

Annual Report 2020



Takaful Islami Insurance Limited
তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

Takaful Islami Insurance Limited

তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

(সহমর্মিতা ও নিরাপত্তার প্রতীক)



Annual Report 2020

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, Website : takaful.com.bd



Contents

Letter of Transmittal	03
Notice of the 21st 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	23-24
Our Branches	25-26
Audit Committee Report for the year 2020	27
Report of Shariah Council for the year 2020	28
Performance on Index	29-30
Financial Highlights	31
We are in Picture	32-33
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 2020	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
Profit & Loss Appropriation Account	70
Other Comprehensive Income Account	71
Profit & Loss Account	72
Consolidated Business Revenue Account	73
Fire Insurance Revenue Account	74
Marine Cargo Insurance Revenue Account	75
Marine Hull Insurance Revenue Account	76
Motor Insurance Revenue Account	77
Miscellaneous Insurance Revenue Account	78
Statement of Cash Flows	79
Statement of Changes in Equity	80
Notes to the Financial Statements	81-87
Notes of the Accounts	88-104
Statement of Premium Income	105
Claim Under Policies Less Re-Insurance	106
Classified Summary of Assets	107
Form -XL	108
Proxy Form	109



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, 2020

Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Balance Sheet as at December 31, 2020 and Profit and Loss Account, Revenue Accounts, Statement of Cash Flows, Changes of Shareholders' Equity for the year ended December 31, 2020 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 21st Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of Takaful Islami Insurance Limited will be held on July 31, 2021; Saturday at 11:00 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, 2020.
2. To declare dividend for the year 2020 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To appoint Statutory Auditor for the year 2021 and fix their remuneration.
5. To appoint Compliance Auditor for the year 2021 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
July 06, 2021

NOTES :

01. The record date of the Company is the June 21, 2021. 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/94-231/91 dated 31 March, 2021, 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. 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.
05. We encourage the members to log into the system prior to the meeting start time of 11:00 a.m. Please contact +88 01723415126, +88 01715227363 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 duly completed, must be affixed with revenue stamps of Tk. 20.00 and deposited at Registered Office 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 2020 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 2020 will also be available on the investor relations section of the Company's website at 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 31-12-2020	Tk. 47.50



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. Md. Humayun Kabir Patwary

Chairman : Claim Committee

Mr. Md. Abul Hashem

Chairman : Audit Committee

Mr. A.K.M Aminul Islam

Chairman : Nomination and Remuneration Committee

Mrs. Tahmina Afroz

Directors : Sponsor Shareholders

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

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

Qazi Mukarram Dastagir

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 JakirUlum 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 BipaniBitan, 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. 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-cultural Organization.



Md. Humayun Kabir Patwary
Chairman
Executive Committee

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. 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.



Tahmina Afroz
Chairman
Nomination and Remuneration Committee

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 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. 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
Sponsor Shareholder Director

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 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 Mesbahuddin Ahmed
Sponsor Shareholder Director



Anwar Hossain Chowdhury
Sponsor Shareholder Director

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.



Shamsul Arefin Khaled
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., Mohammadi 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.

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.



Md. Moshir Rahman Chamak
Sponsor Shareholder Director

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



Shahanaz Parvin

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.



Mr. AFM Motassem Belal

Public Shareholder Director

Mr. AFM Motassem Belal so 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 Mokkha Medical Center. He is 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 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, Zagay 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 of 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 (perofish, 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



Qazi Mukarram Dastagir
Chief Executive Officer

Qazi Mukarram Dastagir was born in a reputed Muslim family of Sandwip, Chattaram in the year of 1960. He obtained his M.S.S in Economics degree from Dhaka University in the year 1982. He also obtained LL.B. degree from the same University 1985. He passed intermediate level of ICMA course. He has more than 34 years of experience in the Insurance industry. He served in Karnaphuly Insurance Company Limited 1986 to 1988, Rupali Insurance Company Limited 1989 to 1997, Northern Islami Insurance Limited 1997 to 2000 and Desh General Insurance Company Limited 2000 to 2020 in different highly positions. Prior to joining Takaful Islami Insurance he served Desh General Insurance Company Limited as Managing Director & CEO for about 6 years and 6 months. Besides, he is associated with many social and philanthropic organizations.

Sponsor Shareholders

01	Mr. Md. Mofizuddin
02	Mrs. Farzana Rahman
03	Alhaj Tofazzal Hossain
04	Mr. Redwan Kabir
05	M/s. Eastern Diagnostic H & OPMS

Shariah Council

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



Head Office Executives

Qazi Mukarram Dastagir

Chief Executive Officer

Abul Kalam Azad

Deputy Managing Director
&
Company Secretary

Mohammad Selim

Assistant Managing Director
&
Head of Claim & RI Department

Mohammad Mamunul Islam

Vice President
&
Chief Financial Officer

Shamsuddin Ahmed

Vice President
&
Head of Audit Department

Md. Ali Rahim

Deputy Vice President
(Underwriting-Marine)

Auditor

ARTISAN
Chartered Accountants

Compliance Auditor

Huda Hossain & Co.
Chartered Accountants



Review of the Chairman

**Dear Shareholders,
Assalamu Alaikum,**

With the mercy of the Almighty it is with great pleasure that amid of dreadful COVID-19 destruction all over the world we welcome you to the 21st Annual General Meeting of Takaful Islami Insurance Ltd. We are very much grateful to Almighty Allah who ultimately bestowed mercy on us with the least casualty by COVID-19.

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.

I would like to express my deepest gratitude to you all for being with us, and for inspiring us to face the erratic economical turmoil. The Pandemic Covid-19 results in high priced oscillation of the economy, as well as it infected, affected and destroyed the family, fortune, and it becomes the fear of communal society. Almost all the business entrepreneurs changed their strategy and focused on sustainability instead of thinking aggressive revenue growth.

Global economic growth in 2019 compared to 2018 was weaker due to weak global demand and the trade dispute between the USA and China. Further, in 2020, the global economic growth became negative due to pandemic Covid-19 effects. Almost governments of all the countries in the globe imposed lockdown, isolation and restriction on the movement of goods and transportation of those to protect the outbreak of the Corona Virus. The industrial and economic growth is required to be recovered which is dependent on the strategic planning and effective implementation of monitoring and fiscal stimulus package, restoration of normal economic activities and fading of pandemic. In short, the projected global economic growth will pick upto 5.2% in 2021; however, it depends on the sustainability of the investment incentives and creating demand of products and services, and the availability of the transpiration, and transformation of the industrialization.

Many National and International manufacturing Companies in Bangladesh were closed down due to insufficient raw materials, liquidity crisis and uncertainty of regaining the normal export and import transaction, and having the unusual demand and supply chain of the products and services.

GDP growth of Bangladesh was 5.2% in 2020 which was much lower compared to 8.2% in 2019. All major sectors of business in Bangladesh witnessed lower economic growth. Service Sector of Bangladesh accounts for the largest contribution in the national GDP which was 51.3% in 2020. By this time a massive negative tendency developed which reveals that, Import declined by 8.6% and export earnings declined by 10.6%.

The growth of Insurance Sector of Bangladesh was forecasted to increase by 7.04% in 2020 in terms of premium income. Like all other sectors, the premium growth of the Insurance Sector of Bangladesh declined remarkably, and Insurance Companies are concentrating on sustainability instead of achieving the aggressive

premium growth. The major profit of the non-life Insurance Companies are generated from Marine Insurance business: however, Marine Insurance business depends on the number and amount of export and import transaction. But the export and import was almost vanished during the lockdown period, and consequently, many Insurance Companies were in trouble to make underwriting profit.

Takaful Islami Insurance Limited earned gross premium of Tk. 5,760.78 lac in 2020 which was Tk. 4,948.54 lac in 2019. Retained earnings of 2019 were lower compared to the retained earnings of the year 2020. Profit of the Company was due to investment in share business, and income generated from the interest of FDRs.

Takaful Islami Insurance Ltd. is also planning to utilize the technology to cope with the global system. Digital marketing of the insurance products will be a future plan of the Company. Risk Management of the Company will also be measured and a research based team will have to be formed to receive the information.

In consideration of the retained earnings of 2020, the Company declared 10% cash dividend for all shareholders. However, the said proportion of dividend is average in comparison with the dividend payout ratio of the listed companies in Bangladesh operating in similar context.

Further, the statements of financial position, Directors Report, Corporate Governance including other activities of the Company presented in the Annual Report 2020 are the fundamentals to understand the Company's financial strength and the long run achievement.

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 2020 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 2020 and welcome you all at the 21th Annual General Meeting of Takaful Islami Insurance Limited. We completed year 2020 with huge risk of personal lives due to outbreak of pandemic COVID-19. We are grateful to the Almighty that even with the all adverse situations we could make profit.

Bangladesh Insurance Association (BIA), an influential organization in the insurance market, has kept the "Gentlemen's Agreement" active over the year 2020 to refrain from underwriting of renewal insurance business of other non-life insurers with some exceptions. The government has also given importance to insurance sector to make it a significant industry to increase contribution to the country's gross domestic products and declaring 1 March as the Insurance Day for Bangladesh remembering the first day in insurance by the father of the Nation Bangabandhu Sheikh Mujibur Rahman. It makes us proud that the father of the nation was associated with insurance sector and inspired people to be united to fight against the then Pakistan Government with a view to achieving the independence of Bangladesh.

Global Economic Scenario

The pandemic has intensified the risks associated with a decade-long wave of global debt accumulation. It is also likely to steepen the long-expected slowdown in potential growth over the next decade. World Bank Group President David Malpass noted that making the right investments is very much inevitable to support the recovery when it is urgently needed and foster elasticity. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. Many countries, particularly low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic.

Bangladesh Economy

As per Asian Development Bank (ADB) September 2020 review the GDP growth of Bangladesh for the year 2018 was 7.9%, in 2019 it was highest 8.2%, in 2020 affected by pandemic COVID-19 it was 5.2 and in 2021 it would be slight higher at 6.8%. In 2020 in the South Asian region Bhutan & Nepal had positive growth 2.4% and 2.3% respectively. Pakistan, Afghanistan, Sri Lanka, India and Maldives had negative growth of 0.4%, 5.0%, 5.5%, 9.0% and 20.5% respectively. South Asia's average growth in 2020 was (6.8%) whereas Bangladesh alone had highest GDP growth of 5.2% at the same period. Even then non-life insurance sector was drastically affected in 2020.

Risk Management

Takaful Islami Insurance Limited has always been responsive of the risk factors inherent in the insurance industry. With a view to keeping the risks at a tolerable level it identifies, monitors and reviews the risks inherent in every policy or cover note underwritten, continues updating of data base for information and takes corrective and or preventive measures to safeguard the stakeholders' interest.

Developing human capital

TIIL in the has recruited some experienced persons in the year under review with a view to develop the human capital arranging adequate in house training on the job to the existing staff and also arranging training by external resources. This would be ongoing process till the ensuring of quality services to the insured and to the stakeholders as well. The members of the staff of the company are the significant resources and human capital who run the company keeping it on the right track amid the limited resources.

Contribution to national exchequer

In spite of COVID-19 driven insurance business scenario and several directives from the Insurance Development & Regulatory Authority (IDRA) that slowed down the consistency of the usual flow of premium to the company, Takaful Islami Insurance Limited with its committed staff members, have been ensuring payment of appropriate amount of revenue to the Government including VAT, taxes, stamps and other source taxes during the year amounting to Tk. 105.72 million against Tk. 98.21 million in 2019

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.



(Qazi Mukarram Dastagir)

Chief Executive Officer

Our Branches

No.	Branch Name	Officer In-charge	Office	Res/Mobile
1.	Local Office	Mr. Afzal Hossain Khan Asstt. Managing Director	9553969	01715-062924
2.	Bangshal Branch	Mr. A.K.M. Montasirul Haque Asstt. Managing Director	9562297	01715-054995
3.	Head Office Cell	Mr. Md. Akramul Haque Khondaker Asstt. Managing Director	9586802	01706-971554
4.	Motijheel Branch	Mr. A.K.M. Sultan Ahmed Asstt. Managing Director	9590354	01911-365891
5.	B.B. Avnue Branch	Mr. Md. Maksudur Rahman Asstt. Managing Director	9585929	01715-750516
6.	Imamganj Branch	Mr. Md. Sohel Wafez Majumder Asstt. Managing Director	7316211	01711-425519
7.	Mohakhali Branch	Mr. Abdul Ahad Asstt. Managing Director	9881863	01199-843594
8.	VIP Road Branch	Mr. Md. Nasiruddin Bhuiyan (Ratan) Asstt. Managing Director	9344963	01733997589
9.	Narsingdi Branch	Mr. M.A. Kashem Asstt. Managing Director	9451498	01823-662762
10.	Elephant Rd. Branch	Mr. Md. Amir Hossain Gazi Asstt. Managing Director	9670697	01822-555260
11.	Head Office Booth	Mr. Md. Nahid Hossain Asstt. Managing Director	7120720	01716-153780
12.	Dilkusha Corp. Branch	Mr. Abu Ahmed Maruf Asstt. Managing Director	9561045	01711-682267
13.	Khulna Branch	Mr. Md. Anisur Rahman Asstt. Managing Director	041-733842	01710-123677
14.	Kushtia Branch	Mr. Md. Harunur Rashid Asstt. Managing Director	071-61011	01842-425568
15.	Jessore Branch	Mr. Md. Nur Islam Munshi Asstt. Managing Director	0421-67392	01714-959609
16.	Pabna Branch	Mr. Md. Saydul Islam Asstt. Managing Director		01713-727354
17.	Paltan Branch	Mr. S.M. Habibur Rahman Sr. Vice President	9576787	01711-600449
18.	Khatunganj Branch	Mr. Md. Nurul Islam Sr. Vice President	031-639631	01711-428151
19.	Saidpur Branch	Mr. Emdadul Haque Sr. Vice President	0552-672870	01712-032735
20.	Chowmuhani Branch	Mr. Md. Fakhru Islam Khan Sr. Vice President	0321-51193	01754-978902
21.	Kawran Bazar Branch	Mr. Md. Shahjahan Kabir Sr. Vice President		01819-136933
22.	Mirpur Branch	Mr. Md. Razzakul Haider Chowdhury Sr. Vice President	55075153	01710-915453

Our Branches

No.	Branch Name	Officer In-charge	Office	Res/Mobile
23.	Rangpur Branch	Mr. A.T.M Saeid Sr. Vice President		01727-811046
24.	Toyenbee Circular Road Br.	Mr. Md. Shafiqul Alam Sr. Vice President		01711-006328
25.	Shyamoli Branch	Mr. Md. Monirul Islam Sr. Vice President		01689-195153
26.	Principal Branch	Mr. Md. Mamunur Rashid Sr. Vice President		01747-147650
27.	Rajshahi Branch	Mr. A.Z.M. Shafiqur Rahman Vice President	0721-810519	01712-032733
28.	Sylhet Branch	Mr. S.M. Masudur Rahman Vice President	0821-720196	01679-314031
29.	Comilla & B. Baria Branch	Mr. Md. Ashrafuzzaman Bhuiyan Vice President	081-63042	01818-355242
30.	Dinajpur Branch	Mr. Md. Mominul Islam Vice President	0531-65640	01815-940300
31.	Gazipur Branch	Mr. Md. Abul Jalil Vice President		01819-189931
32.	Baridhara Branch	Mr. Zahir Hassan Vice President		01711-636936
33.	Tangail Branch	Mr. Md. Rezaul Hasan Chowdhury Deputy Vice President		01711-288905
34.	Mymensingh Branch	Mr. Md. Shafiq Anwar Deputy Vice President	01913-092550	01911-688185
35.	Malibagh Branch	Mr. Md. Abbash Uddin Akash Deputy Vice President		01715-724411
36.	Agrabad Branch	Mr. Md. Mohiuddin Chowdhury Deputy Vice President	031-727518	01713-079858
37.	Satkhira Branch	Mr. Md. Shahinur Rahman Deputy Vice President		01911-088440
38.	Bogra Branch	Mr. Md. Golam Mostafa Deputy Vice President	051-69732	01716-536199
39.	Narayanganj Branch	Mr. Mohammad Ali Deputy Vice President	7645115	01718-189898
40.	Jubilee Road Branch	Mr. Md. Amirul Islam Asstt. Vice President	031-2854673	01819-634908
41.	Barisal Branch	Mr. Md. Younus Ali Asstt. Vice President	0431-62580	01715-576202
42.	Kishoreganj Branch	Mr. Md. Masudul Hasan Asstt. Vice President		01718-326458
43.	Jhenaidah Branch	Mr. Md. Jahirul Islam In-charge	0451-61036	01718-303105
44.	Cox's Bazar Branch	Mr. Ratan Bhattacharjee In-charge		01711-396276

Audit Committee Report for the year 2020

The following 6 (six) members 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. Anwer Hossain Khan MP, Sponsor Shareholder Director	Member
3. Mr. Md. Humayun Kabir Patwary, Sponsor Shareholder Director	Member
4. Mr. Anwar Hossain Chowdhury, Sponsor Shareholder Director	Member
5. Mr. Mosharraf Hossain Chowdhury, Public Shareholder Director	Member
6. Mr. Md. Ziauddin Podhar, Public Shareholder Director	Member

Committee Meetings :

During the year 2020 the Committee met in 03 (three) 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 2020.
- 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 ২০২০

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 আজমাদ্দীন।

কাউন্সিল কর্তৃক ২০২০ 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 করেছে যে, শরীয়াহ উপযোগী প্রবিধান বা আইন না থাকার পরও কাউন্সিল কর্তৃক প্রদত্ত পরামর্শের আলোকে শরীয়াহ নীতিমালা বাস্তবায়নে কোম্পানীর পরিচালনা পরিষদ ও কর্মকর্তা/কর্মচারীবৃন্দ আন্তরিকতার স্বাক্ষর রেখেছে। আলহামদুলিল্লাহ, ২০২০ 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 করেছে।

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 কোম্পানী আন্তরিকতার বহিঃপ্রকাশ ঘটিয়েছে।

বিধিবদ্ধ বাধ্যবাধকতার কারণে সাধারণ বীমা কর্পোরেশনের সাথে ৫০% প্রিমিয়াম পুনঃবীমা করার পর অবশিষ্ট ৫০% প্রিমিয়াম বিদেশী রি-তাকাফুল কোম্পানীর সাথে পুনঃবীমা সম্পন্ন করে কোম্পানী নীতি-নৈতিকতা অব্যাহত রাখতে সক্ষম হয়েছে। সচ্ছতা ও আন্তরিকতার সাথে বীমা দাবী পরিশোধের মাধ্যমে কোম্পানী আর্থিক সঙ্গতি ও গ্রাহক বান্ধবতার প্রমাণ দেয়ার পাশাপাশি সুনাম অর্জন করতে সক্ষম হয়েছে।

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

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



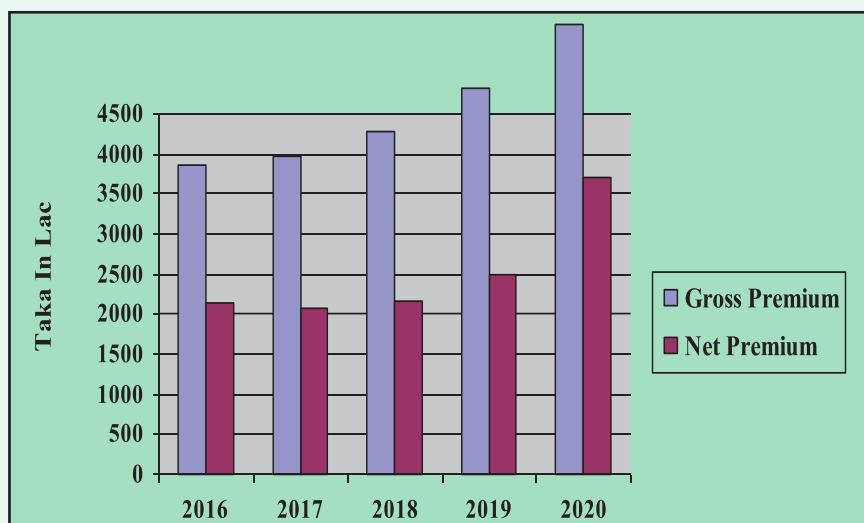
(অধ্যক্ষ কামালুদ্দীন জাফরী)
চেয়ারম্যান



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

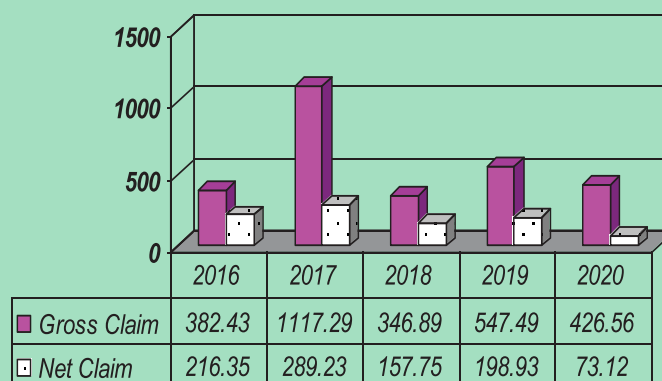
Performance on Index

Premium Income

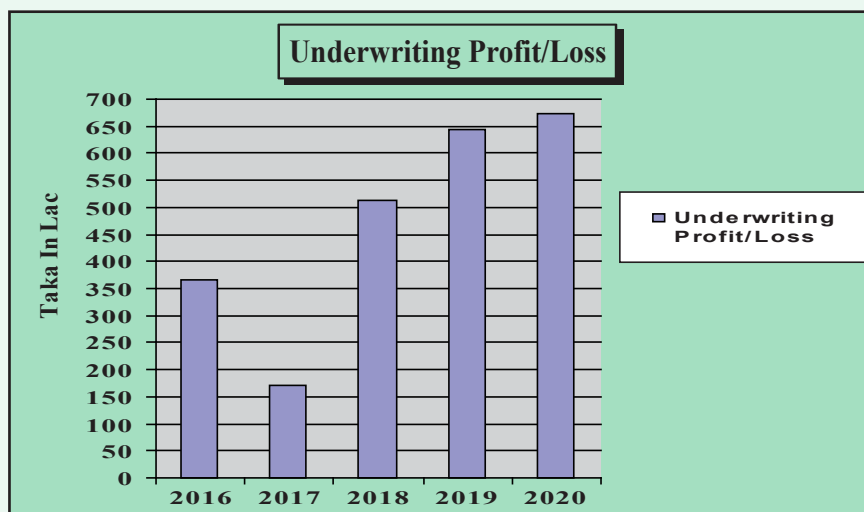


Claim Paid

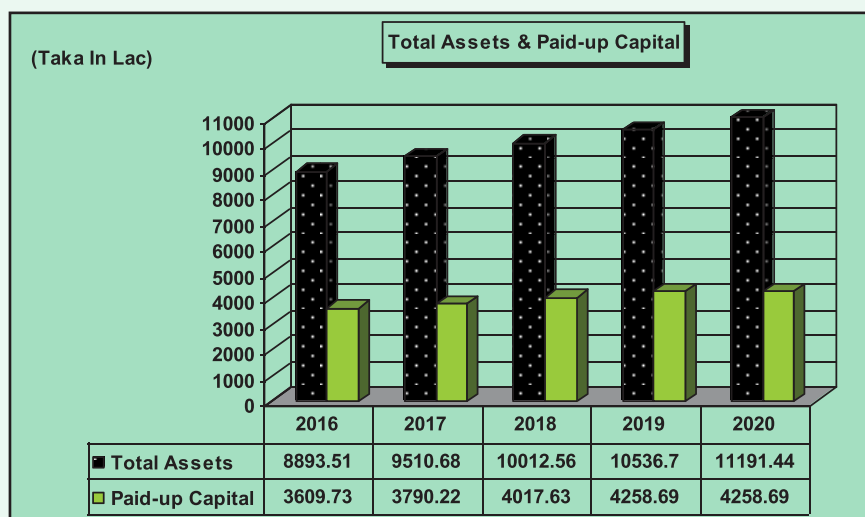
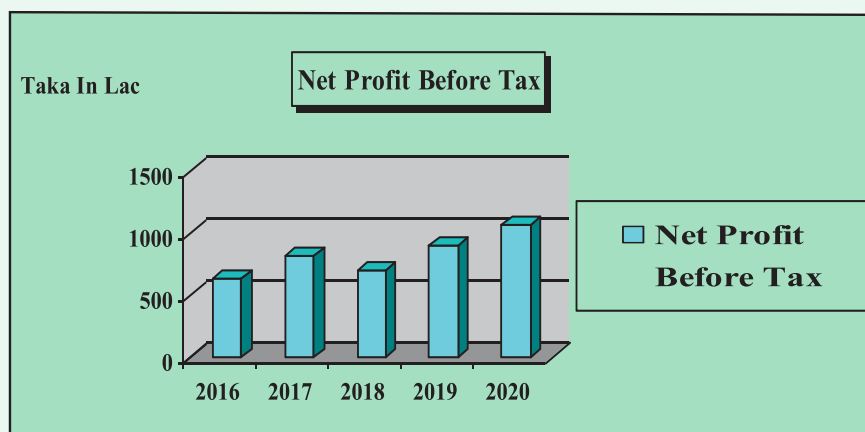
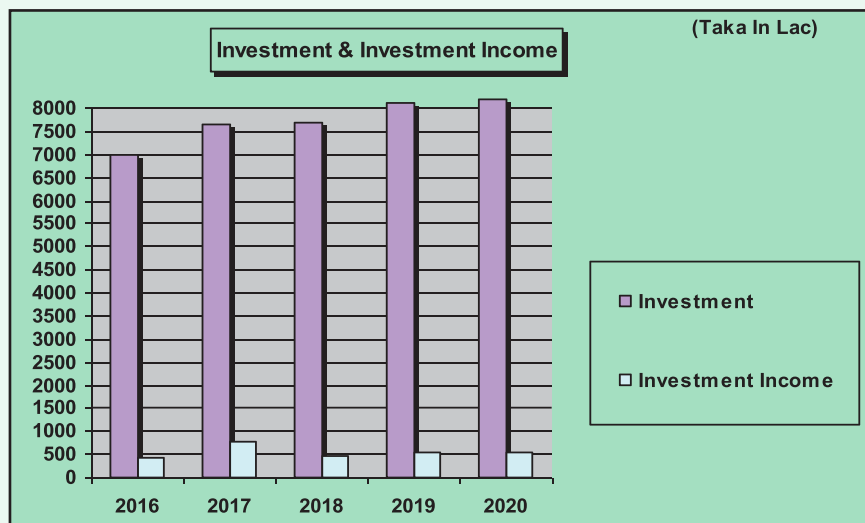
Taka in Lac



Underwriting Profit/Loss



Performance on Index



Financial Highlights

Progress at a Glance

(Taka in Lac)

	2020	2019	2018	2017	2016
Gross Premium	5,760.78	4,948.54	4,282.80	3,971.10	3,854.24
Net Premium	3,696.52	2,489.72	2,152.92	2,076.28	2,139.06
Gross Claim	426.56	547.49	346.89	1,117.29	382.43
Net Claim	73.12	198.93	157.75	289.23	216.35
Outstanding Claim	221.22	134.86	134.98	177.91	151.82
Underwriting Profit	673.91	645.03	511.98	170.42	364.79
Investment Income(TDR/FDR & Bond)	420.33	395.63	373.91	273.32	317.03
Investment Income (Shares)	105.19	165.66	106.75	521.74	110.31
Net Profit before Tax	1,004.19	904.38	697.19	812.19	638.40
Net Profit after Tax	703.33	700.05	544.12	721.08	492.17
Proposed Dividend					
Stock		-	241.05	227.41	180.48
Cash	425.86	425.86	200.88	189.51	180.48
Fund & Reserve	4,398.47	3,616.23	3,229.62	3,248.91	2,941.92
Investment in TDR/FDR, Shares & Bond	8,186.68	8,107.46	7,687.87	7,652.25	6,999.71
Total Assets	11,192.02	10,146.67	10,012.56	9,510.68	8,893.51

We are in Picture



A view of Executive Committee meeting held at TIIL's Head Office. Mr. Md. Humayun Kabir Patwary, 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, Chairman 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. Mrs. Tahmina Afroz, 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.



EC Chairman Mr. Md. Humayun Kabir Patwary is delivering his speech on the occasion of Branch Managers' Conference as Chief Guest.



Chief Executive Officer Mr. Qazi Mukarram Dastagir is delivering his speech on the occasion of Branch Managers' Conference.



EC Chairman Mr. Md. Humayun Kabir Patwary is handing over a cheque to Mr. Polash Miah, Proprietor of M/s. Polash Banijjaloy in settlement of their fire claim.



EC Chairman Mr. Md. Humayun Kabir Patwary is handing over a cheque to Mr. Md. Azizul Haque, Proprietor of M/s. Bhai Bhai Sanitary & Electric in settlement of their fire claim.



Chief Executive Officer Mr. Qazi Mukarram Dastagir is handing over a cheque to Dr. Md. Shawkat Ali Lasker, Chairman of M/s. Biopharma Limited in settlement of their marine claim.

Meeting attended by the Directors of Takaful Islami Insurance Limited during 2020

No.	Name of the Director	Board Directors Meeting		
		Total Meetings	Meetings Attended	%
1	Mr. Anwer Hossain Khan	7	5	71.43
2	Mr. Emdadul Hoque Chowdhury	7	7	100
3	Mr. Anwar Hossain Chowdhury	7	7	100
4	Mr. Md. Abul Hashem	7	7	100
5	Engr. Khondaker Mesbahuddin Ahmed	7	7	100
6	Mr. Md. Humayun Kabir Patwary	7	7	100
7	Mr. Shamsul Arefin Khaled	7	6	85.71
8	Mr. Abul Hashem	7	4	57.14
9	Mr. Md. Moshir Rahman Chakrabarti	7	4	57.14
10	Mrs. Nasreen Haque	7	5	71.43
11	Mrs. Shahanaz Parvin	7	7	100
12	Mrs. Tahmina Afroz	7	5	71.42
13	Mr. AFM Motassem Belal, Rep. of Modern Diagnostic Center Ltd.	7	7	100
14	Mr. Khorshed Alam Khan	7	7	100
15	Mr. Md. Jahirul Islam	7	7	100.00
16	Mr. Mosharraf Hossain Chowdhury Rep. of Daffodils Sign Media	7	4	57.14
17	Mr. Md. Ziauddin Podhar	7	5	71.43
18	Mr. Billal Hossain	7	7	100.00
19	Mr. A.K.M Aminul Islam	7	4	57.14
20	Mr. Md. Nurun Nabi Bhuiyan	7	4	57.14

Pattern of Shareholding

As at December 31, 2020 the pattern of shareholding are given below :

- i) Shareholdings of Parent/Subsidiary/Associate Companies and other related parties : NIL
- ii) Shareholding of Directors, CFO, 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	8,61,734	2.02%
03	Mr. Anwar Hossain Chowdhury	Sponsor Shareholder Director	8,51,834	2.00%
04	Mr. Md. Abul Hashem	Sponsor Shareholder Director	8,51,744	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	8,51,744	2.00%
08	Mr. Abul Hashem	Sponsor Shareholder Director	12,77,594	3.00%
09	Mr. Md. Moshir Rahman Chak	Sponsor Shareholder Director	8,60,000	2.02%
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	Mr. Redwan Kabir	Sponsor Shareholder	1,94,285	0.46%
24	Mr. A.K.M Aminul Islam	Independent Director	-	-
25	Mr. Md. Nurun Nabi Bhuiyan	Independent Director	-	-
		Total	2,39,86,206	56.32%

(b)	Chief Executive Officer Mr. Qazu Mukarram Dastagir	Nil	Nil
(c)	Company Secretary Mr. Abul Kalam Azad	Nil	Nil
(d)	Chief Financial Officer Mr. Mohammad Mamunul Islam	Nil	Nil
(e)	Head of Internal Audit Mr. Shamsuddin Ahmed	Nil	Nil

(f) Directors Spouses

Sl. No.	Name of Directors	Name of Spouses	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 (7th, 8th, 9th Floor)
167/1, DIT Extension Road
Motijheel (Fakirapool), Dhaka.

Subject: Declaration on Financial Statements for the year ended on 31 December, 2020.

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, 2020 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, 2020 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,



(Qazi Mukarram Dastagir)
Chief Executive Officer (CEO)



(Mohammad Mamunul Islam)
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 2020. 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 : 16 June, 2021


(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.	√		
1(2)(d)	Post cannot remain vacant more than 90 days.	√		

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)(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)	Qualification of Independent Director			
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)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
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)	The Directors' Report to Shareholders			
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.	√		
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.	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (name wise details).	√		

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)	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)	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 :			
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)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC).	√		

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(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.....	√		
2	Governance of Board of Directors of Subsidiary Company			
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	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
3(1)	Appointment			
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)	Requirement to attend Board of Directors' Meetings			
3(2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
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.	√		

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)(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.	√		
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	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
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)	Constitution of the Audit committee			
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	Chairperson of the Audit Committee			
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.	√		

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(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.			Will be ensured by the Management.
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.	√		
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.

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)(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.
5(6)(b)	Reporting to the Authorities			No such event occurred.
5(7)	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors.			No such event occurred.
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
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)	Constitution of the NRC			
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)	Chairperson of the NRC			

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(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.			Will be ensured by the Management.
6(4)	Meeting of the NRC			
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.	√		
6(5)	Role of NRC			
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.	√		

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(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	External or Statutory Auditors			
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	√		
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	Maintaining a website by the company			
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	Reporting and Compliance of Corporate Governance			
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 2020

(Taka in Crore)

PARTICULARS	FIRE		MARINE		MOTOR		MISC.		TOTAL		GRAND TOTAL 2020
	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	
Gross Premium	21.86	1.29	25.47	2.30	3.43	0.28	0.65	2.30	51.43	6.17	57.60
Re-Insurance Ceded	11.68	1.13	3.41	1.76	0.12	-	0.29	2.25	15.50	5.14	20.64
Net Premium	10.19	0.16	22.06	0.54	3.31	0.28	0.36	0.05	35.93	1.03	36.96
Commission Earned	3.12	0.12	1.39	0.33	0.12		0.01	0.23	4.64	0.68	5.32
Commission Paid		3.28		3.82		0.51		0.10	7.71		7.71
Management Expenses (Revenue A/c)		8.61		10.28		1.40		1.09	21.38		21.38
Management Expenses (P/L A/c)									1.54		1.54
Net Claim		0.09		0.32		0.26		0.06	0.73		0.73
Underwriting Profit		0.89		4.89		1.51		(0.55)	6.74		6.74
Investment Income											5.26
Net Profit Before Tax											10.04
Taxation Provisions											3.01
Net Profit After Tax											7.03
Return on Equity (%)											9.19
Shareholders' Equity											76.51

Accounting Ratios Pertaining to Insurance Sector

Particulars	2020
Re-Insurance Premium Ceded as % of Gross Premium	35.83
Commission paid as % of Gross Premium	13.39
Net R/I Commission Earned as % of Gross Premium	9.24
Net R/I Commission Earned as % of Net Premium	14.39
Management Expenses (Revenue A/C) as % of Gross Premium	37.12
Management Expenses (Revenue A/C) as % of Net Premium	57.85
Net Claims Incurred as % of Gross Premium	1.27
Net Claims Incurred as % of Net Premium	1.98
Underwriting Result as % of Gross Premium	11.70
Underwriting Result as % of Net Premium	18.24

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.



Bismillahir Rahmanir Raheem

Directors' Report

for the year ended 31st December, 2020

Dear Shareholders and honourable partners in progress

Assalamualaikum wa Rahmatullah,

It gives me a great pleasure to welcome you to the 21st 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, 2020 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 2020 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.

This Report is stated the global economic, position which narrowed down to Bangladesh economy and later on it concentrated to the analysis of the Insurance Sector in Bangladesh which finally narrowed and compared with the performance of Takaful Islami Insurance Limited in the Insurance Industry. The global economic output was weaker in 2020. However, the insurance experts' opined slightly higher growth in the non-life insurance sector in Bangladesh. Contribution of the Insurance Industry to the GDP is pitiable comparing with other income generating sector in Bangladesh which is continuing since long. Experts did not notice much future growth in case otherwise implementing mandatory insurance products.

The year 2020 the most using word of the world was Covid-19 and its related word like lick down, pandemic etc. The global economy stopped down and weather was full of attraction. Social and cultural adaptation was different for which, the global economy will forecasted to turnaround towards the digital marketing integration with all kinds of marketing business.

Global Economy

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic of the last year, renewed waves and new variants of the virus pose concerns for the global outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies. The projected growth recovery of this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed and those who work in contract-intensive sectors. The global growth contraction for 2020 is estimated stronger-than-expected momentum in the second half of 2020.

Multiple vaccine approvals and the launch of vaccination in some countries in December have raised hopes of an eventual end to the pandemic. However, surging infections in late 2020, renewed lock downs, logistical problems with vaccine distribution and uncertainly about take-up are important counterpoints to the favorable news. Much remain to be done on the health and economic policy fronts to limit persistent damage from the severe contraction of 2020 and ensure a sustained recovery.

Advance economies, in general, have been able to provide expansive fiscal support to households and firms and central banks have reinforced this with expanded asset purchase program, funding-for-tending facilities, and for some interest rate cuts. Reflecting the strong policy support and the anticipated widespread availability of vaccines in summer 2021, the projected output loss compared with the pre-COVID forecast is relatively smaller for advanced economies than other countries. However, economy of developing countries like

Bangladesh has no incentive guidelines from the Government for attracting the new investors and for insuring the losers who had lost their life, business and social attention during pandemic Covid-19 attack.

Bangladesh Economy

Bangladesh recorded one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. GDP growth was estimated to have reached 7.9% in 2019 and is forecast to fall to 2% in 2020 due to the outbreak of the Covid-19 and pick up to 9.5% in 2021. The post pandemic global economic recovery and the private consumption boosted by strong remittance flows from the Bangladeshi migrant working around the world are expected to be the key drivers of growth in 2021.

In 2019, the general government gross debt remained relatively low at around 34.6% of GDP as a result of a tight fiscal policy. Nonetheless, the tax base is narrow owing to a number of exemptions weighing on public revenue. Public debt ratio to GDP is consequently anticipated to increase to 35.9% by 2021. A new VAT law was introduced at the start of the fiscal year 2019-2020 in an attempt to increase tax income. However, its impact has been limited since the launch. VAT collection grew only by 1.8% in July-October 2019, the slowest growth rate in recent years according to the National Board of Revenue. Financial situation of the banking sector remains weak due to a large share of non-performing loans and an increase in restructured loans. Inflation moderated to 5.7% in 2019 and is expected to remain stable in 2020 (5.5%) and in 2021 (5.6%) despite the Covid-19 pandemic. Current account deficit was estimated to have narrowed to 2.7% of GDP in 2019 as higher textile exports provided support. Nonetheless, deficit is forecast to widen to 2.2% in 2020 because of high import requirements of the construction sector for mega-infrastructure projects. Bangladesh is one of the most vulnerable counties in the world to climate change with extreme weather events estimated to have caused a loss of around 1.8% of GDP in the past few decades. The country has taken measures to promote green financing and is seeking grants from the international community, notably via the Green Climate Fund. The official unemployment rate according to the latest survey of Bangladesh Bureau of Statistics, was 4.2% during 2016-2018, but this is more than double in youth unemployment rate which is 10.6%. More importantly 29.8% of young people in Bangladesh are not involved in education employment or training.

Insurance Sector

At present, Bangladesh's insurance sector comprises 46 non-life insurance companies and 33 life insurance companies. In addition there are two state-owned insurance corporations one in the general segment and the other in the life segment. The gross premium income of all Non-life insurance companies in Bangladesh stood at Tk. 4,718 crore including SBC which was Tk. 3,418 crore for all private Non-life Insurance Companies in Bangladesh.

Life insurance constitutes 73.5% of Bangladesh's insurance market and non-life insurance 26.5%. Micro-insurance and Islamic insurance (Takaful) are also a part of Bangladesh's insurance sector. The assets of all insurance companies in Bangladesh stood at 11,103 crore including SBC which was 7,276 crore excluding SBC by the end of 2020. The life insurance sector has a competitive landscape with market share being closely distributed among multiple players.

Although Bangladesh's insurance sector has witnessed some growth, in comparison with other emerging nations, there is a lot of room for improvement. According to the Seventh Five Year Plan 2016-2020 of the Government of Bangladesh, a majority of the population across product segments (life and non-life) remains untapped by the insurance market. Overall, insurance penetration in Bangladesh was 0.91% in 2019 and has mostly been on a steady trend since 2015. Bangladesh's life insurance penetration rate falls behind that of several other developing countries. Compared to its South Asian counterparts, Bangladesh has the lowest premium per capita. The average insurance penetration in emerging markets increased to more than 3% upto 2019, as premium growth continued to outpace GDP growth within these economies. But in Bangladesh, there is low penetration of financial products and services beyond current accounts compare to all financial products and savings products.

An increase in the penetration rate can create widespread benefits for the economy. It is estimated that a 1.5% increase in Bangladesh's insurance penetration rate can reduce uninsured losses and markedly contribute to its GDP growth. Fundamental macroeconomic indicators such as GDP growth, unemployment and foreign direct investment (FDI) could be strengthened by a robust increase sector which can promote growth by

providing guaranteed access to liquidity via insurance coverage. The capital market can greatly benefit if increased savings are channeled into various financial savings instruments including insurance. A flourishing capital market, in turn, could contribute significantly to Bangladesh's growth. A resilient insurance sector can help to curb unemployment as well. If adequate training and education are available, young graduates will be able to find various career opportunities in the insurance sector.

Regulatory reform must have some principal aims and should restrict the sale of unfair and mispriced policies to consumers. This is especially important because insurance by its nature is a complex product, whereby vulnerable consumers can be persuaded to opt for complicated benefit structures, causing consumer hazard within the insurance sector. Regulators should also ensure that insurance is accessible to consumers from all economic strata and that product offerings are not restricted to only profitable consumers. Regulations should also account for insolvency related risk and ensure there is a satisfactory level of capital reserves to protect customers in scenarios where they cannot collect claims when necessary.

Takaful's Business Performance 2020.

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 2020.

Despite various negative factors in overall insurance sector, operational performance of Takaful Islami Insurance Limited in 2020 was good. The Company earned gross premium of Tk. 5,760.78 lac during the year as against Tk. 4,948.54 lac in the previous year registering a growth of 16.41% over the last year.

Fire Insurance

The Company had underwritten a total fire insurance premium of Tk. 2,315.81 lac including an amount of Tk. 129.10 lac from the public sector. The net premium income stood at Tk. 1,035.31 lac after ceding re-insurance premium of Tk. 1,280.50 lac. During the year 2020, total payment of claim was Tk. 101.65 lac against which an amount of Tk. 92.09 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. 2,747.95 lac including premium of Tk. 214.44 lac from public sector. The net premium income of marine cargo business stood at Tk. 2,248.42 lac after ceding 499.52 lac on account of re-insurance premium. In the current year an amount of Tk. 285.44 lac was paid for marine cargo claims against which an amount of Tk. 253.64 lac came as recovery from re-insurer including previous year recovery.

Marine Insurance (Hull)

In the year 2020, the total underwritten premium income from marine hull insurance business was Tk. 30.14 lac including premium of Tk. 15.97 lac from public sector business. The net premium income came to Tk. 12.48 lac after ceding Tk. 17.65 lac on account of re-insurance premium.

Motor Insurance

From motor insurance business our total gross premium income was Tk. 371.59 lac including public sector business of Tk. 28.34 lac. After ceding re-insurance premium of Tk. 12.73 lac the net contribution to revenue account was Tk. 358.85 lac. During the year, net amount of motor claim to the extent of Tk. 25.60 lac was paid.

Miscellaneous Insurance

The total gross premium income of miscellaneous business came to Tk. 295.27 lac including Tk. 230.02 lac from the public sector. In the year 2020, an amount of Tk. 253.84 lac was ceded on account of re-insurance premium. During the year, net amount of claim for Tk. 6.15 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 20 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 Assistant Managing Director, 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 2020 we have settled 93 numbers of claims for Tk. 410.71 lac (Without survey fees) 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 in lac
2016	382.43
2017	1,117.29
2018	346.90
2019	547.50
2020	410.71
Total	2,804.83

Dividend

Dear shareholders, considering the performance of the Company for the year 2020 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 2020. 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. 2,58,75,630.00 for the year 2020. The cumulative amount is raised to Tk. 27,77,00,013.00

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. 6,098 lac in TDR mode with Islami Banks and Financial Institutions and Tk. 1,008.00 lac in FDR mode with conventional Banks & Financial Institutions. Total TDR and FDR amount is Tk. 7,106.00 lac. In addition to this the Company invested Tk. 830.68 lac in capital market as on 31st December, 2020.

Profit and Loss Account

The Company's income from investment and other income stood Tk. 544.93 lac against Tk. 561.30 lac earned in the previous year. After taking into account the underwriting profit of Tk. 673.91 lac and providing for various expenses not applicable to any particular fund or account, net profit before taxation came at Tk. 1,004.19 lac against Tk. 904.38 lac in the previous year.

Appropriation of Profit

Profit earned in the year 2020 balance carried forward from last year stood at Tk. 14,65,83,813.00. This is proposed to be appropriated as under :

Particulars	Taka
i. Exceptional Losses Reserve	2,58,75,630.00
ii. Provision for income tax /Deferred Tax	3,00,86,650.00
iii. Cash Dividend for the year 2019	4,25,86,977.00
iv. Capital Reserve	12,570.00
v. Retained earnings carried to the next year	<u>4,80,21,987.00</u>
Total	<u>14,65,83,813.00</u>

Directors

The 115th Meeting of Board of Directors held on May 08, 2021 has taken unanimous decision as per section No. 113 of Articles of Association regarding retirement and election of Directors from Board in 21st 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. Anwer Hossain Khan MP
02. Engr. Khondaker Mesbahuddin Ahmed
03. Mrs. Nasreen Haque
04. Mrs. Shahanaz Parvin

Vacant post of Sponsor Directors will be filledup by the election among Sponsor Shareholders in the 21st 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. Khorshed Alam Khan
02. Mr. Mosharraf Hossain Chowdhury, Rep. of Daffodils Sign Media

Accordingly 2 (two) Directors will be elected from Public Shareholders. Notice related to election of Directors from Public shareholders has already been published on May 09, 2021 in the Daily Naya Diganta and The New Age.

Vacant post of Public Shareholder Directors will be filledup by the election among Public Shareholders in the 21st Annual General Meeting.

Appointment of Auditor

M/s. ARTISAN, Chartered Accountant was reappointed as Auditor of the Company in 20th Annual General Meeting for the year 2020. 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 2021.

Appointment of Compliance Auditor

M/s. Huda Hossain & Co., Chartered Accountant was appointed as Compliance Auditor of the Company in 20th Annual General Meeting for the year 2020. 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 2021.

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, 2020 & 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.


Qazi Mukarram Dastagir
Chief Executive Officer


A.K.M Aminul Islam
Director


Md. Humayun Kabir Patwary
Director


Anwer Hossain Khan MP
Chairman

Place: Dhaka, Bangladesh
Dated : 10 May, 2021

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 2020, 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 2020, 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. 576,078,224 is comprise the total premiums amount of Tk. 369,651,853 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"> ➤ The design and operating effectiveness of key controls around premium income recognition process. ➤ Carried out analytical procedures and recalculated premium income for the period. ➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.



Risk	Our response to the risk
	<ul style="list-style-type: none"> ➤ 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.
	<ul style="list-style-type: none"> ➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account.
	<ul style="list-style-type: none"> ➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. ➤ 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. ➤ Applying specialist judgment ensured if there is any impairment of the reinsurer. ➤ 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.
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. 79,320,791 and income generated from the investments dividend received is amount of Tk. 1,918,930 and realized gain amount of Tk. 10,519,163 is credited to the Profit & 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"> ➤ Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report ➤ Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. ➤ Recalculated realized gain or loss at the year end. ➤ Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. ➤ Obtained the share portfolio and cross checked against each share transactions.

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.

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, 10 May, 2021



(AFM. Alamgir, FCA)

ARTISAN

Chartered Accountants

Balance Sheet


As at 31st December, 2020


Capital & Liabilities	Notes	Amount in Taka	
		2020	2019
Share Capital			
Authorised Capital			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up Capital			
4,25,86,977 Ordinary Shares of Tk.10 each	11	425,869,770	425,869,770
Reserve or Contingency Accounts:	12		
Reserve for Exceptional Losses		277,700,013	251,824,383
Capital Reserve		5,926,768	5,914,198
General Reserve		2,363,000	2,363,000
Dividend Equalization Reserve		1,500,000	1,500,000
Fair Value Reserve		3,747,582	-
Retained Earnings		48,021,987	46,164,492
		339,259,349	307,766,073
Balances of Funds and Accounts:			
Fire		41,412,572	40,812,443
Marine (Cargo)		89,937,048	42,258,684
Marine (Hull)		1,248,863	720,171
Motor		14,354,319	14,015,906
Miscellaneous		1,657,257	2,213,942
		148,610,059	100,021,146
Premium Deposit	13	18,708,065	12,711,612
Loans & Overdraft	14	62,393,446	62,393,446
Deferred Tax Liability	15	1,164,429	972,305
Liabilities and Provisions:			
Estimated Liability in respect of outstanding claims, whether due or intimated	16	22,121,681	13,486,919
Amounts due to other Persons or Bodies carrying on Insurance Business	17	75,217,539	74,672,185
Sundry Creditors	18	13,692,712	12,979,725
Tax Payable	29	6,095,277	3,793,611
		117,127,210	104,932,440
Welfare fund	32	6,070,545	
Total		1,119,202,875	1,014,666,792
NAV (Restated-2019)	25	17.97	17.23

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.


Qazi Mukarram Dastagir
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


(AFM) Alamgir, FCA
ARTISAN
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: 10th May, 2021

Balance Sheet


As at 31st December, 2020


Property & Assets	Notes	Amount in Taka	
		2020	2019
National Investment Bond (NIB)	3	25,000,000	25,000,000
Investments in Shares	4	83,068,372	126,646,343
Interest receivable	5	18,034,062	11,377,269
Amounts due from other Persons or-Bodies carrying on insurance business	6	40,444,637	40,444,637
Sundry Debtors	7	77,942,850	61,744,772
Advance against floor purchase		-	41,000,000
Cash and Bank Balances	8		
Cash in Hand		1,752,800	5,380,339
Balance with Banks		40,087,840	22,116,326
MTDR & FDR with Banks		710,600,000	659,100,000
		752,440,640	686,596,665
Other Accounts:			
Fixed Assets (At cost less accum. Depreciation)	9	120,885,573	20,800,256
Stock of Stationery	10	438,181	560,000
Stamp in Hand	10	948,561	496,850
		122,272,315	21,857,106
Total		1,119,202,875	1,014,666,792

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.


Qazi Mukarram Dastagir
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


(AFM).Alamgir, FCA
ARTISAN
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: 10th May, 2021

Profit and Loss Appropriation Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka 2020	2019	Particulars	Notes	Amount in Taka 2020	2019
Stock Dividend paid		-	24,105,840	Balance brought forward from last year	12	46,164,492	45,250,715
Cash Dividend paid		42,586,977	20,088,197				
Provision for Income Tax	30	29,894,526	20,357,718				
Deferred Tax expenses	15	192,124	75,841				
Reserve for Exceptional Loss		25,875,630	24,897,261				
Capital Reserve		12,570	-				
General Reserve		-	-	Net profit for the year brought down		100,419,321	90,438,634
Dividend Equalization Reserve		-	-				
Balance transferred to the Balance Sheet after Tax		48,021,987	46,164,492				
		146,583,813	135,689,349			146,583,813	135,689,349

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.



Qazi Mukarram Dastagir
 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


(AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021

Other Comprehensive Income Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		2020	2019			2020	2019
Provision for Income Tax		29,894,526	20,357,718	Net profit for the year brought down		100,419,321	90,438,634
Deferred Tax expenses		192,124	75,841				
Tax on other Comprehensive Income		1,405,343		Other Comprehensive income	33	3,747,582	-
Other Comprehensive Loss							
Total Comprehensive Income for the year		72,674,910	70,005,075				
		104,166,903	90,438,634			104,166,903	90,438,634

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.



Qazi Mukarram Dastagir
 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


 (AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021


Profit and Loss Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka 2020	Amount in Taka 2019	Particulars	Notes	Amount in Taka 2020	Amount in Taka 2019
Expenses of Management (Not applicable to any particular Fund or Account)				Interest Income (Not applicable to any particular Fund or Account)	23	42,032,652	39,563,659
Advertisement & Publicity		436,746	3,146,191	Dividend Income		1,918,930	3,354,487
Donation & Subscription		1,005,105	666,850	Provision for loss on Investment in Shares		10,519,163	-
Audit Fees		230,000	287,500	Profit on Sale of Share		10,000	13,211,861
Legal & Professional Fees		162,600	249,750	Other Income		12,570	
Depreciation		5,070,827	3,647,166	Profit on Sale of Assets		54,493,315	56,130,007
Head Office Rent		-	3,762,000				
Registration Fees		2,507,653	956,498	Profit transferred from :			
Directors Fee	22	2,378,083	1,449,500	Fire Insurance Revenue Account		8,906,236	(1,735,550)
Meeting, Conference & AGM		3,604,016	16,029,229	Marine (Cargo) Insurance Revenue Account		49,151,067	51,179,360
Provision for loss on Investment in Shares		-	-	Marine (Hull) Insurance Revenue Account		(248,843)	(173,795)
Subscription		15,395,030	30,194,684	Motor Insurance Revenue Account		15,095,507	11,257,299
		-	-	Misc. Insurance Revenue Account		(5,512,385)	3,975,997
Transfer to welfare fund	32	6,070,545	-			67,391,582	64,503,311
Balance for the period carried to Profit & Loss App. A/C		100,419,321	90,438,634				
		121,884,897	120,633,318				
Earning per Share (Restated-2019)	24	1.65	1.64			121,884,897	120,633,318

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on 08-05-2021 and signed for and on behalf of the Board.

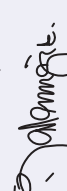

Qazi Mukarram Dastagir
 Chief Executive Officer


Md. Humayun Kabir Patwary
 Director


A.K.M Aminul Islam
 Director


Anwer Hossain Khan MP
 Chairman

Signed as per our annexed report of even date


 (AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021


Consolidated Business Revenue Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka 2020	Amount in Taka 2019	Particulars	Notes	Amount in Taka 2020	Amount in Taka 2019
Claims under policies less re-insurances Paid during the year		7,312,112	19,893,475	Balance of account at the beginning of the year		100,021,146	86,258,279
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		22,121,681	13,486,919	Premium less Re-insurances	20	369,651,853	248,972,609
		29,433,793	33,380,394	Commission on Re-insurances		53,295,637	80,017,426
Less: Claims outstanding at the end of the previous year		13,486,919	13,498,549				
		15,946,874	19,881,845				
Agent Commission	21	77,143,316	62,728,151				
Expenses of management		213,876,805	168,113,860				
Profit transferred to profit & loss account		67,391,582	64,503,311				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income and							
100% of net premium income on marine hull of the year:		148,610,059	100,021,146				
		522,968,636	415,248,313			522,968,636	415,248,313

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.



Qazi Mukarram Dastagir
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


(AFM) Alamgir, FCA)
ARTISAN
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: 10th May, 2021


Fire Insurance Revenue Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		2020	2019			2020	2019
Claims under policies less Re-insurances				Balance of account at the beginning of the year		40,812,443	31,210,215
Paid during the year		955,184	17,457,715	Premium less Re-insurances	20	103,531,429	102,031,108
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		16,442,014	9,855,925	Commission on Re-insurances		32,444,625	56,787,420
Less: Claims outstanding at the end of the previous year		17,397,198	27,313,640				
		9,855,925	8,800,351				
		7,541,273	18,513,289				
Agent Commission		32,800,665	36,656,252				
Expenses of management	21	86,127,751	95,782,309				
Profit transferred to profit & loss account		8,906,236	(1,735,550)				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income		41,412,572	40,812,443				
of the year:							
		176,788,497	190,028,743			176,788,497	190,028,743

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.

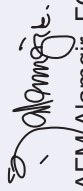

Qazi Mukarram Dastagir
 Chief Executive Officer


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


 (AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021

Marine (Cargo) Insurance Revenue Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		2020	2019			2020	2019
Claims under policies less Re-insurances				Balance of account at the beginning of the year		42,258,684	42,969,375
Paid during the year		3,180,301	168,544	Premium less Re- insurances	20	224,842,621	105,646,709
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		4,918,667	2,870,494	Commission on Re-insurances		16,877,916	16,451,687
Less: Claims outstanding at the end of the previous year		8,098,968	3,039,038				
		2,870,494	3,693,198				
		5,228,474	(654,160)				
Agent Commission		38,002,665	19,766,421				
Expenses of management	21	101,659,967	52,517,466				
Profit transferred to profit & loss account		49,151,067	51,179,360				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income of the year:		89,937,048	42,258,684				
		283,979,221	165,067,771			283,979,221	165,067,771


The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.

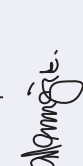

Qazi Mukarram Dastagir
 Chief Executive Officer


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


(AFM) Alamgir, FCA)
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021

For the year ended 31st December, 2020

The annexed notes 1 to 38 form an integral part of these Financial Statements.
These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board:

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board:


Md. Humayun Kabir Patwary
Director


Anwer Hossain Khan MP
Chairman

Signed as per our annexed report of even date

Alamgir & Co.
(AFM) Alamgir, FCA)
ARTISAN
Chartered Accountants


Place: Dhaka, Bangladesh
Dated: 10th May, 2021

Motor Insurance Revenue Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		2020	2019			2020	2019
Claims under policies less Re-insurances							
Paid during the year		2,560,778	2,193,517	Balance of account at the beginning of the year		14,015,906	10,418,680
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		561,000	660,500	Premium less Re- insurances	20	35,885,797	35,039,764
		3,121,778	2,854,017	Commission on Re-insurances		1,191,087	178,835
Less: Claims outstanding at the end of the previous year		660,500	1,005,000				
		2,461,278	1,849,017				
Agent Commission		5,148,790	5,020,965				
Expenses of management	21	14,032,896	13,494,092				
Profit transferred to profit & loss account		15,095,507	11,257,299				
Balance of account at the end of the year as shown in the balance sheet:		14,354,319	14,015,906				
Reserve for unexpired risks being 40% of net premium income of the year:							
		51,092,790	45,637,279			51,092,790	45,637,279

The annexed notes 1 to 38 form an integral part of these Financial Statements. These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.



Qazi Mukarram Dastagir
 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


 (AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021

Miscellaneous Revenue Account

For the year ended 31st December, 2020

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		2020	2019			2020	2019
Claims under policies less Re-insurances				Balance of account at the beginning of the year		2,213,942	1,424,617
Paid during the year		615,849	73,699	Premium less Re- insurances	20	4,143,143	5,534,857
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		200,000	100,000	Commission on Re-insurances		2,423,408	6,372,546
Less: Claims outstanding at the end of the previous year		815,849	173,699				
		100,000	-				
		715,849	173,699			8,780,493	13,332,020
Agent Commission		978,726	1,114,261				
Expenses of management	21	10,941,046	5,854,120				
Profit transferred to profit & loss account		(5,512,385)	3,975,997				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income		1,657,257	2,213,942				
of the year:		8,780,493	13,332,020				

The annexed notes 1 to 38 form an integral part of these Financial Statements.

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.



Qazi Mukarram Dastagir
 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


 (AFM) Alamgir, FCA)
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021

Statement of Cash Flows

For the year ended 31st December, 2020

		Amount in Taka	
		2020	2019
A) Cash flow from operating activities:			
Premium Collection & Other Receipts		660,999,737	331,394,627
Payments of Magt. Exp., Commission, Ri-Ins & Claim .		(508,157,904)	(240,916,921)
Income tax paid and deducted at source		(27,592,859)	(14,743,353)
Net Cash provided from operating activities		125,248,974	75,734,353
B) Cash flow from investing activities:			
Acquisition of fixed assets		(64,157,575)	(4,563,973)
Disposal of fixed assets		14,000	
National Investment Bond		-	
Investment in Share		47,325,553	37,210,787
Net Cash used in Investing activities		(16,818,022)	32,646,814
C) Cash flow from financing activities:			
Dividend Paid		(42,586,977)	(20,088,197)
Increase/Decrease in Quard from Bank		-	(14,400,000)
Net Cash used in Financing activities		(42,586,977)	(34,488,197)
D) Net increase in Cash & Bank balances for the year :(A+B+C)		65,843,975	73,892,970
E) Opening Cash and Bank balances		686,596,665	612,653,010
F) Closing Cash and Bank balances : (D+E)		752,440,640	686,545,980
NOCFPS (Restaed-2019)	Note-26	2.94	1.78


Qazi Mukarram Dastagir
 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: 10th May, 2021



 (AFM) Alamgir, FCA)
 ARTISAN
 Chartered Accountants

Statement of changes in Equity

For the year ended 31st December, 2020

Particulars	Amount in Taka					
	Share Capital	Capital Reserve	General Reserve	Dividend Equalization Reserve	Reserve for Exceptional Losses	Fair Value Reserve
Balance as on 01.01.2019	401,763,930	5,914,198	2,363,000	1,500,000	226,927,122	-
Stock Dividend for 2018	24,105,840					
Cash Dividend for 2018						
Capital Reserve						
General Reserve						
Dividend Equalization Reserve						
Reserve for Exceptional Loss						
Fair Value Reserve						
Net Profit after tax						
Balance as on 31.12.2019	425,869,770	5,914,198	2,363,000	1,500,000	251,824,383	-
Balance as on 01.01.2020	425,869,770	5,914,198	2,363,000	1,500,000	251,824,383	-
Stock Dividend for 2019						
Cash Dividend for 2019						
Capital Reserve		12,570				
General Reserve						
Dividend Equalization Reserve						
Reserve for Exceptional Loss						
Fair Value Reserve						
Net Profit after tax						
Balance as on 31.12.2020	425,869,770	5,926,768	2,363,000	1,500,000	277,700,013	3,747,582

These financial statements were approved and authorized for issue by the board of directors on 08-05-2021 and signed for and on behalf of the Board.



Qazi Mukarram Dastagir
 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


 (AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Place: Dhaka, Bangladesh
 Dated: 10th May, 2021

Notes to the Financial Statements

For the year ended 31st December, 2020

1 INTRODUCTION:

1.01 Legal Status:

The Company was incorporated as a public company limited by shares in Bangladesh vide certificate on-C-39286(1244)/99 dated December-27, 2001 under the Companies Act, 1994 and commenced its operation as per Insurance Act, 2010. The certificate of commencement of business was obtained from the Registrar of Joint Stock Companies, Bangladesh. 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) (vii) of Company Act-1994.

The Company is listed in Dhaka & Chittagong Stock Exchange Ltd. as a Publicly Traded Company.

1.02 Address of Registered Office and Principal Place of Business :

The registered office of the Company is situated in Bangladesh. Its principal business office is located at Monir Tower (7th, 8th, & 9th Floor), 167/1, DIT Extension Road, Mothijheel (Fakirapool), Dhaka-1000, Bangladesh. The operation of the Company is being carried out through its 42 branches located different place in Bangladesh.

1.03 Principal Activities of the Company:

The Principal objects of the company is to carry out all kinds of insurance, guarantee and indemnity business other than life insurance business.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION:

The Company has adopted relevant International Financial Reporting Standards (IFRSs) with reference to disclosures of accounting policies and notes to the financial statements.

2.02 Basis of Accounting:

The financial statements have been prepared on the basis of going-concern concept under historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.03 Basis of Presentation:

The balance sheet has been prepared in accordance with the regulations as contained in part I of the First Schedule and as per Form 'A' as set forth in part II of that Schedule and the revenue account of each class of general insurance business has been prepared in accordance with the regulations as contained in part I of the Third Schedule and as per Form 'F' as set forth in part II of that Schedule of the Insurance Act, 2010. The Classified summary of the assets is prepared in accordance with Form "AA" of part II of the First Schedule of the said Act.

2.04 Reporting:

The financial Statements of the company cover from January 01, 2020 to December 31, 2020.

2.05 Going Concern:

The financial statements of the entity have been prepared by the management considering the entity as a going concern and the entity is optimistic to continue its business operation for the foreseeable future.



2.06 Branch Accounting:

The Company has 42 branches without having any overseas branch up to the year end December 31, 2020. The financial statements of branches are maintained at the Head office level. Only Petty cash books are maintained at the branch for meeting day to day expenses. During 2020 through the operation of 42 offices (Including Head Office) the gross premium income earned by the Company was to Tk.57,60,78,224 including Public Sector business of Tk 6,17,89,451 after ceding for re-insurance premium, the net premium for the year amounted to Tk 36,96,51,853 and after charging direct expenses there from the net underwriting profit stood at Tk 6,73,91,582.

2.07 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 7: "Statement of Cash Flows", The Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and Cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the cashflows operating activities. According to IAS 7: "Statement of Cash Flows", Cash comprises cash in hand and cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.08 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation as per IAS-16: "Property, Plant & 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 inclusive of inward freight, duties, interest and non refundable taxes.

2.09 Depreciation on Fixed Assets:

Depreciation on Tangible Fixed Assets are charged on diminishing balance method at rates varying from 2.5% to 30% depending on the estimated useful life of the Assets. Depreciation on additions to Fixed Assets are charged from the date of acquisition and depreciation is charged to the date of disposal of assets. Gain or loss arising on the disposal or the retirement of asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognised in the profit and loss account. Depreciation is charged at the rate shown below:

Land	0%
Office Space	3%
Furniture & Fixture	10%
Office Equipment	15%
Office Decoration	10%
Air Cooler	15%
Motor & Other Vehicles	20%
Computer	30%
Telephone Installation	15%
Croceries & Cutleries	25%
Electrical Equipments	15%
Carpet & Curtain	10%
Professional Books	10%
Software Installation	20%

2.10 Impairment of Assets:

As required by IAS-36 'Impairment of Assets' the company carried out an impairment test at the end of reporting period to ascertain impairment loss relating to an asset to recognise and disclose the same in the financial statements. But no impairment loss has been arisen in such test to recognise in the financial statements.

2.11 Public Sector Business:

The Company's share of Public Sector business for 4 quarters for the period from 1st July, 2019 to 30th June, 2020 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2020. This system of accounting of public sector business is being followed consistently.

2.12 Statement of Changes in Equity:

The statement of changes in equity is prepared in accordance with IAS 1: "Presentation of Financial Statements".

2.13 Revenue Recognition:

The revenue is recognized after satisfying the relevant condition for revenue recognition as provided in IFRS 15: "Revenue from contracts with customers" in compliance with IFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is given as under:

a) Premium Income:

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the company and while preparing the final statements of accounts, the effect of re-insurance accepted and 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 duly reflected in the accounts in order to arrive at the net underwriting profit for the year.

b) Interest on Statutory Investments:

Interest on statutory investment is amounted for on accrual basis.

c) Gain or Loss on sale of Shares and Debentures:

Gain or Loss on sale of shares and debentures and dividend income during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession rate of tax as availed under the existing income tax law have been given effect in the financial statements.

2.14 Management Expenses:

Management expenses as charged to Revenue Accounts amount of Tk. 21,38,76,805 is approximately 37.13% of gross premium of Tk.57,60,78,224. The expenses have been apportioned 40.27% to Fire, 47.53% to Marine(Cargo), 0.52% to Marine(Hull), 6.56% to Motor and 5.11% to Miscellaneous business as per management decision. The limited of management expenses as per insurance rule is followed and it is under control.



2.15 Risk Analysis:

Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This inter alia includes:

(a) Insurance Product Risk:

In non-life insurance business, the product selection is one of the important factors for the company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more relate to the capital strength and credit rating of the company. Necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision have been made @ 100% on net premium income.

(b) Operational Risk:

This is in association of all departmental effort within the company to ensure the sufficient coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

(c) Strategic Market Risk:

This indicates to identify and quantify the inherent risk of the products for the insured in competitive market. Product with low risk should be encouraged to minimize risk.

(d) Underwriting Risk:

This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly share by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

(e) Reinsurance Risk:

Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outline by the amount of risk, which can be ceded to other re-insurance. It depends on the nature of risk to be taken by the company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.

(f) Investment Risk:

This relates to market, credit and liquidity of the company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

(g) Liquidity Risk:

This indicates to pay the claim on demand and the company needs to liquidate or convert assets to meet the obligation as and when arise.

(h) Credit Risk:

The company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

(i) Default Risk:

This indicates default in paying off the claims on demand when third party involved in such approach. At the time, the company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

(j) Legal and Regulatory Risk:

There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business, which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the company.

2.16 Provision for Unexpired Risks:

Before arriving at the surplus of each class of business necessary provision for un-expired risk have been created at the rate of 40% of all business except on Marine Hull business for which the provision was made @ 100% of the total net premium for the year 2020

2.17 Provision for Income Tax:

Provision for Income Tax have been made as per Income Tax Ordinance 1984 and Financial act-2020 on taxable income of the company.

2.18 Deferred Tax

The company has recognised deferred tax as per IAS-12 "Income Taxes". Accordingly, deferred tax liability/assets is accounted for all temporary differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the applicable tax rate on the company.

2.19 Reserve for Exceptional Loss:

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.

2.20 General Reserve:

The Company creates a general reserve for an amount of Tk. 23,63,000 on profit to avoid future contingency.

2.21 Employees Benefit:

The Company operates a contributory provident fund for its permanent employees from the year 2015 which is approved by the National Board of Revenue. The fund is administered by a board of trustees and funded by equal contribution from the company and the employees. The fund is invested separately from the company's assets.

2.22 Earning per Share (EPS):

The company has calculated earning per share (EPS) in accordance with IAS-33 as adopted by ICAB : "Earning per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in Note no. 22.

a) Basic Earnings:

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

b) Basic Earnings per Share:

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year.

c) **Diluted Earnings per Share:**

This has been calculated by dividing the basic earning previous year by the weighted average number of ordinary shares outstanding during the year.

2.23 Outstanding Premium:

The outstanding premium appearing in the accounts represents only the amount which relates to the accounting period in the form of cash and cheques in hand and in line with the system followed by the company.

2.24 Use of Estimate:

Preparation of financial statements in conformity with International Accounting Standards (IASs) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements, and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

2.25 Basis of Recognition of Income in Respect of Premium Deposits:

Amounts received against Cover notes, which have not been converted into policy are recognised as Income before the Cover notes and are converted into policy on expiry of period not exceeding six months in accordance with the Controller of Insurance Circular.

2.26 Lease:

Financial Reporting Principles IFRS 16 Leases effective from annual periods beginning on or after January 1, 2019 has changed how the company accounts for its lease contracts. The company leases a number of office space in addition to service sites. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempted. In compliance with the standard, the company has elected to use the recognition exemptions in the standard for short-term leases and leases of low value items. In such cases the lease are accounted for as short term leases and the lease payments associated with them are recognized as an expenses from short term lease.

2.27 Investment in Shares:

Investment in shares is recognised at cost and subsequently measured at fair value and any change in the fair value is recognised in the profit and loss account for the period in which it arises as per IFRS-9 "Financial Instruments".

2.28 Components of the Financial Statements:

As per Insurance Act-2010 section 27 and following the IAS-1 "Presentation of Financial Statements" (as applicable), the company's complete set of financial statements includes the following components:

- a) Statement of Financial position (Balance Sheet) as at December 31, 2020.
- b) Profit and Loss Appropriation Account for the year ended December 31, 2020.
- c) Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2020.

- d) Revenue Accounts for specific class of business for the year December 31, 2020.
- e) Statement of Cash Flows for the year ended December 31, 2020.
- f) Statement of Changes in Equity for the year ended December 31, 2020.
- g) Notes to the financial statements and significant accounting policies as at & for the year ended December 31, 2020.

2.29 General:

- a) Figures in the financial statements are presented in Bangladeshi Taka which is the companies functional and presentational currency.
- b) Figures have been rounded off to the nearest Taka.
- c) Previous year's figures have been rearranged whenever considered necessary to ensure comparability with the current year.

Amount in taka

<u>2020</u>	<u>2019</u>
Taka	Taka

3. Bangladesh Government Treasure Bond

Durations	Issue date	Maturity date	Particular	Rate (%)	Taka 2020	Taka 2019
05 Years	20-02-2013	20-02-2028	ISIN NO-BD-0928311150	11.59	25,000,000	25,000,000
					25,000,000	25,000,000

The above amount represents the value of 5 (five) years Bangladesh Government Treasure Bond at cost held with Bangladesh Bank according to the provision of Section -23 and 24 of Insurance Act-2010.

Note of the Accounts

For the year ended 31st December, 2020

Amount in Taka
2020 2019
Taka Taka

4. INVESTMENTS IN SHARE

Details are given below:

Name of the Company	No of Share	Total Cost	Market Price per share as on	Market Price per share as on 31.12.2020	Total Market Price as on 31.12.2019
AND Telecom	18,968			-	569,040
BD. Thai	268,750			-	5,213,750
Beximco Ltd.	315,000			-	7,182,000
BSRM Ltd.	25,257			-	1,459,855
Coppertech Industries Ltd.	4,979			-	117,007
Crystal Insurance Ltd.	10,198	101,980	39.40	401,801	
DESCO	259,200	10,108,800	34.80	9,020,160	10,108,800
Eastland Insurance	39,600	1,456,227	33.90	1,342,440	
Esquire Knit Composite Ltd.	20,890			-	591,187
Fu-Wang Foods Ltd	192,500			-	2,521,750
Generation Next Fashions Ltd.	990,000	5,643,000	3.90	3,861,000	5,643,000
Golden Harvest Agro Ind. Ltd.	99,000			-	1,900,800
Golden Son	100,000			-	870,000
IFIL Islamic MF-1	100,000	540,000	6.60	660,000	540,000
Indo-Bangla Pharmaceuticals Ltd.	204,000	5,237,761	19.10	3,896,400	
Islami Bank Bangladesh Ltd.	1,650,000	41,415,000	26.80	44,220,000	42,670,000
Jamuna Oil Co. Ltd.	30,700	4,970,330	165.50	5,080,850	4,970,330
MJL BD. Ltd.	24,675			-	1,561,927
New Line Clothing	8,038			-	118,962
Orion Pharma	330,000			-	11,847,000
Ring Shine Textile Ltd	233,531	2,226,232	6.40	1,494,598	2,226,232
Robi	271,253	2,712,530	29.80	8,083,339	
Runner Automobile	7,566	450,177	50.90	385,109	450,177
Rupali Insurance Co. Ltd	556,650			-	11,522,655
SAIF Power	192,326	3,370,291	18.00	3,461,868	3,370,291
Samorita Hospital Ltd.	137,568			-	8,804,352
Sea Pearl Beach Resort & Spa L	1,865	77,028	79.10	147,522	161,731
Shahjalal Islami Bank Ltd.	40,425	900,900	22.90	925,733	900,900
Silco Pharmaceuticals Ltd.	3,648	110,535	24.00	87,552	243,097
Titas Gas Transmission Ltd.	35,000			-	1,081,500
Total	6,171,587	79,320,791		83,068,372	126,646,343

5. INTEREST RECEIVABLE

Opening Balance	11,377,269	7,996,321
Add: Interest income during the year	42,032,153	39,563,659
	53,409,422	47,559,980
Less: Interest received during the year	35,375,360	36,182,711
Closing Balance	18,034,062	11,377,269

5.1 INTEREST RECEIVABLE (FDR)

Opening Balance	2,016,722	2,139,776
Add: Interest income during the year	5,272,000	5,839,968
	7,288,722	7,979,744
Less: Interest received during the year	3,619,804	5,963,022
Closing Balance	3,668,918	2,016,722

5.2 PROFIT RECEIVABLE (MTDR)

Opening Balance
Add: Interest income during the year

Less: Interest received during the year
Closing Balance

Amount in Taka	
2020 Taka	2019 Taka
8,262,334	4,758,333
33,629,500	29,971,375
41,891,834	34,729,708
28,624,903	26,467,374
13,266,932	8,262,334

5.3 INTEREST RECEIVABLE (BGTB)

Opening Balance
Add: Interest income during the year

Less: Interest received during the year
Closing Balance

1,098,214	1,098,214
3,075,000	3,075,000
4,173,214	4,173,214
3,075,000	3,075,000
1,098,214	1,098,214

5.4 PROFIT RECEIVABLE (SND)

Opening Balance
Add: Interest income during the year

Less: Interest received during the year
Closing Balance

-	-
55,653	677,315
55,653	677,315
55,653	677,315
-	-

6. AMOUNTS DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

These represent the amount receivable from insurance companies on account of co-insurance premium and claim as at December 31, 2020.

Amount due from Shadharon Bima Corporation :

Opening Balance	40,444,637	52,220,556
Add, Receivable from SBC against PSB	11,785,774	18,264,081
	52,230,411	70,484,637
Less, Adjusted with SBC Account	11,785,774	30,040,000
	40,444,637	40,444,637

7. SUNDRY DEBTORS

Advance against Salary	8,924,585	5,717,835
Advance against office rent	3,507,150	3,683,770
Advance VAT payment	1,860,700	1,860,700
Advance against Bhutan Tour	500,000	
R.R Securities Ltd	301	301
RNI Securities Ltd.	102	102
Commission Receivable	6,305,809	4,969,926
Re-Ins. Portfolio premium	39,763,032	39,763,032
PF Capital Management Ltd	9,092	319,092
Advance against Office decoration	13,751,400	300,000
Deposit clearing	3,320,679	5,130,014
Total	77,942,850	61,744,772

8 CASH & BANK BALANCES

Cash in hand:

Head office	187,663	3,637,108
Branch offices	1,565,137	1,743,231
	1,752,800	5,380,339

Cash at bank:

STD	12,055,836	17,910,420
Current deposit	6,795,549	4,155,221
Balance With Broker House	21,236,455	50,685
	40,087,840	22,116,326

MTDR	609,800,000	579,300,000
FDR	100,800,000	79,800,000
	750,687,840	681,216,326
Total	752,440,640	686,596,665

9 FIXED ASSETS

Amount in Taka

Particulars	Cost			Rate (%)	Depreciation				Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adjustment during the year		Balance as on 01.01.2020	Charged during the year	Adjustment during the year	Balance as on 31.12.2020	
Land		38,079,730		0		-		-	38,079,730.00
Office Space		57,281,596		3		429,612.00		429,612	56,851,984.00
Furniture & Fixture	4,493,340	240,530		10	2,596,640	206,274.00		2,802,914	1,930,956.00
Office Equipment	1,840,131	48,227		15	1,261,071	92,480.00		1,353,551	534,807.00
Office Decoration	9,582,108	2,957,949		10	4,128,521	746,810.70		4,875,332	7,664,725.30
Air Cooler	3,580,789	298,267		15	2,266,961	219,447.20		2,486,408	1,392,647.80
Motor & Other Vehicles	23,152,474	5,561,910	63,500	20	14,767,738	2,591,234.20	62,070	17,296,902	11,353,981.80
Computer	4,693,823	553,066		30	3,704,562	393,372.30		4,097,934	1,148,954.70
Telephone Installation	1,680,791	91,900		15	1,357,221	59,786.50		1,417,008	355,683.50
Croceries & Cutleries	59,997	-		25	56,574	855.75		57,430	2,567.00
Electrical Equipments	1,756,403	-		15	946,270	121,519.95		1,067,790	688,613.00
Carpet & Curtain	34,250	-		10	28,543	570.70		29,114	5,136.00
Professional Books	212,112			10	146,248	6,586.40		152,834	59,277.60
Software Installation	2,373,600	44,400		20	1,399,212	202,277.60		1,601,490	816,510.00
Total as on 31.12.2020	53,459,818	105,157,575	63,500		32,659,562	5,070,827	62,070	37,668,319	120,885,573
Total as on 31-12-2019	48,895,845	4,563,973			29,012,396	3,647,166		32,659,562	20,800,256

	<u>Amount in Taka</u>	
	<u>2020</u>	<u>2019</u>
	<u>Taka</u>	<u>Taka</u>
10. Other Account	122,272,315	21,857,106
This is made up as follows:		
a) Fixed Assets- writtendown value	120,885,573	20,800,256
b) Stock of Printing & Stationery	438,181	560,000
c) Insurance Stamp in hand	948,561	496,850
Total	122,272,315	21,857,106
 (a) Fixed Assets (Writtendown Value)	120,885,573	20,800,256
Opening cost price	53,459,818	48,895,845
Add. Addition during the year	105,157,575	4,563,973
	158,617,393	53,459,818
Less, Disposal during the year	63,500	-
Closing Cost price	158,553,893	53,459,818
Opening Depreciation Balance	32,659,562	29,012,396
Add, Charge in this year	5,070,827	3,647,166
	37,730,389	32,659,562
Less, Adjustment this year	62,070	-
Closing depreciation Balance	37,668,319	32,659,562
 Writtendown Value of Assets	120,885,573	20,800,256
 (b) Stock of Printing & Stationery	438,181	560,000
Balance brought forward from last year	560,000	520,000
Add: Purchase during the year	3,709,961	2,125,240
	4,269,961	2,645,240
Less: Consumption during the year	3,831,780	2,085,240
	438,181	560,000
 (c) Insurance Stamp in hand	948,561	496,850
Balance brought forward from last year	496,850	1,164,205
Add: Purchase during the year	25,147,971	16,938,746
	25,644,821	18,102,951
Less: Consumption during the year	24,696,260	17,606,101
	948,561	496,850

11. SHARE CAPITAL

Detailed break up of shareholders capital is as below:

a) Authorised capital:

100,000,000 Ordinary shares of Tk. 10 each 1,000,000,000 1,000,000,000

b) Issued, subscribed and paid-up capital

4,2586,977 Ordinary shares of Tk. 10/- each 425,869,770 425,869,770

During the year 2020 the company has paid 10% cash dividend of taka-4,25,86,977 for 4,25,86,977 ordinary shares each against retained earnings of 2019.

The Category-wise share holding position as on 31 December, 2020 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount in Taka
Sponsor Shareholders (Group-A)	15,750,828	36.99	157,508,280
General Public & institutional Investor (Group-B)	26,836,149	63.01	268,361,490
TOTAL	42,586,977	100	425,869,770

Classification of Shareholders as per share holdings: Group-A

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total Paid up Capital
1	01-500	-	0	0.00	0.00%
2	501-5,000	-	0	0.00	0.00%
3	5,001-10,000	-	0	0.00	0.00%
4	10,001-20,000	-	0	0.00	0.00%
5	20,001-30,000	-	0	0.00	0.00%
6	30,001-40,000	-	0	0.00	0.00%
7	40,001-50,000	-	0	0.00	0.00%
8	50,001-1,00,000	-	0	0.00	0.00%
9	1,00,001-Over	15,750,828	17	100.00	36.99%
	Total	15,750,828	17	00.00	36.99%

Classification of Shareholders as per share holdings: Group-B

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) Of Total paid up capital
1	01-500	125,560	1025	0.47	0.29%
2	501-5,000	2,099,552	1232	7.82	4.93%
3	5,001-10,000	975,208	129	3.63	2.29%
4	10,001-20,000	868,191	59	3.24	2.04%
5	20,001-30,000	618,863	25	2.31	1.45%
6	30,000-40,000	213,945	6	0.80	0.50%
7	40,001-50,000	425,892	9	1.00	1.00%
8	50,001-1,00,000	946,866	14	3.53	2.22%
9	1,00,001-Over	20,562,072	35	76.62	48.28%
	Total	26,836,149	2,534	100.00	63.01%
	GRAND TOTAL	42,586,977	2,551		100.00%

Name wise shareholding position of Sponsor Directors and General Public Share holder directors:

"SI No"	Name of the Director's	Status	"No of Shares Holding"	"% of total no of paid up shares"
1	Mr. Anwer Hossain Khan	Chairman	886,355	2.08%
2	Mr. Emdadul Hoque Chowdhury	Vice Chairman	861,734	2.02%
3	Mr. Anwer Hossain Chowdhury	Sponsor Director	851,834	2.00%
4	Mr. Md. Abul Hashem	Sponsor Director	851,714	2.00%
5	Engr. Khondaker Mesbauddin Ahmed	Sponsor Director	1,277,594	3.00%
6	Mr. Md. Humayun Kabir Patwary	Sponsor Director	1,277,594	3.00%
7	Mr. Shamsul Arefin Khaled	Sponsor Director	851,714	2.00%
8	Mr. Abul Hashem	Sponsor Director	1,277,594	3.00%
9	Mr. Md. Moshirur Rahma Chamak	Sponsor Director	860,734	2.02%
10	Mrs. Nasreen Haque	Sponsor Director	897,367	2.11%
11	Mrs. Shahana Parvin	Sponsor Director	1,532,587	3.60%
12	Mrs. Tahmina Afroz	Sponsor Director	994,075	2.33%
13	Mr. AFM Motassem Belal Rep. of Modern Diagnostic Center Ltd.	Public Shareholder Director	852,011	2.00%
14	Mr. Khorshed Alam Khan	Public Shareholder Director	852,028	2.00%
15	Mr. Md. Jahirul Islam	Public Shareholder Director	3,597,035	8.45%
16	Mr. Mosharraf Hossain Chowdhury Rep. pf Daffodils Sign Media	Public Shareholder Director	1,125,720	2.64%
17	Mr. Md. Zia Uddin Podhar	Public Shareholder Director	950,514	2.23%
18	Mr. Billal Hossain	Public Shareholder Director	858,070	2.01%
19	Mr. Md. Mofizuddin	Sponsor	1,007,000	2.36%
20	Mrs. Farzana Rahman	Sponsor Shareholder	1,277,594	3.00%
21	Alhaj Tofazzal Hossain	Sponsor Shareholder	567,819	1.33%
22	Mr. Waliul Huq	Sponsor Shareholder	283,908	0.67%
23	Mr. Redwan Kabir	Sponsor Shareholder	194,285	0.46%
24	Mr. A.K.M Aminul Islam	Independent Director	-	0.00%
25	Mr. Md. Nurun Nabi Bhuiyan	Independent Director	-	0.00%

Amount in Taka**2020 2019****12. Reserve or Contingency Accounts:****339,259,349****307,766,073**

This is made up as follows:

12.01 Reserve for Exceptional Losses

277,700,013

251,824,383

12.02 Capital Reserve

5,926,768

5,914,198

12.03 General Reserve

2,363,000

2,363,000

12.04 Dividend Equalization Reserve

1,500,000

1,500,000

12.05 Fair Value Reserve

3,747,582

-

12.06 Retained Earnings

48,021,987

46,164,492

**12.01 Reserve for Exceptional Losses:**

Balance brought forward from last year	251,824,383	226,927,122
Add: Provision during the year (7% on net premium income)	25,875,630	24,897,261
	277,700,013	251,824,383
Less: Reserve for exceptional losses		
	277,700,013	251,824,383

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.

12.02 Capital Reserve

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

Balance brought forward from last year	5,914,198	5,914,198
Add: Provision during the year	12,570	
	5,926,768	5,914,198
Less: Adjustment made this year		
	5,926,768	5,914,198

12.03 General Reserve

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

Balance brought forward from last year	2,363,000	2,363,000
Add: Provision during the year		
	2,363,000	2,363,000
Less: Adjustment made this year		
	2,363,000	2,363,000

12.04 Dividend Equalization Reserve

Balance brought forward from last year	1,500,000	1,500,000
Add: Provision during the year		
	1,500,000	1,500,000
Less: Adjustment made this year		
	1,500,000	1,500,000

12.05 Fair Value Reserve

Fair Value of the investment	83,068,372	-
Less, Cost Price of the Investment	79,320,791	
Fair Value Reserve as at 31st December	3,747,582	-

12.06 Retained Earnings

Balance brought forward from last year	3,577,515	1,056,678
Add: Net profit during the year after Tax & Deferred Tax	70,332,671	70,005,075
	73,910,186	71,061,753
Less: Reserve for exceptional losses	25,875,630	24,897,261
Capital Reserve	12,570	
	48,021,987	46,164,492

Amount in Taka

2020 2019

12.06.1 BALANCE BROUGHT FORWARD FROM LAST YEAR

Net profit before dividend	46,164,492	45,250,715
Less: Stock Dividend paid		24,105,840
Cash Dividend Paid	42,586,977	20,088,197
	3,577,515	1,056,678

13. PREMIUM DEPOSIT**18,708,065 12,711,612**

The amount represents the un-adjusted balance of premium as received against cover notes over the years for which policies have not been issued within December 31, 2020.

14. LOANS & OVERDRAFT**Quard-E- Hasana from Bank****Total**

62,393,446	62,393,446
62,393,446	62,393,446

14.1 Quard-E- Hasana from Bank:

(a) The Quard- E- Hasana from Islami Banks Bangladesh Ltd. Against term deposit of Tk.-6,96,00,000/-

15. Deferred Tax Liability

Opening Balance	972,305	896,464
Add, Provision made during the year	192,124	75,841
	1,164,429	972,305
Less, Adjusted during the year	-	-
Closing Balance	1,164,429	972,305

Calculation of Deferred Tax :

Particulars	Account Base	Tax Base	Difference	Applicable Rate	Deferred Tax	Deferred Tax
Fixed Assets	120,885,573	117,780,430	3,105,143	37.50%	1,164,429	972,305
		-	-		-	
Total					1,164,429	972,305

16. ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED

Fire	16,442,014	9,855,925
Marine (Cargo)	4,918,667	2,870,494
Marine (Hull)	-	-
Motor	561,000	660,500
Miscellaneous	200,000	100,000
Total	22,121,681	13,486,919

**17 AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS**

Shadharon Bima Corporation	58,668,327	49,580,369
Overseas Re-insurance	16,549,212	25,091,816
Total	75,217,539	74,672,185
Opening Balance	74,672,185	59,435,078
Add, Ceded in this year	155,052,319	179,975,323
	229,724,504	239,410,401
Less, Commission & Profit Commission received	46,147,729	
Less, Loss recovery	34,573,839	
Less, Paid in this year	61,999,623	164,738,215
Less, Adjustment with PSB	11,785,774	
Closing Balance	75,217,539	74,672,185

18 SUNDRY CREDITORS

Provision for audit fee	230,000	230,000
Provision For Utility and Telephone Bills	845,537	845,537
VAT deducted at source	197,680	
Security deposit against office rent	83,000	83,000
I.T. deduction at source	126,328	
Unpaid Dividend	4,102,899	3,308,755
Share application money refundable	2,051,529	2,051,529
Deposit Against Car Lease	386,250	
Premium VAT payable	5,669,489	6,460,904
Total	13,692,712	12,979,725

19 Unpaid Dividend

Dividend payable for fraction share	2,511,113	2,511,113
Dividend payable -2016	410,957	410,957
Dividend payable -2017	130,262	130,262
Dividend payable -2018	248,613	256,423
Dividend payable -2019	801,956	-
Closing Balance	4,102,899	3,308,755

20 PREMIUM INCOME LESS RE-INSURANCE

Business	Gross Premium			Re-Insurance ceded	Net Premium	Net Premium
	Private	Public	Total			
Fire	218,671,100	12,910,810	231,581,910	128,050,481	103,531,429	102,031,107
Marine (Cargo)	253,351,102	21,444,040	274,795,142	49,952,521	224,842,621	105,646,709
Marine (Hull)	1,416,465	1,597,906	3,014,371	1,765,508	1,248,863	720,171
Motor	34,325,266	2,834,139	37,159,405	1,273,608	35,885,797	35,039,764
Miscellaneous	6,524,840	23,002,556	29,527,396	25,384,253	4,143,143	5,534,858
Total	514,288,773	61,789,451	576,078,224	206,426,371	369,651,853	248,972,609

21 EXPENSES OF MANAGEMENT

The expenses have been charged to Revenue Accounts on product basis of Gross Premium earned or direct business as under:

Fire	40.27	86,127,751	95,782,309
Marine (Cargo)	47.53	101,659,967	52,517,466
Marine (Hull)	0.52	1,115,145	465,873
Motor	6.56	14,032,896	13,494,092
Miscellaneous	5.11	10,941,046	5,854,120
Total	100%	213,876,805	168,113,860

SI	Head of Accounts	2020	2019
1	Bank charges	1,346,897	2,028,180
2	Books, papers & periodicals	145,747	145,704
3	Brokerage commission	-	-
4	Car Allowance	840,000	-
5	Car fuel	3,745,716	3,417,936
6	Car maintenance	2,677,320	2,924,364
7	Conveyance	11,028,874	10,649,439
8	Cookeries	-	-
9	Electricity & WASA expenses	2,223,460	2,489,059
10	Entertainment	1,116,283	971,226
11	Fee and Charges	293,658	334,464
12	Festival & Incentive	6,826,477	11,506,946
13	Group Insurance Premium	300,204	298,653
14	Insurance premium Car	537,522	463,529
15	Meeting Expenses	-	2,252,860
16	Internet Bill	832,110	722,676
17	Office maintenance	1,656,697	2,247,117
18	Office rent, rates & taxes	9,541,087	9,402,062
19	Picnic Expenses	-	517,590
20	PF Contribution	6,661,710	6,829,854
21	Postage, revenue stamps & telegram	1,333,844	1,239,170
22	Printing & stationery	3,831,780	2,085,240
23	Garage Rent	494,100	939,786
24	Salary & allowances	150,000,821	97,375,388
25	SBC expenses on PSB	4,683,096	5,798,919
26	Office Service charges	1,172,544	418,900
28	Telephone & telex	1,541,865	1,609,468
29	Training Fee	73,442	-
30	Traveling	196,889	577,181
31	Uniform	13,950	-
	Sub Total	213,116,093	167,245,711
	Insurance Stamp Expenses	-	-
1	Fire	455,650	487,000
2	Marine	1,434	1,964
3	Motor	286,035	371,355
4	Miscellaneous	17,593	7,830
	Sub Total	760,712	868,149
	Total Expenses	213,876,805	168,113,860



		Amount in Taka	
		2020	2019
22 PAYMENT TO DIRECTORS, CHIEF EXECUTIVE OFFICER		62,913,795	71,038,350
Particulars	Board meeting fee	CEO (TK)	Officers (TK)
Director's fee	2,378,083		
Chief Ececutive officer Emolument		1,063,705	
Salary- Others			32,018,986
Company contribution to Provident Fund			3,615,419
Bonus		125,000	6,826,477
House Rent		531,852	16,009,544
Medical Allowance		85,100	1,602,342
Entertainment		708,698	326,672
Total		2,514,355	60,399,440

23 INTEREST INCOME

Interest on BGTB	3,075,000	3,075,000
Profit on TDR	33,629,999	29,971,375
Interest on Fixed Deposit	5,272,000	5,839,968
Profit on SND account	55,653	465,517
Interest on STD	-	211,798
Total	42,032,652	39,563,659

24 EARNING PER SHARE (EPS)

The earning per share of the company is as follows:

Earning attributable to ordinary share holders (Profit after tax)	70,332,671	70,005,075
Weighted average number of ordinary shares outstanding during the year	42,586,977	42,586,977
EARNING PER SHARE (EPS) (Restated-2019)	1.65	1.64

There is no significant deviation in any parameter between the financial periods. Due to increase of business for the same corresponding period of the previous year, the earning per share has increased during this year.

25 Net Assets Valu Per Share (NAV)

Net Assets Valu per share of the company is as follows:

Net Assets	765,129,119	733,635,843
Weighted average number of ordinary shares outstanding during the year	42,586,977	42,586,977
Net Assets Valu Per Share (NAV)(Restated-2019)	17.97	17.23

26 Net Operating Cash Flow Per Share (NOCFPS)

Net Operating Cash Flow per share of the company is as follows:

Cash Flows from Operating Activities – Preferred Dividends	125,248,974	75,734,353
Weighted average number of ordinary shares outstanding during the year	42,586,977	42,586,977
Net Operating Cash Flow Per Share (NOCFPS) (Restated-2019)	2.94	1.78

There is no significant deviation in any parameter between the financial periods. Due to increase of business for the same corresponding period of the previous year, the NOCFPS has increased during this year.

27 Key management personnel compensation:

As per IAS-24 paragraph 17 "Related Party Disclosure" the company has not any key management personnel compensation each of the following categories:

- a) Short-term employee benefits: As shown in note no- 22
- b) Post -employment benefits;
- c) Other long -term benefits;
- d) Termination benefits; and
- e) Share based payment.

28 Related Party transactions:

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 transaction involving related parties arising in normal course of business are conducted on an arm's length basic at commercial rates on the same terms and conditions as applicable to the third parties. Details of transaction with related parties and balance with them as at 31st December, 2020 were as follows:

Name of the related party	Relationship	Nature of Transaction	Premium Earned in (2020) Tk.	Premium Outstanding up to 31-12-20	claim paid
Hashem Food Ltd	Director	Insurance	1,406,135	Nil	Nil
Anwer Khan Modern Hospital Ltd.	Director	Insurance	2,309,097	Nil	Nil
Provita Fish Fes	Director	Insurance	357,843	Nil	Nil
A.J Fashion Ltd.	Director	Insurance	1,088,086	Nil	Nil
Lucky Star Apparels Ltd.	Director	Insurance	1,001,130	Nil	Nil
Mahmud Fabrics & Finishing Ltd.	Director	Insurance	16,219	Nil	Nil
Provita Hatchery.	Director	Insurance	646,905	Nil	Nil
Provita Feed Ltd.	Director	Insurance	1,585,652	Nil	Nil
Sajeeb Corporation	Director	Insurance	102,886	Nil	Nil
Mahmud Fashion	Director	Insurance	96,306	Nil	Nil
Provita Breeders Ltd.	Director	Insurance	579	Nil	Nil
Provita Chicks Ltd.	Director	Insurance	59,569	Nil	Nil
Mahmud Denim Ltd.	Director	Insurance	150,282	Nil	Nil
Mahmud Jeans	Director	Insurance	9,156	Nil	Nil
Mahmud Washing Plant	Director	Insurance	16,356	Nil	Nil
Mahmud Indigo Ltd.	Director	Insurance	175,162	Nil	Nil
Fresh Food Ltd.	Director	Insurance	112,813	Nil	Nil
Searh Accessories Ltd.	Director	Insurance	320,990	Nil	Nil
Mars Textiles Ltd.	Director	Insurance	18,130	Nil	Nil
Libas Textiles Ltd.	Director	Insurance	6,924,565	Nil	Nil
Kattli Textile Ltd.	Director	Insurance	10,044	Nil	Nil

Amount in Taka**2020****2019****29 Current Tax assets/(Liability):**

Provision for income tax Note-29.1
IncomeTax Paid in advance Note-29.2

233,128,880	203,234,354
227,033,603	199,440,744
6,095,277	3,793,610

Amount in Taka

2020

2019

29.1 Provision for income tax:

Opening Balance	203,234,354	170,269,034
Add. Provision made during the year	29,894,526	32,965,320
	<u>233,128,880</u>	<u>203,234,354</u>
Less: Adjustment on completion of assessment		
Closing Balance	<u>233,128,880</u>	<u>203,234,354</u>

29.1.1 Provision for income tax consists of the following:

Income year-2005(AY:-2006-2007)	2,972,071	2,972,071
Income year-2006(AY:-2007-2008)	5,057,338	5,057,338
Income year-2007(AY:-2008-2009)	4,996,376	4,996,376
Income year-2008(AY:-2009-2010)	5,640,503	5,640,503
Income year-2009(AY:-2010-2011)	3,519,924	3,519,924
Income year-2010(AY:-2011-2012)	9,802,575	9,802,575
Income year-2011(AY:-2012-2013)	16,271,725	16,271,725
Income year-2012(AY:-2013-2014)	23,400,049	23,400,049
Income year-2013(AY:-2014-2015)	27,217,310	27,217,310
Income year-2014(AY:-2015-2016)	14,091,343	14,091,343
Income year-2015(AY:-2016-2017)	18,254,541	18,254,541
Income year-2016(AY:-2017-2018)	14,511,943	14,511,943
Income year-2017(AY:-2018-2019)	8,977,726	8,977,726
Income year-2018(AY:-2019-2020)	15,555,610	15,555,610
Income year-2019(AY:-2020-2021)	20,357,718	-
Total	<u>190,626,752</u>	<u>170,269,034</u>

29.2 Income tax paid in advance:

Opening Balance	199,440,744	179,083,026
Add. Tax paid during the year Note:-2.9.1	27,592,859	20,357,718
	<u>227,033,603</u>	<u>199,440,744</u>
Less: Adjustment on completion of assessment		
Closing Balance	<u>227,033,603</u>	<u>199,440,744</u>

29.2.1 Income Tax Paid in Advance:

Direct Income Tax paid	25,841,458
Tax deduct at source:	
From FDR interest	1,406,747
From dividend income	344,654
From Others	
Total	<u>27,592,859</u>

29.2.2 Income tax paid consists of the following:

Income year-2005(AY:-2006-2007)	1,632,255	1,632,255
Income year-2006(AY:-2007-2008)	2,481,115	2,481,115
Income year-2007(AY:-2008-2009)	4,996,376	4,996,376
Income year-2008(AY:-2009-2010)	6,543,810	6,543,810

Income year-2009(AY:-2010-2011)	8,004,211	8,004,211
Income year-2010(AY:-2011-2012)	11,512,633	11,512,633
Income year-2011(AY:-2012-2013)	18,999,050	18,999,050
Income year-2012(AY:-2013-2014)	23,400,049	23,400,049
Income year-2013(AY:-2014-2015)	30,123,362	30,123,362
Income year-2014(AY:-2015-2016)	14,091,343	14,091,343
Income year-2015(AY:-2016-2017)	7,883,890	7,883,890
Income year-2016(AY:-2017-2018)	24,881,594	24,881,594
Income year-2017(AY:-2018-2019)	8,977,727	8,977,727
Income year-2018(AY:-2019-2020)	15,555,611	15,555,611
Income year-2019(AY:-2020-2021)	20,357,718	
Total	199,440,744	179,083,026

30 Taxable Income and Income Tax Liability

Net income as per Profit & Loss Account	106,489,867	
Less: Reserve for Exceptional Loss		
(Exempted from Tax as per 4th Schedule		
Clause# 6 (2) of ITO 1984)	25,875,630	
Total Income:	80,614,237	
Less:		
Other Income (Misc. Income)		
Other Income	10,000	
Interest Income	42,032,652	
Dividend Income	1,918,930	
Provision for loss on Investment in share	-	
Profit on sale of Assets	12,570	
Profit on sale of Shares of Listed Companies	10,519,163	54,493,315
Income/(loss) from Insurance Business		26,120,922
Computation of Income Tax:		
1) Tax on Business Income @ 37.5%	9,795,346	
2) Tax on Other Income @ 37.5%	-	
3) Tax on Other Income @ 37.5%	3,750	
4) Tax on Interest Income @ 37.5%	15,762,245	
5) Tax on Dividend Income @ 20%	383,786	
6) Tax on provision on investment in share @ 37.5%	-	
7) Tax on Capital gain @ 37.5%	4,714	
8) Tax on profit on sale of share of listed company @ 37.5%	3,944,686	29,894,526
Income Tax liability for the year		29,894,526



Amount in Taka

	<u>2020</u>	<u>2019</u>
--	-------------	-------------

31 Provision For WPPF

Particulars		
Balance as on 1st January		
Add, Provision made during the year	-	-
	-	-
Less, Payment & Adjustment during the year		
Closing Balance of WPPF	-	-

As per provision of para ২ (অ to এ) of section 233 of Bangladesh Labour Amendments Act-2013, Functions of Non Life Insurance Company are not similar to the functions of " Industrial Relating Work" as mentioned in the aforesaid sections. Therefore provision for Workers' Profit Participation and Welfare Fund (WPPF) is not applicable for our Company. In this regard legal opinion has been taken from our legal advisor, who opined that it is not applicable for our Company. Also as per letter no:-BIA-3(91)/2019-512 date- 26/12/2019 from Bangladesh Insurance Association and bank and financial institution division ministry of finance bangladesh latter no-53.00.0000.311.22.002.17-130 dated 14/02/2017 no provision was made for this financial year.

32 Welfare fund

Particulars		
Balance as on 1st January		
Add, Provision made during the year	8,347,000	
	8,347,000	-
Less, Income tax payable for fund	2,276,455	
Less, Payment & Adjustment during the year		
Closing Balance of welfare fund	6,070,545	-

As per decision of Soriea Council Board the interest of Fixed deposit and Bangladesh Government Tresure Bond interest are transfer to Welfare fund and did not taken any benefit from this interest.

33 Other Comprehensive Income

Particulars		
Fair value reserve as at 31st December	3,747,582	
Fair value reserve as at 01st January	-	-
Other Comprehensive Income/(Loss)	3,747,582	-

34 Cashflow from operating activities under indirect method

Net profit before tax	100,419,321	90,438,634
Add: Adjustment for non-cash item:-		
Depreciation	5,070,827	3,647,166
Profit on sale of assets	(12,570)	-
	105,477,579	94,085,800

Changes in Working capital:

Increase/(Decrease) of interest receivable	(6,656,793)	1,120,974
Increase/(Decrease) Amount due from other persons or bodies carrying on insurance business	-	(35,441,851)
Increase/(Decrease) of Sundry debtors	(16,198,078)	(14,447,604)
Increase/(Decrease) of Stationery	121,819	261,756
Increase/(Decrease) of Stamp in hand	(451,711)	(60,704)
Increase/(Decrease) of Balance of fund and accounts	48,588,913	35,361,700
Increase/(Decrease) of premium deposit	5,996,453	920,378
Increase/(Decrease) of Employee welfare fund	6,070,545	-
(Increase)/Decrease of Estimated liability in respect of outstanding claims, where due or intimation	8,634,762	1,596,247
(Increase)/Decrease amount due to other persons or bodies carrying on insurance business	545,354	7,090,864
(Increase)/Decrease of Sundry creditor and others	712,987	6,685,728
	47,364,253	3,087,488
Tax paid during the year	(27,592,859)	(7,879,819)
Interest expense	-	9,575,380
	125,248,974	98,868,849

35 BOARD MEETING

During the year 2020 the Company had 20 members Board of Directors and held 07 Board meetings. Board of Directors of the Company has formed other Committees and Sub-committees like Executive Committee, Claims Committee and Audit Committee. Regular meetings of those Committees were also held during the current year.

36 CONTINGENT LIABILITIES

a) Income Tax:

The Income Tax Authority has claimed Tk. 333,581,789 for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 in excess of income tax paid for the respective years. However, the company filed a writ with the Honorable High Court for the assessment year 2006-07, 2011-12, 2012-13, 2014-15 and appeal to appellate tribunal for the assessment years 2013-14 & 2015-16 and appeal to appellate for the year 2016-17, 2017-18 & 2018-19. The Honorable High Court given decision in favour of the Company but the Government again appeal to the Honorable High Court against the decision. In the assessment year 2007-08, 2008-09, 2009-10 & 2010-11 the Appellate Tribunal give a favourable judgment in favour of the company but DCT of LTU filed a writ with the Honourable High Court for that assessment order. The ultimate outcome of the matters cannot be accurately determined and no provision for any liability that may arise has been made in the financial statements.

37 EMPLOYEES

Total number of employees of the company is 600. None of them received salary below Tk. 5,000 per month.

There was no credit facility available to the company under any contract availed of as on 31st December, 2020 other than trade credit available in the ordinary course of business.

At the year ended 31st December, 2020 employees are as follows

SI No	Particulars	No. of Employees
i	Chief Executive Officer	1
ii	Deputy Managing Director	1
iii	Assistant Managing Director	16
iv	Senior General Manager	12
v	General Manager	57
vi	Senior Deputy General Manager	6
vii	Deputy General Manager	75
viii	Senior Assistant General Manager	11
ix	Other Employees	421
	Total	600

38 EVENTS AFTER THE REPORTING PERIOD :

i) There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except the following:

Proposed stock Dividend: Tk

The Board of Directors has recommended for payment of Cash dividend to the amount of Tk. 4,25,86,977 @ 10% on paid up capital out of the surplus available for distribution at the end of the year 2020, as decided by the Board of Director in their meeting held on 08/05/2021, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the company.

Statement of Premium Income

For the year ended 31st December, 2020

Class of Business	Premium Earned			Less: Re-Insurance premium Ceded			Net Premium Earned
	Own	Public	Total	Own	Public	Total	
Fire	218,671,100	12,910,810	231,581,910	116,780,883	11,269,598	128,050,481	103,531,429
Marine (Cargo)	253,351,102	21,444,040	274,795,142	33,202,971	16,749,550	49,952,521	224,842,621
Marine (Hull)	1,416,465	1,597,906	3,014,371	944,055	821,453	1,765,508	1,248,863
Motor	34,325,266	2,834,139	37,159,405	1,273,608	-	1,273,608	35,885,797
Miscellaneous	6,524,840	23,002,556	29,527,396	2,850,802	22,533,451	25,384,253	4,143,143
Total	514,288,773	61,789,451	576,078,224	155,052,319	51,374,052	206,426,371	369,651,853

Claim Under Policies Less Re-Insurance

For the year ended 31st December, 2020

Class of Business	Claim Paid			Claim Recovery			Net Claim
	Own	Public	Total	Own	Public	Total	
Fire	10,083,859	81,190	10,165,049	9,209,865	-	9,209,865	955,184
Marine (Cargo)	28,376,540	168,100	28,544,640	25,363,975	364	25,364,339	3,180,301
Marine (Hull)	-	-	-	-	-	-	-
Motor	2,491,885	68,893	2,560,778	-	-	-	2,560,778
Miscellaneous	125,000	1,260,857	1,385,857	-	770,008	770,008	615,849
Total	41,077,284	1,579,040	42,656,324	34,573,840	770,372	35,344,212	7,312,112

Form AA

Classified Summary of Assets

Annexure-A*As on December 31, 2020*

Class of Assets		Amount in Taka
		<u>Book Value</u>
Investment		
Bangladesh Government Treasury Bond		25,000,000
Investment in Shares		83,068,372
Amount due from other persons or bodies carrying on insurance business		40,444,637
Cash and Bank balance		
FDR	710,600,000	
CD & STD	40,087,840	
Cash in Hand	<u>1,752,800</u>	
		752,440,640
Interest accrued but not due		18,034,062
Sundry debtors, advance, deposits and prepayments		77,942,850
Fixed Assets (At cost less depreciation)		120,885,573
Advance against floor purchase		-
Stamp in hand		948,561
Stock of Printing and Stationery		438,181
		<u>1,119,202,876</u>

These financial statements were approved and authorized for issue by the board of directors on **08-05-2021** and signed for and on behalf of the Board.


Qazi Mukarram Dastagir
 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: 10th May, 2021


 (AFM) Alamgir, FCA
 ARTISAN
 Chartered Accountants

Form - XL

Statement Showing Details of Re-Insurance Ceded and Accepted of the
Takaful Islami Insurance Ltd., for the year ended 31st December 2020

CLASS OF BUSINESS	PREMIUM						COMMISSION						CLAIMS					
	Received on			Paid on Re-Ins. Ceded			Paid on			Received on Re-In. Ceded			PAID ON			Received on Re-In. Ceded		
	Direct Business	Re-Insurance Accepted		In B.desh	Out side B.desh		Direct Business	Re-Insurance Accepted		In B.desh	Out side B.desh		Direct Business	Re-Insurance Accepted		In B.desh	Out side B.desh	
		In B.desh	Out side B.desh		In B.desh	Out side B.desh		In B.desh	Out side B.desh		In B.desh	Out side B.desh		In B.desh	Out side B.desh		In B.desh	Out side B.desh
FIRE	Private	218,671,100	-	-	116,780,883	-	101,890,217	32,800,665	-	-	31,183,365	-	1,617,300	10,083,859	-	9,209,865	-	873,994
	Public	12,910,810	-	-	11,268,598	-	1,641,212	-	-	-	1,261,260	-	(1,261,260)	81,190	-	-	-	81,190
	Total	231,581,910	-	-	128,050,481	-	103,531,429	32,800,665	-	-	32,444,625	-	356,040	10,165,049	-	9,209,865	-	955,184
MARINE CARGO	Private	253,351,102	-	-	33,202,971	-	220,148,131	38,002,665	-	-	13,604,007	-	24,398,658	28,376,540	-	25,363,975	-	3,012,565
	Public	21,444,040	-	-	16,749,550	-	4,694,490	-	-	-	3,273,909	-	(3,273,909)	168,100	-	364	-	167,736
	Total	274,795,142	-	-	49,952,521	-	224,842,621	38,002,665	-	-	16,877,916	-	21,124,749	28,544,640	-	25,364,339	-	3,180,301
MARINE HULL	Private	1,416,465	-	-	944,055	-	472,410	212,470	-	-	292,521	-	(80,051)	-	-	-	-	-
	Public	1,597,906	-	-	821,453	-	776,453	-	-	-	66,080	-	(66,080)	-	-	-	-	-
	Total	3,014,371	-	-	1,765,508	-	1,248,863	212,470	-	-	358,601	-	(146,131)	-	-	-	-	-
MOTOR	Private	34,325,266	-	-	1,273,608	-	33,051,658	5,148,790	-	-	1,191,087	-	3,957,703	2,491,885	-	-	-	2,491,885
	Public	2,834,139	-	-	2,533,451	-	2,834,139	-	-	-	-	-	-	68,893	-	-	-	68,893
	Total	37,159,405	-	-	1,273,608	-	35,885,797	5,148,790	-	-	1,191,087	-	3,957,703	2,560,778	-	-	-	2,560,778
MISC.																		
OTHER THAN MOTOR	Private	6,524,840	-	-	2,850,802	-	3,674,038	978,726	-	-	158,784	-	819,942	125,000	-	-	-	125,000
	Public	23,002,556	-	-	22,533,451	-	469,105	-	-	-	2,264,624	-	(2,264,624)	1,260,857	-	770,008	-	490,849
	Total	29,527,396	-	-	25,384,253	-	4,143,143	978,726	-	-	2,423,408	-	(1,444,682)	1,385,857	-	770,008	-	615,849
TOTAL	Private	514,288,773	-	-	155,052,319	-	359,236,454	77,143,316	-	-	46,429,764	-	30,713,552	41,077,284	-	34,573,840	-	6,503,444
	Public	61,789,451	-	-	51,374,052	-	10,415,399	-	-	-	6,865,873	-	(6,865,873)	1,579,040	-	770,372	-	808,668
	GRAND Total	576,078,224	-	-	206,426,371	-	369,651,853	77,143,316	-	-	53,295,637	-	23,847,679	42,656,324	-	35,344,212	-	7,312,112



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 21st Annual General Meeting of the Company to be held on July 31, 2021 at 11:00 a.m. virtually by using digital platform and any adjournment thereof.
Signed this day of 2021.

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 21st Annual General Meeting of the Company being held on July 31, 2021 at 11:00 a.m virtually by using digital platform.

Name of Shareholder(s)/Proxy

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

Signature of Shareholder(s)/Proxy

Date :



Takaful Islami Insurance Limited

তাকাফুল ইসলামী ইন্স্যুরেন্স লিমিটেড

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, Website: takaful.com.bd