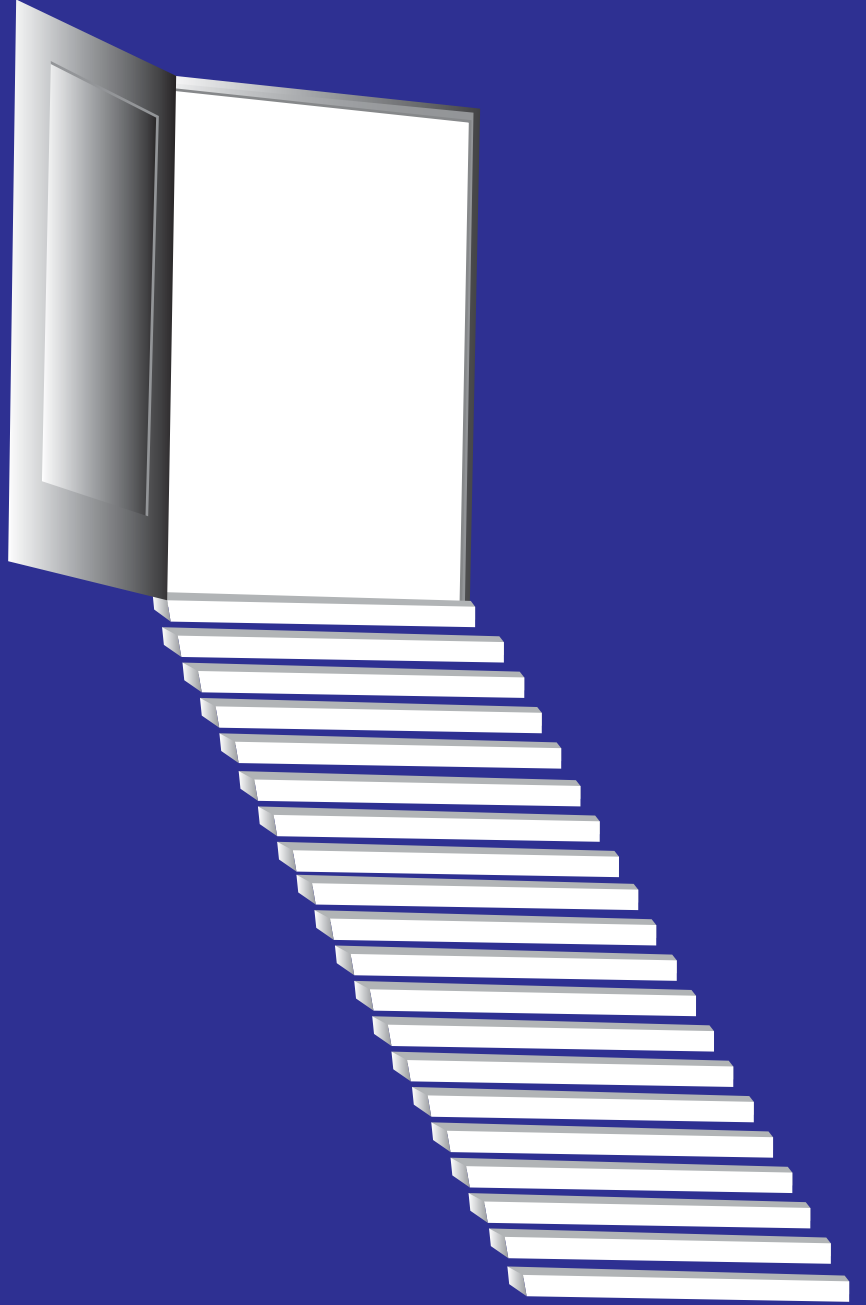
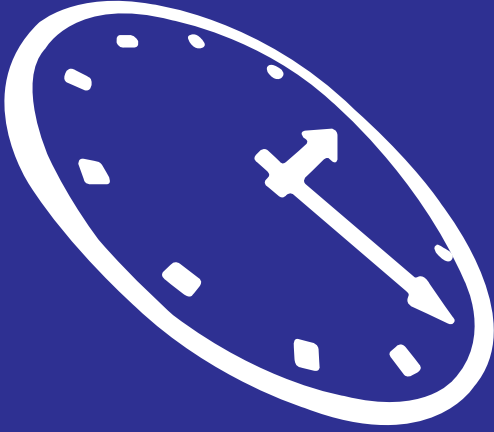


# Annual Report 2019



**Takaful Islami Insurance Limited**  
**তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড**





# Takaful Islami Insurance Limited

## তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

(সহমর্মিতা ও নিরাপত্তার প্রতীক)



## Annual Report 2019

### Head Office :

Monir Tower (7th, 8th, 9th Floor)  
167/1, DIT Extension Road, Motijheel (Fakirapool), Dhaka.  
Tel : 41070071-3, Fax : 88-02-41070083  
E-mail : [takaful@dhaka.net](mailto:takaful@dhaka.net), Website : [takaful.com.bd](http://takaful.com.bd)

# Contents

Letter of Transmittal	03
Notice of the 20th Annual General Meeting	04
History of the Company	05
Our Vision, Mission, Goal & Strength	06
Board of Directors	07
Brief Profile of Directors	08-18
Sponsor Shareholders and Shariah Council	19
Head Office Executives	20
Review of the Chairman	21-22
Review of the Chief Executive Officer	23
Our Branches	24-25
Audit Committee Report for the year 2019	26
Report of Shariah Council for the year 2019	27
Performance on Index	28-29
Financial Highlights	30
We are in Picture	31-33
Meeting attended by the Directors	34
Pattern of Shareholding	35-36
Report on Corporate Governance	37-38
Declaration by CEO and CFO	39
Report to the Shareholders on compliance on the Corporate Governance Code	40
Status of compliance with the Corporate Governance Code	41-50
Certificate of Memorandum given by BAPLC	51
Insurance Risk and its Mitigation	52
Summary of Accounts 2019	53
Accounting Ratios Pertaining to Insurance Sector	54
Information Technology (IT)	55
Directors' Report	56-61
Directors' Certificate	62
Independent Auditors' Report to the Shareholders report on the Audit of the Financial Statements	63-67
Balance Sheet	68-69
Statement of Profit or Loss & other Comprehensive Income	70
Profit & Loss Appropriation Account	71
Fire Insurance Revenue Account	72
Marine Cargo Insurance Revenue Account	73
Marine Hull Insurance Revenue Account	74
Motor Insurance Revenue Account	75
Miscellaneous Insurance Revenue Account	76
Consolidated Revenue Account	77
Statement of Changes in Equity	78
Cash Flow Statement	79
Intrinsic Value or Net Assets Value	80
Schedule of Fixed Assets	81
Classified Summary of Assets	82
Accounting Policies and Explanatory Notes	83-90
Notes to the Accounts	91-100
Statement of Premium Income	101
Claim Under Policies Less Re-Insurance	102
Proxy Form	103

## Letter of Transmittal

**All Shareholders,**

Bangladesh Securities and Exchange Commission (BSEC)  
Insurance Development & Regulatory Authority (IDRA)  
Registrar of Joint Stock Companies & Firms (RJSC)  
Dhaka Stock Exchange Limited (DSE) and  
Chittagong Stock Exchange Limited (CSE)

Muhtaram,  
Assalamu Alaikum,

### **Annual Report for the year ended December 31, 2019**

Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Balance Sheet as at December 31, 2019 and Profit and Loss Account, Revenue Accounts, Statement of Cash Flows, changes of Shareholders' equity for the year ended December 31, 2019 along with notes thereon of Takaful Islami Insurance Limited for kind information and record.

Ma-Assalam,



**(Abul Kalam Azad)**

Deputy Managing Director

&

Company Secretary

## Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of Takaful Islami Insurance Limited will be held on October 03, 2020; Saturday at 10:00 a.m. virtually by using digital platform to transact the following business:

### AGENDA :

1. To receive and adopt the Directors' Report, the Audited Accounts of the Company and the Auditors Report thereon for the year ended 31st December, 2019.
2. To declare dividend for the year 2019 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To appoint Statutory Auditor for the year 2020 and fix their remuneration.
5. To appoint Compliance Auditor for the year 2020 and fix their remuneration.
6. To transact any other business with the permission of the chair.

By order of the Board of Directors



**(Abul Kalam Azad)**

Deputy Managing Director  
&

Company Secretary

Dated, Dhaka  
September 14, 2020

### NOTES :

01. The record date of the Company is the July 29, 2020. The shareholders whose names appearing in the share register/depository register of the Company on the record date will be eligible to attend the Meeting.
02. Pursuant to the Bangladesh Securities Exchange Limited Commission's Order No. SEC/SRMIC/04-231/932 dated 24 March, 2020, the AGM will be virtual meeting of the members, which will be conducted via live webcast by using digital platform.
03. The members will be able to submit their question/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system, the Members need to put their 16 digit Beneficial Owner (BO) ID number and their credential as proof of their identity by visiting the link given to the website of the Company i.e. [www.takaful.com.bd](http://www.takaful.com.bd). The link also sent/be sent to the email address of the respected shareholders.
04. The detailed procedures to participate in the virtual meeting and frequently Asked Questions (FAQs) have been provided in the Annual Report and published in the Company's Website at [www.takaful.com.bd](http://www.takaful.com.bd).
05. We encourage the members to log into the system prior to the meeting start time of 10:00 a.m. Please contact +88 01711 080322, +88 01797 093279, +88 01713 453337 for technical difficulties in accessing the virtual meeting.
06. A member entitled to attend and vote at the above Annual General Meeting may appoint a proxy in his/her behalf. The proxy form stamped with Tk. 20.00 Revenue Stamp must be sent through email [takaful@dhaka.net](mailto:takaful@dhaka.net) not later than 72 hours before the time fixed for the Annual General Meeting.
07. Pursuant to the Bangladesh Securities and Exchange Commission Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018, the Soft copy of the Annual Report 2019 is being sent the email address of the Members available in their beneficiary owner accounts maintained with the Depository. The Members are requested to update their email address through their respective Depository Participant. The soft copy of the Annual Report 2019 will also be available on the Financial Section of the Company's website at [www.takaful.com.bd](http://www.takaful.com.bd)
08. As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.

## History of the Company

Incorporation of the Company	December 21, 1999
Certificate of Commencement of Business	December 21, 1999
Registered with the Department of Insurance	May 21, 2001
Authorised Capital	Tk. 100.00 Crore
Paid up Capital	Tk. 42.59 Crore
Prospectus Issued for Public Floatation of Shares	June 26, 2008
Subscription Opened	August 25, 2008
Subscription Closed	August 31, 2008
First Dividend Declared	September 22, 2007
Agreement Signed with CDBL	August 26, 2008
Listing with Dhaka Stock Exchange Ltd.	November 03, 2008
First Trading of Share on Dhaka Stock Exchange Ltd.	November 03, 2008
Share Price at First Trading	Tk. 390.00
Closing Share Price on 31-12-2019	Tk. 27.80

## Our Vision

Our Vision is to become a leading Shariah based General Takaful Service Provider to the Nation.

## Our Mission

Our Mission is to provide Protection & Financial Security to the Nation through 'Tabarru' guided by Islamic Shariah.

## Our Goal

Our Goal is to establish Islamic principle in the General Insurance Sector by maintaining good relations with participants and thus to benefit our shareholders, employees and the communities where we do business.

## Our Strength

We are backed by Shariah based financial institutions worldwide & most innovative Re-insurance Company with their global expertise & technical support in the Insurance activities since inception.

# Board of Directors

## **Chairman :**

Mr. Anwer Hossain Khan, MP

## **Vice Chairman :**

Mr. Emdadul Hoque Chowdhury (Emdad)

## **Chairman : Executive Committee**

Mr. Anwar Hossain Chowdhury

## **Chairman : Claim Committee**

Mr. Md. Abul Hashem

## **Chairman : Audit Committee**

Mr. A.K.M Aminul Islam

## **Chairman : Nomination and Remuneration Committee**

Mr. Md. Humayun Kabir Patwary

## **Directors : Sponsor Shareholders**

Mr. Anwer Hossain Khan, MP  
Mr. Emdadul Hoque Chowdhury (Emdad)  
Mr. Anwar Hossain Chowdhury  
Mr. Md. Abul Hashem  
Engr. Khondaker Mesbahuddin Ahmed  
Mr. Md. Humayun Kabir Patwary  
Mr. Shamsul Arefin Khaled  
Mr. Md. Abul Hashem  
Mr. Md. Moshir Rahman Chakma  
Mrs. Nasreen Haque  
Mrs. Shahanaz Parvin  
Mrs. Tahmina Afroz

## **Directors : Public Shareholders**

Mr. AFM Motassem Belal  
(Rep. of Modern Diagnostic Center Ltd.)  
Mr. Md. Jahirul Islam  
Mr. Md. Khorshed Alam Khan  
Mr. Mosharraf Hossain Chowdhury  
(Rep. of Daffodils Sign Media)  
Mr. Md. Zia Uddin Podhar  
Mr. Billal Hossain

## **Independent Directors**

Mr. A.K.M Aminul Islam  
Mr. Md. Nurun Nabi Bhuiyan

## **Chief Executive Officer**

Mr. Md. Azizul Islam



## Brief Profile of Directors



**Anwer Hossain Khan MP**  
Chairman

Mr. Anwer Hossain Khan was born in 1962 in a respectable Muslim family at Noakhali. He obtained B.Com. (Hons) and M.Com. Degree. After completion of his education he has been engaged in Diagnostic business. He is the Chairman & Managing Director of Anwer Khan Modern University, Anwer Khan Modern Medical College, Anwer Khan Modern Nursing College, Modern Diagnostic Centre Ltd. & Anwer Khan Modern Hospital Ltd. He is a Member of Governing Council of Prime University. He is also the Director of Shahjalal Islami Bank Ltd. He is Managing Director of Modern Diabetic Center Ltd. and Haji Shakhawat Anwara Modern Eye Hospital Ltd. His involvement in socio-cultural organizations is also quite notable.



**Emdadul Hoque Chowdhury (Emdad)**  
Vice Chairman

Md. Emdadul Hoque Chowdhury, Vice Chairman of the Company was born on February 23, 1957 in a well-known Muslim Family in Chittagong. His Father's name is Late Al-Haj Md. Anwar Chowdhury and mother is Late Salema Khatun. He started his business career in 1971 and became very successful within a short time due to his sincerity, honesty, conceptual and practical problem-solving ability. During his tenure of a business career, he gained business knowledge in Textile, agro-based and Ready-made garments industries. At present, he is the Managing Director of Kattali Textile Limited (KTL), Managing Director of DN Securities Limited, Managing Director of Lucky Organics Limited, President of Kattali Chowdhury Bari Masjid, President of Kattali Jakir Ulum Senior Madrasa, Ex President of Jaman Anwar Institute, he has been Elected President (2018-2019) of the Rotary Club of Chittagong Pearl, Ex-Director Chittagong Chamber of Commerce and Industry also Ex. Director of BGMEA, two time elected President of Bipani Bitan, three time elected MIC of Chittagong Club Limited, and lifetime member of Chittagong Rifle Club, Chittagong Press Club, Bhatary Golf and Country Club, Chittagong Boat Club & Chittagong Ma-O-Shishu.



Mr. Anwar Hossain Chowdhury, son of Late Bashir Ullah Master and Late Anwara Begum, was born in 1954 in a respectable muslim family of District (The Then) Noakhali, presently Lakshmipur, P.S. :- Ramgonj, Village : Mukterpur. He completed his Mechanical Engineering with distinction and started his career in Ready Made Garments Sector in 1979 with DESH GARMENTS LTD. and went to SOUTH KOREA for receiving Training in apparel manufacturing and worked for Desh Garments Ltd. for many years. During his long career in apparel industry he worked as Country Manager for Stage II Apparel Corp., New York, USA and then for Linmark Westman Group of Companies Hongkong. Gathering valuable experience doing jobs in the RMG Industry he started his own Business as AJ International, which is now known as AJ Group. In this Group he is leading Factories/Companies named AJ Fashions Ltd., Lucky Star Apparels Ltd., N.I. Design Wears Ltd., Sears Accessories Ltd., ABS Global Source Ltd., Purbachal NRB Homes, MAPS Accessories, AJ Global Tex LLC etc. Exporting more than 24.5 Million US Dollar per annum based on current growth trend in also 2016 the capacity will be expanded further and expected to export over 30 Million US Dollars in 2017. Beside above Business Mr. Chowdhury is involved in many other Companies as below : A) Eastern University, Former Chairman-Member BOT, B) Cardiff International School, Chairman, C) Islamic Finance & Investment Ltd., Chairman. Mr. Chowdhury is very much involved with many Social Organization as follows:- A) Life Member of BGMEA Apparel Club Ltd., Dhaka. B) Founder Chairman, Zamia Osmania Madrasa, Chatkhil, Noakhali. C) Co-Founder, Lumbh Nagar Academy, Ramgonj, Lakshmipur. D) Founder, Muktarpur Haji Bashirullah Primary School, Ramgonj, Lakshmipur. E) Chairman Governing Body, Kari Ibrahim Mahila Madrasa, Chatkhil, Noakhali. F) Ex-Chairman Governing Body, Dashgharia High School, Chatkhil, Noakhali. G) Permanent Member of Banani Club, Dhaka. H) Life Member of Capital Recreation Club Ltd., Gulshan, Dhaka. I) Life Member of Elite Club Ltd., Gulshan, Dhaka. J) Life Member of Baridhara Cosmopoliton Club, Baridhara, Dhaka. K) Life Member of Gulshan North Club, Gulshan, Dhaka. L) Chairman-Patrons Council (2014-2016), Lakshmipur Zela Samity, Dhaka.



**Anwar Hossain Chowdhury**  
Chairman  
Executive Committee

Mr. Md. Abul Hashem is a prominent business person of Bangladesh. He was born in 1953 in a respected muslin family of Laxmipur district. He has been graduated from Chittagong Govt. City College in 1976. Immediately after completion of his graduation he got himself engaged in family business. Gradually he has excelled in the business and successfully established himself as one of the renowned business figure of the country. His established business entity “Sajeeb Group” is now a well- known business conglomerate both at home and abroad. Currently he is the Chairman of Sajeeb Group of Companies and holding positions of Managing Director of Hashem Foods Ltd. Hashem Agro Processing Ltd. and Hashem Flour Mills Ltd. He is also actively involved in socio-cultural activities and members of Rotary Club of Dhaka West, Chittagong Club Ltd., Kurmitola Golf Club, Bhatary Golf and Country Club, Dhanmondi Club etc.



**Md. Abul Hashem**  
Chairman  
Claim Committee



**A.K.M Aminul Islam**  
Chairman  
Audit Committee

Mr. A.K.M Aminul Islam was born in a respectable family of Laxmipur in the year 1956. He completed Graduation from Laxmipur College in 1975. His journey in business began in 1973. In these 43 years of diversified business, he has gained huge experience in various sectors. He is one of the pioneers in trading of fertilizers, condensed milk (Brand: Indomilk), Milk Powder Packaging (Elders) and in addition to that he was in trading of commodities (rice, wheat, lentils, soybean, other cereals, etc.), sugar and salt in Khatunganj, Chittagong. He is the proprietor of trading companies, namely Mahmud Trading Corporation, Rupali Trading Agency & RS Syndicate and carries out his vast trading activities through them. He is also the pioneer of blending lube oil in the private sector in the name of Pacific Oil Company Ltd. established in 1997. Then, he stepped in the textiles sector with the establishment of Dong Bang Textiles Ltd. in 1997 and Mars Textile Ltd (Spinning) in 2002. He also entered the livestock Industry with Provita Feed Ltd. in the year 2003 to produce high quality and healthy poultry feed and later, introduced Provita Hatchery Ltd, Provita Fish Feed Limited. His other business experience also includes shipbreaking. He is the Chairman of Dong Bang Textiles Limited and the Managing Director of Dong Bang Dyeing Ltd., Mars Textile Ltd., Provita Feed Ltd., Provita Hatchery Ltd., Provita Breeders Ltd., Mahmud Denims Ltd., Mahmud Spinning Ltd., Mahmud Jeans Ltd., Mahmud Washing Plant Ltd., Mahmud Indigo Ltd., Mahmud Woven Dyeing Ltd., Mahmud Fashion Ltd., Mahmud Fabrics & Finishing Ltd., & Mahmud Rope Dyeing Ltd and Beong-Young Textile Ltd. He is also Director of Pacific Oil Company Ltd. and Shirajganj Economic Zone. Mahmud Group, one of his major endeavors, is among the leading denim composite mills in the country. His latest venture, Mahmud Fashions Ltd., is primed to be role model green factory of the country. He is also associated with various social and philanthropic organizations; his many contributions including establishment, maintenance and expansion of mosques, orphanages, schools, vocational institutes and many more. Over the years, he increased his global exposure by visiting countries all over the globe for seminars, conferences, invitations, exhibitions, etc. His multidirectional business ventures continue to contribute to the country's economy and enhance its image worldwide.



**Md. Humayun Kabir Patwary**  
Chairman  
Nomination and Remuneration Committee

Mr. Humayun Kabir Patwary son of Late Yakub Ali Master was born in a respectable Muslim family of Noakhali. He obtained B.Com. (Hons) M.Com. from Chittagong University and C.A.C.C from Nasir Mohammad & co. He started his business career as Shipping Agents. He is the Managing Director of "Park Group". He is also a Director of Chittagong Multi Project Development Ltd & Chittagong Ideal School & Collage, also associated with various social and cultural Organization.

Mr. Khondaker Mesbahuddin Ahmed was born in a respectable family of Narsinghdi in the year 1943. He was a brilliant student of Dhaka College. He obtained B.Sc. (Engr.) Degree from BUET in 1965 and M.Sc. (Engr.) from AIT Bangkok in 1977. He started his career as a professional engineer in the BWDB and later started Consultancy by establishing a firm of his own. He is regarded as one of the pioneers in the field of consultancy in Bangladesh. He is the Managing Director of M/s. Aqua Consultant and Associate Ltd., the prestigious Institution doing consultancy for International Donor Agencies like World Bank, ADB, IDB, DANIDA, JICA etc. funded projects in Bangladesh. He is also the Director of HURDCO Ltd. and one of the Directors of Al-Arafah Islami Bank Ltd. He is Director of Central Hospital, Dhaka. He is also Member of Board of Trustee, Eastern University. He is well known in the business arena of Bangladesh as a very sound and integrated person. He is also associated with various social and philanthropic organizations. He is Life Fellow of Engineers Institution of Bangladesh and Life Member of Sandhani Eye Donation Society of Bangladesh (SNED). On many occasions, he traveled USA, UK, French, Belgium, Cambodia, Holand, Germany, Japan, China, Philippine, Singapore, Malaysia, India, KSA, UAE, Nepal, Thailand, Srilanka, Vietnam, Laos Republic, Bhutan and Pakistan.



**Engr. Khondaker Mesbaudhin Ahmed**  
Sponsor Shareholder Director

Mr. Samsul Arefin Khaled comes of a respectable Muslim family of Dhaka. He obtained Masters in Commerce from Dhaka University. He started his career as a businessman in Animal Feed and Hatchery Sector. He is the Director of Ehsan Garments Ltd., Moon Light Garments Limited, Khaled Shipping Lines Ltd., Mohammdi Navigations Ltd., Bass Computonix Ltd., Nourish Poultry Hatchery Ltd. and also the Director of Popular Life Insurance Ltd. He is also associated with various socio-cultural organizations.



**Shamsul Arefin Khaled**  
Sponsor Shareholder Director



**Md. Abul Hashem**  
Sponsor Shareholder Director

Mr. Md. Abul Hashem comes of a respectable Muslim family of Chittagong. He obtained BBM from Bangalore University of India. He started his business career in his family business related with construction, ship breaking and garments etc. He is the Managing Director of Ambia Apparels Ltd., Ambia Accessories Ltd, Ambia Steel & Re-rolling Mills Ltd., Ambia ship Breakers Ltd., Ocean Construction Ltd., Patenga Builders Corp. Ltd., Ambia Pulp & Paper Mills Ltd., Ambia Knitting & Dyeing Ltd., Ambia Holdings Ltd., Ambia Filling Station Ltd., Ambia Tank Terminal & Refinery Ltd., Ambia Tank Terminal Ltd., And Proprietor of Tejarat Trading at Chittagong, Member of Chittagong Club Ltd., Member of Chittagong Boat Club., Member of Bangladesh Cricket Board, Member of Chittagong MAA O Shisu Hospital, Vice-Chairman of FMC Sports Club. Mr. Md. Abul Hashem is young and energetic man with a cricket sporty and cultural mind.



**Md. Moshir Rahman Chamak**  
Sponsor Shareholder Director

Mr. Md. Moshir Rahman Chamak son of Mohammad Touhidur Rahman was born in a respectable Muslim family in Khulna in 1989. He obtained MBA degree from AIUB in Finance in 2013 & BBA from East West University in Marketing in 2011. He also obtained training from Singapore National University on Business Leadership Development and on industrial compliance and fire safety from BUET. He is Director of Shahjalal Islami Bank Ltd., Sea Fresh Ltd., Fresh Knit Wear Ltd., Libas Textiles Ltd. and Fresh Export Import Ltd. He is Member of Baridhara Cosmopolitan Club, Dhaka and Life Member of Gulshan Club. He is also Member of Governing Committee of Alhaj Jalaluddin College, Patuakhali. He has traveled many countries like USA, UK, Australia, Canada, Germany, France, Belgium, Turkey, South Korea, India, Malaysia, Singapore, Thailand, Dubai, Hong Kong, Nepal, Egypt, China and Japan and gathered as vast experience in overseas business environment. His contribution towards the society is quite remarkable.



Nasreen Haque, Director of the Company was born in a well-known Muslim family of Chittagong on 15 July, 1964. Her father's name is Late Syed S. M. Mowlana Abul Kashem & Mother is Late Kurdsia Begum. After completion of her Bachelors of Arts, she engaged herself in business. She gained business knowledge in Textile, Capital market, Shipping, Agro-based and Readymade Garments industries. She is involved in many social activities and related works. She became a successful business person in short time of her business career with her sincerity, honesty and conceptual problem-solving ability. Her interpersonal skills, leadership behavior, high analytical ability and hardworking nature made her worthy as a business leader. At present, she is Chairman of DN Securities Limited, Director of Lucky Shipping, and Chairman of Kattali Textile Limited.



**Nasreen Haque**  
Sponsor Shareholder Director

Mrs. Shahanaz Parvin was born in a respectable Muslim family of Chittagong. She is associated with various socio-cultural activities. She has traveled India, Singapore, Canada and UK.



**Shahanaz Parvin**  
Sponsor Shareholder Director



**Tahmina Afroz**

Sponsor Shareholder Director

Tahmina Afroz was born in a respectable muslim family in the year 1975. She is the daughter of Mr. Md. Koyez Ahmed and Her mother's name is Mrs. Rohima Begum. She is the wife of a renowned businessman, Mr. Anwer Hossain Khan. She is involved in healthcare business for the last 15 years. She is the Proprietor of Mother Trade Centre. She is also the Director of South Bangla Agricultural Bank and Commerce Bank Limited, Anwer Khan Modern Medical College and Hospital, Modern Holdings Limited, Hazi Shakhawat Anwara Eye Hospital Limited, Modern Diabetic Centre and Marry Gold Holdings Limited. She is also associated with various socio-cultural activities in Dhaka.



**Mr. AFM Motassem Belal**

Public Shareholder Director

Mr. AFM Motassem Belal son of Md. Nurul Islam Patwary and Rokeya Begum, was born in a respectable Muslim family of Lakshmipur, P.S: Ramgonj, P.O: Shapali Para, Vill: Shapali Para in the year of 1972. He obtained B. Com and M.Com degree from National University Bangladesh. He started his career in pharmaceutical industry. He is currently working in Mokka Medical Center. He is a member of the governing body, Unnoyan Ovijan Society-NGO and Skill Development Center, A leading training institute. He is also involved in different social-cultural activities. He is the General Secretary of Laxmipur Jubo Kallanyan Somity and also a member of Laxmipur Somity.

Khorshed Alam Khan was born in 1971 in a respectable Muslim family and started business after completion of his Bachelor Degree. Mr. Khan is the representative Director of Shahjalal Islami Bank Limited. He is young and energetic businessman. He is also the Director of Modern Diagnostic Ltd. and Owner of Daffodils Trading International and Daffodil Color Lab and Studio. He has also traveled different parts of the world in connection with business.



**Khorshed Alam Khan**  
Public Shareholder Director

Md. Jahirul Islam was born in a respectable muslim family of Chandpur in the year 1975, He has started his business after completion of his Bachelor Degree. He is the owner of Elite Thai Aluminum, Elite gift house and Elite printing. He is a young and energetic businessman of Capital market. He has traveled in many countries like Singapore, Malaysia, Thailand, India & Nepal.



**Md. Jahirul Islam**  
Public Shareholder Director



**Mosharraf Hossain Chowdhury**  
Public Shareholder Director

Mosharraf Hossain Chowdhury was born in a respectable Muslim family of Shariatpur in the year 1945. He entered into a job of banking sector in 1970. He performed as Managing Director in IFIC Bank and Standard Bank Limited from 2003 to 2010. He also performed as Independent Director and Chairman of Audit Committee of Shahjalal Islami Bank Limited from 2013 to 2019. He has traveled in U.S.A, Italy, China, Vietnam and Malaysia for participation in international Seminar



**Md. Ziauddin Podhar**  
Public Shareholder Director

Md. Ziauddin Podhar was born in a respectable Muslim family of Feni in the year 1982. He entered into a business in 2008 in Dubai, U.A.E. He is the Managing Director of Icon Hotel Apartments LLC, Zagy Hotel LLC, Fal hotel LLC, Mohammed Zia Electronics Trading LLC & Grand Icon General Trading LLC. He successfully run his Business in Dubai. He has also traveled different place of the world in connection with business. He is a NRB.



Billal Hossain was born in 31 March 1971 in a respectable Muslim family at Laxmipur and started business after his graduation. Mr. Billal Hossain is the Managing Director of “Sara International Trade Marks”-Garments .Mr. Billal Hossain has become one of the most successful entrepreneurs in the country.He is the honorable Director “NRB11 Real Estate & Developers Ltd”. He is owner of “Sara Fisheries & Dairy Firms. He is also adviser of Laxipur Somiti of Jeddah (Saudi Arabia). He is successfully run his business abroad of medalist. There are a lots of readymade garments showroom in Saudi Arabia. He is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company. He is also associated with various social and humanitarian organizations. On many occasions, he traveled French, Sweden, Spain, Italy, Turkey, Thailand, Dubai, China.



**Billal Hossain**  
Public Shareholder Director

Mr.Md.Nurun Nabi Bhuiyan was born in a respectable family of Chittagong in the year 1972. He obtained Graduation from Chittagong in 1994. He entered into a business while he was doing his graduation in Chittagong with first establishment of poultry farm in 1990 in Chittagong. Thereafter he started import of poultry club concentrate (pherofish, meal, blood meal and soya meal) from Netherlands. He also imported sodium sulphate and hydrogen form China. In between 1990 and 2000 he established an industry named “Super Deluxe Plastic.” He also stabled other project named as Provita Apparels at Baddharhat in Chittagong. Apart from he is the owner of ABH Corporation, Afra Trading International, Redwan Trading International, Mukta Agency, RH Corporation, MKN Trade International Galaxy Trade International, Mehjabin TradeInternational, Rainbow Trade International and Moonlight Trade International. He also established “Provita Feed Ltd.” in the year 2003. He is the chairman of Provita Feed Ltd, Provita Fish Feed Ltd, Provita Hatcheries Ltd, Provita Seeds Ltd & Provita Breeders Ltd. He is also the director of Mahmud Denims Ltd, Mahmud Spinning Mills Ltd, Mahmud Jeans Ltd, Mahmud Washing Plant Ltd and Mahmud Indigo Ltd. He is also associated with various social and philanthropic organizations. He traveled USA, UK, Australia, Canada, French, Sweden, Spain, Italy, Belgium, Newzeland, South Africa, Holand, Germany, Japan, China, Philippine, Singapore, Malaysia, KSA, UAE, Nepal, Kenya, Qatar, Thailand, Vietnam, Srilanka, India, Bhutan and Pakistan.



**Md.Nurun Nabi Bhuiyan**  
Independent Director



**Mr. Md. Azizul Islam**  
Chief Executive Officer

Mr. Md. Azizul Islam was born in a reputed Muslim family of Rajbari in the year of 1953. He was a meritorious student and obtained his B.A. (Hons.) and M.A. degree in Public Administration from University of Dhaka. He also obtained LL.B. degree from the same university. Mr. Islam has more than 32 years of experience in the Insurance industry. He is an Associate of Bangladesh Insurance Academy (ABIA) and specialized fire diploma holder and a Fellow of Insurance Institute of India (FIII). He is a guest lecturer of Bangladesh Insurance Academy, Bangladesh Insurance Association and some private universities and institutions. Prior to joining Takaful Islami Insurance Mr. Islam served Paramount Insurance Co. Ltd. , City General Insurance Co. Ltd. and Global Insurance Ltd. as Managing Director & CEO for about 13 years. He writes in different newspapers, journals and magazines. Moreover, he is a member of Central Rating Committee (CRC) of Insurance Development and Regulatory Authority (IDRA). Besides, he is associated with many social and philanthropic organizations and life fellow of Indian Insurance Institute.

## Sponsor Shareholders

01	Mr. Md. Mofizuddin
02	Mrs. Farzana Rahman
03	Alhaj Tofazzal Hossain
04	Mr. Waliul Huq
05	Mr. Redwan Kabir

## Shariah Council

1.	<b>Moulana Kamaluddin Jafree</b> Principal Jameya Kashemia, Narsingdi. & Chairman, Central Shariah Council for Islamic Insurance of Bangladesh and Central Shariah Council for Islami Banks of Bangladesh.	Chairman
2.	<b>Prof. Moulana A.B.M Masum Billah</b> Secretary General Central Shariah Council for Islamic Insurance of Bangladesh.	Member Secretary
3.	<b>Mufti Sayed Ahmed Muzaddedi</b> Al-Jamiatus Siddikiah Darul Ulum Darus Salam, Mirpur, Dhaka.	Member
4.	<b>Moulana Rafiqur Rahman Madani</b> Chairman, Department of Islamic Studies Bangladesh Islami University, Dhaka.	Member
5.	<b>Moulana A.Q.M Abdul Hakim Madani</b> Teacher Bangladesh Madrasa Teachers Training Institute Visiting Professor Bangladesh Islami University, Dhaka.	Member

## Head Office Executives

**Md. Azizul Islam**

Chief Executive Officer

**Abul Kalam Azad**

Deputy Managing Director  
&  
Company Secretary

**Moinul Ahsan Chowdhury**

Asstt. Managing Director  
&  
Chief Financial Officer

**Mohammad Selim**

Sr. General Manager  
&  
Head of Claim & RI Department

**Md. Ali Rahim**

Sr. Assistant General Manager  
(Underwriting-Marine)

**Khondaker Rashedul Hasan**

Assistant General Manager  
(Underwriting-Non-Marine)

**Auditor**

ARTISAN  
Chartered Accountants

**Compliance Auditor**

Huda Hossain & Co.  
Chartered Accountants



## Review of the Chairman

**Dear Shareholders,  
Assalamu Alaikum,**

It is a great pleasure to extend a warm welcome to all of you for your kind presence in the 20th Annual General Meeting of Takaful Islami Insurance Ltd.

To begin with, on behalf of the Board of Directors, let me express my heartfelt gratitude for your continued support for the Company. It is because of your kind patronage and persistent support that we are recognized as a renowned organization in the insurance industry in Bangladesh.

On the occasion of the 20th AGM of the Shareholders of Takaful Islami Insurance Limited, I would like to draw your attention to some major achievements by the Company in 2019. The main focus of our company was enhancing profit growth from underwriting business, protecting clients in the face of large claims, and strategic implementations of digital insurance marketing.

We have analyzed micro economic issues related to the insurance industry, both at the global and local level. The Global Economy is expected to have a somewhat slower growth in 2020 due to tighter financial conditions and geographical tensions. Emerging economies and developing countries were in troublesome condition to keep constant growth of their economies; projected growth of developed economies, especially in Europe, would be declined. However, the insurance sectors in emerging economies are expected to rise in 2020. Inadequate policy responses in some areas of the institutional investors' had a negative impact on both global and local industry. Total economic growth of China, however, has been forecasted to slow down; the insurance industry growth of China will double by 2030. Forecasting growth of insurance industry in Bangladesh is yet to be projected.

While life insurance in Bangladesh have business potential, non-life insurance industry is witnessing a highly competitive market due to its limited product varieties and the ambiguity of re-insurance adjustments from local re-insurers. Insurers are also not concerned with product development, innovation, and product branding. Thus, the scope of the insurance market has become restricted. The wing of health insurance, however, has plentiful opportunities and Takaful Islami Insurance Limited aims to offer a wide-range of services in that sector.

Infrastructure and technology of Bangladesh is developing robustly due to the current government's welfare efforts. But products offering property protection is not developing at the same rate of infrastructure development and technological advancement has occurred. Ensuring security and protection of the infrastructure will very soon become a key priority in the public sector. With the help of information technology, Insurance businesses like ours can provide transparency and accountability to all our stakeholders.

However, the technological enhancement and infrastructure development in Bangladesh rocketed in this period, but the policy responses of the kinds of stakeholders are upside-down; and lack of balance between the policy requirements and system development is growing rapidly. Therefore, small asset-based companies are passing hard competition.



In 2019, we also realized that insurance is a social issue and something must be done to raise public awareness of the society and protection; because insurance can provide financial support at-risk of individuals. Therefore, our objective for the next year is to invest in leading the market in educating the public on the benefits of taking out an insurance package.

Our extremely capable management team continuously evaluates the efficiency of our employees to ensure that the Company is run by only the most excellent experts in the industry. Takaful Islami Insurance Limited takes pride in providing a positive and respectful work environment for all its valued employees. The number skilled marketing executives appointed by the Management to support its long-term plan.

Our Board maintains an active role in policy-making in order to maintain best possible corporate governance. The Board's priority remains maximizing shareholder's wealth through policies and guidelines that work toward long-term profit sustainability, risk minimization, and good governance establishment in all spheres of company's operation.

Shareholders positive response in 2019 towards the company was commendable. Respected shareholders have consulted with us individually and advised us on our long-term plan instead of operating traditional short term business. I am proud to share that we are receiving advice of the shareholders regularly. They are motivating us not to compromise our integrity during hazardous market conditions and to strictly comply with transparent regulatory requirements.

Our strategic decision is to concentrate on offering innovative products and conducting excellent business initiatives, the company wishes to earn more from non-traditional products, reduce re-insurance costs, increase re-insurance recovery rate and serve for dividend equalization fund. Earning investment income will also be a priority of the Company in order to maintain a feasible liquidity ratio.

Takaful Islami Insurance Limited has always cared about the best interest of its clients and stakeholders. The strength of this company lies in our strong management team, the dedicated and hardworking employees, our well-built IT and online support, existing and new innovate products and quality customer service.

I am grateful to all our shareholders, management, executives, regulators and other stakeholders for their support to us. Especially the range of number of our shareholders was not varying much until 2019 which indicated that, major shareholders were not willing to shift to other securities instead of holding the shares of Takaful Islami Insurance Limited. This motivation of the shareholders continuously helping us is creating a good brand image of our company.

We thank to all our shareholders, regulators, stakeholders and government i.e. Ministry of Finance, Bangladesh Securities and Exchange Commission (BSEC), DSE, CSE, CDBL, Bangladesh Insurance Association (BIA) and Bangladesh Insurance Forum (BIF). Overall, I'm grateful to all our employees of the company for their trust and support.

With best regard,



**(Anwer Hossain Khan, MP)**

Chairman



## Review of the Chief Executive Officer

**Dear Shareholders, Stakeholders and gentlemen,**

**Assalamu Alaikum,**

I on behalf of the Management, pleased to inform you the company's performance of 2019 and welcome you all at the 20th Annual General Meeting of Takaful Islami Insurance Limited.

At the very outset I like to express my deepest gratitude to you all for being with us throughout the year and joining to the journey of another year with optimum confidence and hope.

Amidst business challenges we have passed another challenging business year. However, the Govt. has already started with new promises for the insurance sector. You will happy to know that we left no stone unturned to make headway in our business portfolio. Your advices and inspiration enabled us to enhance business quantum and quality of business and shows beacons of hope to the company for the days ahead. I am really obliged to you for your contribution.

Muhatram, your collaborative approaches have inspired us enormously to curtailed the cost and have attained the sustainability of the company. We have maintained the financial principles, rules, policies and strategies for wining and achieving the goal of the company.

Our ultimate goal is to make the company "Institution of excellence" In sync with that we are always moving forward with our commitment delivering diversified but exclusive products and faster services to our valuable clients. we keep in mind that "Customer is the king and we are the servant". We always believe in ethics and maintain high values to deal our customer. Because, ethics is the science of "right" and "wrong". Ethics and Morality are synonymous.

We always believe in sustainable business and also working for adding value inclusive development .our clients are fully secured by the domestic and overseas reinsurers. Due to this we earned an enviable goodwill in the market that enlarges our brand equity.

We are optimistic: In the year 2020 and beyond we shall continue to create value for our customer, client and stakeholders through our insurance products and services. As a result, our share holders through our constant focus, personalized products and services will be stronger and services will be faster and they will feel safer. In the coming year, with the best wishes for all of you, and sincere efforts put in our colleagues, we are confident to do better than the days are past. Again I express my heartiest gratitude to our respected business partners and clients.

Acknowledgement: Before I conclude, I express my gratitude to our controlling body, Insurance Development and Regulatory Authority (IDRA) for benevolent and magnificent guidance and proper patronization. I also express my gratitude to Bangladesh Insurance Association (BIA) for their valuable co-operation. Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, and other for their business guidance and co-operation.

Finally, I render my best thanks and gratitude to my honorable Chairperson and Members of the Board of director for their pragmatic vision and valuable guidance and patronization, I render my thanks to my beloved colleagues for their services and efforts to make our journey a success.

With best regards.

**(Md. Azizul Islam)**

Chief Executive Officer

## Our Branches

No.	Branch Name	Officer In-charge	Office	Res/Mobile
1.	Local Office	<b>Mr. Afzal Hossain Khan</b> Asstt. Managing Director	9553969	01715-062924
2.	Bangshal Branch	<b>Mr. A.K.M. Montasirul Haque</b> Asstt. Managing Director	9562297	01715-054995
3.	Head Office Cell	<b>Mr. Md. Akramul Haque Khondaker</b> Asstt. Managing Director	9586802	01706-971554
4.	Motijheel Branch	<b>Mr. A.K.M. Sultan Ahmed</b> Asstt. Managing Director	9590354	01911-365891
5.	B.B. Avnue Branch	<b>Mr. Md. Maksudur Rahman</b> Asstt. Managing Director	9585929	01715-750516
6.	Imamganj Branch	<b>Mr. Md. Sohel Wafez Majumder</b> Asstt. Managing Director	7316211	01711-425519
7.	Mohakhali Branch	<b>Mr. Abdul Ahad</b> Asstt. Managing Director	9881863	01199-843594
8.	VIP Road Branch	<b>Mr. Md. Nasiruddin Bhuiyan (Ratan)</b> Asstt. Managing Director	9344963	01733997589
9.	Narsingdi Branch	<b>Mr. M.A. Kashem</b> Asstt. Managing Director	9451498	01823-662762
10.	Elephant Rd. Branch	<b>Mr. Md. Amir Hossain Gazi</b> Asstt. Managing Director	9670697	01822-555260
11.	Head Office Booth	<b>Mr. Md. Nahid Hossain</b> Asstt. Managing Director	7120720	01716-153780
12.	Dilkusha Corp. Branch	<b>Mr. Abu Ahmed Maruf</b> Asstt. Managing Director	9561045	01711-682267
13.	Khulna Branch	<b>Mr. Md. Anisur Rahman</b> Asstt. Managing Director	041-733842	01710-123677
14.	Kushtia Branch	<b>Mr. Md. Harunur Rashid</b> Asstt. Managing Director	071-61011	01842-425568
15.	Jessore Branch	<b>Mr. Md. Nur Islam Munshi</b> Asstt. Managing Director	0421-67392	01714-959609
16.	Paltan Branch	<b>Mr. S.M. Habibur Rahman</b> Sr. General Manager	9576787	01712-232652 01711-600449
17.	Malibagh Branch	<b>Mr. Md. Mamunur Rashid</b> Sr. General Manager	9553969	01747-147650
18.	Khatunganj Branch	<b>Mr. Md. Nurul Islam</b> Sr. General Manager	031-639631	01711-428151
19.	Saidpur Branch	<b>Mr. Emdadul Haque</b> Sr. General Manager	0552-672870	01712-032735
20.	Chowmuhani Branch	<b>Mr. Md. Fakhru Islam Khan</b> Sr. General Manager	0321-51193	01754-978902
21.	Kawran Bazar Branch	<b>Mr. Md. Shahjahan Kabir</b> Sr. General Manager		01819-136933



## Our Branches

No.	Branch Name	Officer In-charge	Office	Res/Mobile
22.	Mirpur Branch	<b>Mr. Md. Razzakul Haider Chowdhury</b> Sr. General Manager	55075153	01710-915453
23.	Rangpur Branch	<b>Mr. A.T.M Saeid</b> Sr. General Manager		01727-811046
24.	Toyenbee Circular Road Br.	<b>Mr. Md. Shafiqul Alam</b> Sr. General Manager		01711-006328
25.	Shyamoli Branch	<b>Mr. Md. Monirul Islam</b> Sr. General Manager		01689-195153
26.	Rajshahi Branch	<b>Mr. A.Z.M. Shafiqur Rahman</b> General Manager	0721-810519	01712-032733
27.	Sylhet Branch	<b>Mr. S.M. Masudur Rahman</b> General Manager	0821-720196	01679-314031
28.	Comilla & B. Baria Branch	<b>Mr. Md. Ashrafuzzaman Bhuiyan</b> General Manager	081-63042	01818-355242
29.	Dinajpur Branch	<b>Mr. Md. Mominul Islam</b> General Manager	0531-65640	01815-940300
30.	Pabna Branch	<b>Mr. Md. Saydul Islam</b> General Manager		01713-727354
31.	Baridhara Branch	<b>Mr. Goutam Sarker</b> General Manager		01911-493114
32.	Gazipur Branch	<b>Mr. Md. Abul Jalil</b> Sr. Deputy General Manager		01819-189931
33.	Tangail Branch	<b>Mr. Md. Rezaul Hasan Chowdhury</b> Deputy General Manager		01711-288905
34.	Mymensingh Branch	<b>Mr. Md. Shafiq Anwar</b> Deputy General Manager	01913-092550	01911-688185
35.	Satkhira Branch	<b>Mr. Md. Shahinur Rahman</b> Deputy General Manager		01911-088440
36.	Bogra Branch	<b>Mr. Md. Golam Mostafa</b> Sr. Asstt. General Manager	051-69732	01716-536199
37.	Narayanganj Branch	<b>Mr. Mohammad Ali</b> Sr. Assistant General Manager	7645115	01718-189898
38.	Jubilee Road Branch	<b>Mr. Md. Amirul Islam</b> Asstt. General Manager	031-2854673	01819-634908
39.	Barisal Branch	<b>Mr. Md. Yunus Ali</b> Asstt. General Manager	0431-62580	01715-576202
40.	Kishoreganj Branch	<b>Mr. Md. Masudul Hasan</b> Asstt. General Manager		01718-326458
41.	Agrabad Branch	<b>Mr. Md. Mohiuddin Chowdhury</b> Senior Manager	031-727518	01713-079858
42.	Jhenaidah Branch	<b>Mr. Md. Jahirul Islam</b> In-charge	0451-61036	01718-303105

# Audit Committee Report for the year 2019

The following 5 (five) member Audit Committee of Takaful Islami Insurance Limited was constituted by the Board of Directors to monitor, analyze and audit the overall activities of the Company and report to the Board and AGM ensuring and certifying that the financial statements as presented reflect a true and fair view :

## The Audit Committee :

1. Mr. A.K.M Aminul Islam, Independent Director	Chairman
2. Mr. Md. Moshir Rahman Chak, Sponsor Shareholder Director	Member
3. Mr. Mosharraf Hossain Chowdhury, Public Shareholder Director	Member
4. Mr. AFM Motassem Belal, Public Shareholder Director	Member
5. Mr. Khorshed Alam Khan, Public Shareholder Director	Member
6. Mr. Md. Azizul Islam	Chief Executive Officer

## Committee Meetings :

During the year 2019 the Committee met in 05 (five) meetings where it reviewed analyzed thoroughly, matters, among others, relating to Branch Control, Internal Audit, Administration Control, Finance and Accounts. Head of Internal Audit and Company Secretary were invited to attend all meetings. Concerned departmental heads and other members of the management were also invited to attend the meetings as and when required. The proceedings of the committee meetings containing suggestions, guidelines, observations and ameliorations to irregularities and solutions to arisen problems were regularly submitted to the Board of Directors for information, appraisal and formal approval thereto.

## Role of Audit Committee

As per section 5.5 of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated 3 June, 2018, The jurisdiction of the Audit Committee include the following matters :

- Oversee the financial reporting process.
- Monitor the accounting policies and principles.
- Monitor Internal Control and Risk Management process.
- Oversee hiring of external auditors and their functions.
- Scrutinize the annual financial statements before submission to the board for approval.
- Scrutinize the quarterly and half yearly financial statements before submission to the board for approval.
- Determine the adequacy of internal audit functions.
- Review statements of party transactions submitted by the management.
- Review of appropriateness and or weaknesses in management letters/letters of internal control as detected by statutory auditors.

## The Committee performed the following functions :

- Reviewed the existing management policies of the Company and monitored its internal control and business affairs through routine schedule.
- Developed, collated and finalized through a number of meetings, an Audit Manual of the Company and recommended the same for approval of the Board of Directors.
- Approved Annual Audit planning for the year 2019.
- Reviewed the business reports of Branches and special reports thereof and suggested for ameliorating and corrective measures/actions as & where required.
- Reviewed the Financial Accounts for the year 2019 as compiled and placed by the management and recommended the same for approval of the Board.
- The Committee, upholding the suggestions of the past Committee, emphasized & monitored for immediate execution of replacing the FDRs held with different conventional Banks wherefrom a very less amount of business are available, to TDRs of shariah based Banks with a view to enhancing income-earning and avoid interest which cannot be accounted for to income account of the Company.
- The Committee confirms with satisfaction that the management duly separated the interest amount earned since its inception in 2001 and showed the same in sundry account under general reserve after making payment/provision of income tax as suggested by the Audit Committee.
- The Committee strongly recommends to establish with no further loss, a self-sufficient Audit Department comprising skilled and experienced manpower proficient in audit functions.

Finally, the Audit Committee would like to express its sincere thanks to the members of the Board, key management personnel, internal audit division and all employees for their utmost dedication for achieving transparency in performance and all sorts of cooperation extended to the committee in discharging its responsibilities.



(A.K.M Aminul Islam)  
Chairman  
Audit Committee

## শরীয়াহ কাউন্সিলের রিপোর্ট ২০১৯

الحمد لله رب العالمين والصلوة والسلام على رسوله وعلى آله واصحابه اجمعين -

আলহামদুলিল্লাহি রাব্বিল আ'লামীন ওয়াসসালাতু ওয়াসসালামু আ'লা রাসুলিহিল কারীম ওয়া আ'লা আলিহী ওয়া আস্হাবিহী আজমাদীন।

কাউন্সিল কর্তৃক ২০১৯ সালের আর্থিক বিবরণী, লাভ-ক্ষতির হিসাবসহ প্রচলিত বীমার সাথে ইসলামীকরণ সংক্রান্ত সার্বিক কার্যক্রম এবং শরীয়াহ নীতিমালার আলোকে পেশকৃত আর্থিক হিসাব বিবরণীর তাবাররু ও সার্ভিস চার্জ হিসাব এবং তাকাফুল ফাউন্ডেশনের হিসাব পর্যবেক্ষণ ও পর্যালোচনা করা হয়েছে।

শরীয়াহ কাউন্সিল লক্ষ্য করছে যে, শরীয়াহ উপযোগী প্রবিধান বা আইন না থাকার পরও কাউন্সিল কর্তৃক প্রদত্ত পরামর্শের আলোকে শরীয়াহ নীতিমালা বাস্তবায়নে কোম্পানী প্রচেষ্টা অব্যাহত রেখেছে। আলহামদুলিল্লাহ, ২০১৯ সালে কোম্পানীর অগ্রগতির ধারাবাহিকতা অব্যাহত রাখতে সক্ষম হয়েছে।

বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ কর্তৃক প্রদত্ত বিধিবদ্ধ হিসাব বিবরণীর আলোকে প্রস্তুত ও পেশকৃত বিবরণীতে ইসলামী বীমার প্রতিফলন না থাকলেও কোম্পানী স্বচ্ছতার সাথে তাবাররু, সার্ভিস চার্জ ও তাকাফুল ফাউন্ডেশনের হিসাব যথাযথভাবে সংরক্ষণ করছে।

প্রচলিত নিয়ম ও বাধ্যবাধকতার কারণে কনভেনশনাল ব্যাংক ও আর্থিক প্রতিষ্ঠানে প্রদত্ত স্থায়ী আমানতের বিপরীতে প্রাপ্ত সুদ ও সন্দেহজনক আয় কোম্পানীর লাভের মধ্যে অন্তর্ভুক্ত না করে প্রস্তাবিত তাকাফুল ফাউন্ডেশনে স্থানান্তর করেছে; যা শরীয়াহ নীতিমালা পরিপালনে আন্তরিক প্রচেষ্টার প্রতিফলন।

বিধিবদ্ধ বাধ্যবাধকতার কারণে সাধারণ বীমা কর্পোরেশনের সাথে ৫০% প্রিমিয়াম পুনঃবীমা করার পর অবশিষ্ট ৫০% প্রিমিয়াম বিদেশী রি-তাকাফুল কোম্পানীর সাথে পুনঃবীমা সম্পন্ন করে শরীয়াহ পরিপালনে প্রচেষ্টা চালাচ্ছে। সচ্ছতা ও আন্তরিকতার সাথে বীমা দাবী পরিশোধের মাধ্যমে কোম্পানী আর্থিক সঙ্গতি ও সদিচ্ছার প্রমাণ দেয়ার পাশাপাশি সুনাম অর্জন করতে সক্ষম হয়েছে।

শরীয়াহ কাউন্সিল লক্ষ্য করছে যে, সাধারণ বীমার ক্ষেত্রে শরীয়াহ নীতিমালা প্রণয়ন ও বাস্তবায়নে তাকাফুল ইসলামী ইন্স্যুরেন্স লিঃ এর আন্তরিক প্রচেষ্টা অব্যাহত রয়েছে।

কাউন্সিল আল্লাহর দরবারে কোম্পানীর অগ্রগতির ধারা অব্যাহত রাখার জন্য তৌফিক কামনা করছে।



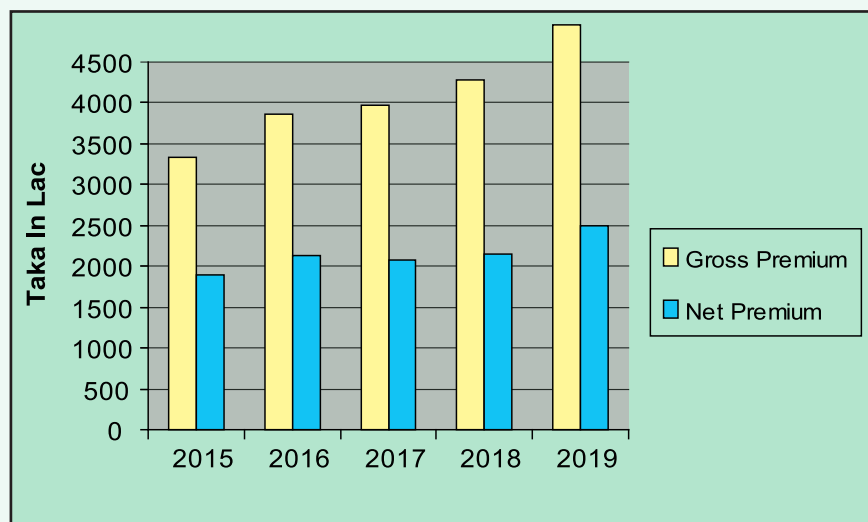
(অধ্যক্ষ কামালুদ্দীন জাফরী)  
চেয়ারম্যান



(অধ্যাপক মাওলানা এ.বি.এম মাসুম বিল্লাহ)  
সদস্য সচিব

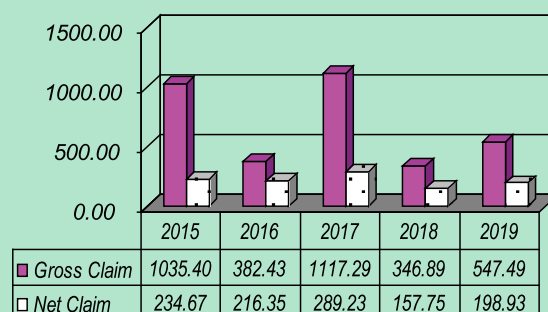
## Performance on Index

### Premium Income



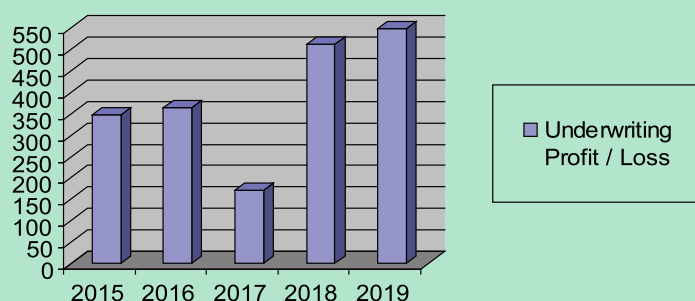
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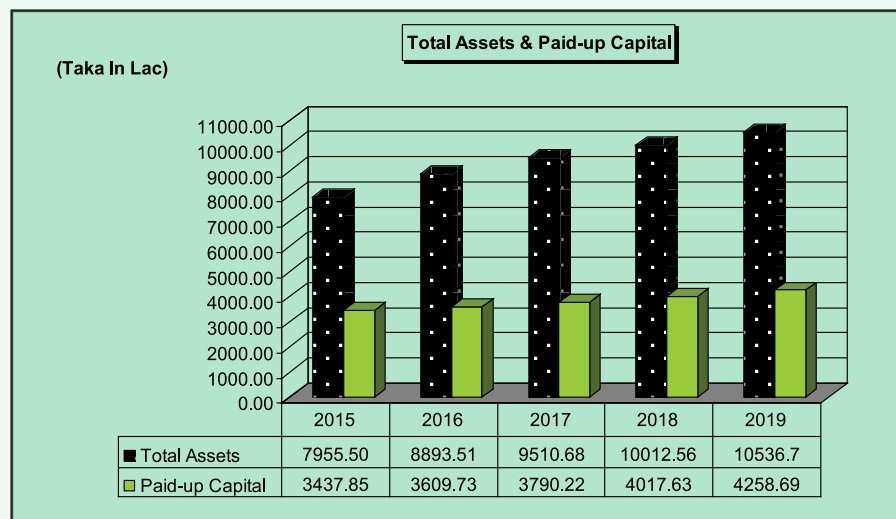
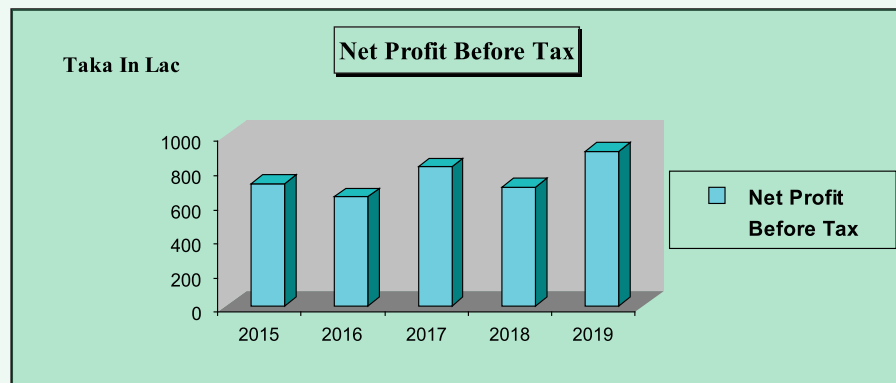
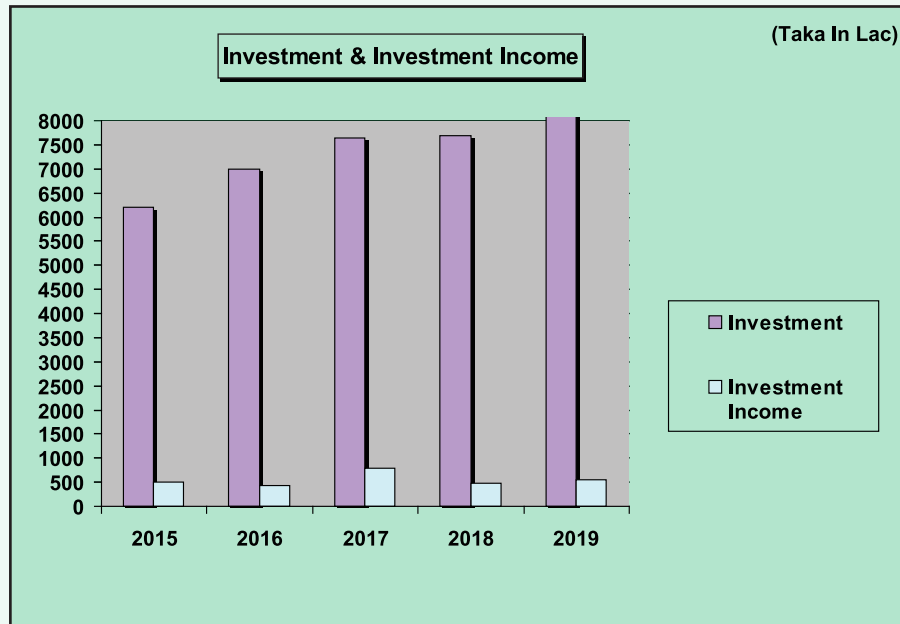


### Underwriting Profit/Loss

Taka In Lac



## Performance on Index



# Financial Highlights

*Progress at a Glance*

(Taka in Lac)

	2,019	2018	2017	2016	2015
Gross Premium	4,948.54	4,282.80	3,971.10	3,854.24	3,339.46
Net Premium	2,489.72	2,152.92	2,076.28	2,139.06	1,890.91
Gross Claim	547.49	346.89	1,117.29	382.43	1,035.40
Net Claim	198.93	157.75	289.23	216.35	234.67
Outstanding Claim	134.86	134.98	177.91	151.82	141.66
Underwriting Profit	645.03	511.98	170.42	364.79	348.93
Investment Income(TDR/FDR & Bond)	395.63	373.91	273.32	317.03	389.72
Investment Income (Shares )	165.66	106.75	521.74	110.31	115.79
Net Profit before Tax	904.38	697.19	812.19	638.40	715.46
Net Profit after Tax	700.05	544.12	721.08	492.17	532.90
Fund & Reserve	3,367.25	3,229.62	3,248.91	2,941.92	2,591.38
Investment in TDR/FDR, Shares & Bond	8,107.97	7,687.87	7,652.25	6,999.71	6,194.16
Total Assets	10,536.70	10,012.56	9,510.68	8,893.51	7,955.50
Paid-up Capital	4,258.69	4,017.63	3,790.22	3,609.73	3,437.85
EPS	1.64	1.27	1.69	1.15	1.25
NAV per share	17.23	16.05	15.57	13.72	13.20
Dividend Percentage(Stock)		6%	6%	5%	5%
Dividend Percentage(Cash)	10%	5%	5%	5%	5%



## We are in Picture



A view of Executive Committee meeting held at TIIL's Head Office. Mr. Anwar Hossain Chowdhury, Chairman of the Committee is presiding over the meeting.



A view of Claims Committee meeting held at TIIL's Head Office. Mr. Md. Abul Hashem, Chairman of the Committee is presiding over the meeting.



A view of Board meeting held at TIIL's Head Office. Mr. Anwer Hossain Khan, MP of Board of Directors is presiding over the meeting.



A view of Audit Committee meeting held at TIIL's Head Office. Mr. A.K.M Aminul Islam, Chairman of the Committee is presiding over the meeting.



A view of Nomination and Remuneration Committee meeting held at TIIL's Head Office. Mr. Md. Humayun Kabir Patwary, Chairman of the Committee is presiding over the meeting.



## We are in Picture



A view of Shariah Council meeting held at TIIL's Head Office. Principal Kamaluddin Jafree, Chairman of the Committee is presiding over the meeting.



Chief Executive Officer Mr. Md. Azizul Islam is delivering his speech on the occasion of Branch Managers' Conference.



EC Chairman Mr. Anwar Hossain Chowdhury is delivering his speech on the occasion of Branch Managers' Conference as Chief Guest.



Chief Executive Officer Mr. Md. Azizul Islam is handing over a cheque to Mr. Md. Jashim Uddin, Proprietor of M/s. Karnaphully Traders in settlement of their fire claim.



Chief Executive Officer Mr. Md. Azizul Islam is handing over a cheque for Tk. 50,03,266.00 (Taka fifty lac three thousand two hundred & sixty six) only to Mr. Mozibur Rahamn, Chairman of BRB Group of Industries, Kushtia in settlement of their fire claim.



## We are in Picture



*Members of Board of Directors are seen attending the 19th Annual General Meeting held at Institution of Diploma Engineers, Bangladesh, Dhaka.*



*Branch Managers posed for photo session with EC Chairman, CEO, HO Executives and other Members of the Board.*



*Shareholders are seen attending the 19th Annual General Meeting of Takaful Islami Insurance Limited held at Institution of Diploma Engineers, Bangladesh, Kakrali, Dhaka.*

## Meeting attended by the Directors of Takaful Islami Insurance Limited during 2019

Name of the Director	Board Directors Meeting		
	Total Meetings	Meetings Attended	%
Mr. Anwer Hossain Khan	7	6	85.71
Mr. Emdadul Hoque Chowdhury	7	7	100
Mr. Anwar Hossain Chowdhury	7	7	100
Mr. Md. Abul Hashem	7	7	100
Engr. Khondaker Mesbahuddin Ahmed	7	7	100
Mr. Md. Humayun Kabir Patwary	7	7	100
Mr. Shamsul Arefin Khaled	7	7	100
Mr. Abul Hashem	7	6	85.71
Mr. Md. Moshir Rahman Chak	7	4	57.14
Mrs. Nasreen Haque	7	7	100
Mrs. Shahanaz Parvin	7	7	100
Mrs. Tahmina Afroz	7	5	71.42
Mr. AFM Motassem Belal, Rep. of Modern Diagnostic Center Ltd.	7	7	100
Mr. Khorshed Alam Khan	7	6	85.71
Mr. Md. Jahirul Islam	6	4	66.67
Mr. Mosharraf Hossain Chowdhury Rep. of Daffodils Sign Media	4	2	50
Mr. Md. Ziauddin Podhar	4	2	50
Mr. Billal Hossain	4	2	50
Mr. A.K.M Aminul Islam	7	4	57.14
Mr. Md. Nurun Nabi Bhuiyan	7	4	57.14
Ms. Farzana Rahman	3	3	100
Dr. Mohammad Osman Ghani	3	3	100
Mr. Masudul Haque	3	3	100
Mr. Md. Hafizuddin	1	1	100

1. Mrs. Farzana Rahman retired by rotation on the 19<sup>th</sup> AGM held on 29 June, 2019.
2. Dr. Mohammad Osman Ghani retired by rotation on the 19<sup>th</sup> AGM held on 29 June, 2019.
3. Mr. Masudul Haque retired by rotation on the 19<sup>th</sup> AGM held on 29 June, 2019.
4. The position of Public Shareholder Director of Mr. Md. Hafizuddin is vacant for not holding 2% shares of paidup capital of the Company in 100<sup>th</sup> Board of Directors Meeting held on 07-02-2019.

## Pattern of Shareholding

As at December 31, 2019 the pattern of shareholding are given below :

- i) Shareholdings of Parent/Subsidiary/Associate Companies and other related parties : NIL
- ii) Shareholding of Directors, CEO, Company Secretary, CFO and Head of Internal Audit and their spouses and minor children are as under :

(a) Directors/Sponsors

Sl. No.	Name of Sponsors and Directors	Status	No. of Shares holding	% of total no. of paid-up shares
01	Mr. Anwer Hossain Khan	Sponsor Shareholder Director	8,86,355	2.08%
02	Mr. Emdadul Hoque Chowdhury	Sponsor Shareholder Director	8,51,734	2.00%
03	Mr. Anwar Hossain Chowdhury	Sponsor Shareholder Director	8,51,734	2.00%
04	Mr. Md. Abul Hashem	Sponsor Shareholder Director	8,51,734	2.00%
05	Engr. Khondaker Mesbauddin Ahmed	Sponsor Shareholder Director	12,77,594	3.00%
06	Mr. Md. Humayun Kabir Patwary	Sponsor Shareholder Director	12,77,594	3.00%
07	Mr. Shamsul Arefin Khaled	Sponsor Shareholder Director	8,51,734	2.00%
08	Mr. Abul Hashem	Sponsor Shareholder Director	12,77,594	3.00%
09	Mr. Md. Moshir Rahman Chak	Sponsor Shareholder Director	8,51,734	2.00%
10	Mrs. Nasreen Haque	Sponsor Shareholder Director	8,97,367	2.11%
11	Mrs. Shahanaz Parvin	Sponsor Shareholder Director	15,32,587	3.60%
12	Mrs. Tahmina Afroz	Sponsor Shareholder Director	9,94,075	2.33%
13	Mr. AFM Motassem Belal Rep. of Modern Diagnostic Center Ltd.	Public Shareholder Director	8,52,011	2.00%
14	Mr. Khorshed Alam Khan	Public Shareholder Director	8,52,028	2.00%
15	Mr. Md. Jahirul Islam		35,97,035	8.45%
16	Mr. Mosharraf Hossain Chowdhury Rep. of Daffodils Sign Media	Public Shareholder Director	11,25,720	2.64%
17	Mr. Md. Zia Uddin Podhar	Public Shareholder Director	9,50,514	2.23%
18	Mr. Billal Hossain	Public Shareholder Director	8,58,070	2.02%
19	Mr. Md. Mofizuddin	Sponsor	10,07,000	2.36%
20	Mrs. Farzana Rahman	Sponsor Shareholder	12,77,594	3.00%
21	Alhaj Tofazzal Hossain	Sponsor Shareholder	5,67,819	1.33%
22	Mr. Waliul Huq	Sponsor Shareholder	2,83,908	0.67%
23	Mrs. Monowara Sultana	Sponsor Shareholder	1,41,941	0.33%
24	Mr. A.K.M Aminul Islam	Independent Director	-	-
25	Mr. Md. Nurun Nabi Bhuiyan	Independent Director	-	-
		<b>Total</b>	<b>2,39,15,476</b>	<b>56.16%</b>

(b)	Chief Executive Officer Mr. Md. Azizul Islam	Nil	Nil
(c)	Company Secretary Mr. Abul Kalam Azad	Nil	Nil
(d)	Chief Financial Officer Mr. Moinul Ahsan Chowdhury	Nil	Nil
(e)	Head Of Internal Audit Mr. Md. Fakhrul Islam Bhuiyan	Nil	Nil

(f) Directors Spouses

Sl. No.	Name of Directors	Name of Spouses	No. of Shares holding	% of total no. of paid-up shares
			Nil	Nil

(g) Directors minor children

Nil

Nil

iii) Executives

Sl. No.	Name & Designation	No. of Shares holding	% of total no. of paid-up shares
01	Mr. A.K.M. Sultan Ahmed	Nil	Nil
02	Mr. Afzal Hossain Khan	Nil	Nil
03	Mr. A.K.M. Muntasirul Haque	Nil	Nil
04	Mr. Md. Akramul Haque Khondaker	Nil	Nil
05	Mr. Sohel Wafez Majumder	Nil	Nil

iv) Shareholders who are holding 10% or above share

Nil

Nil



# Report on Corporate Governance code

Corporate governance is the system by which companies are directed and controlled by the Management in the best interest of all the stakeholders, thereby ensuring greater transparency and timely financial reporting.

The maintenance of effective corporate governance remains a key priority of the Board of Takaful Islami Insurance Limited. To exercise clarity about Directors responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. TIIL considers that its corporate governance code practices comply with all the aspects of SEC Notification No. BSEC/CMMRRCD/2006-158/207/Admin/80 dated 3 June, 2018. In addition to establishing high standards of corporate governance, TIIL also considers best governance practices in its activities. The independent role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary, Chief Financial Officer, different Board Committees allow TIIL to achieve excellence in best corporate governance practices.

## Board of Directors Composition

The Board of TIIL considers that its membership should comprise of directors with an appropriate mix of skills, experience and personal attributes that allow the Directors, individually and the board, collectively, to discharge their responsibilities and duties, under the law, efficiently and effectively, understand the business of the Company assess the performance of the Management.

The Board of TIIL comprise of twenty Directors who possess a wide range of skills and experience cover a range of professions, business and service. Each of our Directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensure that the activities of the Company are always conducted with adherence to strict and highest possible ethical standards and in the best interest of the stakeholders.

The Directors are appointed by the shareholders in the Annual General Meeting. Casual vacancies if any are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and Article of the Company. In addition, one third of the Directors retires from the Board every year in the AGM, but remains eligible for reelection.

## Role and Responsibilities of the Board

The Board is committed to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practice. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all place those arrangements which it consider are in the best interest of the Company and its shareholders, and consistent with its responsibilities to other stakeholders.

The Board of Directors is in full control of the Company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the Company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of TIIL sets out its strategic focus and oversees the business and related affairs of the Company. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities, the Board carries out, the following functions as per the charter of the Board.

- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.
- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the Company.
- Ensuring proper decision making and accountability structure throughout the Company so that the staff down the line is fully accountable to the corporate management.
- Delegation to Board Committees and Management and approval of transactions in excess of delegated level.
- Approval of major capital expenditure proposals.
- Critical evaluation of all proposals which require Board's approval and/or directives.
- Regular review of financial performance and overdue situation.
- Appointment and evaluation of the performance of the top Management positions.

- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively in the best interest of the Company.
- Monitoring the adequacy, appropriateness and operation of internal controls.

### **Conduct for the Board of Members**

The Board of Directors of TIIL is committed to the highest standards of conduct in their relationships with its employees, customers, members, shareholders, regulator and the public. A Director of TIIL always seeks to use due care in the performance of his/her duties., be loyal to the Company, act in good faith and in a manner such Director reasonably believes to be not opposed to the best interests of the Company. Endeavour's to avoid having his or her private interest interfere with the interest of the Company. Maintains the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain.

### **Board Meetings**

The meetings of the Board of Director of TIIL are normally held at the Registered and Corporate Head Office of the Company. Meeting is scheduled well in advance and the notice of each Board Meeting is given in writing, to each Director by the Company Secretary.

The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed regulations are circulated to the Directors in advance for their review. The Members of the Board have complete access of all information of the Company enabling them to work efficiently. The Company Secretary and Chief Financial Officer always attend the Board Meeting and other Senior Management is invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and make necessary presentations.

### **Internal Control**

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. The Company's internal control system have been designed by the Audit Committee with reasonable assurance that assets are safeguarded against unauthorized use by the employees/or management and/or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time.

Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in TIIL.

# Takaful Islami Insurance Limited

## Declaration by CEO and CFO

### The Board of Directors

Takaful Islami Insurance Limited  
Monir Tower (7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> Floor)  
167/1, DIT Extension Road  
Motijheel (Fakirapool), Dhaka.

Subject: **Declaration on Financial Statements for the year ended on 31 December, 2019.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Takaful Islami Insurance Limited for the year ended on 31 December, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- i. We have reviewed the financial statements for the year ended on 31 December, 2019 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**(Md. Azizul Islam)**  
Chief Executive Officer (CEO)



**(Moinul Ahsan Chowdhury)**  
Chief Financial Officer (CFO)



## **Report to the Shareholders of Takaful Islami Insurance Limited on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Takaful Islami Insurance Limited for the year ended on 31 December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.


Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion except the matter as reported under condition no. 1(2)(a) on the attached compliance report ("The actual requirements under Condition No. 1(2)(a), as applicable to an Insurance Company, is currently under review of BSEC"):

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Place : Dhaka  
Dated : 18 August, 2020

  
(Md. Shamsul Huda FCA)  
Partner  
Huda Hossain & Co.  
Chartered Accountants



# Status of compliance with the Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/ CMRRCD/ 2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

## Report under Condition No. 9.00

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1(1)	Board's Size (minimum 5 and maximum 20)	√		
1(2)	Independent Director			
1(2)(a)	1/5th of total BoD shall be Independent Director (ID)	√		Complied with the Insurance Act, 2010 but pending with BSEC.
1(2)(b)(i)	Does not hold any share or less than 1% shares in the Company	√		Independent Directors do not hold any shares of the Company.
1(2)(b)(ii)	Not a Sponsor of the Company	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b)(iv)	Does not have any other relationship with the company or its subsidiary or associated companies	√		
1(2)(b)(v)	Not a Member or TREC holder, director or officer of any stock exchange.	√		
1(2)(b)(vi)	Not a Shareholder/Director/Officer of any Member / TREC holder of stock exchange or an intermediary of the capital market.	√		
1(2)(b)(vii)	Not a partner or an Executive or was not a partner or an Executive during the Preceding 3 (Three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit or special audit or professional certifying complacence of this code	√		
1(2)(b)(viii)	Not an Independent Director in more than five listed Companies.	√		
1(2)(b)(ix)	Not convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1(2)(b)(x)	Not convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	Appointed by the Board and approved by the shareholders in AGM.	√		

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(d)	Post cannot remain vacant more than 90 days.	√		
1(2)(e)	Tenure of the Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity.	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100 million or any listed company.	√		
1(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale.	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA/ C & M A/CFA/CCA/CPA/ or CMA/ CS or equivalent qualification.			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences.	√		
1(3)(d)	Relaxation in special cases.			N/A
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of Chairperson of the board and MD and/or CEO shall be different individuals.	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors of the company.	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting.	√		
1(5)	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factor, threat to sustainability and negative impact on environment.	√		
1(5)(iv)	Discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications.	√		

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public, rights issues and/ or through any others instruments.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation on any significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.	√		
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.			N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.			√
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (name wise details).	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5)(xxiii) (b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the membership of committees of the Board	√		
1(5)(xxv)	<b>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on :</b>			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.	√		
1(5)(xxv)(c )	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons thereof.	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the global.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements and concerns mitigation plan of the company.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position shall be explained to the shareholders in the next AGM.	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3 (30 disclosed in page - .....)	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed in page - .....	√		
1(6)	<b>Meeting of the Board of Directors</b>			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC).	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among			

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	others, prudent conduct and behavior.....	√		
2	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.			N/A
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			N/A
3	<b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>			
3(1)	<b>Appointment</b>			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO and HIAC.	√		
3(1)(b)	The positions of the MD, CEO, CS, CFO and HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board and be disseminated to the Commission and stock exchange(s).			N/A
3(2)	<b>Requirement to attend Board of Directors' Meetings</b>			
3(2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		



## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3)(b)	The MD or CEO and CFO to certify that there are no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members.	√		
3(3)( c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	<b>Board of Directors' Committee</b>			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	<b>Audit Committee</b>			
5(1)	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	Company shall have an Audit Committee as a subcommittee of the Board.	√		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	<b>Constitution of the Audit committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2)(b)	Board shall appoint members of the Audit Committee who shall be non- executive director of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	√		
5(2)(c )	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold ....			No such event occurred.
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee.	√		
5(2)(f)	Quorum of Audit Committee meeting shall not constitute without at least 1(one) independent director.	√		
5.3	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be Independent Director.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.			Will be ensured by the Management.

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5(5)(d)	Oversee hiring and performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review adequacy of internal audit function.	√		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		
5(5)(j)	Review statement of all related party transactions submitted by the management.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude and evaluate the performance of external auditor.	√		
5(5)(m)	Oversee whether IPO or RPO or RSO proceeds utilized as per the published prospectus.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.			No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.			No such event occurred.
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			No such event occurred.
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such event occurred.

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(b)	Reporting to the Authorities			No such event occurred.
5(7)	<b>Reporting to the Shareholders and General Investors</b>			
5(7)	Reporting to the Shareholders and General Investors.			No such event occurred.
6	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications.	√		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an Independent Director.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		
6(2)(d)	Board shall have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.			No such event occurred.
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.			No such event occurred.
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/ advisory, other than Director's fees or honorarium form the company.	√		
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director.	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	. √		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	. √		
6(4)	<b>Meeting of the NRC</b>			

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC.			N/A
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher, where presence of an independent director is must.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		N/A
6(5)	<b>Role of NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
7	<b>External or Statutory Auditors</b>			
7(1)	Issuer company shall not engage its external auditors to perform the following:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the accounting records or financial statements.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		

## Status of compliance with the Corporate Governance Code

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7(1)(vi)	Internal or special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of external or statutory auditors shall remain present in the AGM.			Will be ensured by the Management.
8	<b>Maintaining a website by the company</b>			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure- C attached, in the directors' report whether the company has complied with these conditions or not.	√		



## Certificate of Memorandum given by BAPLC

As per SEC Notification No. SEC/CMRRCD/2006-161/324 dated on April 11, 2010, the Certificate of Memorandum given by Bangladesh Association of Publicly Listed Companies (BAPLC) is presented below :



# Insurance Risk and Its Mitigation

Insurance is a mechanism of spreading the risk of one into the shoulders of many. It has two fundamental characteristics: one is the shifting of risk from one individual to a group and the other is sharing of losses on equitable basis by all members of the group. Whilst it becomes somewhat impossible for a man to bear by himself 100% loss to his own property or interest arising out of an unforeseen contingency, insurance is a method which distributes the burden of the loss on a number of persons within the group formed for this particular purpose.

From an individual point of view, insurance is an economic device whereby the individual substitutes a small certain cost (the premium) for a large uncertain financial loss (the risk insured against) which would exist if it were not for the insurance contract.

One of the prime objectives of Takaful Islami Insurance Limited is the creation of the counterpart or risk which is security. Insurance does not take away the risk. The insurance company does not guarantee that the event insured against will not happen. The house may still burn down, the car may still be involved in an accident but at least a large element of the cost involved will be met by insurance company.

Takaful Islami Insurance Limited imparts technical expertise in a professional manner to the clients and loss adjusters and renders connoisseur counsels to minimize losses. In turn, the loss adjusters and clients can improve the risk to a substantial degree and minimize the possibility of the number of misfortunes. The handling of salvage after loss by the loss adjusters also contributes much to the reduction of losses.

Takaful Islami Insurance Limited through their professionals, undertakes pre-insurance surveys of large and complicated risks which thus ultimately facilitates in the defence of national property and wealth. Services basically aim at reducing the happening of the casualty itself rather than minimizing the extent of loss after the happening of the casualty.

The pre-underwriting inspection of fire hazards to the insurable property is of paramount importance. Before accepting risks it is prudent and essential to have the risks of the subject matter to be inspected for underwriting and reinsurance purposes. On the basis of the pre inspection report the underwriter may recommend segregation of risk by installation of fire proof door to reduce premium, cleanliness of factory premises and to reduce fire hazards. Recommended fire prevention measures not only reduce fire hazards but also help the insured to get rebate on the rate of premium.

Takaful Islami Insurance Limited assumes pre-inspection of risk which is very helpful for reinsurance purpose as well. Without pre-inspection it is difficult to segregate risks and make retention and cession to reinsurers. Inspection surveyor's advice for risk improvement largely contributes towards reducing the possibility of hazards rather than minimizing the extent of loss after the happening of the casualty.

Takaful Islami Insurance Limited almost universally has embarked upon an upgrading of their financial risk management and control systems to reduce their exposure to risk and better manage the amount they accept. Insurance Management or risk is a science though it is one of the most inexact of the social sciences. Risk management exists to provide value for its stakeholders.

Takaful Islami Insurance Limited through their expert professionals imparts responsiveness to the clients with a view to achieve the objectives how to analyze the risk factors associated with different activities, observe how risk can affect decision making processes, how operational risk can be managed properly with the help of insurance.

Takaful Islami Insurance Limited ensures proper risk management of their clients which benefits them as saving resources; time, assets, income, property, and people are all valuable resources that can be saved if fewer claims occur, protecting the reputation and public image of the clientele, preventing or reducing legal liability and increasing the stability of operations, protecting people from harm, protecting the environment, enhancing the ability to prepare for various circumstances, reducing liabilities, assisting in clearly defining insurance needs.

Takaful Islami Insurance Limited through its effective risk management practice, although cannot eliminate risks but the endeavour shows that the Company is committed to loss reduction or prevention and makes the client a better risk to insure as well.

## Summary of Accounts 2019

(Taka in Crore)

PARTICULARS	FIRE		MARINE		MOTOR		MISC.		TOTAL		GRAND TOTAL
	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	2019
Gross Premium	24.44	1.26	13.29	2.20	3.35	0.26	0.74	3.94	41.82	7.66	49.48
Re-Insurance Ceded	14.45	1.04	3.18	1.68	0.10	-	0.26	3.87	17.99	6.59	24.58
Net Premium	9.99	0.22	10.11	0.52	3.25	0.26	0.48	0.07	23.83	1.07	24.90
Commission Earned	5.57	0.11	1.34	0.33	0.01		0.12	0.52	7.04	0.96	8.00
Commission Paid		3.67		1.99		0.50		0.11	6.27		6.27
Management Expenses (Revenue A/c)		9.58		5.30		1.35		0.58	16.81		16.81
Management Expenses (P/L A/c)									3.02		3.02
Net Claim		1.75		0.01		0.22			1.98		1.98
Underwriting Profit		(0.17)		5.10		1.13		0.39	6.45		6.45
Investment Income											5.61
Net Profit Before Tax											9.04
Taxation Provisions											2.04
Net Profit After Tax											7.00
Return on Equity (%)											9.54
Shareholders' Equity											73.36

## Accounting Ratios Pertaining to Insurance Sector

Particulars	2019
Re-Insurance Premium Ceded as % of Gross Premium	49.68
Commission paid as % of Gross Premium	12.67
Net R/I Commission Earned as % of Gross Premium	16.17
Net R/I Commission Earned as % of Net Premium	32.14
Management Expenses (Revenue A/C) as % of Gross Premium	33.98
Management Expenses (Revenue A/C) as % of Net Premium	67.53
Net Claims Incurred as % of Gross Premium	4.00
Net Claims Incurred as % of Net Premium	7.95
Underwriting Result as % of Gross Premium	13.03
Underwriting Result as % of Net Premium	25.91



# Information Technology (IT)

**Introduction:** Takaful Islami Insurance Limited is determined to use information Technology (IT) towards utmost facilities so that it can simply be differentiated from other companies in this sector. To synchronize with the pace of state-of-the-art IT facilities, TIIL has outlined its road map and started its journey accordingly. In this regard, TIIL has made its IT department strengthened with experienced and efficient resources with a goal to reach its valued clients with latest IT facilities.

TIIL has made significant improvements in IT Infrastructure and Software. Some of the remarkable achievements of IT are introducing of Local Area Network (LAN) at Head Office and Local Office, computerization of all departments, flourishing implementation of all the branches situated all over the country under online network, deploying high end servers under Linux Platform, implementing fully integrated general insurance software “Integrated Insurance Business Solution (IIBS)”. All the operational process and functionalities are included in ERP applications IIBS.

## Software development & implementation

Software is an important integral part of information technology which relates to computer applications that enable a company to generate, store, program and retrieve data as and when needed. Like an Integrated Insurance Business Solution (IIBS) was jointly developed with the co-operation of Confidence Software Limited under which all the business process and functionalities were included. On the job training was also provided to all end users.

## Key Benefits of TIIL IT System

Huge saving in working time in preparing document, Money Receipt and some large informative monthly reports with excellent print quality.

- Getting 300 plus system generated MIS report which helps management to take decisions properly and timely.
- Integrated Accounts where 100% Journal Voucher are passing through system as well as Final Accounts report like Balance Sheet, Profit & Loss Account, Revenue Accounts, General Ledger and Trial balance are being generating automatically through the system.
- Controlling business procurement documents through Integrated Insurance Business Solution (IIBS) software.
- Quick accessing the underwriting documents through IIBS for departmental integration with Underwriting Department like Co-Insurance, Claims, Re-Insurance and Accounts Department.

**Online branches:** Established Wide Area Network (WAN) between Head Office, Local Office and all the branches situated all over the country.

## Conclusion

Information technology provides the ability to process a large amount of information and in a way which presents the information in a clear and concise manner to employees. Anticipated benefits of implementing an information technology system include improvements in profit performance and a higher degree of accuracy among information within the possible shortest time. Insurance business has made great strides in risk evaluation as well as their calculation and reporting abilities. Much of such analyses can be done by developing new software of risk infrastructure, data model governance and quality. In this perspective IT sector of Takaful have been playing an important role during the last 9 years and contributing to the economic stability of the Company.



## **Directors' Report**

**for the year ended 31st December, 2019**

**Dear Shareholders and honourable partners in progress**

**Assalamualaikum wa Rahmatullah,**

It gives me a great pleasure to welcome you to the 20<sup>th</sup> Annual General Meeting Takaful Islami Insurance Limited on behalf of the Board of Directors of the Company and on my behalf. I am also pleased to present the Annual Report of the Directors for the year ended in December 31, 2019 along with the Audited Accounts containing Statement of Financial Position, Statement of Profit & Loss and other Comprehensive Income, Revenue Accounts, and other relevant Financial Statements for the year 2019 and Shariah Council Report for your information, consideration and approval.

In compliance to the provisions of section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Commission (BSEC) Rules 1987 including Code no. 5 of the Corporate Governance Code 2018 issued by BSEC, IAS-1 and referring to section 76 of Insurance Act, 2010 and other related sections, subsections, rules and regulations in this purpose pursued accordingly to prepare, approve and submit the Directors' Report before the respected shareholders of the company for their perusal and approval.

At the very beginning of this report stated the global economic position which narrowed down to Bangladesh economy and later concentrated to the analysis of insurance sector in Bangladesh that finally compared position of Takaful Islam Insurance Ltd. In summary, the global economic output is projected weaker however, the expert researcher has forecasted slightly higher economic growth in national economy. But the insurance industry, however, showing slow growth in business which practically not observed according to industry perspective. Contribution of the insurance industry in the GDP is pitiable comparing other income generating sector in Bangladesh.

### **Global Economy**

Overall world economic development set to climbed by 2.5 percent in the year 2020, a little mount from an estimated 2.4 percent growth in 2019. Emerging market and developing economies are anticipated to see growth accelerate to 4.1 percent in 2020 from 3.5 percent in the year 2019. However, that acceleration will not be broad-based; the pickup is anticipated to come largely from a handful of large emerging economies stabilizing after deep recessions or sharp slowdowns.

Global growth is projected to reach 2.5 percent in 2020, slightly faster that the post-crisis low index last year, 2019. While growth could be stronger if reduced trade tensions lead to a sustained reduction in uncertainty, the balance of risks to the outlook is to the downside. Growth in emerging market and developing economies is also expected to remain subdued, continuing a decade of disappointing outcomes. These circumstances add urgency to the need to implement measures to rebuild macroeconomic policy space and to undertake reforms to rekindle productivity growth. These efforts need to be supplemented by policies to promote inclusive long-term growth and accelerate poverty alleviation.

Emerging Asia forecasted the reasonable development to convalesce the global economic position while observed down trend since 2017. The regional growth estimated higher growth but declined in 2018 to 5.9% in the middle of the year which continued 5.7% up to the end of the year 2019 and forecasted to be slowed growth up to 5.6% in 2020. Estimated regional growth remains strong but slowed 5.9% in 2018, 5.7% in 2019 and forecasted to be 5.6% in 2020.

The cascading economic impact of the new corona virus outbreak in China is becoming more apparent worldwide, with Apple's surprise cut to its sales forecast due to supply chain disruptions spooking global markets and Asian governments downgrading growth prospects. German investor sentiment, meanwhile, is collapsing amid fears the outbreak will kneecap the incipient recovery in global manufacturing.

The Chinese tension affected Bangladesh Economy due to less facilitates of import supply. Products cost raises and import from China reduced. Further, it will impact the marine insurance business directly and other insurance business in due course.

### **Bangladesh Economy**

Bangladesh's economy will outperform the economy of Malaysia, Hong Kong and Singapore with its presence as the 30<sup>th</sup> largest economy in the world by 2024, says a new report. The global report, titled World Economic League Table 2020, of the Centre for Economics and Business Research (CEBR) also says that Bangladesh's economy will further climb from the 40<sup>th</sup> place in the World Economic League Table in 2020 to 26<sup>th</sup> and 25<sup>th</sup> position respectively by 2029 and 2034. The World Economic League Table with forecasts for 193 countries to 2034 was published recently.

Bangladesh's economic performed well last year, recording a 7.8 percent growth, according to the report. The country recorded 7.9 percent growth in 2018. The population increased at a rate of 1 percent per year since 2014. This has meant that per capita incomes have grown considerably in recent years. The government debt as a share of GDP rose to 34.6 percent last year. This is up from 34 percent in 2018.

Despite this increase, the public sector finances remain in good shape. The relatively low debt burden has provided the government with the fiscal headroom to operate a budget deficit of 4.8 percent in 2019.

The annual rate of GDP growth is forecast to slow to an average of 7.3 percent between 2020 and 2025, according to the report.

Over the subsequent nine years, experts forecasts that the economy will remain at this impressive rate, which will see Bangladesh climb from 40<sup>th</sup> place in the World Economic League Table in 2020 to 25<sup>th</sup> place by 2034. The dramatic forecasts of Bangladesh economy however did not consider the growth of insurance market and its contribution in the national economy. As usual, the research and forecasts of the insurance business are officially unofficial.

### **Industry outlook and possible future Developments**

Bangladesh Insurance market is in unpredictable upward revenue trend despite the low penetration rate and unsafe underwriting profit condition. It has potentialities to growth and advancement as opined by the insurance experts from home and abroad. Quite often the insurance professionals of the country require insurance information associated with Bangladesh insurance market, however, the information are not available in the market during the analysis. Lack of proper research is as extreme as insurance sector is neglected by the public and officials of Bangladesh. However, the desks of IDRA and BIA officials published very basic yearly report on insurance data; those are as late as not workable during the research hour. The lack of information affects to setting up short term objective of the Company.

Besides, 46 Non-Life Insurance Companies are competing with each other for paying more agent commission on premium income. Subsequently, shareholders wealth maximization is a challenge for all insurance companies. This existing missing process is increasing day after day. But the scope of the Non-Life Insurance Sector has less focused to the government and private counterpart.

However, we see more effective results from our future prospects. Government and World Bank have possibility to sign an agreement to automate the insurance industry and its policy and accounts so that every information and financial figure will be possible to identify. Commission problem will automatically be reduced. Takaful Islami Insurance Ltd. is concentrating based on those prospects, focused on long term plan rather than short term survivable mechanism.

Non-Life Insurance businesses are compulsory in some sectors and this sector has no more motivated sector other than traditional compulsory insurance business. Health Insurance is pretty attractive to the corporate sector but profit making from this business is difficult due to the nature of frequent claim. However, this business is ornamental to Non-Life Insurance Business and TIIL forecasted a big profit plan in this sector within next five years period. Auto Third Party Liability for bodily injured and property damaged (limited cover) is compulsory in Bangladesh. Aviation liability and imports must be insured in Bangladesh with state-owned Sadharan Bima Corporation or a private insurer, unless an exemption is obtained. The more insurance products required to be

mandate to ensure the industry development which will increase the scope of revenue income. Placing reinsurance home and abroad is a technical matter and underwriters are playing with rate in this area to show their skills. It was noted that most of the Non-Life Insurance Companies in Bangladesh has less profit in the underwriting department but the profit enhanced by the other income generating sector like investment income. Non-Life Insurance Industry revenue in Bangladesh was 16,147 million in 2019 which was 15,643 million in 2018 and 3.22% business growth was compare between 2019 and 2018. Net underwriting profit was 4,483.63 million in 2019 compare to 3,360.27 million in 2018. However, the market forecast in 2020 is not possible due to lack of market data. We assume that the year 2020 will be more profitable compare to 2019 due to elimination of excess commission from the middle of the year 2019.

### **Takaful's Business Performance 2019**

In the above backdrop it was a challenge for Takaful Islami Insurance Limited to maintain its growth rate and prevent decline of its revenue earnings. The Management of Takaful with the active co-operation of its Board could effectively combat the situation and successfully arrested the declining trend in its premium income during the year 2019.

Despite various negative factors in overall insurance sector, operational performance of Takaful Islami Insurance Limited in 2019 was good. The Company earned gross premium of Tk. 4,948.54 lac during the year as against Tk.4,282.80 lac in the previous year registering a growth of 15.54% over the last year.

### **Fire Insurance**

The Company had underwritten a total fire insurance premium of Tk.2,569.52 lac including an amount of Tk. 125.77 lac from the public sector. The net premium income stood at Tk. 1,020.31 lac after ceding re-insurance premium of Tk. 1,549.20 lac. During the year 2019, total payment of claim was Tk. 291.36 lac against which an amount of Tk.116.78 lac came as recovery from re-insurer including previous year recovery.

### **Marine Insurance (Cargo)**

The total gross premium income from marine cargo business was Tk. 1,534.76 lac including premium of Tk. 216.99 lac from public sector. The net premium income of marine cargo business stood at Tk. 1,056.49 lac after ceding 478.29 lac on account of re-insurance premium. In the current year an amount of Tk. 233.18. lac was paid for marine cargo claims against which an amount of Tk. 231.49 lac came as recovery from re-insurer including previous year recovery.

### **Marine Insurance (Hull)**

In the year 2019, the total underwritten premium income from marine hull insurance business was Tk. 15.00 lac including premium of Tk. 3.66 lac from public sector business. The net premium income came to Tk. 7.20 lac after ceding Tk. 7.80 lac on account of re-insurance premium.

### **Motor Insurance**

From motor insurance business our total gross premium income was Tk. 361.16 lac including public sector business of Tk. 26.43 lac. After ceding re-insurance premium of Tk. 10.76 lac the net contribution to revenue account was Tk. 350.39 lac. During the year, net amount of motor claim to the extent of Tk. 21.93 lac was paid.

### **Miscellaneous Insurance**

The total gross premium income of miscellaneous business came to Tk. 468.09 lac including Tk. 393.81 lac from the public sector. In the year 2019, an amount of Tk. 412.75 lac was ceded on account of re-insurance premium. During the year, net amount of claim for Tk. 0.73 lac was paid on this account.

### **Claims**

The essence of insurance contract contemplates efficient service when distress falls upon the insured and demands assistance in no time most effectively to refill the loss suffered by the insured. Takaful Islami Insurance Ltd. achieved built in reputation for its expeditious settlement of claim and capped with this honour stepped into 19 years of its successful operation.



The Claims Department of the Company is fully equipped with devoted and efficient professionals capable of providing personalized services to the valued clients round the clock. Simple procedures and formalities are followed in settlement of claims at the earliest. The department is headed by a highly motivated and experienced Sr. General Manager, assisted by a host of dedicated qualified personnel.

The executives of Claims Department promptly rush to the spot of incidence accompanied by a government licensed surveyor and take all necessary steps to minimize loss. Partial on account payment on the basis of preliminary survey report is also paid to the insured considering gravity of the situation.

In the year of 2019 we have settled 86 numbers of claims for Tk. 547.50 lac on account of Fire, Marine, Motor and Miscellaneous insurance business. Following are the figures of settlement of claims during the last 05 years:

Year	Total claim paid amount
2014	646.92
2015	1,035.40
2016	382.43
2017	1,117.29
2018	346.90
2019	547.50
<b>Total</b>	<b>4,076.44</b>

### Dividend

Dear shareholders, considering the performance of the Company for the year 2019 the Board of Directors has recommended 10% Cash dividend to the shareholders.

### Credit Rating Report

Credit Rating of the Company is being done every year. Alpha Credit Rating Limited has already rated our Company for 2019. According to their report, our Company has been graded AA- (Pronounced as “Double A Minus”) in the long term and ST-2 in short term which indicate good fundamentals of the Company such as claim paying ability, satisfactory financial performance, sound solvency, experienced management team, good liquidity position, systematic internal control procedure. Adequate reinsurance arrangement with Re-insurers in home & abroad etc. has added a new dimension in the goodwill of the Company.

### Reserve for exceptional loss

In order to keep consistency with our Corporate Slogan “Symbol of Empathy & Security” our exceptional loss reserve has been made for Tk. 2,48,97,261.00 for the year 2019. The cumulative amount is raised to Tk. 25,18,24,383.00

### Investment

The Company has invested Tk. 250.00 lac with Bangladesh Bank in the form of Bangladesh Govt. Treasury Bond (BGTB) as statutory deposit. We have invested Tk. 5,793 lac in TDR mode with Islami Banks and Financial Institutions and Tk. 798.00 lac in FDR mode with conventional Banks & Financial Institutions. Total TDR and FDR amount is Tk. 6,591.00 lac. In addition to this the Company invested Tk. 1,266.97 lac in capital market as on 31<sup>st</sup> December, 2019.

### Profit and Loss Account

The Company's income from investment and other income stood Tk. 561.30 lac against Tk. 480.73 lac earned in the previous year. After taking into account the underwriting profit of Tk. 645.03 lac and providing for various expenses not applicable to any particular fund or account, net profit before taxation came at Tk. 904.39 lac against Tk. 697.19 lac in the previous year.

## Appropriation of Profit

Profit earned in the year 2019 balance carried forward from last year stood at Tk. 13,56,89,349.00 This is proposed to be appropriated as under :

<u>Particulars</u>	<u>Taka</u>
i. Exceptional Losses Reserve	2,48,97,261.00
ii. Provision for income tax /Deferred Tax	2,04,33,559.00
iii. Cash Dividend for the year 2018	2,00,88,197.00
iv. Bonus Dividend for the year 2018	2,41,05,840.00
v. Retained earnings carried to the next year	<u>4,61,64,492.00</u>
<b>Total</b>	<b><u>13,56,89,349.00</u></b>

## Floor purchase

We are pleased to inform you that we have purchased 3 (three) floors @ 3,450 sft. of each at Monir Tower (7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> Floor), 167/1, DIT Extension Road, Fakirapool, Dhaka with 4 nos. of car parking, total cost of which comes to Tk. 9,53,61,326.00 (Taka nine crore fifty three lac sixty one thousand three hundred & twenty six) only including registration cost.

## Directors

The 108<sup>th</sup> Meeting of Board of Directors held on June 18, 2020 has taken unanimous decision as per section No. 113 of Articles of Association regarding retirement and election of Directors from Board in 20<sup>th</sup> Annual General Meeting as follows :

### Group-A

As per section No. 112 of Articles of Association the following one third Sponsor Directors retired from Board and they being eligible, offer themselves for re-election :

01. Mr. Emdadul Hoque Chowdhury
02. Mr. Abul Hashem
03. Mr. Md. Abul Hashem
04. Mr. Md. Humayun Kabir Patwary

No other Sponsor Shareholders intend to be a Director, the above 4 (four) Sponsor Shareholders will be re-elected as Directors in the 20<sup>th</sup> Annual General Meeting.

### Group – B

As per section No. 112 of Articles of Association the following one third Public Shareholder Directors retired from Board :

01. Mr. Md. Jahirul Islam
02. Mr. AFM Motassem Belal, Rep. of Modern Diagnostic Center Ltd.

Accordingly 2 (two) Directors will be elected from Public Shareholders. Notice related to election of Directors from Public shareholders has already been published on June 19, 2020 in the Daily Jugantor and The New Age.

The four candidates Mr. A.F.M Motassem Belal, Representative of Modern Diagnostic Centre Limited, Mr. Md. Jahirul Islam, Mr. Md. Abdur Rahim and M/s. M.M Electric (Proprietor Mr. Md. Masum Sheikh) have submitted their Nomination Form for election of Public Shareholder Director in the stipulated time. After scrutinizing the Nomination Forms they are declared eligible by the Election Commissioner. In the mean time Mr. Md. Abdur Rahim and M/s. M.M Electric (Proprietor Mr. Md. Masum Sheikh) have withdrawn their Nomination Forms. As such, Mr. A.F.M Motassem Belal, Representative of Modern Diagnostic Centre Limited, Mr. Md. Jahirul Islam will be re-elected as Public Shareholder Directors in the 20th Annual General Meeting.

## Appointment of Auditor

M/s. ARTISAN, Chartered Accountant was appointed as Auditor of the Company in 19<sup>th</sup> Annual General Meeting for the year 2019. Considering their performance the Board recommended M/s. ARTISAN, Chartered Accountant for reappointment as Auditor at a remuneration of Tk. 1,50,000.00 (Taka one lac fifty thousand) only for the year 2020.



### **Appointment of Compliance Auditor**

M/s. Huda Hossain & Co., Chartered Accountant was appointed as Compliance Auditor of the Company in 19<sup>th</sup> Annual General Meeting for the year 2019. Considering their performance the Board recommended M/s. Huda Hossain & Co., Chartered Accountant for reappointment as Compliance Auditor at a remuneration of Tk. 50,000.00 (Taka fifty thousand) only for the year 2020.

### **Human Capital Management**

Takaful has always emphasized on professionalism and development of appropriate human resource management policies and practices to enhance the quality of its employees, and to ensure their optimum contribution towards the achievement of corporate goals. At Takaful, we believe that our Human Resources (HR) gives the organization a significant competitive edge in terms of knowledge and experience. The Company has continued its policy of recruiting the best people and implementing programs to develop and retain high quality human resources. In line with this Policy, the need-based internal and external training at both home and abroad is regularly and systematically arranged. The Company also ensures competitive compensation and rewards including employee's health and safety to assure their retention and provide job satisfaction.

### **Corporate Governance**

The Board of Directors of the Company firmly believes that practice of Good Corporate Governance and transparency is a sine qua non towards ensuring a disciplined and a sustainable organization. Takaful Islami Insurance Limited designed the corporate Governance systems and practices to ensure adequate internal control in operational process, transparency, and accountability. The Corporate Governance structure specifies the distribution of rights and responsibilities among different executives and spells out the rules and procedures for making decisions on corporate affairs. The role of Regulatory Authorities is very important in respect of Corporate Governance practices. Takaful Islami Insurance Limited is pledge-bound to comply with all the requirements of regulatory Authorities. Parties to Corporate Governance are Board of Directors, different management committee, all decision making personnel, etc. All plans, programmes, Policy decisions, as initiated by the Board are implemented by the Management under the leadership of Chief Executive Officer.

### **Acknowledgement**

On behalf of the Board of Directors, I like to acknowledge and extend my heartfelt gratitude to all of our stakeholders including valued clients, Reinsurers and well-wishers at home and abroad for the trust they all have had on us and for extending their unreserved support in discharging the responsibilities reposed on me and the Board during the year under review

I also thank the Insurance Development & Regulatory Authority (IDRA), Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Government and Non-Government Organizations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchange, Bangladesh Insurance Association and all the scheduled Banks and Leasing Companies for their sincere support and whole-hearted co-operation.

The Board also acknowledges with thanks, the contribution made by the honorable Directors by guiding and giving proper directions from time to time which has made Takaful a hallmark in general insurance industry of Bangladesh.

The Directors also take the opportunity to express their sincere appreciation for the contributions made by the executives and members of the staff for their diligent and praiseworthy efforts in ensuring continued progress of the company as well as their efforts towards putting Takaful among the top insurance companies in Bangladesh. Without their dedicated and loyal services, the company could not have achieved this result.

**For and on behalf of the Board of Directors**



**(Anwer Hossain Khan, MP)**  
Chairman

## Directors' Certificate

As per regulations contained in the First Schedule of the Insurance Act, 1938 and as per Section 40-C of the Act, we certify that:

01. The value of all assets shown in the Balance Sheet and classified on **Form-"AA"** annexed have been reviewed as at 31st December, 2019 & in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value under the several headings enumerated in the annexed form :
02. All expenses of management wherever incurred, whether directly or indirectly in respect of Fire, Marine Cargo, Marine Hull, Motor & Miscellaneous insurance business have been fully debited in the respective Revenue Account as expenses.



**Md. Azizul Islam**  
Chief Executive Officer



**A.K.M Aminul Islam**  
Director



**Md. Humayun Kabir Patwary**  
Director



**Anwer Hossain Khan MP**  
Chairman

Place : Dhaka, Bangladesh  
Dated : 21 June, 2020

# Independent Auditor's Report

## To the Shareholders of TAKAFUL ISLAMI INSURANCE LIMITED Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **TAKAFUL ISLAMI INSURANCE LIMITED**, which comprise the Statement of Financial Position as at 31st December 2019, Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the balance sheet of the company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current year. During the course of the audit, we considered premium income, investment in other entity's shares its related income as significant matter. To address the risk arising in the key audit matter we made sure that we do check the premium income with their individual policies of the insurer, we obtained the share portfolio and cross checked against each share transactions of the share investment and we also verified the each bank balance with their bank statements and the reconciliation. We calculate reserve for unexpired risk of premium income during the year according to Insurance Development & Regulatory Authority Bangladesh.

Risk	Our response to the risk
Premium Income	
Gross general insurance premiums amount of Tk. 494,854,728 is comprise the total premiums amount of Tk. 248,972,609 is received for the whole period of cover provided by contracts entered into during the accounting period.	With respect to Premium income in respect of various types of insurance we carried out the following procedures:
Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.	<ul style="list-style-type: none"><li>➤ The design and operating effectiveness of key controls around premium income recognition process.</li><li>➤ Carried out analytical procedures and recalculated premium income for the period.</li><li>➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li></ul>

Risk	Our response to the risk
	<ul style="list-style-type: none"> <li>➤ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> <li>➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium.</li> <li>➤ Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
See note no 24 to the financial statements	
Share Income	
<p>Insurance company makes a number of investments in the listed and unlisted capital market with required regulatory permission. In lieu of total investment of Tk. 142,726,257 and income generated from the investments dividend received is amount of Tk. <b>42,918,145</b> and realized gain amount of Tk. 13,211,861 is credited to the Profit &amp; Loss Account.</p> <p>This item has significant impact on the earnings performance of the company and return to the shareholders.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> <li>➤ Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report</li> <li>➤ Reviewed and challenged the assumptions used for the valuation models for any unquoted securities.</li> <li>➤ Recalculated realized gain or loss at the year end.</li> <li>➤ Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.</li> <li>➤ Obtained the share portfolio and cross checked against each share transactions.</li> </ul>

Risk	Our response to the risk
	➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no.11.02,17 & 18 to the financial statements	

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit



evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) 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;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;

- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation 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 Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report 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 its business re-insured abroad;
- f) Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Dated: Dhaka, 21 June, 2020



(AFM. Alamgir, FCA)

**ARTISAN**

Chartered Accountants

# Statement Of Financial Position

As at 31st December, 2019

CAPITAL AND LIABILITIES	NOTE NO.	BALANCE AS AT 31ST DEC., 2019	BALANCE AS AT 31ST DEC., 2018
<b>AUTHORIZED CAPITAL</b>	03	<b>1,000,000,000</b>	<b>1,000,000,000</b>
10,00,00,000 Ordinary Shares of Tk. 10.00 each			
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	03.01	<b>425,869,770</b>	<b>401,763,930</b>
<b>RESERVE OR CONTINGENCY ACCOUNT</b>	04	<b>307,766,073</b>	<b>281,955,035</b>
Reserve For Exceptional Losses		251,824,383	226,927,122
Capital Reserve		5,914,198	5,914,198
General Reserve		2,363,000	2,363,000
Dividend Equalization Reserve		1,500,000	1,500,000
Balance of Profit & Loss Appropriation Account		46,164,492	45,250,715
<b>BALANCE OF FUNDS AND ACCOUNTS</b>	05	<b>100,021,146</b>	<b>86,258,278</b>
Fire Insurance Business Account		40,812,443	31,210,214
Marine Cargo Insurance Business Account		42,258,684	42,969,375
Marine Hull Insurance Business Account		720,171	235,392
Motor Insurance Business Account		14,015,906	10,418,680
Miscellaneous Insurance Business Account		2,213,942	1,424,617
<b>OTHER SUM OWING (PREMIUM DEPOSIT)</b>	06	<b>12,711,612</b>	<b>12,047,973</b>
<b>LIABILITIES &amp; PROVISIONS</b>		<b>211,333,531</b>	<b>219,231,060</b>
Estimated Liabilities in respect of Outstanding Claims whether due or intimated	07	13,486,919	13,498,548
Amount due to other persons or bodies carrying on Insurance Business	08	74,672,185	59,435,078
Sundry Creditors	09	12,979,725	9,170,971
Provision for Taxation.	10	47,801,256	60,333,017
Quard-e-Hasana From Bank	10.02	62,393,446	76,793,446
<b>TOTAL CAPITAL AND LIABILITIES</b>		<b>1,057,702,132</b>	<b>1,001,256,276</b>

**Net Asset Value (NAV) Per Share**

**17.23**

**16.05**

The annexed notes form an integral part of these Financial Statements

These financial statements were approved and authorized for issue by the board of directors on **18-06-2020** and signed for and on behalf of the Board.



**Md. Azizul Islam**  
Chief Executive Officer



**A.K.M Aminul Islam**  
Director



**Md. Humayun Kabir Patwary**  
Director



**Anwer Hossain Khan MP**  
Chairman

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: 21 June , 2020

  
(AFM) Alamgir, FCA  
ARTISAN  
Chartered Accountants

# Statement Of Financial Position

As at 31st December, 2019

PROPERTY AND ASSETS	NOTE NO.	BALANCE AS AT 31ST DEC. 2019	BALANCE AS AT 31ST DEC., 2018
<b>INVESTMENT</b>	11	<b>151,697,028</b>	<b>204,937,044</b>
Bangladesh Government Treasury Bond (BGTB)		25,000,000	25,000,000
Investment In Shares		126,697,028	179,937,044
<b>PROFIT, INTEREST, DIVIDENDS &amp; RENTS (Accrued but not Due)</b>	12	<b>11,377,269</b>	<b>7,996,321</b>
<b>AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS</b>	13	<b>40,444,637</b>	<b>52,220,556</b>
<b>SUNDRY DEBTORS (Including Advances, Deposits &amp; Pre-payments)</b>	14	<b>145,780,112</b>	<b>101,881,692</b>
<b>CASH &amp; BANK BALANCES</b>	15	<b>686,545,980</b>	<b>612,653,010</b>
Term / Fixed Deposit Account		659,100,000	563,850,000
STD Account		17,910,420	42,015,785
Current Account		4,155,221	1,865,485
Cash in Transit		-	-
Cash in Hand		5,380,339	4,921,740
<b>OTHER ACCOUNTS</b>	16	<b>21,857,106</b>	<b>21,567,653</b>
Fixed Assets - At Cost Less Depreciation		20,800,256	19,883,448
Stock of Printing & Stationery		560,000	520,000
Insurance Stamps in Hand		496,850	1,164,205
<b>TOTAL PROPERTY AND ASSETS</b>		<b>1,057,702,132</b>	<b>1,001,256,276</b>

The annexed notes form an integral part of these Financial Statements

These financial statements were approved and authorized for issue by the board of directors on 18-06-2020 and signed for and on behalf of the Board.



**Md. Azizul Islam**  
Chief Executive Officer



**A.K.M Aminul Islam**  
Director



**Md. Humayun Kabir Patwary**  
Director



**Anwer Hossain Khan MP**  
Chairman

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: 21 June, 2020



**(AFM) Alamgir, FCA**  
**ARTISAN**  
Chartered Accountants

# Statement Of Profit Or Loss & Others Comprehensive Income

For the year ended 31st December, 2019

PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>EXPENSES OF MANAGEMENT</b> (Not Applicable to any Particular Fund or Account)				<b>Profit, Interest, Dividends &amp; Rents (Not Applicable to any particular Fund or Account)</b>	17		
Director's Fee		30,194,684	29,552,341	<b>Other Income</b>	18		
Head Office Rent		1,449,500	1,414,500				
Advertisement & Publicity		3,762,000	4,104,000				
Subscription & Donation		3,146,191	2,583,593				
Legal & Professional Fees		666,850	969,339				
Calculation Loss Arised From Investment		249,750	519,400				
Registration & Renewal		16,029,229	14,250,567				
Depreciation		956,498	1,488,303				
Audit Fee		3,647,166	4,165,139				
<b>Net Profit Transferred to Profit &amp; Loss Appropriation Account</b>		<b>90,438,634</b>	<b>69,719,151</b>				
<b>TOTAL</b>		<b>120,633,318</b>	<b>99,271,492</b>				
<b>Basic Earning Per Share (Value Per Share Tk. 10/- each )</b>	20	<b>1.64</b>	<b>1.28</b>				

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Chief Executive Officer



**A.K.M Aminul Islam**  
Director



**Md. Humayun Kabir Patwary**  
Director



**Anwer Hossain Khan MP**  
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**(AFM) Alamgir, FCA**  
**ARTISAN**  
Chartered Accountants

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: 21 June , 2020



# Profit And Loss Appropriation Account

For the year ended 31st December, 2019

PARTICULARS	2019 TAKA	2018 TAKA	PARTICULARS	2019 TAKA	2018 TAKA
Balance brought from last year	-	-	Balance brought from last year	45,250,715	42,560,553
Reserve for Exceptional losses	24,897,261	21,529,261	Transferred from General Reserve	-	11,500,000
Bonus Dividend -2018	24,105,840	22,741,350			
Cash Dividend -2018	20,088,197	18,951,130	Net Profit for the year	90,438,634	69,719,151
Provision for Taxation	20,357,718	15,555,611	Deferred Tax Income	-	248,363
Deferred Tax	75,841	-			
General Reserve					
<b>Balance Transferred to Balance Sheet</b>	<b>46,164,492</b>	<b>45,250,715</b>			
<b>TOTAL</b>	<b>135,689,349</b>	<b>124,028,067</b>		<b>135,689,349</b>	<b>124,028,067</b>

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Anwer Hossain Khan MP  
Chairman

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(AFM) Alamgir, FCA)  
**ARTISAN**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 21 June , 2020

# Fire Insurance Revenue Account

For the year ended 31st December, 2019

PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>CLAIMS UNDER THE POLICIES LESS RE-INSURANCE:</b>							
Paid during the year		17,457,715	4,762,296	Balance of Account at the beginning of the year		31,210,215	32,048,468
Add: Total estimated liability in respect of Outstanding claims at the end of the year whether due or intimated		9,855,925	8,800,351	Premium Less Re-Insurance		102,031,108	78,025,534
		27,313,640	13,562,647	Commission on Re-insurance ceded		56,787,420	50,289,871
Less: Outstanding at the end of previous year		(8,800,351)	(8,905,203)				
Agency Commission		18,513,289	4,657,444				
Expenses of Management		36,656,252	30,090,362				
Reserve for un-expired risks being 40% of Premium Income of the year	19	95,782,309	87,784,555				
Profit/(Loss) transferred to Profit & Loss Account		40,812,443	31,210,214				
		(1,735,550)	6,621,298				
<b>TOTAL</b>		<b>190,028,743</b>	<b>160,363,873</b>			<b>190,028,743</b>	<b>160,363,873</b>

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**Anwer Hossain Khan MP**  
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 (AFM)Alamgir, FCA)  
**ARTISAN**  
 Chartered Accountants

Place: Dhaka, Bangladesh  
 Dated: 21 June , 2020

# Marine Cargo Insurance Revenue Account

For the year ended 31st December, 2019

PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>CLAIMS UNDER THE POLICIES LESS RE-INSURANCE:</b>				Balance of Account at the beginning of the year		42,969,375	39,615,187
Paid during the year		168,544	3,913,233	Premium less Re-Insurance		105,646,709	107,423,437
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		2,870,494	3,693,197	Commission on re-insurance ceded		16,451,687	9,338,203
Less: Outstanding at the end of previous year		3,039,038	7,606,430				
		(3,693,198)	(4,898,364)				
<b>Agency Commission</b>		<b>(654,160)</b>	<b>2,708,066</b>				
<b>Expenses of Management</b>	19	<b>19,766,421</b>	<b>19,470,902</b>				
		<b>52,517,466</b>	<b>57,248,771</b>				
<b>Reserve for un-expired risks being 40% of premium income of the year</b>		<b>42,258,684</b>	<b>42,969,375</b>				
<b>Profit/(Loss) transferred to Profit &amp; Loss</b>							
<b>Account</b>		<b>51,179,360</b>	<b>33,979,713</b>				
<b>TOTAL</b>		<b>165,067,771</b>	<b>156,376,827</b>			<b>165,067,771</b>	<b>156,376,827</b>

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**Anwer Hossain Khan MP**  
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 (AFM/Alamgir, FCA)  
**ARTISAN**  
 Chartered Accountants

Place: Dhaka, Bangladesh  
 Dated: 21 June , 2020


# Marine Hull Insurance Revenue Account

For the year ended 31st December, 2019

PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>CLAIMS UNDER THE POLICIES LESS RE-INSURANCE:</b>				Balance of Account at the beginning of the year		235,392	856,961
Paid during the year		-	30,908	Premium Less Re-Insurance		720,171	235,392
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	-	Commission on re-insurance ceded		226,938	92,973
Less: Outstanding at the end of previous year		-	30,908 (15,000)				
<b>Agency Commission</b>	19	-	15,908				
<b>Expenses of Management</b>		170,252	79,773				
		465,873	243,989				
<b>Reserve for un-expired risks being 100% of premium income of the year</b>		720,171	235,392				
<b>Profit /(Loss) Transferred to Profit &amp; Loss Account</b>		(173,795)	610,264				
<b>TOTAL</b>		<b>1,182,501</b>	<b>1,185,326</b>			<b>1,182,501</b>	<b>1,185,326</b>

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(AFM) Alamgir, FCA)  
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Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 21 June, 2020

# Motor Insurance Revenue Account

For the year ended 31st December, 2019


PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>CLAIMS UNDER THE POLICIES</b>							
<b>LESS RE-INSURANCE:</b>							
Paid during the year				Balance of Account at the beginning of the year			
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		2,193,517	720,040	Premium Less Re-Insurance		10,418,680	9,376,679
						35,039,764	26,046,700
Less : Outstanding at the end of previous year		660,500	1,005,000	Commission on re-insurance ceded			
		2,854,017	1,725,040			178,835	72,855
		(1,005,000)	(2,981,900)				
		1,849,017	(1,256,860)				
<b>Agency Commission</b>							
<b>Expenses of Management</b>							
<b>Reserve for un-expired risks being 40% of premium income of the year</b>	19	5,020,965	3,817,343				
<b>Profit/(Loss) transferred to Profit &amp; Loss Account</b>		13,494,092	11,512,557				
		14,015,906	10,418,680				
<b>TOTAL</b>		11,257,299	11,004,514			45,637,279	35,496,234
		45,637,279	35,496,234				

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**ARTISAN**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 21 June , 2020



# Miscellaneous Insurance Revenue Account

For the year ended 31st December, 2019

PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>CLAIMS UNDER THE POLICIES</b>							
<b>LESS RE-INSURANCE:</b>							
Paid during the year				Balance of Account at the beginning of the year		1,424,617	1,668,212
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		73,699	6,348,360	Premium Less Re-Insurance		5,534,857	3,561,542
Less: Outstanding at the end of previous year		100,000		Commission on Re-insurance ceded		6,372,546	6,465,972
		173,699	6,348,360				
			(990,761)				
<b>Agency Commission</b>		<b>173,699</b>	<b>5,357,599</b>				
<b>Expenses of Management</b>		<b>1,114,261</b>	<b>756,205</b>				
<b>Reserve for un-expired risks being 40% of Miscellaneous and Accident Premium Income of the year</b>	19	<b>5,854,120</b>	<b>5,175,384</b>				
<b>Profit/(Loss) Transferred to P/L Account</b>		<b>2,213,943</b>	<b>1,424,617</b>				
		<b>3,975,997</b>	<b>(1,018,079)</b>				
<b>TOTAL</b>		<b>13,332,020</b>	<b>11,695,726</b>			<b>13,332,020</b>	<b>11,695,726</b>

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Chartered Accountants

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Place: Dhaka, Bangladesh  
Dated: 21 June, 2020

# Consolidated Revenue Account

For the year ended 31st December, 2019

PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA	PARTICULARS	NOTE NO.	2019 TAKA	2018 TAKA
<b>CLAIMS UNDER THE POLICIES LESS RE-INSURANCE:</b>							
Paid during the year		19,893,475	15,774,837	Balance of Account at the beginning of the year		86,258,279	83,565,507
Add: Total estimated liability in respect of Outstanding claims at the end of the year whether due or intimated		13,486,919	13,498,548	Premium Less Re-Insurance		248,972,609	215,292,605
Less: Outstanding at the end of previous year		33,380,394 (13,498,549)	29,273,385 (17,791,228)	Commission on Re-insurance ceded		80,017,426	66,259,874
<b>Agency Commission Expenses of Management</b>		<b>19,881,845</b>	<b>11,482,157</b>				
<b>Reserve for un-expired risks being 40% of Premium Income of the year of fire,marine cargo,motor,misc. and 100% of hull of the year Profit/(Loss) transferred to Profit &amp; Loss Account</b>	19	<b>62,728,151</b>	<b>54,214,585</b>				
		<b>168,113,860</b>	<b>161,965,256</b>				
<b>TOTAL</b>		<b>64,503,311</b>	<b>51,197,710</b>				
		<b>415,248,314</b>	<b>365,117,986</b>			<b>415,248,314</b>	<b>365,117,986</b>

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**Anwer Hossain Khan MP**  
 Chairman

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 (AFM)Alamgir, FCA)  
**ARTISAN**  
 Chartered Accountants

Place: Dhaka, Bangladesh  
 Dated: 21 June , 2020

# Statement Of Changes In Equity

For the year ended 31st December, 2019

Particulars	Share Capital	Capital Reserve	General Reserve	Dividend Equalization Reserve	Reserve for Exceptional Losses	Fair value Reserve	Retained Earnings	Total
<b>At the beginning of the year</b>	401,763,930.00	5,914,198.00	2,363,000.00	1,500,000.00	226,927,122.00		45,250,715.00	683,718,965.00
Stock Dividend-2018	24,105,840.00						(24,105,840.00)	
Cash Dividend-2018							(20,088,197.00)	(20,088,197.00)
Capital Reserve								
General Reserve								
Dividend Equalization Reserve								
Reserve for Exceptional Losses					24,897,261.00		(24,897,261.00)	
Fair value Reserve								
Net Profit after Tax for the year							70,005,075.00	70,005,075.00
<b>At the end of the year</b>	<b>425,869,770.00</b>	<b>5,914,198.00</b>	<b>2,363,000.00</b>	<b>1,500,000.00</b>	<b>251,824,383.00</b>	<b>-</b>	<b>46,164,492.00</b>	<b>733,635,843.00</b>

For the year ended 31st December, 2018

Particulars	Share Capital	Capital Reserve	General Reserve	Dividend Equalization Reserve	Reserve for Exceptional Losses	Fair value Reserve	Retained Earnings	Total
<b>At the beginning of the year</b>	379,022,580.00	5,914,198.00	13,863,000.00	1,500,000.00	205,397,861.00	14,650,827.00	42,560,553.00	662,909,019.00
Stock Dividend-2017	22,741,350.00						(22,741,350.00)	
Cash Dividend-2017							(18,951,130.00)	(18,951,130.00)
Capital Reserve								
General Reserve			(11,500,000.00)				11,500,000.00	
Dividend Equalization Reserve								
Reserve for Exceptional Losses					21,529,261.00		(21,529,261.00)	
Fair value Reserve						(14,650,827.00)		(14,650,827.00)
Net Profit after Tax for the year							54,411,903.00	54,411,903.00
<b>At the end of the year</b>	<b>401,763,930.00</b>	<b>5,914,198.00</b>	<b>2,363,000.00</b>	<b>1,500,000.00</b>	<b>226,927,122.00</b>	<b>-</b>	<b>45,250,715.00</b>	<b>683,718,965.00</b>

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Director




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Director



Anwer Hossain Khan MP  
Chairman

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(AFM/Alamgir, FCA)  
**ARTISAN**

Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 21 June , 2020

# Cash Flow Statement

For the year ended 31st December, 2019

PARTICULARS	BALANCE AS AT 31ST DECEMBER, 2019	BALANCE AS AT 31ST DECEMBER, 2018
<b>Cash Flow from Operating Activities</b>		
Collection From Premium & Other income	331,394,627	294,836,077
Payment for management expenses, Re-insurance, Claim & Commission	(240,916,921)	(212,125,856)
<b>Cash Generated from Operations</b>	<b>90,477,706</b>	<b>82,710,221</b>
Income Tax Paid & Deducted at Source	(14,743,353)	(10,748,516)
<b>Net Cash Generated from Operating Activities</b>	<b>75,734,353</b>	<b>71,961,705</b>
<b>Cash Flow from Investing Activities</b>		
Investment in Bonds / Shares	37,210,787	(1,463,037)
Acquisition of Property, Plant & Equipments etc.	(4,563,973)	(3,464,020)
Disposal of Property, Plant and Equipments		94,575
<b>Net Cash used in Investing Activities</b>	<b>32,646,814</b>	<b>(4,832,482)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend Paid	(20,088,197)	(18,951,129)
Increase/Decrease in Quard from Bank	(14,400,000)	(15,600,000)
<b>Net Cash Generated/ (Used) in Financing Activities</b>	<b>(34,488,197)</b>	<b>(34,551,129)</b>
Net Increase in Cash and Bank Balances	73,892,970	32,578,094
Cash and Bank Balances at Beginning of Year	612,653,010	580,074,916
<b>Cash and Bank Balances at End of Year</b>	<b>686,545,980</b>	<b>612,653,010</b>

Net operating cash flow per share (NOCFPS)

1.78

1.69

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## Intrinsic Value Or Net Assets Value

Particulars	Amount (Tk.)	Amount (Tk.)
	2019	2018
<b>A. ASSETS:</b>		
Bangladesh Government Treasury Bond(BGTB)	25,000,000.00	25,000,000.00
Investment in Shares	126,697,028.00	179,937,044.00
Interest Accrued but not due	11,377,269.00	7,996,321.00
Amount due from other persons or bodies carrying on Insurance Business	40,444,637.00	52,220,556.00
Sundry Debtors (Including Advances, Deposits & Prepayments)	145,780,112.00	101,881,692.00
Cash and Bank Balance	686,545,980.00	612,653,010.00
Other Accounts (Fixed Assets & Stock of Stationery, Stamps	21,857,106.00	21,567,653.00
<b>Total</b>	<b>1,057,702,132.00</b>	<b>1,001,256,276.00</b>
<b>B. LIABILITIES :</b>		
Balance of Funds and Accounts	100,021,146.00	86,258,278.00
Estimated Liabilities in respect of outstanding claims whether due or intimated	13,486,919.00	13,498,548.00
Amount due to other persons or bodies carrying on Insurance Business	74,672,185.00	59,435,078.00
Sundry Creditors	12,979,725.00	9,170,971.00
Provision for Income Tax & Deferred Tax	47,801,256.00	60,333,017.00
Quard-e-Hasana From Banks	62,393,446.00	76,793,446.00
Other Sums Owing (Premium Deposit Account)	12,711,612.00	12,047,973.00
<b>Total</b>	<b>324,066,289.00</b>	<b>317,537,311.00</b>
<b>Net Assets (A - B)</b>	<b>733,635,843.00</b>	<b>683,718,965.00</b>
No. of Shares	42,586,977	42,586,977
<b>Intrinsic Value / Net Assets Value per Share</b>	<b>17.23</b>	<b>16.05</b>

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Chartered Accountants



## Schedule of Fixed Assets as at 31st December -2019

Sl. No.	Particulars	Original Cost				Rate on Dep.	Depreciation			Written Down	Remarks
		Balance as at 01-01-2019	Addition During the Period	Adjustment	Total as at 31-12-2019		Balance as at 01-01-2019	Charged During the Period	Adjustment	Total as at 31-12-2019	
1	Furniture & Fixture	4,105,044	388,296	-	4,493,340	10%	2,403,274	193,366		2,596,640	1,896,700
2	Office Equipment	1,746,120	94,011	-	1,840,131	15%	1,170,320	90,751		1,261,071	579,060
3	Office Decoration	6,664,778	2,917,330	-	9,582,108	10%	3,798,634	329,887		4,128,521	5,453,587
4	Air Cooler	3,258,925	321,864	-	3,580,789	15%	2,072,838	194,123		2,266,961	1,313,828
5	Motor & Other Vehicles	23,152,474			23,152,474	20%	12,671,554	2,096,184		14,767,738	8,384,736
6	Computer	4,505,681	188,142	-	4,693,823	30%	3,321,188	383,374		3,704,562	989,261
7	Telephone Installation	1,586,091	94,700	-	1,680,791	15%	1,313,545	43,676		1,357,221	323,570
8	Croceries & Cutleries	59,997		-	59,997	25%	55,433	1,141		56,574	3,423
9	Electrical Installation	1,568,373	188,030	-	1,756,403	15%	827,997	118,273		946,270	810,133
10	Carpet & Curtain	34,250		-	34,250	10%	27,909	634		28,543	5,707
11	Professional Books	212,112		-	212,112	10%	138,930	7,318		146,248	65,864
	<b>Intangible Assets</b>										
12	Software Installation	2,002,000	371,600		2,373,600	20%	1,210,774	188,438		1,399,212	974,388
	<b>Total</b>	<b>48,895,845</b>	<b>4,563,973</b>	<b>-</b>	<b>53,459,818</b>		<b>29,012,396</b>	<b>3,647,166</b>		<b>32,659,562</b>	<b>20,800,256</b>

## Form “AA” Classified Summary of Assets

*As at 31st December, 2019*

CLASS OF ASSETS	BOOK VALUE
Bangladesh Government Treasury Bond	25,000,000.00
Investment in Shares	126,697,028.00
Cash on Fixed Deposit, TDR, STD, Current Account and Cash in Transit with Bank	681,165,641.00
Cash in Hand	5,380,339.00
Interest Accrued but not due/Profit, Interest, Dividend & Rent accrued but not due	11,377,269.00
Sundry Debtors Including Advances, Deposits & Prepayments	145,780,112.00
Stock of Printing and Stationery	560,000.00
Stamps in Hand	496,850.00
Fixed Assets (At Cost less Depreciation)	20,800,256.00
Amount due from Other Persons or Bodies Carrying on Insurance Business	40,444,637.00
<b>Total</b>	<b>1,057,702,132.00</b>

The annexed notes form an integral part of these Financial Statements

These financial statements were approved and authorized for issue by the board of directors on 18-06-2020 and signed for and on behalf of the Board.



**Md. Azizul Islam**  
Chief Executive Officer



**A.K.M Aminul Islam**  
Director



**Md. Humayun Kabir Patwary**  
Director



**Anwer Hossain Khan MP**  
Chairman

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: 21 June , 2020



**(AFM) Alamgir, FCA**  
**ARTISAN**  
Chartered Accountants

# Accounting Policies and Explanatory Notes

*As at 31st December, 2019*

The accounting policies and explanatory notes to the financial statements have been set out below in the manner as prescribed by the IAS 1 "Preparation and Presentation of Financial Statements".

## 1.0 The Company & its Activities:

**1.1 Status of the Company:** The Company was incorporated in Bangladesh as a Public Company Limited by Shares on the 27th day of December, 2001 under the Companies Act, 1994. It is noted that the name of Sears Insurance Co. Ltd. has been changed to **Takaful Islami Insurance Limited** under the provision of Section 11, Sub-Section (5) Act (VII) of 1994.

**1.2 Address of Registered Office:** The registered office of the Company is located at Monir Tower (7<sup>th</sup>, 8<sup>th</sup> & 9<sup>th</sup> Floor), 167/1, DIT Extension Road, Motijheel (Fokirafool) Dhaka -1000.

**1.3 Principal Activities:** The principal activities of the Company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

## 1.4 Number of Employees:

There were 521 employees at the year ended 31st December, 2019

Sl.No.	Particulars	No. of Employees
(i)	Chief Executive Officer	01
(ii)	Deputy Managing Director	01
(iii)	Assistant Managing Director	11
(iv)	Senior General Manager	12
(v)	General Manager	48
(vi)	Senior Deputy General Manager	05
(vii)	Deputy General Manager	46
(viii)	Senior Assistant General Manager	10
(ix)	Other Employees	387
	<b>Total</b>	<b>521</b>

## 2.00 Summary of significant accounting policies and basis of presenting financial statements:

**2.01 Basis of preparation of financial statements:** The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

- a) Going Concern
- b) Accrual
- c) Historical Cost Convention

- e) Generally accepted accounting principles and practices in Bangladesh
- f) The Companies Act, 1994
- g) Insurance Act, 2010
- h) Insurance Act, 1938
- i) Insurance Rule, 1958
- j) The Securities and Exchange Rules, 1987
- k) The Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

## **2.02 Compliance of International Financial Reporting Standards (IFRSs)**

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs).

## **2.03 Risk and Uncertainty for use of Estimates and Judgments**

The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and expenses, and for contingent assets and liabilities that require disclosure during and at the date of financial statements.

Actual results could differ from those estimates. Estimates and underline assumptions are used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

## **2.04 Adoption of International Accounting Standards (IASs)**

In preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following IASs have been implemented by the company. Which were issued by the ICAB formulated in the light of the IASs originally issued by the International Accounting Standards Board and the conditions and practices prevailing in International, and valid as on the balance sheet date:

IAS I Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Cash *Flow* Statements

IAS 10 Events after the Balance Sheet Date

IAS 12 Income Tax

IAS 14 Segment Reporting

IAS 16 Property, Plant and Equipment

IAS 17 Leases

IAS 18 Revenue

IAS 19 Employees Benefit Plan

IAS 24 Related Party Disclosure

IAS 33 Earnings Per Share

IAS 36 Impairment of Assets

IAS 37 Provision, Contingent Liabilities and Contingent Assets

## 2.05 Specific Accounting Policies Selected and Applied for Significant Transactions and Events

The specific accounting policies selected and applied by the Company's Directors for significant transactions and events that have material effect within the framework of IAS 1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS 1 "*Preparation and Presentation of Financial Statement*"

### (a) Revenue Recognition

Revenue represents invoiced value of policies. Revenue is recognized when policies are made. Invoices were made after satisfying the following conditions as prescribed by IAS 18 "Revenue Recognition":

- (i) The significant risks and rewards of ownership of the policies has been transferred to the policyholder;
- (ii) Premium is recognized when insurance policies are issued. The sum of premium income as appeared in classified revenue accounts is net of the refund made, re-insurance ceded and re-insurance premium on PSB;
- (iii) Total amount of premium earned on various classes insurance business underwritten during the year has been duly accounted for in the books of account of the Company and while preparing the financial statements of accounts, the effect of re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated have also been reflected in order to arrive at the net underwriting profit for the period.
- (iv) The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which relevant statement of accounts from Sadharan Bima Corporation are received. The statements of account for the period from July-2018 to June-2019 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly;
- (v) Amounts received against issue of Cover Notes, which have not been converted into Policy are recognized as income at the earlier of Cover Notes converted into Policy or after expiry of nine months Cover Notes in accordance with Regulatory Authority's Circular;
- (vi) Interest on Fixed Deposit Receipts (FDR) and Bangladesh Government Treasury Bond(BGTB) are recognized as revenue on accrual basis;
- (vii) Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty Agreement made with Sadharan Bima Corporation (SBC) and Foreign Re-Insurer(s);

### (b) Revenue Account

While preparing the Revenue Account, the effect of necessary adjustment has duly been given in to accounts in respect of re-insurance business ceded and accepted. Re-Insurance Premium ceded has been accounted for into accounts.

Surplus or deficit on revenue have been arrived at after providing for un-expired risks @ 40% on all business except Marine Hull Insurance for which 100% provision has been created for un-expired risks.

### (c) Premium and Claim

The total amount of premium earned on various classes insurance business underwritten during the period has been duly accounted for in the books of account of the Company and while preparing the financial statements of accounts, the effect of re-insurance ceded as well as the



effect of total estimated liabilities in respect of outstanding claims at the end of the period whether due or intimated have also been reflected in order to arrive at the net underwriting profit for the period.

**(d) Allocation of total Management Expenses**

Total related management expenses have been allocated among the revenue accounts on pro-rata basis of their respective gross premium income.

**(e) Recognition of Tangible Fixed Assets**

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and other related incidental charges. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

**(f) Depreciation of Tangible Fixed Assets**

In respect of all fixed assets, depreciation is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment"

Depreciation on Fixed Assets has been charged at a reducing balance method at rates varying from 10% to 30%. Provision for depreciation on assets purchased during the year has been made from the month of purchased or when the asset begins available for use/economic benefit received from that assets.

Depreciation is charged at the rate shown below:

Furniture & Fixture	10%
Office Equipment	15%
Office Decoration	10%
Air Cooler	15%
Motor & Other Vehicles	20%
Computer	30%
Telephone Installation	15%
Crockery's & Cutleries	25%
Electrical Installation	15%
Carpet & Curtain	10%
Professional Books	10%
Software Installation	20%

**(g) Investment in FDR and Shares**

Investment is stated at its cost of acquisition and interest and profit on investment has been accounted for on accrual basis. The Profit and Loss Account reflects income from the investment only to the extent of distributions from accumulated net profit of the investee company in the form of dividend, which is recognized when the company's right to receive payment is established, that is, approved as dividend in the annual general meeting of the said company. Similarly the Profit and Loss Account also reflects the income on account of interest on investment only to the extent of amount which has been accrued but not due.

**(h) Inventories**

In compliance with the requirement of **IAS 2 "Inventories"**, inventories are stated at the lower of cost and net realizable value.

Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale.

**(i) Sundry Debtors (Including Advance, Deposits and Pre-payments)**

These are carried at original invoice amount which represents net realizable value. The entire amount is considered good and collectible and therefore no amount was written off as bad debt and no debt was considered doubtful to be provided for.

**(j) Cash and Cash Equivalents**

For the purpose of balance sheet and cash flow statement, cash in hand, fixed deposit with other banks, collection in hand, stamp in hand and bank balances represent **Cash and Cash Equivalents** considering the **IAS 1 "Presentation of Financial Statements"** and **IAS 7 "Cash Flow Statement"**, which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

**(k) Other Current Assets**

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet

**(l) Provision for Income Tax**

Basis of provision for Income Tax: Net Profit-Reserve for exception loss x tax rate as prescribed in Finance Act.

**(m) Deferred Tax**

The company recognized deferred tax in accordance with the provision of **IAS 12**. Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the profit and loss account. A temporary difference is the difference between tax base of asset or liability and its carried amount/reported amount in the financial statements. Deferred tax assets or liability is the amount of income tax payable on recoverable in future period(s) recognized in the current period. The deferred tax assets/expenses do not create a legal liability/recoverability from the income tax authority. An amount of Tk. 9,72,305/- has been recognized in the financial statement as deferred tax liability as on December 31, 2019. The disclosure has been made in the Note No. 10.01.

**(n) Cost of Post Employment Benefits**

The Company has introduced group insurance scheme contributory provident fund, unfunded gratuity scheme.

**(o) Other Corporate Debt, Accounts Payable, Trade and Other Liabilities**

These liabilities are carried at the anticipated settlement amount in respect of policies and services received, whether or not billed by the policyholder and the supplier.

**(p) Provisions**

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**(q) Earnings per Share (EPS)**

The company calculates earnings per share (EPS) in accordance with IAS 33 earnings per share “which has been shown on the face of profit and loss account. The disclosure has been made in the Note-20 in respect of numerator (net profit) and denominator (weighted average number of shares) used in the calculation of basic EPS with necessary computation and reconciliation.

**Basic Earnings**

This represents earnings for the year attributable to ordinary shareholders, as there was no preference dividend, minority interest and extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

**Diluted Earnings per Share**

No diluted Earnings per share (EPS) is required to be calculated for the year as there was no scope for dilution during the year under review.

**(r) Reserve for exceptional Losses**

Provision for exceptional losses has been made during the year under audit.

**(s) Share of Public Sector Business**

Company's Share of Public Sector business is accounted for in the year I which the complete statement of accounts from Sadharan Bima Corporation (SBC) is received. During the year the company has included 4 (four) quarters of its share of the Public Sector business as confirmed by the Sadharan Bima Corporation (SBC) in the following manner:

Period	Particulars of Quarter	No.
1st July, 2018 to 30 <sup>th</sup> Sep-2018	3rd Quarter 2018	1 (One)
1st Oct, 2018 to 31st December, 2018	4th quarter of 2018	1 (One)
1st January, 2018 to 31st March, 2019	1st quarter of 2019	1 (One)
1st April, 2018 to 30th June, 2019	2nd quarter of 2019	1 (One)
<b>Total</b>		<b>4 (Four)</b>

**(t) Recognized Gains and Losses**

No gain or loss was directly dealt with through the shareholders equity without being recognized in the profit and loss account.

Therefore, net profit after tax for the year is the total recognized gains.

**(u) Historical Cost Profit and Losses**

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

(v) **Profit and Loss Account**

The results for the year were not materially affected by the following:

- (a) Transactions of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Charges or credits relating to prior years.

**2.06. Classified Summary of Assets**

The valuation of all assets as at 31st December, 2019 as shown in the Balance Sheet and in the classified summary of assets in **Form AA** annexed with the report has been reviewed and the said assets have been set-forth in the Balance Sheet at amount not exceeding their realizable or market value in aggregate.

**2.07. Financial Instruments and Derivatives**

**Primary Financial Instruments (Financial Assets and Liabilities)**

The disclosure of primary financial instruments carried at the balance sheet date along with the recognition methods and risks involved are summarized in accordance with the provisions of **IAS 32 Financial Instruments**: "Disclosure and Presentation."

**2.08. Derivative Financial Instruments**

The Company is not a party to any derivative contract at the balance sheet date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

**2.09. Impairment**

In accordance with the provisions of IAS 36: Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit and loss account. No such indication of impairment has been observed till to date.

**2.10 Information by Industry Segments and Geographical Area Industry Segment Information**

No mention is made because the company does not have any segment other than the insurance business.

**Geographic Segment Information**

Not applicable as the company does not have any business unit outside Bangladesh.

**2.11 Reporting Currency**

No Foreign Currency Transactions were transacted during the period and thus the conversion of Foreign Currency into Bangladeshi Taka Currency not required during the year ended 31st December, 2019.

## 2.12 Comparative Information and Re-Arrangement thereof

Comparative information has been disclosed in respect of the year 2018 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements

Figures of the year 2018 have been rearranged whenever considered necessary to ensure comparability with the current year.

## 2.13 Transactions with Related Parties

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The information as required by IAS 24: Related party disclosures has been disclosed in a separate note to the accounts.

## 2.14 Events after the Balance Sheet Date

In compliance with the requirements of IAS 10: Events After the Balance Sheet Date, post balance sheet adjusting events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material

## 2.15 Approval of the Financial Statements

The financial statements were approved by the Board of Directors on **18-06- 2020**.

## 2.16 Reporting Period

The Financial Statements of the Company cover a year from 1st January, 2019 to 31st December, 2019 consistently.

## 2.17 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with *IAS 7 "Cash Flow Statement"* and the Cash Flow from the operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 19 of IAS 7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

## 2.18 Components of the Financial Statements

According to the International Accounting Standards (IAS) 1 "Presentation and Preparation of Financial Statements", the complete set of Financial Statements includes the following components:

- (i) Balance Sheet as at 31st December, 2019
- (ii) Profit & Loss Appropriation Account for the year ended 31st December, 2019;
- (iii) Profit and Loss Account for the year ended 31st December, 2019;
- (iv) Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, and Miscellaneous Insurance Revenue Account) for the year ended 31st December, 2019;
- (v) Statement of Changes in Equity for the year ended 31st December, 2019;
- (vi) Cash Flow Statement for the year ended 31st December, 2019
- (vii) Accounting Policies and Explanatory notes the year ended 31st December, 2019.



# Notes of the Accounts

FOR THE YEAR ENDED 31ST DECEMBER, 2019

## BALANCE SHEET

### CAPITAL AND LIABILITIES

	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
03.00 <b>AUTHORIZED SHARE CAPITAL</b>	<b>Tk. 100,00,00,000</b>	<b>Tk. 100,00,00,000</b>

The Authorized Share Capital of the Company is Tk. 100,00,00,000/= divided into 10,00,00,000 Ordinary Shares of Tk. 10/= each.

03.01 <b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	<b>Tk 42,58,69,770</b>	<b>Tk. 40,17,63,930</b>
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Ordinary Shares of Tk. 10/= each Issued, Subscribed and Fully Paid up by the Shareholders  
Ordinary Shares of Tk. 10/= each Fully paid up as bonus share(6%) allotted in 2019

40,17,63,930	37,90,22,580
2,41,05,840	2,27,41,350
<b>42,58,69,770</b>	<b>40,17,63,930</b>

### 03.02 CATEGORY OF SHARE HOLDERS

	No. of Shares
a) <b>Category-A</b> Sponsor Shareholders. (34.82% of total paid-up Shares)	1,56,80,098
b) <b>Category-B</b> General public and institutional investor (65.18% of total paid-up shares)	2,69,06,879
<b>Total</b>	<b>4,25,86,977</b>

### 03.03. DISTRIBUTION SCHEDULE OF PAID-UP CAPITAL

As per listing rules of Stock Exchange a distribution schedule of each class of equity shares and the number of holder and percentage as at 31-12-2019 is given below;

Class Interval	No. of Shares	No. of Shareholders	Total holdings %
Below -500	1,25,425	1016	0.29
500-5000	17,83,753	1096	4.19
5001-10000	5,47,416	75	1.29
10001-20000	6,88,527	49	1.62
20001-30000	5,49,811	22	1.29
30001-40000	3,70,178	11	0.87
40001-50000	2,66,917	6	0.63
50001-100000	8,34,851	12	1.96
Above-100000	3,74,20,99	57	87.86
<b>Total</b>	<b>4,25,86,977</b>	<b>2,344</b>	<b>100%</b>

04. <b>RESERVE OR CONTINGENCY ACCOUNT</b>	<b>Tk 30,77,66,073</b>	<b>Tk. 28,19,55,035</b>
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This is made up as follows:

04.01 Reserves for Exceptional Losses Account	Tk 25,18,24,383	Tk 22,69,27,122
04.02 Capital Reserve Account	Tk 59,14,198	Tk 59,14,198
04.03 General Reserve Account	Tk 23,63,000	Tk 23,63,000
04.04 Dividend Equalization Reserve	Tk 15,00,000	Tk 15,00,000
Profit & Loss Appropriation Account	Tk 4,61,64,492	Tk 4,52,50,715
	<b>Tk 30,77,66,073</b>	<b>Tk. 28,19,55,035</b>

04.01 **RESERVE FOR EXCEPTIONAL LOSSES ACCOUNT** **Tk. 25,18,24,383** **Tk. 22,69,27,122**

This is made up as follows:

Particulars	Amount (Tk.) 2019	Amount (Tk.) 2018
Balance brought forward	22,69,27,122	20,53,97,861
Add: Provision during the year (10% on Net Premium Income)	2,48,97,261	2,15,29,261
<b>Total</b>	<b>25,18,24,383</b>	<b>22,69,27,122</b>

This represents profit set-aside up to the year under review as expenses to meet exceptional losses. This reserve has been created as per requirement of paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984.

04.02 **CAPITAL RESERVE ACCOUNT** **Tk 59,14,198** **Tk. 59,14,198**

This represents gain arisen from the sale of motor car has been transferred to capital reserve account.

Particulars	Amount (Tk.) 2019	Amount (Tk.) 2018
Balance brought forward	59,14,198	59,14,198
Add: during the year	-	-
<b>Total</b>	<b>59,14,198</b>	<b>59,14,198</b>

04.03 **GENERAL RESERVE ACCOUNT** **Tk. 23,63,000** **Tk 23,63,000**

This represents the profits set-aside out of profit of the year under review.

Particulars	Amount (Tk.) 2019	Amount (Tk.) 2018
Balance brought forward	23,63,000	1,38,63,000
Less: Transfer to Profit & Loss Appropriation Account	-	(1,15,00,000)
<b>Total</b>	<b>23,63,000</b>	<b>23,63,000</b>

04.04 **DIVIDEND EQUALIZATION RESERVE** **Tk 15,00,000** **Tk 15,00,000**

Particulars	Amount (Tk.) 2019	Amount (Tk.) 2018
Balance brought forward	15,00,000	15,00,000
Less: Transfer to Profit & Loss Appropriation Account	-	-
<b>Balance at 31-12-2019</b>	<b>15,00,000</b>	<b>15,00,000</b>

05. **BALANCE OF FUNDS AND ACCOUNTS** **Tk 10,00,21,146** **Tk 8,62,58,278**

This represents Reserve for un-expired risks provided against the Net Premium Income of the year at the rates varying from 40% to 100% on different classes of business including Public Sector Business as shown below:

CLASSES OF BUSINESS	PERCENTAGE	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Fire	40%	4,08,12,443	3,12,10,214
Marine Cargo	40%	4,22,58,684	4,29,69,375
Marine Hull	100%	7,20,171	2,35,392
Motor	40%	1,40,15,905	1,04,18,680
Miscellaneous	40%	22,13,943	14,24,617
<b>TOTAL</b>		<b>10,00,21,146</b>	<b>8,62,58,278</b>

06. **OTHER SUMS OWING** **Tk 1,27,11,612** **Tk 1,20,47,973**  
**(PREMIUM DEPOSITS ACCOUNT)**

Balance on this account represents premium received against cover notes issued on account of Marine Cargo for which no policy has been issued within 31<sup>st</sup> December, 2019 .

07. **ESTIMATED LIABILITIES IN RESPECT OF** **Tk 1,34,86,919** **Tk. 1,34,98,548**  
**OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED**

The break up of the above amount is noted below:

CLASSES OF BUSINESS	PRIVATE SECTOR	PUBLIC SECTOR	TOTAL 2019	TOTAL 2018
Fire	98,55,925	0	98,55,925	88,00,351
Marine Cargo	28,70,494	0	28,70,494	36,93,197
Marine Hull		0		-
Motor	6,60,500	0	6,60,500	10,05,000
Miscellaneous	1,00,000	0	1,00,000	-
<b>Total</b>	<b>1,34,86,919</b>	<b>0</b>	<b>1,34,86,919</b>	<b>1,34,98,548</b>

08. **AMOUNT DUE TO OTHER PERSONS OR BODIES** **Tk. 7,46,72,185** **Tk. 5,94,35,078**

**CARRYING ON INSURANCE BUSINESS**

The break up of the above amount is noted below:

NAME OF THE PERSON OR BODIES	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Sadharan Bima Corporation	4,95,80,369	3,38,02,363
Overseas Re-Insurer	2,50,91,816	2,56,32,715
<b>Total</b>	<b>7,46,72,185</b>	<b>5,94,35,078</b>

09. **SUNDRY CREDITORS** **Tk. 1,29,79,725** **Tk 91,70,971**  
**-Including Provision for Expenses**

The balance is made as under:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Share Application Money	20,51,529	20,51,529
VAT	64,60,904	27,57,151
Unpaid Dividend	33,08,755	33,76,254
Liabilities for Expenses	8,45,537	8,45,537
Audit Fee	2,30,000	57,500
Earnest Money & Security Deposit	83,000	83,000
<b>Total</b>	<b>1,29,79,725</b>	<b>91,70,971</b>

10. **PROVISION FOR INCOME TAX** **Tk. 4,78,01,256** **Tk. 6,03,33,017**

This is made up as follows:

Particulars	Amount (Tk.)	Amount (Tk.)
Balance brought forward	<u>5,94,36,553</u>	4,38,80,942
Less: Previous Year Adjustment	3,29,65,320	-
	2,64,71,233	4,38,80,942
Add: Provision during the year 2019	<u>2,03,57,718</u>	<u>1,55,55,611</u>
	<u>4,68,28,951</u>	<u>5,94,36,553</u>
Add: Deferred Tax Liability	9,72,305	8,96,464
<b>Total</b>	<b>4,78,01,256</b>	<b>6,03,33,017</b>

#### 10.01 **DEFERRED TAX LIABILITY**

This is made up as follows:

Particulars	Amount (Tk.)	Amount (Tk.)
Carrying Amount of Tangible Fixed Assets	2,08,00,256	1,98,83,449
Tax base of Tangible Fixed Assets	<u>1,82,07,442</u>	<u>1,74,92,878</u>
	<u>25,92,813</u>	<u>23,90,571</u>
Applicable Tax Rate	37.50%	37.50%
Deferred Tax Liability	<u>9,72,305</u>	<u>8,96,464</u>
Deferred Tax (Income) /Expenses for the year	<b>75,841</b>	<b>(2,48,363)</b>

#### 10.02 **QUARD-E-HASANA(LOAN) FROM BANKS** **TK 6,23,93,446** **TK. 7,67,93,446**

This is made up as follows:

Particulars	Amount (Tk.)	Amount (Tk.)
The Quard-e-Hasana from Islami Bank Bangladesh Ltd. against our Term Deposit Receipt (TDR) of Tk. 6,96,00,000/-	6,23,93,446	7,67,93,446

### **PROPERTY AND ASSETS**

#### 11. **INVESTMENT**

**Tk. 15,16,97,028** **Tk. 20,49,37,044**

This is made up as follows:

11.01 Bangladesh Government Treasury Bond (BGTB)	TK . 2,50,00,000	Tk. 2,50,00,000
11.02 Investment in Shares	<u>Tk 12,66,97,028</u>	<u>Tk 17,99,37,044</u>
	<b><u>Tk. 15,16,97,028</u></b>	<b><u>Tk. 20,49,37,044</u></b>

#### 11.01 **BANGLADESH GOVERNMENT TREASURY BOND** **Tk. 2,50,00,000** **Tk. 2,50,00,000**

The above amount represents the value of 15 (Fifteen) years Bangladesh Government Treasury Bond at cost held with Bangladesh Bank according to the provision of Section 23 and 24 of Insurance Act 2010 as detailed below:

PARTICULARS	AMOUNT (in TK.) 2019	AMOUNT (in TK.) 2018
ISIN NO: BD0928311150 , Issue Date: 20/02/2013 and Maturity Date: 20/02/2028	2,50,00,000	2,50,00,000
BANGLADESH GOVERNMENT TREASURY BOND	<b>2,50,00,000</b>	<b>2,50,00,000</b>

11.02 **FAIR VALUE OF INVESTMENT IN SHARES****Tk. 12,66,97,028.00****Tk. 17,99,37,044.00**

Name of the Company	No. of share	Cost Value	Market Value
BD. Thai	2,68,750	62,88,750.00	52,13,750.00
Beximco Ltd	3,15,000	82,21,500.00	71,82,000.00
BSRM Ltd	25,257	21,46,845.00	14,59,855.00
DESCO	2,59,200	1,14,07,206.00	1,01,08,800.00
Esquire Knit Composite Ltd	20,890	9,40,050.00	5,91,187.00
Fu-Wang Foods Ltd	1,92,500	32,72,500.00	25,21,750.00
Generation Next Fashions Ltd	9,90,000	75,24,000.00	56,43,000.00
Golden Harvest Agro Ind. Ltd	99,000	21,61,500.00	19,00,800.00
Golden Son	1,00,000	11,90,000.00	8,70,000.00
IFIL Islamic MF-1	1,00,000	7,30,000.00	5,40,000.00
Islami Bank Bangladesh Ltd	17,00,000	4,65,80,000.00	4,26,70,000.00
Jamuna Oil Co. Ltd.	30,700	57,74,670.00	49,70,330.00
MJL BD.Ltd.	24,675	24,94,643.00	15,61,927.00
Orion Pharma	3,30,000	1,30,35,000.00	1,18,47,000.00
Runner Automobile	7,566	5,40,450.00	4,50,177.00
Rupali Insurance Co Ltd	5,56,650	1,13,48,065.00	1,15,22,655.00
New Line Clothing	8,038	75,130.00	1,18,962.00
SAIF Power	1,83,168	40,43,520.00	33,70,291.00
Samorita Hospital Ltd	1,37,568	97,73,943.00	88,04,352.00
Shahjalal Islami bank Ltd	38,500	10,39,500.00	9,00,900.00
Silco Pharmaceuticals Ltd	8,023	72,940.00	2,43,097.00
Sea Pearl Beach Resort & Spa Ltd	3,916	37,300.00	1,61,731.00
Titas Gas Transmission Ltd.	35,000	13,51,000.00	10,81,500.00
Coppertech Industries Ltd	4,979	47,420.00	1,17,007.00
ADN Telecom	18,968	5,69,040.00	5,69,040.00
Ring Shine Textile Ltd	2,16,139	20,10,600.00	22,26,232.00
<b>Balance With Broker House</b>	<b>-</b>	<b>50,685.00</b>	<b>50,685.00</b>
<b>Total:</b>	<b>56,74,487</b>	<b>14,27,26,257.00</b>	<b>12,66,97,028.00</b>

**Note :** Provision has been made for shortfall amount of share price aggregation Tk. **1,60,29,229/-** as on 31-12-2019. Investment in share has been shown of Tk. **12,66,97,028/-** in the Balance Sheet as per market price which is lower than the cost.

12. **PROFIT, INTEREST DIVIDEND & RENTS  
(ACCRUED BUT NOT DUE)****Tk.1,13,77,269****Tk. 79,96,321**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Profit Accrued on TDR	20,16,722	47,58,332
Interest on FDR	82,62,333	21,39,775
Bangladesh Government Treasury Bond (BGTB)	10,98,214	10,98,214
<b>Total</b>	<b>1,13,77,269</b>	<b>79,96,321</b>

13. **AMOUNT DUE FROM OTHER PERSONS OR BODIES  
CARRYING ON INSURANCE BUSINESS****Tk. 5,22,20,556****Tk. 5,22,20,556**

The break up of the above amount is noted below:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Sadharan Bima Corporation	5,22,20,556	5,22,20,556
Overseas Re-Insurer		
<b>Total</b>	<b>5,22,20,556</b>	<b>5,22,20,556</b>



14. **SUNDRY DEBTORS**

**Tk. 14,57,80,112**

**Tk. 10,18,81,692**

**(Including Advances, Deposits & Prepayments)**

The break up of the above is as under:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Advance against Salary	57,17,835	4,93,200
Advance against Office Rent	36,83,770	49,35,783
Advance Income Tax	4,30,35,340	6,12,57,307
Advance VAT Payment	18,60,700	12,40,500
R.R. Securities Ltd.	301	301
RNI Securities Ltd.	102	102
Commission Receivable	49,69,926	36,50,000
Re-Ins. Portfolio Premium	3,97,63,032	3,03,04,499
PF Capital Management Ltd	3,19,092	-
Advance Against Floor Purchase	4,10,00,000	-
Advance Against Office Decoration	3,00,000	-
Deposit Clearing Account	51,30,014	-
<b>Total</b>	<b>14,57,80,112</b>	<b>10,18,81,692</b>

15. **CASH AND BANK BALANCES**

**Tk. 68,62,45,980**

**Tk. 61,26,53,010**

The above amount is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Term Deposit Accounts	57,93,00,000	48,00,00,000
Fixed Deposit Receipt	7,95,00,000	8,38,50,000
Short Term Deposit Account	1,79,10,420	4,20,15,785
Current Account	41,55,221	18,65,485
Cash in hand	53,80,339	49,21,740
<b>Total</b>	<b>68,62,45,980</b>	<b>61,26,53,010</b>

16. **OTHER ACCOUNTS**

**Tk. 2,18,57,106**

**Tk. 2,15,67,653**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
(a) Fixed Assets -At Cost Less Depreciation	2,08,00,256	1,98,83,448
(b) Stock of Printing & Stationery	5,60,000	5,20,000
(c) Insurance Stamp in hand	4,96,850	11,64,205
<b>Total</b>	<b>2,18,57,106</b>	<b>2,15,67,653</b>

(a) **FIXED ASSETS** **Tk 2,08,00,256** **Tk 1,98,83,448**  
**At Cost Less Depreciation**

This is made up as under:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Cost as at 01-01-2019/31-12-2018	4,88,95,845	4,65,32,825
Add: Addition during the year	45,63,973	34,64,020
	5,34,59,818	<b>4,99,96,845</b>
Less: Disposal during the year	-	11,01,000
	5,34,59,818	<b>4,88,95,845</b>
Depreciation as at 01-01-2019/01-01-2018	2,90,12,396	2,58,53,682
Add: Depreciation charged during the year	36,47,166	41,65,139
	3,26,59,362	<b>3,00,18,821</b>
Less: Adjustment during the year	-	10,06,425
	3,26,59,362	<b>2,90,12,396</b>
<b>Balance as at 31-12-2019/31-12-2018</b>	<b>2,08,00,256</b>	<b>1,98,83,448</b>

(b) **STOCK OF PRINTING & STATIONERY** **Tk. 5,60,000** **Tk. 5,20,000**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Balance as at 01-01-2019/01-01-2018	5,20,000	4,80,000
Add: Purchase during the year	21,25,240	19,15,427
	26,45,240	23,95,427
Less: Consumption during the year	20,85,240	18,75,427
<b>Balance as at 31-12-2019/31-12-2018</b>	<b>5,60,000</b>	<b>5,20,000</b>

(c) **INSURANCE STAMPS IN HAND** **Tk. 4,96,850** **Tk 11,64,205**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Balance as at 01-01-2019/01-01-2018	11,64,205	8,99,354
Add: Purchase during the year	1,69,38,746	1,75,00,000
	1,81,02,951	1,83,99,354
Less: Consumption during the year	1,76,06,101	1,72,35,149
<b>Balance as at 31-12-2019/31-12-2018</b>	<b>4,96,850</b>	<b>11,64,205</b>

17. **PROFIT, INTEREST, DIVIDENDS & RENTS** **Tk. 4,29,18,145** **Tk. 4,15,93,799**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Profit on SND Account	4,65,517	1,65,521
Profit on TDR	2,99,71,375	2,75,01,499
Interest on FDR	58,39,968	58,64,438
Dividend Received on Shares	33,54,487	42,01,446
Interest on STD Account	2,11,798	7,85,895
Interest on BGTB	30,75,000	30,75,000
<b>Total</b>	<b>4,29,18,145</b>	<b>4,15,93,799</b>

18. **OTHER INCOME** **Tk 1,32,11,861** **Tk 64,79,982**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Miscellaneous Income	-	6,000
Capital Gain on Sales of Shares	1,32,11,861	64,73,983
<b>Total</b>	<b>1,32,11,861</b>	<b>64,79,983</b>

19. **ALLOCATION OF MANAGEMENT EXPENSES** **Tk 16,81,13,860** **Tk 16,19,65,256**  
**(Applicable to Fund)**

NAME OF BUSINESS	APPORTIONED EXPENSES	DIRECT CHARGE	AMOUNT (TK.) 2019	AMOUNT (TK.) 2018
Fire	9,43,44,152	14,38,157	9,57,82,309	8,77,84,555
Marine Cargo	5,08,73,894	16,43,572	5,25,17,466	5,72,48,771
Marine Hull	4,38,185	27,687	4,65,873	2,43,989
Motor	1,29,22,727	5,71,365	1,34,94,092	1,15,12,557
Miscellaneous	28,67,834	29,86,286	58,54,120	51,75,384
<b>Total</b>		<b>66,67,067</b>	<b>16,81,13,860</b>	<b>16,19,65,256</b>

20. **EARNINGS PER SHARE (EPS) AS PER- BAS 33:**

Earnings Per Share (EPS) is calculated in accordance with Bangladesh Accounting Standard 33: Earnings Per Share, which has been shown on the face of Profit and Loss Account.

**Basic Earnings per Share (EPS)**

The calculation of basic earnings per share at 31 December 2019 was based on the profit attributable to Ordinary Shareholders of Tk 7,00,05,075/- (2018: Tk 5,44,11,903/- and a weighted average number of ordinary shares outstanding for the year ended 31 December 2019 of 4,25,86,977 (2018 of 4,01,76,393).

**Profits attributable to ordinary shareholders**

(Figures in BDT)	<b>2019</b>	<b>2018</b>
Net profit after taxation for the year	<b>7,00,05,075</b>	<b>5,44,11,903</b>
<b>Weighted average number of ordinary shares</b>	<b>2019</b>	<b>2018</b>
Ordinary Shares at 1 <sup>st</sup> January	<b>4,01,76,393</b>	<b>3,79,02,258</b>
Bonus shares issued	24,10,584	22,74,135
Weighted average number of ordinary shares at 31 <sup>st</sup> December	<b>4,25,86,977</b>	<b>4,01,76,393</b>
Restated weighted average number of ordinary shares	<b>4,25,86,977</b>	<b>4,01,76,393</b>
<b>Earnings per share (Per share of Tk. 10.00 each)</b>	<b>Tk. 1.64</b>	<b>Tk. 1.35</b>
<b>Earnings per share (restated), Per share of Tk. 10.00 each</b>	<b>Tk. 1.64</b>	<b>Tk. 1.28</b>

21. **EVENTS AFTER THE REPORTING PERIOD:**

The board of directors at its meeting no .108<sup>th</sup> held on 18-06-2020 recommended to the shareholders 10% cash dividend for the year ended 31<sup>st</sup> December- 2019 which will be considered for approval by the shareholders at the 20<sup>th</sup> Annual General Meeting.

22. **PAYMENT TO DIRECTORS, CHIEF EXECUTIVE OFFICER.**

The aggregate amount paid/provided during the year in respect of Directors, Chief Executive Officer and officer's up to manager level having taxable income is given below:

PARTICULARS	BOARD MEETING FEE (TK.)	CEO (TK.)	OFFICERS (TK.)
Director's Fee	14,49,500	-	-
Managing Director Emolument		15,00,000	-
Salary-Officers		-	3,79,56,650
Company's Contribution to Provident Fund		-	34,44,313
Bonus		2,50,000	32,21,905
House Rent		7,50,000	1,89,78,327
Medical Allowances		1,20,000	18,89,605
Other Allowances		1,20,000	13,58,050
<b>Total</b>	<b>14,49,500</b>	<b>27,40,000</b>	<b>6,68,48,850</b>

23. **TRANSACTIONS WITH RELATED PARTIES (IAS-24)**

Takaful Islami Insurance Limited in normal course of business carried out of number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24 related party disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balance with then as at December 31, 2019 were as follows:

NAME OF THE RELATED PARTY	RELATION SHIP	NATURE OF TRANSACTION	PREMIUM EARNED IN 2019(TK)	PREMIUM OUTSTANDING UP TO 31.12.19	AMOUNT REALIZED SUBSEQUENTLY	CLAIM PAID IN 2019
Hashem Food Ltd.	Director	Insurance	49,01,881	Nil	Nil	Nil
Anwer Khan Modern Hospital Ltd.	Director	Insurance	25,60,425	Nil	Nil	Nil
Modern Diagnostic Center	Director	Insurance	6,70,902	Nil	Nil	Nil
A. J. Fashions Ltd.	Director	Insurance	15,28,927	Nil	Nil	
Lucky Star Apparels Ltd.	Director	Insurance	8,80,522	Nil	Nil	Nil
Mahmud Denim Ltd.	Director	Insurance	1,58,628	Nil	Nil	Nil
Mahmud Fabrics & Finishing Ltd	Director	Insurance	22,93,975	Nil	Nil	Nil
Provita Feed Ltd	Director	Insurance	7,14,578	Nil	Nil	
Anwer Khan Modern Printers & Publication Ltd	Director	Insurance	2,25,968	Nil	Nil	Nil
Mahmud Indigo Ltd	Director	Insurance	20,70,507	Nil	Nil	Nil
Mahmud Fashion	Director	Insurance	18,27,970			
Provita Breeders Ltd	Director	Insurance	2,83,883	Nil	Nil	Nil
Provita Chicks Ltd	Director	Insurance	14,637	Nil	Nil	Nil
Ambia Knitting & Dying Ltd	Director	Insurance	12,33,335	Nil	Nil	Nil
Shakhat Anwar Eye Hospital	Director	Insurance	74,250	Nil	Nil	Nil
Kattli Textile Ltd	Director	Insurance	1,28,468	Nil	Nil	Nil
<b>Total</b>			<b>1,95,68,856</b>			

24. Reconciliation of Net Income on Net Profit with cash Flows from Operating Activities the requirement of Bangladesh Securities Exchange Commission notification No: BSEC/CMRRCD/2006-158/208/Admin/81, Dated 20 June 2018.

Particulars	Amount (Tk.)
Profit before Tax	9,04,38,634
Add: Non Cash Expenses (Depreciation)	36,47,166
Add: Non Operating Expense (P/L Account)	1,60,29,229
Less: Increase In Current Assets (Sundry Debtors , Accrued Interest, Stock of Printing, etc.)	5,30,98,063
Add: Increase in Current Liabilities (Premium Deposit, Outstanding Claims, Unexpired Risk Reserve, etc.)	3,34,60,740
Less: Decrease In Current Liabilities (Sundry Creditors)	-
Less: Income Tax Paid	1,47,43,353
<b>Cash Flow From Operating Activities:</b>	<b>7,57,34,353</b>



# Statement of Premium Income

For the year ended at December 31, 2019

CLASS OF BUSINESS	PREMIUM EARNED		TOTAL PREMIUM EARNED 4=(2+3)	LESS: RE-INSURANCE PREMIUM CEDED		TOTAL	NET PREMIUM EARNED 8=(4-7)
	OWN	PUBLIC		OWN	PUBLIC		
1	2	3	4=(2+3)	5	6	7=(5+6)	8=(4-7)
FIRE	244,375,006.00	12,576,880.00	256,951,886.00	144,577,616.00	10,343,163.00	154,920,779.00	102,031,107.00
MARINE CARGO	131,776,139.00	21,699,935.00	153,476,074.00	31,375,498.00	16,453,867.00	47,829,365.00	105,646,709.00
MARINE HULL	1,135,010.00	365,901.00	1,500,911.00	463,510.00	317,230.00	780,740.00	720,171.00
MOTOR	33,473,102.00	2,643,048.00	36,116,150.00	988,197.00	88,189.00	1,076,386.00	35,039,764.00
MISCELLANEOUS	7,428,409.00	39,381,298.00	46,809,707.00	2,570,501.00	38,704,348.00	41,274,849.00	5,534,858.00
<b>TOTAL</b>	<b>418,187,666.00</b>	<b>76,667,062.00</b>	<b>494,854,728.00</b>	<b>179,975,322.00</b>	<b>65,906,797.00</b>	<b>245,882,119.00</b>	<b>248,972,609.00</b>

## Claim Under Policies Less Re-Insurance

For the year ended at December 31, 2019

CLASS OF BUSINESS	CLAIM PAID		TOTAL		CLAIM RECOVERY		TOTAL RECOVERY	NET CLAIM
	DIRECT	PUBLIC	CLAIM		OWN	PUBLIC		
			PAID	PAID				
1	2	3	4=(2+3)		5	6	7=(5+6)	8=(4-7)
FIRE	29,084,935.00	51,341.00	29,136,276.00		11,678,561.00	-	11,678,561.00	17,457,715.00
MARINE CARGO	23,146,598.00	171,403.00	23,318,001.00		23,149,457.00	-	23,149,457.00	168,544.00
MARINE HULL			-		-	-	-	-
MOTOR	2,126,101.00	67,416.00	2,193,517.00			-	-	2,193,517.00
MISCELLANEOUS	45,982.00	56,167.00	102,149.00		28,450.00	-	28,450.00	73,699.00
TOTAL	54,403,616.00	346,327.00	54,749,943.00		34,856,468.00	-	34,856,468.00	19,893,475.00



## Takaful Islami Insurance Limited তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

**Head Office :** Monir Tower (7th, 8th & 9th Floor)  
167/1, D.I.T Extension Road, Motijheel (Fakirapool), Dhaka. Tel : 41070071-3  
Fax : 88-02-41070083, E-mail : takaful@dhaka.net, Web : takaful.com.bd

### PROXY FORM

I/We .....

of .....  
being a member of Takaful Islami Insurance Limited do hereby appoint

Mr./Mrs./Miss.....

of .....

as my/our proxy, to vote for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on October 03, 2020 at 10:00 a.m. virtually by using digital platform and any adjournment thereof.

Signed this ..... day of ..... 2020.

**Signature of Proxy :** .....

**Signature of Shareholder(s) :** .....

B.O A/c./Folio No. : .....

B.O A/c./Folio No. : .....

#### N.B : IMPORTANT :

1. This form of proxy, duly completed, must be deposited at least 72 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder and the Proxy should agree with the Specimen Signature registered with the Company.
3. As per Articles of Association of the Company, Proxy can be given only to the person who is a member (Shareholder) of the Company.



## Takaful Islami Insurance Limited তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

**Head Office :** Monir Tower (7th, 8th & 9th Floor)  
167/1, D.I.T Extension Road, Motijheel (Fakirapool), Dhaka. Tel : 41070071-3  
Fax : 88-02-41070083, E-mail : takaful@dhaka.net, Web : takaful.com.bd

### ATTENDANCE SLIP

I hereby record my attendance at the 20th Annual General Meeting of the Company being held on October 03, 2020 at 10:00 a.m virtually by using digital platform.

Name of Shareholder(s)/Proxy .....

B.O A/c./Folio No. .... holding of ..... ordinary  
shares of **Takaful Islami Insurance Limited.**

**Signature of Shareholder(s)/Proxy**

Date : .....









## Takaful Islami Insurance Limited

## তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

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