

# Auditors' Report to the Shareholders

We have audited accompanying financial statements of *TAKAFUL ISLAMI INSURANCE LIMITED* which comprise of Balance Sheet as at 31st December, 2013 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as Profit & Loss Account, Profit and Loss Appropriation Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with Bangladesh Financial Reporting Standards, 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.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31st December, 2013 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the Insurance Act, 2010, Insurance Rules 1958, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

## We also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (iii) The company's balance sheet and revenue accounts and its cash flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purposes of the company's business;
- (v) As per Section 63 of the Insurance Act 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly with respect to insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related revenue accounts and the profit and loss accounts of the company; and
- (vi) As per regulation 11 of part 1 of the third Schedule of the Insurance Act 1938 as amended, we certify that to the best of information and as shown by its books, the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Place: Dhaka, Bangladesh  
Dated: April 20, 2014

  
(Huda Hossain & Co.)  
Chartered Accountants

## Balance Sheet as at 31st December, 2013

CAPITAL AND LIABILITIES	NOTE NO.	BALANCE AS AT 31ST DEC., 2013	BALANCE AS AT 31ST DEC., 2012
<b>AUTHORIZED CAPITAL</b>	03	1,000,000,000	1,000,000,000
10,00,00,000 Ordinary Shares of Tk. 10.00 each			
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	03.01	266,913,560	232,098,750
2,66,91,356 Ordinary Shares of Tk. 10.00 each			
<b>RESERVE OR CONTINGENCY ACCOUNT</b>	04	198,876,871	172,909,278
Reserve For Exceptional Losses		124,009,862	105,665,507
Capital Reserve		5,914,198	5,914,198
General Reserve		26,863,000	24,566,000
Dividend Equalization Reserve		1,500,000	1,500,000
Balance of Profit & Loss Appropriation Account		40,589,811	35,263,573
<b>BALANCE OF FUNDS AND ACCOUNTS</b>	05	74,211,571	80,466,191
Fire Insurance Business Account		27,306,100	33,421,941
Marine Cargo Insurance Business Account		35,513,084	34,973,975
Marine Hull Insurance Business Account		1,390,250	1,688,119
Motor Insurance Business Account		9,014,871	9,569,473
Miscellaneous Insurance Business Account		987,266	812,683
<b>OTHER SUM OWING (PREMIUM DEPOSIT)</b>	06	17,518,277	19,884,079
		162,613,120	132,278,173
<b>LIABILITIES &amp; PROVISIONS</b>	07	15,960,064	13,201,504
Estimated Liabilities in respect of Outstanding Claims whether due or intimated	08	46,002,200	44,736,640
Amount due to other persons or bodies carrying on Insurance Business	09	5,496,464	6,499,780
Sundry Creditors	10	95,154,392	67,840,249
Provision for Taxation.			
<b>TOTAL CAPITAL AND LIABILITIES</b>		<b>720,133,399</b>	<b>637,636,471</b>

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

**17.45**

**15.17**


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 15-04-2014 and signed for and on behalf of the Board.

  
K.A.M. Ferdous  
Managing Director


  
Abu Bakar Rahil  
Director

  
Anwar Hossain Chowdhury  
Director

  
Emdadul Hoque Chowdhury  
Chairman

*Signed as per our annexed report of even date*

Place: Dhaka, Bangladesh  
Dated: April 20, 2014

  
(Huda Hossain & Co.)  
Chartered Accountants



## Balance Sheet As At 31st December, 2013

PROPERTY AND ASSETS	NOTE NO.	BALANCE AS AT 31ST DEC., 2013	BALANCE AS AT 31ST DEC., 2012
<b>INVESTMENT -AT COST</b>	11	<b>146,013,245</b>	<b>117,965,520</b>
Bangladesh Government Treasury Bond (BGTB)		25,000,000	9,000,000
Investment In Shares		121,013,245	108,965,520
<b>PROFIT, INTEREST, DIVIDENDS &amp; RENTS</b>	12	<b>9,445,579</b>	<b>17,150,618</b>
(Accrued but not Due)			
<b>"AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS"</b>	13	<b>8,685,066</b>	<b>35,052,471</b>
<b>SUNDRY DEBTORS</b> (Including Advances, Deposits & Pre-payments)	14	<b>79,772,002</b>	<b>57,384,527</b>
<b>CASH &amp; BANK BALANCES</b>	15	<b>459,704,668</b>	<b>390,749,067</b>
Term / Fixed Deposit Account		402,500,000	338,200,000
STD Account		50,226,296	47,055,018
Current Account		2,449,377	2,906,221
Cash in Transit		-	-
Cash in Hand		4,528,995	2,587,828
<b>OTHER ACCOUNTS</b>	16	<b>16,512,839</b>	<b>19,334,268</b>
Fixed Assets - At Cost Less Depreciation		16,032,514	18,491,560
Stock of Printing & Stationery		360,000	425,300
Insurance Stamps in Hand		120,325	417,408
<b>TOTAL PROPERTY AND ASSETS</b>		<b>720,133,399</b>	<b>637,636,471</b>

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**K.A.M. Ferdous**  
Managing Director



**Abu Bakar Rahil**  
Director



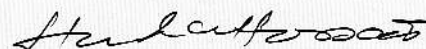
**Anwar Hossain Chowdhury**  
Director



**Emdadul Hoque Chowdhury**  
Chairman

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Place: Dhaka, Bangladesh  
Dated: April 20, 2014



**(Huda Hossain & Co.)**  
Chartered Accountants

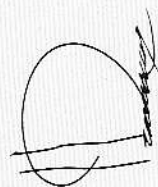
# Profit And Loss Appropriation Account

For The Year Ended 31st December, 2013

PARTICULARS	2013 TAKA	2012 TAKA	PARTICULARS	2013 TAKA	2012 TAKA
Balance brought from last year	-	-	Balance brought from last year	35,263,573	26,481,752
Reserve for Exceptional losses	18,344,355	19,863,329	Transferred from Dividend Equalization Reserve	-	7,500,000
Bonus Dividend for 2012	34,814,810	33,723,750	Net Profit for the year	88,096,546	82,046,493
Provision for Taxation	27,217,310	23,400,049	Deferred Tax Income	-	-
Deferred Tax	96,833	234,544			
General Reserve	2,297,000	3,543,000			
Balance Transferred to Balance Sheet	40,589,811	35,263,573			
<b>TOTAL</b>	<b>123,360,119</b>	<b>116,028,245</b>		<b>123,360,119</b>	<b>116,028,245</b>

The annexed notes form an integral part of these Financial Statements

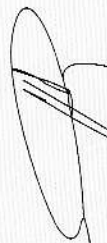
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**K.A.M. Ferdous**  
Managing Director



**Abu Bakar Rahil**  
Director

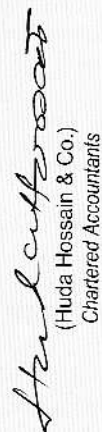


**Anwar Hossain Chowdhury**  
Director



**Emdadul Hoque Chowdhury**  
Chairman

Signed as per our annexed report of even date



**Huda Hossain & Co.**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: April 20, 2014




## Profit and Loss Account

### For The Year Ended 31st December, 2013

PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA
<b>EXPENSES OF MANAGEMENT</b> (Not Applicable to any Particular Fund or Account)				<b>Profit, Interest, Dividends &amp; Rents</b> (Not Applicable to any particular Fund or Account)			
Director's Fee		12,277,693	10,882,762	Other Income	17	45,229,132	40,797,376
Advertisement & Publicity		1,405,000	366,000		18	171,950	1,486,201
Subscription & Donation		2,650,108	2,723,421				
Legal & Professional Fees		1,927,000	1,195,000	<b>PROFIT (LOSS) TRANSFERRED FROM REVENUE ACCOUNTS</b>			
IPO Expenses Written Off		617,500	184,600	Fire Revenue Account		54,973,157	50,645,678
Registration & Renewal		-	1,827,136	Marine Cargo Revenue Account		12,130,111	4,327,717
Depreciation		2,288,876	1,857,812	Marine Hull Revenue Account		37,720,877	44,256,098
Audit Fee		3,354,709	2,698,793	Motor Revenue Account		131,357	(1,550,956)
		34,500	30,000	Miscellaneous Revenue Account		7,496,362	2,719,249
						(2,505,550)	893,570
<b>Net Profit Transferred to Profit &amp; Loss Appropriation Account</b>		88,096,546	82,046,493				
<b>TOTAL</b>		100,374,239	92,929,255			100,374,239	92,929,255
<b>Basic Earning Per Share</b> (Value Per Share Tk. 10/- each )	20	Tk. 2.28	Tk. 2.19				


The annexed notes form an integral part of these Financial Statements

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K.A.M. Ferdous  
Managing Director

  
Abu Bakar Rahil  
Director

  
Anwar Hossain Chowdhury  
Director

  
Emdadul Hoque Chowdhury  
Chairman

Signed as per our annexed report of even date

  
(Huda Hossain & Co.)  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: April 20, 2014


## Fire Insurance Revenue Account


For The Year Ended 31st December, 2013


PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA
<b>CLAIMS UNDER THE POLICIES LESS RE-INSURANCE:</b>							
Paid during the year		13,293,486	16,540,794	Balance of Account at the beginning of the year		33,421,941	15,963,752
Add: Total estimated liability in respect of Outstanding claims at the end of the year whether due or intimated		9,825,461	6,673,785	Premium Less Re-Insurance		68,265,250	83,554,853
Less: Outstanding at the end of previous year		23,118,947	23,214,579	Commission on Re-insurance ceded		30,835,011	23,008,089
		(6,673,785)	(5,027,448)				
Agency Commission		16,445,162	18,187,131				
Expenses of Management		22,875,945	22,546,271				
Reserve for un-expired risks being 40% of Premium Income of the year	19	53,764,884	44,043,634				
Profit transferred to Profit & Loss Account		27,306,100	33,421,941				
		12,130,111	4,327,717				
<b>TOTAL</b>		<b>132,522,202</b>	<b>122,526,694</b>			<b>132,522,202</b>	<b>122,526,694</b>


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**K.A.M. Ferdous**  
 Managing Director

  
**Abu Bakar Rahil**  
 Director

  
**Anwar Hossain Chowdhury**  
 Director

  
**Emdadul Hoque Chowdhury**  
 Chairman

Signed as per our annexed report of even date

  
**Huda Hossain & Co.**  
 Chartered Accountants

Place: Dhaka, Bangladesh  
 Dated: April 20, 2014




# Marine Cargo Insurance Revenue Account

For The Year Ended 31st December, 2013

PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA
<b>CLAIMS UNDER THE POLICIES</b>							
<b>LESS RE-INSURANCE:</b>							
Paid during the year		1,169,484	1,574,524	Balance of Account at the beginning of the year		34,973,975	31,913,635
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		3,730,467	2,392,320	Premium less Re-Insurance		88,782,710	87,434,937
		4,899,951	3,966,844				
		(2,392,320)	(892,568)				
Less: Outstanding at the end of previous year		2,507,631	3,074,276	Commission on re-insurance ceded		4,328,202	10,801,752
		15,399,299	15,976,251				
Agency Commission		36,943,996	31,869,724				
Expenses of Management							
Reserve for un-expired risks being	19						
40% of premium income of the year		35,513,084	34,973,975				
Profit transferred to Profit & Loss A/C		37,720,877	44,256,098				
<b>TOTAL</b>		<b>128,084,887</b>	<b>130,150,324</b>			<b>128,084,887</b>	<b>130,150,324</b>


The annexed notes form an integral part of these Financial Statements

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K.A.M. Ferdous  
Managing Director

  
Abu Bakar Rahil  
Director

  
Anwar Hossain Chowdhury  
Director

  
Emdadul Hoque Chowdhury  
Chairman

Signed as per our annexed report of even date

  
(Huda Hossain & Co.)  
Chartered Accountants


Place: Dhaka, Bangladesh  
Dated: April 20, 2014


# **Marine Hull Insurance Revenue Account** For The Year Ended 31st December, 2013

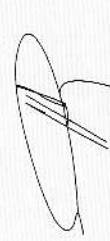
PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA
<b>CLAIMS UNDER THE POLICIES</b>				<b>Balance of Account at the beginning of the year</b>		<b>1,688,119</b>	<b>1,079,875</b>
<b>LESS RE-INSURANCE:</b>				<b>Premium Less Re-Insurance</b>		<b>1,390,250</b>	<b>1,688,119</b>
Paid during the year		861,798	24	<b>Commission on re-insurance ceded</b>		<b>440,271</b>	<b>1,100,604</b>
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	769,230				
Less: Outstanding at the end of previous year		861,798 (769,230)	769,254 -				
<b>Agency Commission</b>		<b>92,568</b>	<b>769,254</b>				
<b>Expenses of Management</b>		<b>553,330</b>	<b>993,993</b>				
<b>Reserve for un-expired risks being 100% of premium income of the year</b>	19	<b>1,351,135</b>	<b>1,968,188</b>				
<b>Profit (Loss) Transferred to Profit &amp; Loss Account</b>		<b>1,390,250</b>	<b>1,688,119</b>				
		<b>131,357</b>	<b>(1,550,956)</b>				
<b>TOTAL</b>		<b>3,518,640</b>	<b>3,868,598</b>			<b>3,518,640</b>	<b>3,868,598</b>


The annexed notes form an integral part of these Financial Statements

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**K.A.M. Ferdous**  
Managing Director

  
**Abu Bakar Rahil**  
Director

  
**Anwar Hossain Chowdhury**  
Director

  
**Emdadul Hoque Chowdhury**  
Chairman

Signed as per our annexed report of even date

  
**(Huda Hossain & Co.)**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: April 20, 2014




## Motor Insurance Revenue Account


For The Year Ended 31st December, 2013

PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 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		9,569,473	5,096,251
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		5,701,338	5,916,009	Premium Less Re-Insurance		22,537,177	23,923,683
		2,404,136	3,266,169				
		8,105,474	9,182,178				
		(3,266,169)	(3,098,080)	Commission on re-insurance ceded		65,511	358,718
Less : Outstanding at the end of previous year		4,839,305	6,084,098				
Agency Commission		3,214,871	3,732,906				
Expenses of Management		7,606,752	7,272,926				
Reserve for un-expired risks being 40% of premium income of the year	19	9,014,871	9,569,473				
Profit/(Loss) transferred to Profit & Loss Account		7,496,362	2,719,249				
<b>TOTAL</b>		<b>32,172,161</b>	<b>29,378,652</b>			<b>32,172,161</b>	<b>29,378,652</b>


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K.A.M. Ferdous  
Managing Director

  
Abu Bakar Rahil  
Director

  
Anwar Hossain Chowdhury  
Director

  
Emdadul Hoque Chowdhury  
Chairman

Signed as per our annexed report of even date

  
(Huda Hossain & Co.)  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: April 20, 2014

## Miscellaneous Insurance Revenue Account

For The Year Ended 31st December, 2013

PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA
<b>CLAIMS UNDER THE POLICIES</b>				<b>Balance of Account at the beginning of the year</b>		812,683	428,220
<b>LESS RE-INSURANCE:</b>				<b>Premium Less Re-Insurance</b>		2,468,164	2,031,706
Paid during the year		113,091	99,243				
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	100,000				
		113,091	199,243	<b>Commission on Re-insurance ceded</b>		2,195,035	2,167,013
Less: Outstanding at the end of previous year		(100,000)	-				
		13,091	199,243				
<b>Agency Commission</b>		1,573,229	444,001				
<b>Expenses of Management</b>		5,407,846	2,277,442				
<b>Reserve for un-expired risks being 40% of Miscellaneous and Accident</b>	19						
<b>Premium Income of the year</b>		987,266	812,683				
<b>Profit/(Loss) Transferred to Profit and Loss Account</b>		(2,505,550)	893,570				
<b>TOTAL</b>		<b>5,475,882</b>	<b>4,626,939</b>			<b>5,475,882</b>	<b>4,626,939</b>

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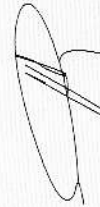
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Managing Director



**Abu Bakar Rahil**  
Director



**Anwar Hossain Chowdhury**  
Director



**Emdadul Hoque Chowdhury**  
Chairman

Signed as per our annexed report of even date



(Huda Hossain & Co.)  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: April 20, 2014




# Consolidated Revenue Account


For The Year Ended 31st December, 2013


PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA	PARTICULARS	NOTE NO.	2013 TAKA	2012 TAKA
<b>CLAIMS UNDER THE POLICIES LESS RE-INSURANCE:</b>				Balance of Account at the beginning of the year		80,466,191	54,481,733
Paid during the year		21,139,197	24,130,593	Premium Less Re-Insurance		183,443,551	198,633,299
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		15,960,064	13,201,504	Commission on Re-insurance ceded		37,864,030	37,436,176
Less: Outstanding at the end of previous year		37,099,261 (13,201,504)	37,332,097 (9,018,096)				
Agency Commission		23,897,757	28,314,001				
Expenses of Management	19	43,616,674	43,693,423				
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		105,074,613	87,431,914				
Profit transferred to Profit & Loss Account		74,211,571	80,466,191				
		54,973,157	50,645,679				
<b>TOTAL</b>		<b>301,773,772</b>	<b>290,551,208</b>			<b>301,773,772</b>	<b>290,551,208</b>


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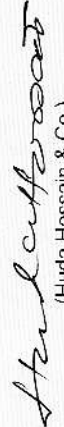
  
K.A.M. Ferdous  
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Emdadul Hoque Chowdhury  
Chairman

Signed as per our annexed report of even date

  
(Huda Hossain & Co.)  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: April 20, 2014

# Statement of Changes in Equity

For The Year Ended 31st December, 2013

Particulars	Share Capital	Capital Reserve	General Reserve	Dividend Equalization Reserve	Reserve for Exceptional Losses	Retained Earnings	Total Shareholders Equity
At the beginning of the year	232,098,750	5,914,198	24,566,000	1,500,000	105,665,507	35,263,573	405,008,028
Addition during the year	34,814,810					(34,814,810)	-
Capital Reserve		-				-	-
General Reserve	-		2,297,000			(2,297,000)	-
Dividend Equalization Reserve				-		-	-
Reserve for Exceptional Losses					18,344,355	(18,344,355)	-
Net Profit after Tax for the year						60,782,403	60,782,403
At the end of the year	266,913,560	5,914,198	26,863,000	1,500,000	124,009,862	40,589,811	465,790,431

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 15-04-2014 and signed for and on behalf of the Board.

  
K.A.M. Ferdous  
Managing Director


  
Abu Bakar Rahil  
Director

  
Anwar Hossain Chowdhury  
Director

  
Emdadul Hoque Chowdhury  
Chairman

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: April 20, 2014

  
(Huda Hossain & Co.)  
Chartered Accountants



# Cash Flow Statement

For The Year Ended 31st December, 2013

PARTICULARS	BALANCE AS ON 31ST DECEMBER, 2013	BALANCE AS ON 31ST DECEMBER, 2012
<b>Cash Flows from Operating Activities</b>		
Collection From Premium & Other income	298,701,951	265,372,025
Payment for management expenses, Re-insurance, Claim & Commission	(180,494,643)	(160,711,895)
<b>Cash Generated from Operations</b>	<b>118,207,308</b>	<b>104,660,130</b>
Dividend Paid	-	-
Income Tax Paid & Deducted at Source	(20,308,319)	(23,753,066)
<b>Net Cash Generated from Operating Activities</b>	<b>97,898,989</b>	<b>80,907,064</b>
<b>Cash Flows from Investing Activities</b>		
Investment in Bonds / Shares	(28,047,725)	(23,884,885)
Acquisition of Property, Plant & Equipments etc.	(895,663)	(10,918,456)
Disposal of Property, Plant and Equipments	-	3,020,577
<b>Net Cash used in Investing Activities</b>	<b>(28,943,388)</b>	<b>(31,782,764)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Issuing of Shares	-	-
Proceeds from Short Term Borrowing	-	-
Re-payment of Short Term Loan	-	-
Re-payment of Long Term Loan	-	-
<b>Net Cash Generated/ (Used) in Financing Activities</b>	<b>-</b>	<b>-</b>
Net Increase in Cash and Bank Balances	68,955,601	49,124,300
Cash and Bank Balances at Beginning of Year	390,749,067	341,624,767
<b>Cash and Bank Balances at End of Year</b>	<b>459,704,668</b>	<b>390,749,067</b>

Net operating cash flow per share

Net operating cash flow

Number of share

<b>2,013</b>	<b>2,012</b>
97,898,989	80,907,064
26,691,356	23,209,875
<b>3.67</b>	<b>3.49</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 15-04-2014 and signed for and on behalf of the Board.



**K.A.M. Ferdous**  
Managing Director



**Abu Bakar Rahil**  
Director



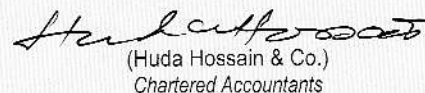
**Anwar Hossain Chowdhury**  
Director



**Emdadul Hoque Chowdhury**  
Chairman

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: April 20, 2014



(Huda Hossain & Co.)  
Chartered Accountants

## Intrinsic Value or Net Assets Value

Particulars	Amount (Tk.)	Amount (Tk.)
	2013	2012
<b>A. ASSETS:</b>		
Investment at Cost	25,000,000.00	9,000,000.00
Investment in Shares	121,013,245.00	108,965,520.00
Interest Accrued but not due	9,445,579.00	17,150,618.00
Amount due from other persons or bodies carrying on Insurance Business	8,685,066.00	35,052,471.00
Sundry Debtors (Including Advances, Deposits & Prepayments)	79,772,002.00	57,384,527.00
Cash and Bank Balance	459,704,668.00	390,749,067.00
Other Accounts (Fixed Assets & Stock of Stationery, Stamps)	16,512,839.00	19,334,268.00
<b>Total</b>	<b>720,133,399.00</b>	<b>637,636,471.00</b>
<b>B. LIABILITIES :</b>		
Balance of Funds and Accounts	74,211,571.00	80,466,191.00
Estimated Liabilities in respect of outstanding claims whether due or intimated	15,960,064.00	13,201,504.00
Amount due to other persons or bodies carrying on Insurance Business	46,002,200.00	44,736,640.00
Sundry Creditors (Including Provision for Expenses and Taxes)	5,496,464.00	6,499,780.00
Provision for Income Tax & Deferred Tax	95,154,392.00	67,840,249.00
Other Sums Owing (Premium Deposit Account)	17,518,277.00	19,884,079.00
<b>Total</b>	<b>254,342,968.00</b>	<b>232,628,443.00</b>
<b>Net Assets (A - B)</b>	<b>465,790,431.00</b>	<b>405,008,028.00</b>
No. of Shares	26,691,356	26,691,356
<b>Intrinsic Value / Net Assets Value per Share</b>	<b>17.45</b>	<b>15.17</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 15-04-2014 and signed for and on behalf of the Board.

  
K.A.M. Ferdous  
Managing Director

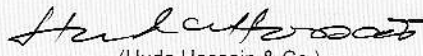
  
Abu Bakar Rahil  
Director

  
Anwar Hossain Chowdhury  
Director

  
Emdadul Hoque Chowdhury  
Chairman

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh  
Dated: April 20, 2014

  
(Huda Hossain & Co.)  
Chartered Accountants



## Schedule of Fixed Assets as at 31st December - 2013

Sl. No.	Particulars	Original Cost			Rate on Dep.	Depreciation			Written Down Value as on 31-12-2013	Remarks
		Balance as on 01-01-2013	Addition During the Period	Adjustment		Charged During the Period	Adjustment	Total as on 31-12-2013		
1	Furniture & Fixture	2,968,398.00	66,490.00	-	10%	156,320.00		1,594,766.00	1,440,122.00	
2	Office Equipment	1,130,074.00	25,000.00	-	15%	48,887.00		865,550.00	289,524.00	
3	Office Decoration	4,442,180.00	87,268.00	-	10%	223,912.00		2,470,607.00	2,058,841.00	
4	Air Cooler	1,940,901.00	112,500.00	-	15%	144,550.00		1,178,039.00	875,362.00	
5	Motor & Other Vehicles	16,186,006.00			20%	2,480,190.00		6,265,247.00	9,920,759.00	
6	Computer	1,162,555.00	114,880.00	-	30%	157,622.00		852,209.00	425,226.00	
7	Telephone Installation	1,429,301.00	18,025.00	-	15%	66,241.00		1,062,952.00	384,374.00	
8	Croceries & Cutleries	53,322.00	850.00	-	25%	2,090.00		47,478.00	6,694.00	
9	Electrical Installation	358,821.00	45,650.00	-	15%	19,584.00		270,674.00	133,797.00	
10	Carpet & Curtain	34,250.00	-	-	10%	1,193.00		23,510.00	10,740.00	
11	Professional Books Intangible Assets	196,024.00		-	10%	11,620.00		91,449.00	104,575.00	
12	Software Installation		425,000.00	-	20%	42,500.00		42,500.00	382,500.00	
	<b>Total</b>	<b>29,901,832.00</b>	<b>895,663.00</b>	<b>-</b>		<b>3,354,709.00</b>	<b>-</b>	<b>14,764,981.00</b>	<b>16,032,514.00</b>	

# Form "AA"

## Classified Summary of Assets

as At 31st December, 2013

Class Of Assets	Book Value
Bangladesh Government Treasury Bond	25,000,000.00
Investment in Shares	121,013,245.00
Cash on Fixed Deposit, TDR, STD, Current Account and Cash in Transit with Bank	455,175,673.00
Cash in Hand	4,528,995.00
Interest Accrued but not due/Profit, Interest, Dividend & Rent accrued but not due	9,445,579.00
Sundry Debtors Including Advances, Deposits & Prepayments	79,772,002.00
Stock of Printing and Stationery	360,000.00
Stamps in Hand	120,325.00
Fixed Assets (At Cost less Depreciation)	16,032,514.00
Amount due from Other Persons or Bodies Carrying on Insurance Business	8,685,066.00
<b>Total</b>	<b>720,133,399.00</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 15-04-2014 and signed for and on behalf of the Board.

  
**K.A.M. Ferdous**  
 Managing Director


  
**Abu Bakar Rahil**  
 Director

  
**Anwar Hossain Chowdhury**  
 Director

  
**Emdadul Hoque Chowdhury**  
 Chairman

*Signed as per our annexed report of even date*

Place: Dhaka, Bangladesh  
 Dated: April 20, 2014

  
**(Huda Hossain & Co.)**  
 Chartered Accountants



# Accounting Policies And Explanatory Notes

For The Year Ended 31st December, 2013

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 42, Dilkusha Commercial Area, 7th Floor, Dhaka -1000

**1.3 Principal Activities:** The registered office of the Company is located at 42, Dilkusha Commercial Area, 7th Floor, Dhaka -1000

## 1.4 Number of Employees:

There were 1,011 employees at the year ended 31st December, 2013.

Sl.No.	Particulars	No. of Employees
(i)	Managing Director	01
(ii)	Assistant Managing Director	06
(iii)	Senior General Manager	03
(iv)	General Manager	21
(v)	Senior Deputy General Manager	17
(vi)	Deputy General Manager	56
(vii)	Senior Assistant General Manager	05
(viii)	Other Employees	902
	<b>Total</b>	<b>1,011</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:

- Going Concern
- Accrual
- Historical Cost Convention
- Generally accepted accounting principles and practices in Bangladesh
- The Companies Act, 1994
- Insurance Act, 2010
- Insurance Act, 1938
- Insurance Rule, 1958
- The Securities and Exchange Rules, 1987
- 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 Bangladesh, and valid as on the balance sheet date:

IAS 1 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 16 Property, Plant and Equipment

IAS 17 Lease

IAS 18 Revenue

IAS 24 Related Parties

IAS 33 Earnings Per Share

IAS 36 Impairment of 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-2012 to June-2013 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 for six months on average.

**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%
Crockaries & 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 "Preparation and 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) **Tax Assessment Position**

The Company is a Publicly Traded Company as per Income Tax Ordinance, 1984. The Company is subject to the assessment under the Income Tax Ordinance, 1984 and accordingly the assessment of the Income Tax has been completed up to the assessment year 2012 - 2013. Income Tax cases for the assessment year 2006 - 2007, 2008 - 2009, 2010 - 2011, 2011-2012 and 2012 - 2013 are yet to be finalized due to appeal at various stages and assessment year 2013 - 2014 is under consideration of DCT at LTU, Dhaka.

**Provision for Income Tax**

Basis of provision for Income Tax: Net Profit-Reserve for exception loss x tax rate.

**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. 4,52,036/- has been recognized in the financial statement as deferred tax liability as on December 31, 2013. The disclosure has been made in the Note No. 10.01.

(m) **Leased Assets**

The Company has acquired vehicles during the year under audit by taking loan from leasing company under lease finance. These assets have not been included in the schedule of fixed assets of the company, because the title of the assets has not eventually been transferred to the lessee. Since the ownership will be transferred at the end of the lease period, the leasing company maintains the list of vehicles in their books of account and charges depreciation accordingly. The lessee only enjoys the benefits of utilization of vehicles and the installments paid to the leasing company are charged to revenue account as "lease rental". There for in this regard BAS-17 is not applicable to the company since the title of the assets, has not eventually been transferred to the lessee.

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

The Company has introduced group Insurance scheme for its permanent employees. But the Company has not yet introduced the contributory provident fund, unfounded 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 earning 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, 2012 to 30th Sep-2012	3rd Quarter-2012	1 (One)
1st Oct, 2012 to 31st December, 2012	4th quarter of 2012	1 (One)
1st January, 2013 to 31st March, 2013	1 st quarter of 2013	1 (One)
1st April, 2013 to 30th June, 2013	2nd quarter of 2013	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, 2013 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 **Note 42** 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, 2013.

## **2.12 Comparative Information and Re-Arrangement thereof**

Comparative information has been disclosed in respect of the year 2012 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 2012 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 15th April, 2014.

## **2.16 Reporting Period**

The Financial Statements of the Company cover a year from 1st January, 2013 to 31st December, 2013 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, 2013
- (ii) Profit & Loss Appropriation Account for the year ended 31st December, 2013;
- (iii) Profit and Loss Account for the year ended 31st December, 2013;
- (iv) Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, and Miscellaneous Insurance Revenue Account) for the year ended 31st December, 2013;
- (v) Statement of Changes in Equity for the year ended 31st December, 2013;
- (vi) Cash Flow Statement for the year ended 31st December, 2013
- (vii) Accounting Policies and Explanatory Notes.



# Notes to the Accounts

## For The Year Ended 31st December, 2013

### BALANCE SHEET

#### CAPITAL AND LIABILITIES

	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
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. 26,69,13,560</b>	<b>Tk. 23,20,98,750</b>
2,32,09,875 Ordinary Shares of Tk. 10/= each Issued, Subscribed and Fully Paid up by the Shareholders 34,81,481 Ordinary Shares of Tk. 10/= each Fully paid up as bonus share(15%) allotted in 2013	23,20,98,750	19,83,75,000
	3,48,14,810	3,37,23,750
	<b>26,69,13,560</b>	<b>23,20,98,750</b>

#### 03.02 CATEGORY OF SHARE HOLDERS

	No. of Shares
a) <b>Category-A</b> Sponsor Shareholders. (36.12% of total paid-up Shares)	96,40,803
b) <b>Category-B</b> General public and institutional investor (63.88% of total paid-up shares)	1,70,50,553
<b>Total</b>	<b>2,66,91,356</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 on 31-12-2013 is give below;

Class Interval	No. of Shares	No. of Shareholders	Total holdings %
Below -500	4,30,621	2121	1.61%
500-5000	41,47,013	2776	15.54%
5001-10000	14,44,846	199	5.41%
10001-20000	14,78,481	102	5.54%
20001-30000	8,56,288	35	3.21%
30001-40000	4,97,396	15	1.86%
40001-50000	3,12,570	7	1.17%
50001-100000	10,65,363	15	3.99%
Above-100000	1,64,58,778	39	61.66%
<b>Total</b>	<b>2,66,91,356</b>	<b>5309</b>	<b>100%</b>

#### 04. RESERVE OR CONTINGENCY ACCOUNT

This is made up as follows:

04.01	Reserves for Exceptional Losses Account	Tk. 12,40,09,862	Tk. 10,56,65,507
04.02	Capital Reserve Account	Tk. 59,14,198	Tk. 59,14,198
04.03	General Reserve Account	Tk. 2,68,63,000	Tk. 2,45,66,000
04.04	Dividend Equalization Reserve	Tk. 15,00,000	Tk. 15,00,000
	Profit & Loss Appropriation Account	Tk. 4,05,89,811	Tk. 3,52,63,573
		<b>Tk 19,88,76,871</b>	<b>Tk.17,29,09,278</b>

#### 04.01 RESERVE FOR EXCEPTIONAL LOSSES ACCOUNT

This is made up as follows:

<b>Tk. 12,40,09,862</b>	<b>Tk10,56,65,507</b>
-------------------------	-----------------------

Particulars	Amount (Tk.) 2013	Amount (Tk.) 2012
Balance brought forward	10,56,65,507	8,58,02,178
Add: Provision during the year (10% on Net Premium Income)	1,83,44,355	1,98,63,329
<b>Total</b>	<b>12,40,09,862</b>	<b>10,56,65,507</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.) 2013	Amount (Tk.) 2012
Balance brought forward	59,14,198	29,46,881
Add: during the year	-	29,67,317
<b>Total</b>	<b>59,14,198</b>	<b>59,14,198</b>

04.03 **GENERAL RESERVE ACCOUNT**

**Tk. 2,68,63,000      Tk. 2,45,66,000**

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

Particulars	Amount (Tk.) 2013	Amount (Tk.) 2012
Balance brought forward	2,45,66,000	2,10,23,000
Add: during the year	22,97,000	35,43,000
<b>Total</b>	<b>2,68,63,000</b>	<b>2,45,66,000</b>

So far an accumulated amount of Tk. 2,28,63,000/=(after payment/provision of Income Tax) transferred to General Reserve against interest income received since inception of the Company. The amount will be transferred to Takaful Foundation in the subsequent period as and when the Takaful Foundation will be established.

04.04 **DIVIDEND EQUALIZATION RESERVE**

**Tk. 15,00,000      Tk. 15,00,000**

Particulars	Amount (Tk.) 2013	Amount (Tk.) 2012
Balance brought forward	15,00,000	90,00,000
Less: Transfer to Profit & Loss Appropriation Account	-	(75,00,000)
Balance on 31-12-2013	<b>15,00,000</b>	<b>15,00,000</b>

05. **BALANCE OF FUNDS AND ACCOUNTS**

**Tk.7,42,11,571      Tk.8,04,66,191**

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.) 2013	AMOUNT (TK.) 2012
Fire	40%	2,73,06,100	3,34,21,941
Marine Cargo	40%	3,55,13,084	3,49,73,975
Marine Hull	100%	13,90,250	16,88,119
Motor	40%	90,14,871	95,69,473
Miscellaneous	40%	9,87,266	8,12,683
<b>TOTAL</b>		<b>7,42,11,571</b>	<b>8,04,66,191</b>

06. **OTHER SUMS OWING**

**Tk. 1,75,18,277      Tk. 1,98,84,079**

**(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 31st December, 2013.

07. **ESTIMATED LIABILITIES IN RESPECT OF  
OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED**

**Tk. 1,59,60,064      Tk. 1,32,01,504**

The break up of the above amount is noted below:



CLASSES OF BUSINESS	PRIVATE SECTOR	PUBLIC SECTOR	TOTAL 2013	TOTAL 2012
Fire	98,25,461	0	98,25,461	66,73,785
Marine Cargo	37,30,467	0	37,30,467	23,92,320
Marine Hull	0	0	0	7,69,230
Motor	24,04,136	0	24,04,136	32,66,169
Miscellaneous	0	0	0	1,00,000
<b>Total</b>	<b>1,59,60,064</b>	<b>0</b>	<b>1,59,60,064</b>	<b>1,32,01,504</b>

08. **AMOUNT DUE TO OTHER PERSONS OR BODIES** Tk. 4,60,02,200 Tk. 4,47,36,640

**CARRYING ON INSURANCE BUSINESS**

This represents balance of account with public sectors in respect of co-insurance transactions and amount payable to co-insurance. The break up of the above amount is noted below:

NAME OF THE PERSON OR BODIES	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Sadharan Bima Corporation	3,02,39,452	4,03,85,978
Overseas Re-Insurer	1,57,62,748	43,50,662
<b>Total</b>	<b>4,60,02,200</b>	<b>4,47,36,640</b>

09. **SUNDRY CREDITORS** Tk. 54,96,464 Tk. 64,99,780

**-Including Provision for Expenses**

The balance is made as under:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Share Application Money	20,51,529	20,51,529
VAT	21,88,712	25,94,695
Unpaid Dividend	7,86,934	7,81,290
Liabilities for Expenses	4,39,289	10,42,266
Audit Fee	30,000	30,000
<b>Total</b>	<b>54,96,464</b>	<b>64,99,780</b>

10. **PROVISION FOR INCOME TAX** Tk. 9,51,54,392 Tk. 6,78,40,249

This is made up as follows:

Particulars	Amount (Tk.)	Amount (Tk.)
Balance brought forward	6,74,85,046	4,40,84,997
Add: Provision during the year 2013	2,72,17,310	2,34,00,049
	9,47,02,356	6,74,85,046
Add: Deferred Tax Liability	4,52,036	3,55,203
<b>Total</b>	<b>9,51,54,392</b>	<b>6,78,40,249</b>

10.01 **DEFERRED TAX LIABILITY**

This is made up as follows:

Particulars	Amount (Tk.)	Amount (Tk.)
Carrying Amount of Tangible Fixed Assets	1,60,32,514	1,84,91,560
Tax base of Tangible Fixed Assets	1,49,68,901	1,76,55,787
	10,63,613	8,35,773
Applicable Tax Rate	42.50%	42.50%
Deferred Tax Liability	4,52,036	3,55,203
Deferred Tax (Income) /Expenses for the year	96,833	2,34,544

**PROPERTY AND ASSETS**

11. **INVESTMENT AT COST** Tk. 14,60,13,245 Tk. 11,79,65,520

This is made up as follows:

11.01 Bangladesh Government Treasury Bond (BGTB)	Tk. 2,50,00,000	Tk. 90,00,000
11.02 Investment in Shares	Tk. 12,10,13,245	Tk. 10,89,65,520
	<u>Tk. 14,60,13,245</u>	<u>Tk. 11,79,65,520</u>

11.01 **BGTB/NIB DEPOSIT WITH BANGLADESH BANK** **Tk. 2,50,00,000** **Tk. 90,00,000**

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.) 2013	AMOUNT (IN TK.) 2012
ISIN NO: BD0928311150 , Issue Date: 20/02/2013 and Maturity Date: 20/02/2028	2,50,00,000	90,00,000
BANGLADESH GOVERNMENT TREASURY BOND/ NIB	2,50,00,000	90,00,000

11.02 **INVESTMENT IN SHARE** **Tk. 12,10,13,245** **Tk 10,89,65,520**

The above amount represents the total Cost Price of Investment in Shares of various listed Company as on 31st December, 2013. This is made up as follows:

Name of the Company	Unit Market Price as on 31-12-13	Nos. of Share	Average Cost Price (Tk.)	Total Value (Tk.)	Market Value as on 31-12-13
Al-Arafa Islami Bank	19.10	1,20,699	26.40	31,85,968.00	23,05,351.00
Fareast Islami Life Insurance Ltd	96.00	50,312	205.12	1,03,20,195.00	48,29,952.00
GP	200.90	24,600	296.18	72,86,041.00	49,42,140.00
Islami Bank Bangladesh Ltd	34.60	33,74,718	24.91	8,40,62,543.00	11,67,65,243.00
Islami Insurance	32.50	48,787	51.88	25,31,131.00	15,85,578.00
Meghna Cement	142.80	8,500	386.22	32,82,830.00	12,13,800.00
Sumit Power	38.40	39,974	83.52	33,38,455.00	15,35,001.00
IFIL Islamic MF-1	5.60	1,00,000	10.00	10,00,000.00	5,60,000.00
Islamic Finance	18.70	73,332	29.22	21,42,619.00	13,71,308.00
Shahjalal Islami Bank Ltd	16.80	1,50,000	25.65	38,47,461.00	25,20,000.00
Balance with Broker House				16,002.00	
<b>Total</b>				<b>12,10,13,245.00</b>	<b>13,76,28,373.00</b>

12. **PROFIT, INTEREST DIVIDEND & RENTS (ACCRUED BUT NOT DUE)** **Tk. 94,45,579** **Tk. 1,71,50,618**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Profit Accrued on TDR	82,04,591	1,32,90,221
Interest on FDR	1,42,774	18,58,822
Interest on BGTB	10,98,214	20,01,575
<b>Total</b>	<b>94,45,579</b>	<b>1,71,50,618</b>

13. **AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS** **Tk. 86,85,066** **Tk. 3,50,52,471**

The break up of the above amount is noted below:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Sadharan Bima Corporation (SBC)	86,85,066	3,50,52,471
<b>Total</b>	<b>86,85,066</b>	<b>3,50,52,471</b>

14. **SUNDRY DEBTORS (Including Advances, Deposits & Prepayments)** **Tk. 7,97,72,002** **Tk. 5,73,84,527**

The break up of the above is as under:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Advance against Salary	9,27,134	55,374
Advance against Office Rent	41,17,276	24,75,054
Advance Income Tax	7,08,31,329	5,05,23,010
Advance VAT Payment	17,30,650	16,61,650
R.R. Securities Ltd.	301	301
RNI Securities Ltd.	2,000	2,000
Commission Receivable	21,63,312	25,17,138
Central Shariah Council	-	1,50,000
<b>Total</b>	<b>7,97,72,002</b>	<b>5,73,84,527</b>



15. **CASH AND BANK BALANCES** Tk. 45,97,04,668      Tk. 39,07,49,067

The above amount is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Term Deposit Accounts	33,95,00,000	26,96,00,000
Fixed Deposit Receipt	6,30,00,000	6,86,00,000
Short Term Deposit Account	5,02,26,296	4,70,55,018
Current Account	24,49,377	29,06,221
Cash in hand	45,28,995	25,87,828
<b>Total</b>	<b>45,97,04,668</b>	<b>39,07,49,067</b>

16. **OTHER ACCOUNTS** Tk. 1,65,12,839      Tk. 1,93,34,268

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
(a) Fixed Assets -At Cost Less Depreciation	1,60,32,514	1,84,91,560
(b) Stock of Printing & Stationery	3,60,000	4,25,300
(c) Insurance Stamp in hand	1,20,325	4,17,408
<b>Total</b>	<b>1,65,12,839</b>	<b>1,93,34,268</b>

(a) **FIXED ASSETS** Tk. 1,60,32,514      Tk. 1,84,91,560

**At Cost Less Depreciation**

This is made up as under:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Cost as on 01-01-2013/31-12-2012	2,99,01,832	1,90,35,623
Add: Addition during the year	8,95,663	1,09,18,456
	3,07,97,495	2,99,54,079
Less: Disposal during the year	-	52,247
	3,07,97,495	2,99,01,832
Depreciation as on 01-01-2013/01-01-2012	1,14,10,272	87,24,562
Add: Depreciation charged during the year	33,54,709	26,98,793
	1,47,64,981	1,14,23,355
Less: Adjustment during the year	-	13,083
	1,47,64,981	1,14,10,272
<b>Balance as on 31-12-2013/31-12-2012</b>	<b>1,60,32,514</b>	<b>1,84,91,560</b>

(b) **STOCK OF PRINTING & STATIONERY** Tk. 3,60,000      Tk. 4,25,300

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Balance as on 01-01-2013/01-01-2012	4,25,300	3,80,200
Add: Purchase during the year	16,78,024	14,29,595
	21,03,324	18,09,795
Less: Consumption during the year	17,43,324	13,84,495
<b>Balance as on 31-12-2013/31-12-2012</b>	<b>3,60,000</b>	<b>4,25,300</b>

(c) **INSURANCE STAMPS IN HAND** Tk. 1,20,325      Tk. 4,17,408

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Balance as on 01-01-2013/01-01-2012	4,17,408	2,41,206
Add: Purchase during the year	1,39,00,000	1,50,00,000
	1,43,17,408	1,52,41,206
Less: Consumption during the year	1,41,97,083	1,48,23,798
<b>Balance as on 31-12-2013/31-12-2012</b>	<b>1,20,325</b>	<b>4,17,408</b>

17. **PROFIT, INTEREST, DIVIDENDS & RENTS** Tk. 4,52,29,132 Tk. 4,07,97,376

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Profit on SND Account	10,25,660	12,79,334
Profit on TDR	2,71,82,221	2,49,05,832
Interest on FDR	57,02,013	55,47,928
Dividend Received on Shares	83,31,390	79,58,724
Interest on 3 (three) year's NIB	2,93,425	7,65,000
Interest on STD Account	4,33,598	3,40,558
Interest on BGTB	22,60,825	
<b>Total</b>	<b>4,52,29,132</b>	<b>4,07,97,376</b>

18. **OTHER INCOME** Tk 1,71,950 Tk. 14,86,201

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Miscellaneous Income	-	2,500
Profit on Sale of Motor Car/Cycle	-	14,095
Capital Gain on Sales of Shares	1,71,950	14,69,606
<b>Total</b>	<b>1,71,950</b>	<b>14,86,201</b>

19. **ALLOCATION OF MANAGEMENT EXPENSES** Tk 10,50,74,613 Tk 8,74,31,914  
(Applicable to Fund)

NAME OF BUSINESS	APPORTIONED EXPENSES	DIRECT CHARGE	AMOUNT (TK.) 2013	AMOUNT (TK.) 2012
Fire	5,31,08,764	6,56,119	5,37,64,884	4,40,43,634
Marine Cargo	3,57,50,992	11,93,004	3,69,43,996	3,18,69,724
Marine Hull	12,84,609	66,526	13,51,135	19,68,188
Motor	74,63,642	1,43,110	76,06,752	72,72,926
Miscellaneous	36,52,407	17,55,440	54,07,846	22,77,442
<b>Total</b>	<b>10,12,60,414</b>	<b>38,14,199</b>	<b>10,50,74,613</b>	<b>8,74,31,914</b>

20.01. **EARNINGS PER SHARE (EPS) AS PER- IAS 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 2013 was based on the profit attributable to ordinary Shareholders of Tk. 6,07,82,403/- (2012: Tk. 5,84,11,900/-) and a weighted average number of ordinary shares outstanding for the year ended 31 December 2013 of 2,66,91,356 (2012 of 2,32,09,875 /-)

**Profits attributable to ordinary shareholders**

(Figures in BDT)

	2013	2012
Net profit after taxation for the year	6,07,82,403/-	5,84,11,900/-
<b>Weighted average number of ordinary shares</b>	<b>2013</b>	<b>2012</b>
Ordinary shares at 1st January	2,32,09,875	1,98,37,500
Bonus shares issued	34,81,481	33,72,375
Weighted average number of ordinary shares at 31st December	2,66,91,356	2,32,09,875
Restated weighted average number of ordinary shares	2,66,91,356	2,66,91,356
<b>Earnings per share (Per share of Tk. 10.00 each)</b>	<b>Tk. 2.28</b>	<b>Tk. 2.52</b>
<b>Earnings per share (restated), Per share of Tk. 10.00 each</b>	<b>Tk. 2.28</b>	<b>Tk. 2.19</b>

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

The board of directors at its meeting no 74th held on 15/04/2014 recommended to the shareholders 15% stock dividend for the year ended 31st December- 2013 which will be considered for approval by the shareholders at the 14th Annual General Meeting.



# Statement of Premium Income

For The Year Ended On December 31, 2013

CASS OF BUSINESS	PREMIUM EARNED		TOTAL PREMIUM EARNED	LESS:RE-INSURANCE PREMIUM CEDED		TOTAL	NET PREMIUM EARNED
	OWN	PUBLIC		OWN	PUBLIC		
1	2	3	4=(2+3)	5	6	7=(5+6)	8=(4-7)
FIRE	152,506,302	3,093,169	155,599,471	85,241,040	2,093,180	87,334,220	68,265,251
MARINE CARGO	102,661,994	13,672,681	116,334,675	18,248,918	9,303,047	27,551,965	88,782,710
MARINE HULL	3,688,863	881,131	4,569,994	2,455,148	724,597	3,179,745	1,390,249
MOTOR	21,432,477	1,820,578	23,253,055	703,041	12,837	715,878	22,537,177
MISCELLANEOUS	10,488,194	22,927,875	33,416,069	8,453,085	22,494,820	30,947,905	2,468,164
<b>Total- 2013</b>	<b>290,777,830</b>	<b>42,395,434</b>	<b>333,173,264</b>	<b>115,101,232</b>	<b>34,628,481</b>	<b>149,729,713</b>	<b>183,443,551</b>

## Claim Under Policies Less Re-Insurance

For The Year Ended on December 31, 2013

CASS OF BUSINESS	CLAIM PAID		TOTAL CLAIM PAID	CLAIM RECOVERY		TOTAL RECOVERY	NET CLAIM
	DIRECT	PUBLIC		OWN	PUBLIC		
FIRE	21,256,498	109,209	21,365,707	8,072,222	0	8,072,222	13,293,485
MARINE CARGO	2,956,326	212,993	3,169,319	1,999,834	0	1,999,834	1,169,485
MARINE HULL	2,185,638	0	2,185,638	1,323,840	0	1,323,840	861,798
MOTOR	5,825,760	83,343	5,909,103	207,765	0	207,765	5,701,338
MISCELLANEOUS	100,000	13,091	113,091	0	0	0	113,091
<b>Total- 2013</b>	<b>32,324,222</b>	<b>418,636</b>	<b>32,742,858</b>	<b>11,603,661</b>	<b>0</b>	<b>11,603,661</b>	<b>21,139,197</b>