997	443,780
<u>559,795</u>	<u>74,800</u>

10.04 Advance Agt. Salary (Dev) Exp : Tk. 1,298,291

This balance is made-up as under:

Particulars

Opening Balance
 Add: Advance paid during the year

 Less: Recovered during the period
Total Taka

Amount(Tk.)	Amount(Tk.)
<u>2005</u>	<u>2004</u>
1,009,044	468,131
701,738	702,470
<u>1,710,782</u>	<u>1,170,601</u>
412,491	161,557
<u>1,298,291</u>	<u>1,009,044</u>

11.00 ACCRUED PROFIT: Tk. 7,497,411

The amount is made-up as follows:

Particulars

Prime Bank Ltd.
 Islami Banking Branch
 Dilkusha, Dhaka.
Prime Bank Ltd.
 Islami Banking Branch,
 Dilkusha, Dhaka.
Exim Bank Ltd.
 Rajuk Branch, Dhaka.
Exim Bank Ltd.
 Rajuk Branch, Dhaka.
Exim Bank Ltd.
 Motijheel Branch, Dhaka.
Exim Bank Ltd.
 Motijheel Branch, Dhaka.
Southeast Bank Ltd.
 Motijheel Branch (IB), Dhaka.
Southeast Bank Ltd.
 Motijheel Branch (IB), Dhaka.
Bangladesh Bank
 Principal Branch, Dhaka.
Bangladesh Bank
 Principal Branch, Dhaka.
Total Taka

Name of Project**Amount(Tk.)****Amount(Tk.)**

<u>2005</u>	<u>2004</u>
1,014,634	818,442
397,223	302,078
1,434,667	590,250
451,751	308,250
710,876	-
99,611	-
323,278	-
90,625	-
646,731	7,056
2,328,015	497,445
<u>7,497,411</u>	<u>2,523,521</u>

**12.00 FIXED DEPOSIT: Tk. 108,112,000**

The Bank wise break up is as under:

<u>Particulars</u>	<u>Name of Project</u>	<u>MTDR No</u>	<u>Amount (Tk.) 2005</u>	<u>Amount(Tk.) 2004</u>
Prime Bank Ltd. (IBB, Dilkusha)	Akok	41009774	15,000,000	15,000,000
Prime Bank Ltd. (IBB, Dilkusha)	Welfare	41012982	612,000	612,000
Prime Bank Ltd. (IBB, Dilkusha)	Akok	41014633	2,000,000	2,000,000
Prime Bank Ltd. (IBB, Dilkusha)	Akok	41014332	3,000,000	3,000,000
Prime Bank Ltd. (IBB, Dilkusha)	Akok	41014577	1,000,000	1,000,000
Prime Bank Ltd. (IBB, Dilkusha)	Mukta	41014160	1,000,000	1,000,000
Prime Bank Ltd. (IBB, Dilkusha)	Mukta	41014159	2,000,000	2,000,000
Prime Bank Ltd. (IBB, Dilkusha)	Mukta	41014565	1,000,000	1,000,000
Prime Bank Ltd. (IBB, Mirpur)	Akok	41002864	5,200,000	-
Prime Bank Ltd. (IBB, Mirpur)	Mukta	41002876	4,800,000	-
Exim Bank Ltd. (Rajuk Branch)	Akok	43001883	2,500,000	2,500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	43002091	500,000	500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	43002171	2,500,000	2,500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	43002195	1,500,000	1,500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	43002379	4,500,000	4,500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	43002591	2,500,000	2,500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	24302775	2,500,000	2,500,000
Exim Bank Ltd. (Rajuk Branch)	Mukta	43001895	1,500,000	1,500,000
Exim Bank Ltd. (Rajuk Branch)	Mukta	43002109	500,000	500,000
Exim Bank Ltd. (Rajuk Branch)	Mukta	43002183	1,000,000	1,000,000
Exim Bank Ltd. (Rajuk Branch)	Mukta	43002202	1,500,000	1,500,000
Exim Bank Ltd. (Rajuk Branch)	Mukta	43002380	1,500,000	1,500,000
Exim Bank Ltd. (Rajuk Branch)	Mukta	24302769	2,500,000	2,500,000
Exim Bank Ltd. (Rajuk Branch)	Akok	24303216	5,000,000	-
Exim Bank Ltd. (Rajuk Branch)	Mukta	24303201	500,000	-
Exim Bank Ltd. (Rajuk Branch)	Akok	24303320	4,500,000	-
Exim Bank Ltd. (Rajuk Branch)	Mukta	24303314	500,000	-
Exim Bank Ltd. (Motijheel Br.)	Akok	24304005	4,000,000	-
Exim Bank Ltd. (Motijheel Br.)	Akok	24304079	3,500,000	-
Exim Bank Ltd. (Motijheel Br.)	Akok	24304186	2,500,000	-
Exim Bank Ltd. (Motijheel Br.)	Mukta	24304215	2,000,000	-
Exim Bank Ltd. (Motijheel Br.)	Akok	24304262	2,500,000	-
Southeast Bank Ltd. (IBB, Br.)	Akok	24501176	3,000,000	-
Southeast Bank Ltd. (IBB, Br.)	Akok	24501201	3,000,000	-
Southeast Bank Ltd. (IBB, Br.)	Mukta	24501619	2,500,000	-
Southeast Bank Ltd. (IBB, Br.)	Akok	24501723	3,000,000	-
Southeast Bank Ltd. (IBB, Br.)	Mukta	24501844	2,000,000	-
Southeast Bank Ltd. (IBB, Br.)	Akok	24501838	2,500,000	-
Southeast Bank Ltd. (IBB, Br.)	Akok	24502239	5,500,000	-
Southeast Bank Ltd. (IBB, Br.)	Mukta	24502245	1,000,000	-
Total Taka			108,112,000	50,612,000



13.00 CASH AT BANK: Tk. 18,876,122

The break up of the above balance is given below:

<u>Particulars</u>	<u>Name of Project</u>	<u>Amount(Tk.)</u> <u>2005</u>	<u>Amount(Tk.)</u> <u>2004</u>
Shahjalal Islami Bank	Akok Bima	62,319	14,735
Islami Bank	Akok Bima	11,657,842	6,252,266
Prime Bank	Akok Bima	2,920,884	290,835
Al-Arafah Islami Bank	Akok Bima	520,971	186,914
Uttara Bank	Akok Bima	314,389	152,520
Krishi Bank	Akok Bima	21,843	141,548
Janata Bank	Akok Bima	33,056	-
Islami Bank	Mukta Bima	1,554,369	636,868
Prime Bank	Mukta Bima	787,048	334,132
Krishi Bank	Mukta Bima	992,190	939,348
Uttara Bank	Mukta Bima	11,211	11,211
Total Taka		18,876,122	8,960,377

14.00 COLLECTION IN HAND: Tk. 50,419,570

The break up of the above balance is given below:

<u>Particulars</u>	<u>Name of Project</u>	<u>Amount(Tk.)</u> <u>2005</u>	<u>Amount(Tk.)</u> <u>2004</u>
Shahjalal Bank	Akok Bima	655,312	-
Islami Bank	Akok Bima	26,509,186	16,431,836
Prime Bank	Akok Bima	14,242,733	7,259,194
Al-Arafah Islami Bank	Akok Bima	896,916	368,713
Uttara Bank	Akok Bima	1,164,196	2,361,216
Krishi Bank	Akok Bima	515,377	150,518
Islami Bank	Mukta Bima	2,100,606	1,217,226
Prime Bank	Mukta Bima	3,243,486	5,061,947
Krishi Bank	Mukta Bima	1,091,758	746,603
Total Taka		50,419,570	33,597,253

15.00 CASH IN HAND: Tk. 77,675

<u>Particulars</u>	<u>Name of Project</u>	<u>Amount(Tk.)</u> <u>2005</u>	<u>Amount(Tk.)</u> <u>2004</u>
Akok Bima	Akok Bima	49,657	170,544
Mukta Bima	Mukta Bima	28,018	10,620
Total Taka		77,675	181,164

16.00 STAMPS IN HAND: Tk. 363,102

This is made up as follows:

<u>Particulars</u>	<u>No. of Stamp</u>	<u>Amount(Tk.)</u> <u>2005</u>	<u>Amount(Tk.)</u> <u>2004</u>
Policy Stamp	21,394	184,581	228,130
Bima Fee Stamp	11,031	151,031	19,968
Revenue Stamp	5,608	22,432	6,684
Postal stamp	2,529	5,058	1,730
Total Taka	40,562	363,102	256,512

**17.00 PREMIUM LESS RE-INSURANCE: TK. 342,905,712**

This consists of as under:

Class of Premium	Gross Premium	R / I premium	Net Premium
First year Premium	210,917,439	62,440	210,854,999
Renewal Premium	131,621,880	66,911	131,554,969
Group Premium	495,744	-	495,744
Total Taka	343,035,063	129,351	342,905,712

18.00 RE - INSURANCE PREMIUM: Tk. 129,351

Break down of the above is as under:

<u>Particulars</u>	<u>Type of Premium</u>	Amount(Tk.) <u>2005</u>	Amount(Tk.) <u>2004</u>
Re -Insurance Premium	1st Year	60,830	88,902
Re -Insurance Premium	DPS	1,610	602
Re -Insurance Premium	Group	-	21,360
Re -Insurance Premium	Renewal	66,911	350,000
Total Taka		129,351	460,864

19.00 PROFIT AND DIVIDENDS: TK. 9,549,966

The amount consists of:

<u>Particulars</u>	<u>Name of Project</u>	Amount(Tk.) <u>2005</u>	Amount(Tk.) <u>2004</u>
Profit on SND a/c	Akok & Mukta	189,979	136,920
Profit on MTDR a/c	Akok & Mukta	6,385,241	30,24,735
Profit on BGIB a/c	Akok & Mukta	2,145,524	15,279
Profit on NIB a/c	Akok	829,222	341,112
Total Taka		9,549,966	3,518,046

20.00 POSTAGE, TELEGRAM & REVENUE STAMP: Tk. 706,619

Break down of the above is as under:

<u>Particulars</u>	Amount(Tk.) <u>2005</u>	Amount(Tk.) <u>2004</u>
Revenue stamp	144,892	106,416
Postage exp.	561,727	380,907
Total Taka	706,619	487,323

21.00 OTHER INCOME: Tk. 161,253

The above balance is made up as under:

<u>Particulars</u>	Amount(Tk.) <u>2005</u>	Amount(Tk.) <u>2004</u>
Miscellaneous income	124,419	20,672
Service charge agt. Motor cycle	36,834	64,997
Profit commission	-	17,500
Total Taka	161,253	103,169

**22.00 REGISTRATION & RENEWALS: Tk. 1,200,622**

This is comprised of the following:

This expenditure is relating to premium and also a variable expenditure.

(Total Premium 343,035,063/1000 X 3.5 = 1,200,622)

23.00 SALARIES ETC: Tk. 91,157,060

This is comprised of the following:

Particulars	No. of Employee	Amount(Tk.) 2005	Amount(Tk.) 2004
Salary (admin)	389	20,221,657	14,116,628
Salary (dev.)	3,598	70,935,403	32,119,423
Total Taka	3,987	91,157,060	46,236,051

24.00 WATER & ELECTRICITY CHARGES : Tk. 906,517

The break up of the above is given below:

Particulars	Amount(Tk.) 2005	Amount(Tk.) 2004
Water exp. (WASA)	84,705	80,720
Electricity bill	821,812	625,465
Total Taka	906,517	706,185

25.00 SALARY (DEV) PAYABLE: Tk. 6,412,680

The above balance is made up as under:

Particulars	No of Employee	Amount(Tk.) 2005	Amount(Tk.) 2004
Akok Bima	1,406	6,392,035	3,553,549
Mukta Bima	01	20,645	84,647
Total Taka	1,407	6,412,680	3,638,196

26.00 SALARY (ADMIN) PAYABLE: Tk. 1,162,459

Break down of the above is as under:

Particulars	No of Employee	Amount(Tk.) 2005	Amount(Tk.) 2004
Akok Bima	143	960,462	692,801
Mukta Bima	37	201,997	211,607
Total Taka	180	1,162,459	904,408

27.00 LICENCE FEE PAYABLE: Tk. 398,471

This is made up as follows:

Particulars	No of Person	Per Person (Tk.)	Amount(Tk.) 2005	Amount(Tk.) 2004
Marketing Associate	1787	205	366,335	116,645
Marketing Associate	156	206	32,136	412
Total Taka	1943		398,471	117,057



28.00 Fixed Assets : Tk. 22,420,291.00

Schedule of Fixed Assets As at 31st December, 2005

Particulars	Furniture & Fixture	Office Decoration	Office Equipment	Motor Vehicles	Telephone Installation	Total
A. Cost :						
As at 01 January, 2005	7,496,384.00	2,293,904.00	4,763,635.00	13,757,314.00	650,738.00	28,961,975.00
Addition during the year	3,183,948.00	483,685.00	1,440,654.00	7,031,155.00	82,190.00	12,221,632.00
Adjustment						
Total	10,680,332.00	2,777,589.00	6,204,289.00	20,788,469.00	732,928.00	41,183,607.00
B. Depreciation						
Rate of depreciation	15%	15%	15%	20%	10%	-
As at 01 January, 2005	2,907,763.00	1,109,160.00	1,817,421.00	5,572,940.00	175,714.00	11,582,998.00
Dep. during the year	1,602,050.00	416,638.00	930,643.00	4,157,694.00	73,293.00	7,180,318.00
Adjustment	-	-	-	-	-	-
Total	4,509,813.00	1,525,798.00	2,748,064.00	9,730,634.00	249,007.00	18,763,316.00
Written down value (A - B)						
As at 31 December, 2005	6,170,519.00	1,251,791.00	3,456,225.00	11,057,835.00	483,921.00	22,420,291.00

N. B. Depreciation charged on fixed assets for the 12 (Twelve) months. Please refer to note 02.02 for relevant depreciation policy.

**29.00 CERTIFICATE FEE PAYABLE: Tk. 4,941,100**

The break up of the above is given below:

Particulars	No of Person	Per Person (Tk.)	Amount (Tk.) 2005	Amount (Tk.) 2004
Marketing Officer	4685	505	2,365,925	1,540,250
Marketing Manager	2269	505	1,145,845	725,685
Branch Manager	1469	505	741,845	493,385
Joint Asstt. Vice President	675	505	340,875	221,695
Ast. Vice President	353	506	178,618	81,466
Joint Vice President	201	506	101,706	77,418
Vice President	105	506	53,130	37,950
Joint Senior Vice President	12	506	6,072	6,072
Senior Vice President	14	506	7,084	2,530
Total Taka	9783		4,941,100	3,186,451

**ACTUAL MANAGEMENT EXPENSES & LIMITATION OF EXPENSES
OF MANAGEMENT IN LIFE INSURANCE BUSINESS:**

Particulars	Amount (Tk.)
A) 1st year premium (Including Group)	211,413,183
Limitation of expenses of Management	204,013,722
B) Renewal Premium	131,621,880
Limitation of expenses of Management	26,324,376
C) Total Limitation of expenses of Management (A+B)	230,338,098
D) Actual Management Expenses	210,147,463
(-) Total Limitation of expenses of Management	230,338,098
(C-D) Increase/Decrease	20,190,635

OPERATING RESULTS:

- (1) During the period under audit, through the operation of Divisional, Zonal, Organizational & Agency Offices the gross premium earned by the company amounted to Tk. 343,035,063 After ceding for re-insurance premium the net premium stands at Tk. 342,905,712 for the year .The net amount of premium is inclusive of Tk. 69,136,819 as net premium from "**Mukta Bima Prokalpa**".
- (2) Management expenses inclusive of commission, Salaries etc. have been charged to revenue account for an aggregate amount of Tk. 210,147,463 The management expenses represents approximately 61.26% of gross premium and 61.28% of the net premium earned during the period.
- (3) Payment of Commission to Agents and Employer of Agents represent 18.25% and 52.39% Respectively of the management expenses and they represent 11.18% and 32.10% of net premium for the year.



Prime Islami Life Insurance Limited
Balance Sheet
As at 31st December, 2005

<u>Notes</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>	<u>Amount (Tk.)</u> <u>2003</u>	<u>Amount (Tk.)</u> <u>2002</u>
<u>CAPITAL AND LIABILITIES :</u>				
Share Holders' Capital				
Authorised Capital	100,000,000	100,000,000	100,000,000	100,000,000
1,000,000 Ordinary Shares of Tk. 100 each				
Issued , Subscribed & Paid-up Capital	03 30,000,000	30,000,000	30,000,000	30,000,000
300,000 Ordinary Shares of Tk. 100 each fully paid-up				
Balance of Fund and Accounts (Life Insurance Fund)	04 212,269,127	92,662,097	28,317,286	940,111
Liabilities and Provisions	28,798,588	14,196,772	15,800,880	21,202,859
Estimated Liabilities in Respect of Outstanding claim whether due or intimated	240,654	-	-	-
Amount due to other persons or bodies carrying on Insurance Business	05 833,332	1,030,687	587,323	272,611
Welfare Fund	694,014			
Sundry Creditors	06 16,918,865	10,305,517	9,937,378	14,091,965
Premium Deposit	10,111,723	2,860,568	5,276,179	6,838,283
Total Taka :	271,067,715	136,858,869	74,118,166	52,142,970

Sd/-

K. M. Mortuza Ali
Managing Director

Sd/-

Waheed Murad Jamil
Director

Sd/-

Sefat Zerin Shawon
Director

Sd/-

Manzoor-ul-Karim
Chairman

Sd/-

Dated : 15th April'2006
Place : Dhaka

M. M. Rahman & Co.
Chartered Accountants



Prime Islami Life Insurance Limited
Balance Sheet
As at 31st December, 2005

	<u>Notes</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>	<u>Amount (Tk.)</u> <u>2003</u>	<u>Amount (Tk.)</u> <u>2002</u>
PROPERTY AND ASSETS :					
Share Purchase		1,744,320	-	-	-
Investments : (On Insurance policies within their surrender value)		-	-	-	-
Statutory Deposit with Bangladesh Bank(N.I.B): At	08	4,000,000	4,000,000	4,000,000	4,000,000
Bangladesh Govt. Islami Investment Bond (B.G.I.I.B)	09	42,000,000	12,500,000	-	-
Agents Balance :		2,160,222	1,163,401	1,577,911	3,087,729
Advance & Deposits :	10	13,397,002	5,681,331	4,860,416	4,670,783
Profit & Dividends : (Accruing but not due)	11	7,497,411	2,523,521	561,285	1,290,439
Cash, Bank and Other Balances :		177,485,367	93,355,127	48,832,607	28,223,070
Fixed Deposit	12	108,112,000	50,000,000	15,000,000	15,000,000
Welfare Fund		-	616,333	616,547	-
Cash at Banks (Including Tabarru)	13	18,876,122	8,960,377	7,366,247	2,278,718
Collection in Hand	14	50,419,570	33,597,253	25,596,733	10,896,296
Cash in Hand	15	77,675	181,164	253,080	48,056
Other Assets :		22,783,393	17,635,489	14,285,947	10,870,949
Preliminary Expenses		-	-	30,200	60,400
Stamps in Hand	16	363,102	256,512	93,252	52,534
Fixed assets (At Cost Less Depreciation)	28	22,420,291	17,378,977	14,162,495	10,758,015
Total Taka :		271,067,715	136,858,869	74,118,166	52,142,970

*Signed in terms of our separate report of even date annexed.

Sd/-
K. M. Mortuza Ali
Managing Director

Sd/-
Waheed Murad Jamil
Director

Sd/-
Sefat Zerin Shawon
Director

Sd/-
Manzoor-ul-Karim
Chairman

Dated : 15th April'2006
Place : Dhaka

Sd/-
M. M. Rahman & Co.
Chartered Accountants



Prime Islami Life Insurance Limited
Life Revenue Account
For The Year Ended 31st December, 2005.

<u>PARTICULARS</u>	<u>NOTE</u>	<u>Amount (Tk.)</u> <u>2005</u>	<u>Amount (Tk.)</u> <u>2004</u>	<u>Amount (Tk.)</u> <u>2003</u>	<u>Amount (Tk.)</u> <u>2002</u>
BALANCE OF THE LIFE INSURANCE					
FUND AT THE BEGINNING OF THE YEA		92,662,097	28,317,286	940,111	(805,653)
Previous Years' Adjustment		(616,333)	-	-	-
PREMIUM LESS RE-INSURANCE	17	342,905,712	182,391,023	129,131,924	59,117,331
Gross premium		343,035,063	182,851,887	130,114,396	59,439,935
First year premium		210,917,439	114,091,520	98,666,327	55,581,978
Renewal premium		131,621,880	67,865,220	31,167,812	3,805,011
Group Insurance premium		495,744	895,147	280,257	52,946
Less : Re-insurance premium	18	129,351	460,864	982,472	322,604
PROFIT AND DIVIDENDS	19	9,549,966	3,518,046	1,998,445	2,369,531
OTHER INCOME (Alteration					
Fee & Misc. Income)	21	161,253	103,169	466,999	117,569
Total Taka :		444,662,695	214,329,524	132,537,479	60,798,778

First year premium where the maximum				
Premium paying period is				
Three years	-	-	-	-
Four years	-	-	-	-
Five years	-	-	-	-
Six years	-	-	-	-
Seven years	-	-	-	-
Eight years	-	-	-	-
Nine years	-	-	-	-
Ten years	160,737,919	83,332,023	74,425,965	38,974,651
Eleven years	29,989	83,484	59,966	19,290
Twelve years and over	50,149,531	30,676,013	24,180,396	16,588,037
(Including through out life)				
	210,917,439	114,091,520	98,666,327	55,581,978

**CLAIM UNDER POLICIES (INCLUDING
PROVISION FOR THE CLAIM DUE OR
INTIMATED) LESS RE-INSURANCE :**

	15,065,787	2,842,826	1,094,000	23,899
	14,898,207	-	-	-
By Death	2,099,434	568,022	495,000	23,899
By Maturity	-	-	-	-
By Survival	12,738,773	2,274,804	599,000	-
By Others	60,000	-	-	-
	167,580	-	-	-
Surrender Value	119,927	-	-	-
Profit Commission	47,653	-	-	-



PARTICULARS	Amount (Tk.) 2005	Amount (Tk.) 2004	Amount (Tk.) 2003	Amount (Tk.) 2002
EXPENSES OF MANAGEMENT:	210,147,463	113,794,775	99,617,660	57,513,495
Commission :	77,496,515	40,741,595	36,204,378	18,589,732
a) Commission to Insurance Agent less than on Re-Insurance	38,342,150	17,946,220	15,429,260	7,784,611
b) Allowances and Commission in (Other than Commission included Sub - Item (a) above	39,154,365	22,795,375	20,775,118	10,805,121
	132,650,948	73,053,180	63,413,282	38,923,763
Salaries etc. (Other than to Agents and those contained in the allowances and Com.)	23 91,157,060	46,236,051	41,135,762	23,863,309
Contribution Agt. Group Bima	-	686,282	86,267	-
Conveyance Exp.	185,646	185,830	153,664	120,836
Carrage Expenses	349,066	-	-	-
Audit Fees	80,000	25,000	25,000	20,000
Medical Expenses	309,023	219,705	170,861	60,698
Advertisement & Publicity	2,801,171	1,081,380	540,543	1,134,656
Printing & Stationery	3,089,041	1,373,286	1,829,604	1,129,800
Postage, Telegram & Revenue Stamp	20 706,619	487,323	282,103	135,904
Bank Charges	356,028	144,728	298,717	261,447
Development Expenses	1,241,774	983,271	790,799	400,908
Training Expenses	150,420	218,261	176,295	-
Meeting Allowance	493,500	498,150	745,875	182,500
Meeting Expenses	157,763	78,265	99,521	88,588
Office Rent	9,555,842	7,667,312	6,362,920	5,594,781
Car Maintenance (Fuel) Exp.	1,168,143	1,063,384	1,182,531	542,757
Car Maintenance (Repairs) Exp.	1,584,367	717,253	565,395	267,963
Car Insurance Expenses	342,945	240,530	149,665	154,250
Mobile, Telephone & Fax	1,772,156	1,092,090	677,384	416,328
Papers & Periodicals	65,549	45,817	50,874	22,600
Registration & Renewals	22 1,200,622	900,210	195,172	89,160
Miscellaneous Expenses	-	-	14,629	42,652
Entertainment	808,764	508,261	319,485	199,442
Subscription & Donation	265,254	149,846	75,860	97,300
Legal & Professional Fees	104,483	52,100	37,712	12,000
Office Maintenance Exp.	1,696,103	922,785	816,609	261,371
Incentive Bonus	1,196,382	378,964	518,154	19,217
Festival Bonus	1,298,109	1,009,297	703,248	433,029
Water & Electricity Charges	25 906,517	706,185	624,688	448,511
TA & DA Expenses	3,297,474	1,516,819	1,117,753	572,485
Actuary Fee	180,642	163,065	260,000	-
Wages Expense	2,057,371	1,257,621	515,077	252,153
Policy Stamps Expenses	2,313,549	1,105,413	777,753	723,577
Seminar and Conference Exp.	514,536	311,426	215,144	240,725
Service Charge(Lease Rental) (PFI)	-	244,297	574,327	1,026,717
Service Charge(Lease Rental) (FFI)	-	-	808,513	108,099
Agency Office Expenses	1,222,991	729,233	484,903	-
Trade Licence Expenses	7,038	18,740	30,475	-
IPO Expenses	15,000	35,000	-	-
OTHER EXPENSES :	7,180,318	5,029,826	3,508,533	2,321,273
Depreciation on Fixed Assets	7,180,318	4,999,626	3,478,333	2,291,073
Preliminary Expenses Written Off	12 -	30,200	30,200	30,200
Balance of Fund at the end of the year as shown in the Balance Sheet	212,269,127	92,662,097	28,317,286	940,111
Total Taka:	444,662,695	214,329,524	132,537,479	60,798,778

*Signed in terms of our separate report of even data annexed

Sd/-
K. M. Mortuza Ali
Managing Director

Sd/-
Waheed Murad Jamil
Director

Sd/-
Sefat Zerir Shawon
Director

Sd/-
Manzoor-ul-Karim
Chairman

Dated : 15th April'2006
Place : Dhaka

Sd/-
M. M. Rahman & Co.
Chartered Accountants



Prime Islami Life Insurance Limited

Prime Islami Life Insurance Limited
Statement of Life Insurance Fund
For The Year Ended 31st December, 2005.

<u>PARTICULARS</u>	Amount (Tk.) <u>2005</u>	Amount (Tk.) <u>2004</u>	Amount (Tk.) <u>2003</u>	Amount (Tk.) <u>2002</u>
<u>Assets:</u>				
	271,067,715	136,858,869	74,118,166	52,142,970
Share Purchase	1,744,320	-	-	-
Statutory Deposit with Bangladesh Bank(N.I.B) : At Cost	4,000,000	4,000,000	4,000,000	4,000,000
Bangladesh Govt. Islami Investment Bond (B.G.I.I.B)	42,000,000	12,500,000	-	-
Agent Balance	2,160,222	1,163,401	1,577,911	3,087,729
Advance & Deposits	13,397,002	5,681,331	4,860,416	4,670,783
Profit & Dividends (accrued but not due)	7,497,411	2,523,521	561,285	1,290,439
Cash, Bank and Other Balances (Including Tabarru)	177,485,367	92,738,794	48,216,060	28,223,070
Welfare Fund	-	616,333	616,547	-
Preliminary Expenses	-	-	30,200	60,400
Stamps in Hand	363,102	256,512	93,252	52,534
Fixed Assets (at cost less depreciation)	22,420,291	17,378,977	14,162,495	10,758,015
<u>Liabilities :</u>				
	28,798,588	14,196,772	15,800,880	21,202,859
Estimated Liabilities in Respect of Outstanding claim whether due or intimated	240,654	-	-	-
Amount due to other persons or bodies carrying on insurance business	833,332	1,030,687	587,323	272,611
Welfare Fund	694,014			
Sundry Creditors	16,918,865	10,305,517	9,937,378	14,091,965
Premium Deposit	10,111,723	2,860,568	5,276,179	6,838,283
Gross Fund (Assets - Liabilities)	242,269,127	122,662,097	58,317,286	30,940,111
Less: Share Holder's Capital (Paid-Up)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
Life Insurance Fund as at the end of the Year	212,269,127	92,662,097	28,317,286	940,111

Sd/-

K. M. Mortuza Ali
Managing Director

Sd/-

Waheed Murad Jamil
Director

Sd/-

Sefat Zerin Shawon
Director

Sd/-

Manzoor-ul-Karim
Chairman

Sd/-

Dated : 15th April'2006
Place : Dhaka

M. M. Rahman & Co.
Chartered Accountants



**AUDITORS' REPORT UNDER SECTION 135(1) OF PARA 24(1) OF PART-II
OF SCHEDULE-3 OF THE COMPANIES ACT, 1994**

We, as the auditor having examined the Financial Statements of Prime Islami Life Insurance Ltd. for the year ended 31 December 2005, Certify, pursuant to Section 135(1) and Paragraph 24 (1) of part-II of the Schedule-3 of the Companies Act, 1994, THAT

	<u>31.12.2005</u>	<u>31.12.2004</u>	<u>31.12.2003</u>	<u>31.12.2002</u>	<u>31.12.2001</u>
	(Taka)	(Taka)	(Taka)	(Taka)	(Taka)
01. Statement of operational results:					
Gross Premium Income	343,035,063	182,851,887	130,114,396	59,439,935	20,456,756
Premium on Re-Insurance Ceded	129,351	460,864	982,472	322,604	88,741
(a)	342,905,712	182,391,023	129,131,924	59,117,331	20,368,015
Add :					
i Profit, Dividend & Rents	9,549,966	3,518,046	1,998,445	2,369,531	2,169,275
ii Other Income	161,253	103,169	466,999	117,569	393,038
(b)	9,711,219	3,621,215	2,465,444	2,487,100	2,562,313
(a+b)	352,616,931	186,012,238	131,597,368	61,604,431	22,930,328
Claim Under Policies less Re Insurance	15,065,787	2,842,826	1,094,000	23,899	-
Management Expenses	210,147,463	113,794,775	99,617,660	57,513,495	23,322,337
Other Expenses	7,180,318	5,029,826	3,508,533	2,321,273	844,166
(c)	232,393,568	121,667,427	104,220,193	59,858,667	24,166,503
Increase in life fund{ (a+b)-c}	120,223,363	64,344,811	27,377,175	1,745,764	(1,236,175)
02. Statements of Assets and Liabilities :					
Investment	46,000,000	16,500,000	4,000,000	4,000,000	4,000,000
Fixed assets	22,420,291	17,378,977	14,162,495	10,758,015	9,079,160
Current assets	202,647,424	102,979,892	55,955,671	37,384,955	26,043,648
Total assets	271,067,715	136,858,869	74,118,166	52,142,970	39,122,808
Less: Current liabilities	28,798,588	14,196,772	15,800,880	21,202,859	9,928,461
	242,269,127	122,662,097	58,317,286	30,940,111	29,194,347
Financed by:					
Share Capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Life Insurance fund	212,269,127	92,662,097	28,317,286	940,111	(805,653)
	242,269,127	122,662,097	58,317,286	30,940,111	29,194,347

03. The company did not declare dividend in any of the aforesaid year(s) of 2001, 2002, 2003, 2004 & 2005.

04. The company has no subsidiaries.

05. No proceeds or part of the proceeds of the issue of shares were applied directly by the company in the purchase of any business.

06. The company did not prepare any accounts for any period subsequent to 31st December 2005.

Dated : 15th April'2006
Place : Dhaka

Sd/-

(M. M. Rahman & Co)
CHARTERED ACCOUNTANTS.)



Prime Islami Life Insurance Limited

Schedule of Ratio Analysis as specified in rule 8B(20) (C)– Annexure ‘ B’ of The Securities and Exchange Commission (Public Issue) rules 2006

Liquidity Ratio:

In thousand Taka

Sl. No	Particulars		2005	2004	2003	2002
01.	Current ratio	Current Asset	2,00,903	102,980	55,956	37,385
		Current Liabilities	28,799	14,197	15,801	21,203
		Current Asset: Current Liabilities	6.98:1.00	7.25:1.00	3.54:1.00	1.76:1.00
02.	Quick Ratio	Current assets	200,903	102,980	55,956	37,385
		Less Prepaid Expense	15,557	6,845	6,438	7,759
		Current Assets	1,85,346	96,135	49,518	29,626
		Current liabilities	28,799	14,197	15,801	21,203
		Current Asset: Current Liabilities	6.44:1.00	6.77:1.00	3.13:1.00	1.40:1.00
03.	Time Interest Earned Ratio	Profit before interest and tax	N/A	N/A	N/A	N/A
		Interest	N/A	N/A	N/A	N/A
		Time Interest Earned Ratio	N/A	N/A	N/A	N/A
04.	Debt Equity Ratio	Long term debt + Short term debt	N/A	N/A	N/A	N/A
		Shareholders equity	N/A	N/A	N/A	N/A
		Debt Equity Ratio	N/A	N/A	N/A	N/A

Operating Ratio:

in thousand Taka

Sl. No	Particulars		2005	2004	2003	2002
05.	Accounts Receivable Turnover Ratio	Credit Sales	N/A	N/A	N/A	N/A
		Average Debtors	N/A	N/A	N/A	N/A
		Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A
06.	Inventory Turnover Ratio	Cost of Sales	N/A	N/A	N/A	N/A
		Average Inventory	N/A	N/A	N/A	N/A
		Inventory Turnover Ratio	N/A	N/A	N/A	N/A
07.	Asset Turnover Ratio	Credit Sales	N/A	N/A	N/A	N/A
		Average Debtors	N/A	N/A	N/A	N/A
		Asset Turnover Ratio	N/A	N/A	N/A	N/A

Dated : 30th May, 2006.

Place : Dhaka.

Sd/-
M.M. Rahman & Co.
CHARTERED ACCOUNTANTS



Profitability Ratio

Sl. No	Particulars		2005	2004	2003	2002
08.	Accounts Receivable Turnover Ratio	Gross Profit	N/A	N/A	N/A	N/A
		Sales	N/A	N/A	N/A	N/A
		Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A
09.	Operating Income Ratio	Sales – Operating Expenses	N/A	N/A	N/A	N/A
		Sales	N/A	N/A	N/A	N/A
		Operating Income Ratio	N/A	N/A	N/A	N/A
10.	Net Income Ratio	Net Income	N/A	N/A	N/A	N/A
		Sales	N/A	N/A	N/A	N/A
		Net Income Ratio	N/A	N/A	N/A	N/A
11.	Return on Asset Ratio	Profit after Tax	N/A	N/A	N/A	N/A
		Assets	N/A	N/A	N/A	N/A
		Return on Asset Ratio	N/A	N/A	N/A	N/A
12.	Return on Equity Ratio	Profit Available for Equity Share Holder	N/A	315,800X100	(646,200)X100	N/A
		Share holders equity	N/A	30,315,800	29,353,800	N/A
		Return on Equity Ratio	N/A	1.04	(2.20)	N/A
13.	Earning per share ratio	Profit As per Actuarial Valuation	N/A	3,158,000	(6,462,000)	N/A
		Share holder Portion of Surplus within 10% of Divisible Surplus	N/A	315,800	(6,46,200)	N/A
		Earning per Share Ratio	N/A	1.05	(2.15)	N/A

Notes on Ratio Analysis (forms an integral part of the Analysis):

01. **Current Asset :**
Current Assets = (Property & Assets) - (Fixed Assets + Investment).
02. **Current Liabilities:**
Current Liabilities = Capital & Liabilities - Life Insurance Fund - Paid Up Capital.
03. **Prepaid Expense:**
Prepaid Expense= (Agents balance + Advance and Deposits)
04. **Shareholders Equity:**
Shareholders Equity = Share Capital + Profit + Reserve.
05. **Quick Ratio:**
Quick Ratio = Current assets – (Inventory + Prepaid expenses) / Current Liabilities.

Sd/-

Dated : 30th May, 2006.

Place: Dhaka

(M. M. Rahman & Co.)

CHARTERED ACCOUNTANTS

The valuation for 2005 has not been done. According to the Section 13(1) of Insurance Act, 1938, valuation report of life insurance business is valid up to two years. So, necessary calculations are based on the valuation report of 2004.



May 30, 2006

The Managing Director

Prime Islami Life Insurance Ltd.
Raj Bhaban (6th Floor), 29, Dilkusha C/A,
Dhaka-1000.
Dear Sir,

Subject: Additional Disclosure on the audited accounts for the period ended 31st December 2005 as required by Securities & Exchange Commission.

With reference to your letter no: Prime/HO/Accounts/5020/1/06 dated May 17, 2006 in respect of the above matter, we furnish the additional information as desired by SEC as under.

Item 01

Commission Payable:

Agency Commission Payable and overriding commission payable to Agent and Employer of Agent respectively have been kept in Sundry Creditors and it is in line with the provision of Insurance Act, 1938 and the rules, 1958.

Item 02

Tax & Vat Payable:

Tk. 8,17,705 (Eight lac seventeen thousand seven hundred and five) shown in the Balance Sheet of the company for the period ended 31st December, 2005 and the said amount were subsequently paid. Detailed are as under:

Sl #	Head of Accounts	Name of Project	Amount (Tk.)
01.	Audit fees	Akok Bima	1,500
02.	Legal & Professional fees	Akok Bima	3,524
03.	Agent commission	Akok Bima	2,266
04.	OR commission	Akok Bima	1,19,264
05.	Salary (Dev)	Akok Bima	6,63,484
06.	Salary (Dev)	Mukta Bima	27,667
			8,17,705

Item 03

Licence Fee & Certificate Fee Payable:

A detailed description of the Licence fees payable amounting to Tk. 3,98,471 and Certificate fees payable amounting Tk. 49,41,100 as disclosed under Sundry Creditors is in line with the provision of section 42 of the Insurance Act, 1938.



Item 04

Registration & renewal fees payable: Tk. 12,00,622

As per Section (3A) Sub-Section (2) of Insurance Act, 1938 payment of three taka fifty paisa per thousand of gross direct premium, company's registration & renewal fees payable is amounting to Tk.12,00,622/- (Twelve lac six hundred twenty two) has been disclosed under sundry creditors & it is in line with the provision of the Insurance Act, 1938 and the Insurance rules 1958. Calculation of the amount is shown below:

$$\begin{aligned} & \frac{\text{Total Premium} \times \text{Tk. 3.5}}{\text{Per thousand}} \\ = & \frac{343035063 \times 3.5}{1000} \\ = & 1200622 \end{aligned}$$

Item 05

Schedule of MTDR/FDR:

At the time of our audit we have checked Mudaraba Term Deposit Receipts (MTDR/FDR) physically and confirm that reconciliation statements are made in respect of cash at bank.

Item 06

Collection in Hand: Tk. 5,04,19,570

Tk. 5,04,19,570 (Five core four lac nineteen thousand five hundred seventy) only shown in the Balance Sheet of the company for the period ended 31st December 2005 as collection in hand against premium income received and the said amount has been deposited in the bank subsequently within January & February 2006.

The above balances are shown in Annexure-'A'.

Item 07

The Provisions of the Section 27, 27B, 29, 40, 40A & Rule 39:

Section 27

Provision under section 27 for investment of Assets were duly complied with by the company.

Section 27B

Provision under section 27B restriction on certain investment strictly followed by the company.

Section 29

The company complied with prohibition of loans under section 29.

Section 40

The company have not paid any commission except to an insurance agent or an employer of agent and thus provision under section 40 complied with by the company.

Section 40A

The company has duly observed the limitation of expenditure on commission as per section 40A of the Insurance Act, 1938.

Rule 39

Provision under rules 39 for limitation of expenses of management in life insurance business were duly complied with by the company.



Item 08 :

Related party disclosure in accordance with BAS-24:**Name of the Directors/ Shareholder and their interest in the Company stated below:**

SI #	Name of Directors	Position	Share Holding	Percentage (%)
01.	Mr. Manzoor Ul Karim	Chairman	10,000	3.33
02.	Mr. M.A. Wahhab	Director	25,000	8.33
03.	Mr. Z. M. Kaiser	Director	5,000	1.67
04.	Mr. Sipanta Kumar Saha	Director	30,000	10.00
05.	Mr. Alak Saha	Director	25,000	8.33
06.	Mr. K. M. Rakib Hasan	Director	30,000	10.00
07.	Mr. Tareque Ekramul Haque	Director	30,000	10.00
08.	Ms. Maimuna Hossain	Director	30,000	10.00
09.	Mr. A. K. M. Nurul Islam	Director	25,000	8.33
10.	Mrs. Nargis Akter Adel	Director	30,000	10.00
11.	Ms. Sefat Zarin Shawon	Director	5,000	1.67
12.	Mrs. Sabiha Kahleque	Director	25,000	8.33
13.	Mrs. Sarwat Khaled Simin	Director	5,000	1.67
14.	Ms. Lutfun Nahar	Shareholder	25,000	8.33
	Total		= 300,000 =	100

Name of Directors and their Interest in different entries:-

SI #	Name of Directors	Name of Organization	Position holders	% of Interest
01.	Mr. Manzoor Ul Karim	Supreme Jute & Knittex Ltd. Prime Insurance Co. Ltd.	Chairman Director	0.72% 0.33%
02.	Mr. M.A. Wahhab	Mawsons Ltd.	Director	69.23%
03.	Mr. Z. M. Kaiser	Nil	Nil	Nil
04.	Mr. Sipanta Kumar Saha	Nil	Nil	Nil
05.	Mr. Alak Saha	Royal International. Royal International Ltd. H. R. Sons Ltd. Excel Technologies Ltd. Glory Fashions Ltd. K. B. Interlining Ltd.	Proprietor Managing Director -Do- Chairman Managing Director -Do-	100.00% 85.00% 90.00% 40.00% 30.00% 49.00%
06.	Mr. K. M. Rakib Hasan	PFI Securities Ltd	Director	5.555%
07.	Mr. Tareque Ekramul Haque	A. Corn Ltd. PFI Securities Ltd.	Director -Do-	25.00% 5.56%
08.	Ms. Maimuna Hossain	Nil	Nil	Nil
09.	Mr. A. K. M. Nurul Islam	Nil	Nil	Nil
10.	Mrs. Nargis Akter Adel	K & K Tops Textile Co. Ltd.	Director	8.00%
11.	Ms. Sefat Zarin Shawon	Nil	Nil	Nil
12.	Mrs. Sabiha Kahleque	Prime Insurance Co. Ltd. Maksons Bangladesh Ltd. Prime Finance & Investment Limited	Director -Do- -Do-	2.67% 10.00% 7.82%
13.	Mrs. Sarwat Khaled Simin	Nil	Nil	Nil

**Item 09 Requirement under Company's Act 1994, Schedule XI Part-II:**

Salary (Admin)		December 2005	December 2004
(i)	Number of employees drawing salary above TK. 3,000 P.M.	317	158
(ii)	Number of employees drawing salary below TK. 3,000 P.M.	72	43
Total		389	201

Salary (Dev)		December 2005	December 2004
	Number of employees drawing salary above TK. 3,000 P.M.	317	158
	Number of employees drawing salary below TK. 3,000 P.M.	72	43
Total		389	201

Item 10**Share Purchase:**

Schedule of Share Purchase are given below:

Name of the company	No. of Shares	Average cost per Share (Taka)	Total book value at cost (Taka)
Fareast Islami Life Insurance Co. Ltd.	200	790.00	1,58,000.00
Fareast Islami Life Insurance Co. Ltd.	400	740.69	2,96,275.00
Fareast Islami Life Insurance Co. Ltd.	200	718.50	1,43,700.00
Fareast Islami Life Insurance Co. Ltd.	200	710.00	1,42,000.00
Fareast Islami Life Insurance Co. Ltd.	400	746.13	2,98,450.00
Fareast Islami Life Insurance Co. Ltd.	300	744.67	2,23,400.00
Fareast Islami Life Insurance Co. Ltd.	350	730.11	2,55,537.00
Fareast Islami Life Insurance Co. Ltd.	311	729.77	2,26,958.00
Total	2361		17,44,320.00

Against this Book Value of Tk. 17,44,320 (Seventeen lac forty four thousand three hundred and twenty) the aggregate Market Value is Tk. 18,54,565 (Eighteen lac fifty four thousand five hundred and sixty five). We hope the position stated above shall meet the requirements of SEC.

Sd/-

(M. M. Rahman & Co.)
Chartered Accountants



Prime Islami Life Insurance Limited

Schedule of Collection in hand

Akok Bima Prokalpa

Annexure-'A'

SL #	Name of Bank	Branch	Account No.	Amount	Deposited Period
01	Prime Bank Ltd.	Islami Banking Br.	170	12,596,488	January-February
02	Prime Bank Ltd.	Rajshahi	15444	1,327,770	January-February
03	Prime Bank Ltd.	Shimrail	360	318,475	January
04	Islami Bank Bd. Ltd.	Agrabad	528	2,743,467	January-February
05	Islami Bank Bd. Ltd.	Ashugonj	329	12,495	January
06	Islami Bank Bd. Ltd.	B.Baria	654	103,860	January
07	Islami Bank Bd. Ltd.	Bagerhat	1700	5,130	January
08	Islami Bank Bd. Ltd.	Bancharampur	28	394,890	January-February
09	Islami Bank Bd. Ltd.	Barguna	87	80,915	January-February
10	Islami Bank Bd. Ltd.	Barisal	564	528,657	January-February
11	Islami Bank Bd. Ltd.	Birampur	135	15,736	January
12	Islami Bank Bd. Ltd.	Boda	640	1,000	January
13	Islami Bank Bd. Ltd.	Bogra	2535	247,487	January-February
14	Islami Bank Bd. Ltd.	Brahmman Baria	542	213,530	January
15	Islami Bank Bd. Ltd.	C.Nawabgonj	1632	777,096	January-February
16	Islami Bank Bd. Ltd.	Chandpur	1088	154,135	January-February
17	Islami Bank Bd. Ltd.	Choddagram	389	461,364	January-February
18	Islami Bank Bd. Ltd.	Chringa	912	475,331	January-February
19	Islami Bank Bd. Ltd.	Comilla	2303	3,552,271	January-February
20	Islami Bank Bd. Ltd.	Cox's Bazar	4038	529,737	January-February
21	Islami Bank Bd. Ltd.	Ctd. Road	375	17,532	January
22	Islami Bank Bd.Ltd.	Dinajpur	413	1,922	January
23	Islami Bank Bd.Ltd.	Dupchachia	3275	139,000	January-February
24	Islami Bank Bd.Ltd.	Faridpur	1039	154,000	January-February
25	Islami Bank Bd. Ltd.	Feni	15	3,165,681	January-February
26	Islami Bank Bd. Ltd.	Gazipur	3446	306,888	January-February
27	Islami Bank Bd. Ltd.	Gobindagonj	616	26,400	January
28	Islami Bank Bd. Ltd.	Gopalganj	723	3,333	January
29	Islami Bank Bd. Ltd.	Habigonj	523	256,302	January-February
30	Islami Bank Bd. Ltd.	Hajigonj	501	2,025,645	January-February
31	Islami Bank Bd. Ltd.	HOGB	546	620,815	January-February
Page Total				3,12,57,352	

Sd/-

Dated : Dhaka, 30th May, 2005.

(M. M. Rahman & Co.)
CHARTERED ACCOUNTANTS



Prime Islami Life Insurance Limited

Schedule of Collection in hand

Akok Bima Prokalpa

Annexure-'A'

SL #	Name of Bank	Branch	Account No.	Amount	Deposited Period
B/F				3,12,57,352	
32	Islami Bank Bd. Ltd.	HOCB	123	1,110,974	January-February
33	Islami Bank Bd. Ltd.	Jatrabari	2196	693,505	January-February
34	Islami Bank Bd. Ltd.	Jessore	2074	88,113	January-February
35	Islami Bank Bd. Ltd.	Jhalakathi	336	410,102	January
36	Islami Bank Bd. Ltd.	Khulna	2860	339,161	January-February
37	Islami Bank Bd. Ltd.	Kulaura	134	8,170	January
38	Islami Bank Bd. Ltd.	Kustia	451	22,395	January
39	Islami Bank Bd. Ltd.	Laksam	1059	582,229	January-February
40	Islami Bank Bd. Ltd.	Laxmipur	12	501,574	January-February
41	Islami Bank Bd. Ltd.	Lohagara	578	793,755	January-February
42	Islami Bank Bd. Ltd.	M.Bazar	2275	186,320	January-February
43	Islami Bank Bd. Ltd.	Madaripur	407	24,995	January
44	Islami Bank Bd. Ltd.	Manikgonj	12	410,645	January-February
45	Islami Bank Bd. Ltd.	Mongla	1694	5,100	January
46	Islami Bank Bd. Ltd.	Mouchak	2806	152,597	January-February
47	Islami Bank Bd. Ltd.	Munshigonj	725	271,843	January-February
48	Islami Bank Bd. Ltd.	Mymensing	4623	454,680	January-February
49	Islami Bank Bd. Ltd.	Naogaon	1012	468,737	January-February
50	Islami Bank Bd. Ltd.	Narayangonj	2053	132,290	January-February
51	Islami Bank Bd. Ltd.	Natore	1152	30,739	January
52	Islami Bank Bd. Ltd.	Nawabgonj	162	408,264	January-February
53	Islami Bank Bd. Ltd.	Narsingdi	1599	160,106	January-February
54	Islami Bank Bd. Ltd.	Pabna	2129	218,627	January-February
55	Islami Bank Bd. Ltd.	Palash	1021	28,643	January
56	Islami Bank Bd. Ltd.	Patia	937	249,113	January-February
57	Islami Bank Bd. Ltd.	Patuakhali	766	206,135	January-February
58	Islami Bank Bd. Ltd.	Pirojpur	632	42,184	January-February
59	Islami Bank Bd. Ltd.	Rahampur	161	2,600	January
60	Islami Bank Bd. Ltd.	Rangpur	1991	263,058	January-February
Total				3,95,24,006	

Sd/-

Dated : Dhaka, 30th May, 2005.

(M. M. Rahman & Co.)

CHARTERED ACCOUNTANTS



Prime Islami Life Insurance Limited

Schedule of Collection in hand

Akok Bima Prokalpa

Annexure-'A'

SL #	Name of Bank	Branch	Account No.	Amount	Deposited Period
B/F				3,95,24,006	
61	Islami Bank Bd. Ltd.	Raypur	447	15,793	January-February
62	Islami Bank Bd. Ltd.	Sandwip	21	278,800	January-February
63	Islami Bank Bd. Ltd.	Satkhira	1426	115,200	January-February
64	Islami Bank Bd. Ltd.	Savar	1581	122,140	January-February
65	Islami Bank Bd. Ltd.	Sirajgonj	2347	24,012	January
66	Islami Bank Bd. Ltd.	Sylhet	40373	2,213	January
67	Islami Bank Bd. Ltd.	Taknaf	1513	306,198	January-February
68	Islami Bank Bd. Ltd.	Thakurgaon	899	171,876	January-February
69	Islami Bank Bd. Ltd.	Tongi	1641	191,681	January-February
70	Shahjalal Islami Bank	DMB	2153	655,312	January-February
71	Al Arafah Islami Bank Ltd.	Mohadebpur	5645	896,916	January-February
72	Uttara Bank Ltd.	Hatkholra	1111	1,164,196	January-February
73	Bangladesh Krishi Bank	Monohordi	181	515,377	January-February
Total				4,39,83,720	

Sd/-

Dated : Dhaka, 30th May, 2005.

(M. M. Rahman & Co.)

CHARTERED ACCOUNTANTS



Prime Islami Life Insurance Limited
Schedule of Collection in hand

Mukta Bima Prokalpa

Annexure-'A'

SL #	Name of Bank	Branch	Account No.	Amount	Deposited Period
01	Prime Bank Ltd.	Agrabad	8697	49,600	January
02	Prime Bank Ltd.	Barisal	415	54,000	January
03	Prime Bank Ltd.	Bogra	1627	410,300	January
04	Prime Bank Ltd.	Islami Banking Br.	201	2,010,820	January
05	Prime Bank Ltd.	Jessore	2308	451,467	January
06	Prime Bank Ltd.	Mowlavi Bazar	3312	228,024	January
07	Prime Bank Ltd.	Rajshahi	16555	39,275	January
08	Islami Bank Bd. Ltd.	Bagherhat	4291	2,700	January
09	Islami Bank Bd. Ltd.	Chandpur	8880	117,810	January
10	Islami Bank Bd. Ltd.	Cox's Bazar	4420	8,900	January
11	Islami Bank Bd. Ltd.	Feni	6513	342,200	January
12	Islami Bank Bd. Ltd.	Gazipur	4820	243,725	January
13	Islami Bank Bd. Ltd.	Goala Bazar	14120	10,690	January
14	Islami Bank Bd. Ltd.	Hobigonj	4562	20,500	January
15	Islami Bank Bd. Ltd.	HOGB	78	57,665	January
16	Islami Bank Bd. Ltd.	Kulaura	134	44,246	January
17	Islami Bank Bd. Ltd.	Lohagara	17	74,600	January
18	Islami Bank Bd. Ltd.	Mongla	4462	4,309	January
19	Islami Bank Bd. Ltd.	Manikgonj	132	557,919	January
20	Islami Bank Bd. Ltd.	Munshigonj	765	95,900	January
21	Islami Bank Bd. Ltd.	Nawabgonj	556	279,792	January
22	Islami Bank Bd. Ltd.	Narsingdi	8314	31,200	January
23	Islami Bank Bd. Ltd.	Rangamati	78	33,412	January
24	Islami Bank Bd. Ltd.	Satkhira	4264	88,438	January
25	Islami Bank Bd. Ltd.	Sitakunda	647	86,600	January
26	Bangladesh Krishi Bank	Alphadhangha	158	49,250	January
27	Bangladesh Krishi Bank	Baghaichori	267	12,000	January
28	Bangladesh Krishi Bank	Bambna	99	38,700	January
29	Bangladesh Krishi Bank	Bhandaria	229	89,300	January
30	Bangladesh Krishi Bank	Boalmari	420	253,751	January
Page Total				57,87,093	

Sd/-

Dated : Dhaka, 30th May, 2005.

(M. M. Rahman & Co.)

CHARTERED ACCOUNTANTS



Prime Islami Life Insurance Limited

Schedule of Collection in hand

Mukta Bima Prokalpa

Annexure-'A'

SL #	Name of Bank	Branch	Account No.	Amount	Deposited Period
B/F				57,87,093	
31	Bangladesh Krishi Bank	Chunarughat	419	81,920	January
32	Bangladesh Krishi Bank	Comilla	660	5,455	January
33	Bangladesh Krishi Bank	Dhamrai	431	3,560	January
34	Bangladesh Krishi Bank	Dighinala	221	9,698	January
35	Bangladesh Krishi Bank	Dohar	178	20,800	January
36	Bangladesh Krishi Bank	Ghorishar	74	16,000	January
37	Bangladesh Krishi Bank	Gorakghata	515	26,700	January
38	Bangladesh Krishi Bank	Kaminiganj	261	4,800	January
39	Bangladesh Krishi Bank	Madaripur	417	74,220	January
40	Bangladesh Krishi Bank	Madhukhali	395	104,517	January
41	Bangladesh Krishi Bank	Nagarkandha	252	82,317	January
42	Bangladesh Krishi Bank	Nager Para	45	62,000	January
43	Bangladesh Krishi Bank	Noiyer Bazar	199	46,170	January
44	Bangladesh Krishi Bank	Satkania	465	79,000	January
45	Bangladesh Krishi Bank	Shakhipur	420	31,600	January
Total				64,35,850	

Sd/-

Dated : Dhaka, 30th May, 2005.

(M. M. Rahman & Co.)

CHARTERED ACCOUNTANTS



Interested Persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manger.

Application Forms
Prime Islami Life Insurance Limited
Application Form

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI (S)
Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Managing Director

Prime Islami Life Insurance Limited
Raj Bhaban (6th Floor)
29 Dilkusha Commercial Area
Dhaka – 1000

Banker's Sl. No.
Broker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk 100 each at par.
2. Amount of Tk (*in figure*), ... Taka (*in words*).....only deposited vide Cash/Cheque/Draft/Pay Order No. dated on Bank Branch.....

3. Depository (B/O) Account Number

 (If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

4. I/We agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s):

a) Sole /First Applicant

Name:	
Father's/Husband's name:	
Postal address:	
Occupation:	Nationality:
For refund warrant: Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant

Name:	
Father's/Husband's name:	
Postal address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **Prime Islami Life Insurance Limited**, and have willingly subscribed for no. of shares of Tk 100 each on this form.

7. Specimen Signature(s):

(i) Name (<i>in block letters</i>)	Signature:
(ii) Name (<i>in block letters</i>)	Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk.....(in word) only from Mr./Mrs./Ms. being the Application Money for nos. Ordinary Shares of **Prime Islami Life Insurance Limited**.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)



Instructions

1. As per provision of Depository Act, 1999 and regulations made there under shares will be only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **50** Ordinary shares and must be for a multiple of **50** ordinary shares. Any application not meeting this criteria will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers to the Issue favoring "**PRIME ISLAMI LIFE INSURANCE LIMITED**" and crossed "A/C Payee only " and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Association and Certificate of Incorporation.
9. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. Refund will be made only through "Account Payee" cheques with Bank A/C Number and name of Bank Branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and /or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers to the issue Banks shall be obliged to receive the A/C Payee Cheque (s) on the closing day of the subscription.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published**

Bankers to the Issue

Dhaka Bank Limited

Agrabad Branch, Chittagong
Amin Bazar Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
EPZ Branch, Savar
Foreign Exchange Branch, Dhaka
Imamganj Branch, Dhaka
Islamic Banking Branch, Dhaka
Islampur Branch, Dhaka
Jubilee Road Branch, Chittagong
Kawran Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Laldighirpar Branch, Sylhet
Local Office, Dhaka
Narayanganj Branch, Narayanganj
Uttara Branch, Dhaka

Investment Corporation of Bangladesh (ICB)

Barishal Branch, Barishal
Bogra Branch, Bogra
Chittagong Branch, Chittagong
Head Office, Dhaka
Khulna Branch, Khulna
Local Office, Dhaka
Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet

NCC Bank Limited

Agrabad Branch, Chittagong
Chowhatta Branch, Sylhet
Dhanmondi Branch, Dhaka
Dilkusha Branch, Dhaka
Gulshan Branch, Dhaka
Jessore Branch, Jessore
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Khulna Branch, Khulna

Laxmipur Branch, Laxmipur
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
Moghbar Branch, Dhaka
Motijheel Branch, Dhaka
Moulvibazar Branch, Moulvibazar
OR Nizam Road Branch, Chittagong
Rangpur Branch, Rangpur
Uttara Branch, Dhaka

Prime Bank Limited

Agrabad Branch, Chittagong
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Barishal Branch, Barishal
Bogra Branch, Bogra
Court Road Branch, Sylhet
Dhanmondi Branch, Dhaka
Elephant Road Branch, Dhaka
Eskaton Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gonakbari Branch, Savar
Gulshan Branch, Dhaka
IBB Mirpur, Dhaka
IBB O. R. Nizam Road Br. Chittagong
Islamic Banking Branch, Dhaka
Islamic Banking Branch, Sylhet
Jessore Branch, Jessore
Jubilee Road Branch, Chittagong
Kawran Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Madhabdi Branch, Narsingdi
Mohakhali Branch, Dhaka
Motijheel Branch, Dhaka
Mouchak Branch, Dhaka
Moulvibazar Branch, Dhaka
Narayanganj Branch, Narayanganj
Pragati Sharani Branch, Dhaka

Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet
Uttara Branch, Dhaka

The City Bank Limited

Agrabad Branch, Chittagong
B.B. Avenue Branch, Dhaka
Bandar Bazar Branch, Sylhet
Barishal Branch, Barishal
Comilla Branch, Comilla
Dhaka Chamber Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gulshan Branch, Dhaka
Islampur Road Branch, Dhaka
Johnson Road Branch, Dhaka
Kawran Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Mirpur Branch, Dhaka
New Market Branch, Dhaka
Principal Office, Dhaka
Rajshahi Branch, Rajshahi
Tanbazar Branch, Narayanganj
Tongi Branch, Gazipur

Southeast Bank Limited

Agrabad Branch, Chittagong
Banani Branch, Dhaka
Cox's Bazar Branch, Cox's Bazar
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Jubilee Road Branch, Chittagong
Karwan Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Laldighirpaar Branch, Sylhet
Principal Branch, Dhaka
Uttara Branch, Dhaka
Motijheel Branch, Dhaka



Interested Persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manger.

Prime Islami Life Insurance Limited

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or failing to comply with any of the instructions there in, applications may be rejected.

The Managing Director

Prime Islami Life Insurance Limited
Raj Bhaban (6th Floor)
29 Dilkusha Commercial Area, Dhaka – 1000

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- No. of Shares of Tk 100 each at par.
- Amount of Tk (*in figure*)....., (*in words*) only
Convertible into US Dollar 1.00 = Tk, UK Pound Sterling 1.00 = Tk, and Euro 1.00 = Tk
- Payment by cheque/draft no. dated..... for US Dollar or UK Pound Sterling or Euro or TK drawn on Bank Branch.

- Depository (B/O) Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

- I/we fully agree to abide by the instructions given herein.

- Particulars of Applicant(s):

a) Sole/First Applicant

Name:	
Father's/Husband's name:	
Mailing Address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	
For refund warrant: Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant

Name:	
Father's/Husband's name:	
Mailing Address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	

Nominee:

Name:	
Mailing Address:	

- I/we hereby declare that I/we have read the Prospectus of **PRIME ISLAMI LIFE INSURANCE LIMITED**, and have willingly subscribed for no. of shares of Tk 100 each on this form.

- Specimen Signature(s):**

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant:		
Nominee:		



Instructions

1. As per provision of Depository Act, 1999 and regulations made there under shares will be only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. Application must not be for less than **50** Ordinary shares and must be for a multiple of **50** ordinary shares. Any application not meeting this criteria will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"PRIME ISLAMI LIFE INSURANCE LIMITED"** and crossed "Account payee only".
5. An application shall be sent by the applicant directly to the Company by **30/11/2006** so as to reach the Company by **09/12/2006**. Applications sent after **30/11/2006** or received by the Company after **09/12/2006** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and /or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit share money by US\$/UK Pound Sterling / Euro draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US\$ and UK Pound Sterling / Euro of Sonali Bank at the day of **subscription opening** will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing a endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.
15. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.



Valuation Report

Dated: 16th April 2005

**Certificate required under para 4
Part I of the Fourth Schedule to
The Insurance Act 1938.**

I hereby certify that I have satisfied myself as to the accuracy of the valuation of Prime Islami Life Insurance Limited as at 31st December 2004 made for the purpose of the abstracts prepared in accordance with the requirements of Part II of the Fourth Schedule to the Insurance Act 1938.

Sd/-

(Shafat Ahmed Chaudhuri FIA)

Chairman and Actuary

S A CHAUDHURI & COMPANY LIMITED



PRIME ISLAMI LIFE INSURANCE LIMITED

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000

Valuation Report

1. This is the second valuation report on liabilities under policies have a value covering the period from 1st January 2003 to 31st December 2004.
2. The valuation basis is that agreed with the controller of Insurance, Government of the Peoples Republic of Bangladesh under sub-section (7) Section 13 of the Insurance Act, 1938.
3.
 - a.
 - i) The liabilities under all classes of policies under all classes of assurance/pensions were arrived at by deducting from the present value of sum assured and bonuses, if any, the present value of the net future premiums as defined below.
 - ii) Net premiums were initially calculated on the basis set out in para 4. These were adjusted to allow for recovery of initial expenses by adding with the net premium the equivalent value of an additional fixed amount per thousand taka sum assured/pension spread over the term of a policy.
 - iii) The age at entry was taken to be the age nearest birthday at the entry date. The actual premium term was used for each policy.
 - iv) Factors for valuing the sum assured and bonuses, if any, and the net premiums were calculated for each plan of assurance separately.
 - b. Extra premiums and supplementary riders were valued by taking 50% of actual premium.
 - c. One Group Endowment Policy and Group Term Assurance having no maturity values were valued by taking 50% of actual premium.
 - d. Where premiums were paid more frequently than yearly the net premium in respect of outstanding installments of premiums were deducted from the liabilities.
 - e.
 - i) No specific provision has been made for future expenses on limited payment policies, paid-up policies and on account of policies lapsed.
 - ii) No provision for disability benefit has been made.
 - iii) Mukto Bima (Small Savings Assurance) policy data is not computerized. There is a total of 28,648 policies (including in-force and paid-up) under this plan all with term of 10 year. Total sum assured and annual premium are 233,729 thousand and 33,314 thousand respectively. For the purpose of present valuation we have assumed that all policies commenced on 1st July of the respective commencement year. However, for the year 2001 we have assumed that all policies commenced on 1st October 2001. Further; since the data is not computerized, the liability is increased by 3% for covering the Mortality.
 - iv) Valuation Forms H are attached for business valued.



- f. Policies were valued according to plans of assurance, risk year and term. Calculations were done on a computer, which was programmed to ignore negative values if arising as a result of valuation method adopted.
4. The mortality tables and the rates of interest used in the valuation are as follows:
- | | | |
|---|---|---|
| Endowment and other similar assurance plans
(including anticipated endowment) – with profits | : | A(1949-52) Ultimate Mortality Table
with rate of interest/return at 4.0% per annum |
| Endowment and other similar assurance plans
(including single premium assurance) – without profits | : | A(1949-52) Ultimate Mortality Table
with rate of interest/return at 7.0% per annum |
| Premium-back-Term and other similar assurance plans – without profits | : | A(1949-52) Ultimate Mortality Table
with rate of interest/return at 7.0% per annum |
| Assurance-cum-Pension policies and other similar assurance plans – without profits | : | A(1949-52) Ultimate and A(1967-70) Ultimate Mortality Table respectively with rate of interest/return at 8.0% per annum |
5. The proportion of future office premiums provided for future expenses (and profits) in respect of all in force policies was:
- | | | |
|----------------------------------|---|--------|
| With participation of profits | : | 14.50% |
| Without participation of profits | : | 12.50% |
6. The investment yields for the inter-valuation period were as follows:
- | | | |
|------|---|-------|
| 2004 | : | 6.17% |
|------|---|-------|
- 7-8. According to Form 'I' there is a net surplus of Taka 3,158 thousand after provision for income tax.

Sd/-

(Shafat Ahmed Chaudhuri FIA)
Actuary

S A CHAUDHURI & COMPANY LIMITED



Form - H

Summary of figures shown in form-H of Prime Islami Life Insurance Limited for the valuation period of 1st January 2003 to 31st December 2004 are set out below:

Unadjusted net liabilities for		Tk. (000's)
A.	i) Assurance business	
		87,962
	ii) Bonus vested	Nil
	iii) Pension business	96
	Sub Total (A)	88,058
B.	Group policies (Term and one Endowment)	448
C.	i) Reserve on account of supplementary cover	615
	ii) Reserve on account of substandard and extra occupational risks	383
	Sub Total (C)	998
	Grand Total (A+B+C)	89,504

Sd/-

(Shafat Ahmed Chaudhuri FIA)

Actuary

S A CHAUDHURI & COMPANY LIMITED



Form - I

**Valuation balance sheet of Prime Islami Life Insurance Limited as at
31st December 2004**

	Tk. (000's)
Net liabilities as shown in form H –	89,504
Balance of Life Insurance Fund shown in the Balance Sheet as on above date	<u>92,662</u>
Surplus before tax as per book value	<u>3,158</u>

Sd/-
(Shafat Ahmed Chaudhuri FIA)
Actuary
S A CHAUDHURI & COMPANY LIMITED



PRIME ISLAMI LIFE INSURANCE LIMITED

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000

FORM - H

Actuarial valuation of liabilities under valued policies as at 31st December 2004 - In-force Policies

With Profits Policies

(Amount in thousand Taka)

Date: 16th April 2005

		Particulars of Policies for Valuation					VALUATION			
Table No.	Description	No. of Policies	Sum Assured/ Pension/ Annuity	Office Yearly Premium	Net Yearly Premium	Bonus upto last valuation	Sum Assured/ Pension/ Annuity	Future Premium	Bonus upto last valuation	Net Liability
01	HAJJ BIM (ASSURANCE) PLAN	1,453	110,532	12,122	9,685		78,743	75,095		4,100
03 & 33	THREE PAYMENT ASSURANCE PLAN	5,193	331,024	30,965	26,176		251,642	237,763		15,216
04	PRIME ISLAMI DEPOSIT PENSION SCHEME	3,173	156,791	15,727	14,294		112,758	117,936		513
05 & 55	FIVE PAYMENT ASSURANCE PLAN	10,326	643,336	73,558	63,043		511,918	488,599		26,451
09	CHILD PROTECTION ASSURANCE PLAN	586	47,378	4,547	3,317		31,029	30,447		1,109
10 & 101	MUKTO BIMA (SMALL SAVINGS ASSURANCE) PLAN	17,621	214,925	22,407	18,675		157,939	147,939		11,014
Grand Total		38,353	1,503,986	159,326	135,091		1,144,029	1,097,779		58,403

**PRIME ISLAMI LIFE INSURANCE LIMITED**

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000**FORM - H**

Actuarial valuation of liabilities under valued policies as at 31st December 2004 – In-force Policies
 Without Profits Policies (Amount in thousand Taka) Date: 16th April 2005

		Particulars of Policies for Valuation					VALUATION			
Table No.	Description	No. of Policies	Sum Assured/ Pension/ Annuity	Office Yearly Premium	Net Yearly Premium	Bonus upto last valuation	Sum Assured/ Pension/ Annuity	Future Premium	Bonus upto last valuation	Net Liability
10	PREMIUM-BACK TERM ASSURANCE PLAN	78	3,103	177	138		1,211	1,308		4
11 & 11A	SINGLE PREMIUM GUARANTEED BENEFIT	49	5,893	3,130			3,255			3,255
Grand Total		127	8,996	3,307	138		4,466	1308		3,259

PRIME ISLAMI LIFE INSURANCE LIMITED

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000**FORM - H**

Actuarial valuation of liabilities under valued policies as at 31st December 2004 – In-force Policies

Assurance-cum-Pension Policies – Without Profits Policies (Amount in thousand Taka) Date: 16th April 2005

		Particulars of Policies for Valuation					VALUATION			
Table No.	Description	No. of Policies	Sum Assured/ Pension/ Annuity	Office Yearly Premium	Net Yearly Premium	Bonus upto last valuation	Sum Assured/ Pension/ Annuity	Future Premium	Bonus upto last valuation	Net Liability
02	ASSURANCE-CUM-PENSION PLAN	16	8,228	267	251		1,828	2,151		18
Grand Total		16	8,228	267	251		1,828	2,151		18



PRIME ISLAMI LIFE INSURANCE LIMITED

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000

FORM - H

Actuarial valuation of liabilities under valued policies as at 31st December 2004 – Paid-up Policies

With Profits Policies

(Amount in thousand Taka)

Date: 16th April 2005

		Particulars of Policies for Valuation					VALUATION			
Table No.	Description	No. of Policies	Sum Assured / Pension / Annuity	Office Yearly Premium	Net Yearly Premium	Bonus upto last valuation	Sum Assured / Pension / Annuity	Future Premium	Bonus upto last valuation	Net Liability
01	HAJJ BIM (ASSURANCE) PLAN	187	2,525	1,372			1,917			1,917
03 & 33	THREE PAYMENT ASSURANCE PLAN	614	6,477	3,425			4,582			4,582
05 & 55	FIVE PAYMENT ASSURANCE PLAN	1,000	10,979	5,952			4,814			4,814
09	CHILD PROTECTION ASSURANCE PLAN	30	271	164			190			190
10 & 101	MUKTO BIMA (SMALL SAVINGS ASSURANCE) PLAN	11,027	18,804	10,907			14,791			14,791
Grand Total		12,858	39,056	21,820			26,294			26,294



PRIME ISLAMI LIFE INSURANCE LIMITED

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000

FORM - H

Actuarial valuation of liabilities under valued policies as at 31st December 2004 - Paid-up Policies
Without Profits Policies (Amount in thousand Taka) Date: 16th April 2005

		Particulars of Policies for Valuation					VALUATION			
Table No.	Description	No. of Policies	Sum Assured/ Pension/ Annuity	Office Yearly Premium	Net Yearly Premium	Bonus upto last valuation	Sum Assured/ Pension/ Annuity	Future Premium	Bonus upto last valuation	Net Liability
10	PREMIUM-BACK-TERM ASSURANCE PLAN	2	11	5			6			6
Grand Total		2	11	5			6			6

PRIME ISLAMI LIFE INSURANCE LIMITED

RAJ BHABAN (6TH FLOOR), 29 DILKUSHA COMMERCIAL AREA

DHAKA 1000

FORM - H

Actuarial valuation of liabilities under valued policies as at 31st December 2004 - Paid-up Policies
Assurance-cum-Pension- Without Profits Policies (Amount in thousand Taka) Date: 16th April 2005

		Particulars of Policies for Valuation					VALUATION			
Table No.	Description	No. of Policies	Sum Assured/ Pension/ Annuity	Office Yearly Premium	Net Yearly Premium	Bonus upto last valuation	Sum Assured/ Pension/ Annuity	Future Premium	Bonus upto last valuation	Net Liability
02	ASSURANCE-CUM-PENSION PLAN	3	150	46			78			78
Grand Total		3	150	46			78			78

FORM G
FORM OF REVENUE ACCOUNT APPLICABLE TO LIFE INSURANCE BUSINESS

Consolidated Revenue Account of Commencing		2005		2004		for and ending		2005		2004	
	Business within [Bangladesh]	Total	Business within [Bangladesh]	Total		Business within [Bangladesh]	Total	Business within [Bangladesh]	Total		
	[Taka]	[Tk]	[Taka]	[Tk]		[Taka]	[Tk]	[Taka]	[Tk]		
Claims under Policies (including provision for claims due or intimated)					Balance of Life Insurance Fund at the beginning of the period		92,662,097			28,317,286	
Less Reinsurances-					Previous Year's Adjustment		(616,333)				
By death	2,099,434		568,022		Premiums, less Re-insurances						
By maturity	-		-		(i) First year Premiums	210,917,439		114,091,520			
By survival	12,738,773		2,274,804		(ii) Renewal Premiums	131,621,880		67,865,220			
By Others (Disability Claim)	60,000	14,898,207	-	2,842,826	(iii) Group Insurance Pemiums	495,744		895,147			
Annuities, less Re-insurances		-		-	Gross Premium	343,035,063		182,851,887			
Surrenders (including Surrenders of Bonus), less Re-insurances.		119,927		-	- Less : Re-insurance Premium	129,351	342,905,712	460,864	182,391,023		
Profit Commission		47,653		-	- Consideration for Annuities						
Bonuses in Cash,less Re-insurances		-		-	- granted, less Re-insurance (c)		-		-		
Bonus in Reduction of Premiums, less Reinsurances.		-		-	- Interest, Dividends and Rents		9,549,966		3,518,046		
Expenses of Management(b)(e)-					Less-Income-tax thereon (d)		-		-		
1(a) Commission to insurance agents (less that on Reinsurances).		38,342,150		17,946,220							

Form G Continued

	Business within [Bangladesh]	Total	Business within [Bangladesh]	Total		Business within [Bangladesh]	Total	Business within [Bangladesh]	Total
	[Taka]	[Tk]	[Taka]	[Tk]		[Taka]	[Tk]	[Taka]	[Tk]
(b) Allowances and Commission (other than commission including in sub-item (a) proceeding		39,154,365		22,795,375	Registration fees		-		-
2. Salaries etc. (other than to agents and those contained in item No. 1(b) proceeding)		91,157,060		46,236,051	Other Income (to be specified)		161,253		103,169
3. Travelling Expenses		3,297,474		1,516,819	Loss transferred to profit and Loss Account		-		-
4. Director's Fees		493,500		498,150	Transferred from Appropriation Account		-		-
5. Auditor's Fees		80,000		25,000					
6. Medical Fees		309,023		219,705					
7. Law Charges		104,483		52,100					
8. Advertisements		2,801,171		1,081,380					
9. Printing & Stationary		3,089,041		1,373,286					
10. Other expenses of management (accounts to be specified)									
Depreciation on Fixed Assets		7,180,318		4,999,626					
Preliminary Expenses Written Off		-		30,200					
11. Other payments (accounts to be specified)		-		-					
12. Rents for offices belonging to and occupied by the insurer		-		-					

Form G Continued

	Business within [Bangladesh]	Total	Business within [Bangladesh]	Total		Business within [Bangladesh]	Total	Business within [Bangladesh]	Total
	[Taka]	[Tk]	[Taka]	[Tk]		[Taka]	[Tk]	[Taka]	[Tk]
13. Rent of other Offices occupied by the insurer Bad Debts		-		-					
14. Conveyance Exp.		185,646		185,830					
15. Carriage Expenses		349,066		-					
16. Postage, Telegram & Revenue Stamp		706,619		487,323					
17. Bank Charges		356,028		144,728					
18. Development Expenses		1,241,774		983,271					
19. Training Expenses		150,420		218,261					
20. Meeting Expenses		157,763		78,265					
21. Office Rent		9,555,842		7,667,312					
22. Car Maintenance (Fuel) Exp.		1,168,143		1,063,384					
23. Car Maintenance (Repairs) Exp.		1,584,367		717,253					
24. Car Insurance Expenses		342,945		240,530					
25. Mobile, Telephone & Fax		1,772,156		1,092,090					
26. Papers & Periodicals		65,549		45,817					
27. Registration & Renewals		1,200,622		900,210					
28. Entertainment		808,764		508,261					
29. Subscription & Donation		265,254		149,846					
30. Office Maintenance Exp.		1,696,103		922,785					
31. Incentive Bonus		1,196,382		378,964					
32. Festival Bonus		1,298,109		1,009,297					
33. Water & Electricity Charges		906,517		706,185					

Form G Continued

	Business within [Bangladesh]	Total	Business within [Bangladesh]	Total		Business within [Bangladesh]	Total	Business within [Bangladesh]	Total
	[Taka]	[Tk]	[Taka]	[Tk]		[Taka]	[Tk]	[Taka]	[Tk]
34. Actuary Fee		180,642		163,065					
35. Wages Expense		2,057,371		1,257,621					
36. Policy Stamps Expenses		2,313,549		1,105,413					
37. Seminar & Conference Exp.		514,536		311,426					
38. Agency Office Expenses		1,222,991		729,233					
39. Trade Licence Expenses		7,038		18,740					
40. IPO Expenses		15,000		35,000					
41. Contribution Agt. Group Bima		-		686,282					
42. Service Charge (Lease Rental) (PFI)		-		244,297					
United Kingdom, [Bangladesh]									
Dominion and Foreign Taxes									
Other Expenditure (to be specified)		-		-					
Profit transferred to Profit and Loss Account		-		-					
Balance of life insurance fund at the end of the end of the year as shown in the Balance-sheet		212,269,127		92,662,097					
[Taka]		444,662,695		214,329,524	[Taka]		444,662,695		214,329,524



Form DDD

Additions to and deductions from policies of the Prime Islami Life Insurance Ltd. for the year ending 01-01-2004 to 31-12-2004.

	Ordinary life insurance policies insuring money to be paid on death or survivance			Annuities	
	No.	Sum assured	Reversionary bonus additions	No.	Annuity per annum
		(1)[Taka]	(1)[Taka]		(1)[Taka]
1) Policy at beginning of year 01-01-2004	22025	1330735200/-	-	-	-
2) New policies issued upto 31-12-2004	16431	995877020/-	-	-	-
3) Old policies revived upto 31-12-2004	5706	337045200/-	-	-	-
4) Old policies changed and increased.....	06	170000/-	-	-	-
5) Bonus additions allotted.....					
Total....	44168	2663827420/-			
6) By death.....	27	1627000/-	-	-	-
7) By survivance or the happening of the contingencies insured against other than death	378	23512000/-	-	-	-
8) By expiry of term under temporary insurance	-	-	-	-	-
9) By surrender of policy.....			-	-	-
10) By surrender of bonus.....			-	-	-
11) By forfeiture or lapse.....	13976	807156300/-	-	-	-
12) By change and decrease	13	560000/-			
13) By being not taken up.....					
Total discontinued	14394	832855300/-			
Total existing end years.....	29774	1830972120/-			

Sd/-
Incharge
Claims Department

Sd/-
Incharge
Policy & Servicing



Prime Islami Life Insurance Limited

Raj Bhaban (6th Floor)

29 Dilkusha C/A

Dhaka-1000

Form J

Specimen Policy reserve values and minimum surrender values under an Anticipated Endowment Assurance Policy for Taka 1000

Number of annual premiums paid up to the valuation date	Age at entry 20		Age at entry 30		Age at entry 40		Age at entry 50	
	Reserve value	Minimum Surrender Value	Reserve value	Minimum Surrender Value	Reserve value	Minimum Surrender Value	Reserve value	Minimum Surrender Value
1			Nil	Nil	Nil	Nil		
2					63	52		
3					133	83		
4								
5								
6								
7								
8								
9								
10								
15								
20								

Note: (1) The reserve values shown in this Form for Anticipated Endowment (Five Payment) Assurance Plan – With Profile

(2) The reserve values shown in this Form on the basis of in-force policy data which were available as on the valuation data



**Declaration by the Managing Director of Prime Islami Life Insurance Limited
as required under section 13(3) of the Insurance Act, 1938**

Dated May 16, 2006

I certify that full and accurate particulars of every policy under which there is a liability either actual or contingent have been included in the valuation due on the said date (as on 31.12.04).

Sd/-

K.M. Mortuza Ali
Managing Director