

## **Directors' Report to the Shareholders**

### **"BISMILLAHIR RAHMANIR RAHIM"**

#### **HON'BLE SHAREHOLDERS**

Assalamu-Alaikum Wa Rahmatullah

It is indeed a great pleasure for me to welcome you all to the 17th Annual General Meeting of Islami Commercial Insurance Company Limited. I, on behalf of Board of Directors and on my own behalf, am pleased to place before you its Annual Report, Audited Accounts for the year ended 31st December, 2016 together with the Directors' Report thereon.

#### **DISTINGUISHED SHAREHOLDERS**

This Company was incorporated on 18.10.1999, registered on 29.12.1999 and commenced its business from 01.01.2000. At present, there are 45 Non-Life and 32 Life Insurance Companies are operating business in the market in addition 2 (Two) State Owned Corporations. All insurance companies are the members of Bangladesh Insurance Association (BIA). Last few years, whole Insurance Industry of Bangladesh has been facing tough & unhealthy competition due to small size of insurance market and inadequate insurance clients. Besides, global economical fluctuation trend and insufficient government support & facilities in local investment and industrial movement also adverse on insurance business. The Insurance Regulator, Insurance Development & Regulatory Authority (IDRA) has taken serious measures to bring discipline in the Insurance Industry by many positive changes including prohibiting credit business & protecting tariff violation etc. The Government and IDRA should continue their efforts to contribute much in there respective areas for the development of insurance industry. The Government have to take steps for formulation of policies conducive to the insurance business. The Regulatory Body will guide Insurance Companies to execute the policies of the Government and compliances of Insurance Act 2010. The Bangladesh Insurance Association (BIA) will have to co-operate & assist the IDRA vigorously in the interest of Insurance Industry complying with the rules/regulations of Insurance Act, 2010. The insurance Company will have to take responsibilities of running the business properly and effectively for its growth.

:2:

Islami Commercial Insurance Company Limited has been endeavored it's best to consolidate overall position of the Company in the interest of Insurance Industry and could secure growth because of continuous efforts of the Board of Directors and the Management.

The further progree of Bangladesh Insurance Industry predominantly depends on how the consumers perception of insurance as an useful and efficient vehicle of risk transfer can be useful. This can be achieved through sustained efforts of the industry as well as Regulator towards restoring public confidence by providing efficient services, honoring insurance policy obligations, introducing new products/fields by rationalizing the price mechanism.

Despite many limitations, our business performance during the year 2016 was higher than that of the previous year and earned a total premium of Tk.32.59 crore as against Tk. 26.70 crore in 2015.

#### **FINANCIAL HIGHLIGHTS**

Now, on behalf of the Board of Directors of the Company I have the pleasure to present the financial highlights on the operational result of the Company accomplished throughout the year 2016 along with comparative business figures of 2015 are furnished below:-

		<b>T A K A</b>	
		<u>2016</u>	<u>2015</u>
Gross Premium	-	32,58,68,610	26,70,12,974
Net Premium	-	21,41,79,825	15,83,85,531
Com. earned on R/I Ceded	-	2,61,63,022	
2,26,43,585			
Net Claim	-	2,51,33,791	
2,26,39,010			
Reserve for Unexpired Risk	-	8,56,71,929	
6,33,54,212	Fixed Deposit & BGTB	-	27,62,50,000
24,96,50,000			
Investment in Share	-	10,96,30,883	11,26,30,031
<b>Total Assets</b>	-	<b>-</b>	<b>79,64,56,130</b>
<b>70,76,44,175</b>			

With further improvement in the process of promotional development of this Company. We have advised the Management to focus on commitment of quality services to the clients, low risk underwriting, profitable business, diversification of investment and increase of investment income of the Company. The Board of Directors expect a satisfactorily business performance with further improvement in the years to come InshaAllah.

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## INVESTMENT

In addition to investment of Tk.2,50,00,000 with Bangladesh Bank in the form of Bangladesh Government Treasury Bond, the Company invested its Fund in Fixed Deposit, Shares and STD Accounts with various Banks. Besides, the Company has purchased an Office Space at Level 16th of City Centre situated in the heart of Dhaka City at Motijheel measuring 6,900 sft. for Head Office. The position of total investment at cost is as under:

	<b>T A K A</b>	
	<u>2016</u>	<u>2015</u>
Bangladesh Govt. Treasury Bond 2,50,00,000	- 2,50,00,000	
Investment in Share	- 11,61,32,921	11,26,30,031
F.D.R. with Different Banks	- 25,12,50,000	22,46,50,000
STD & CD Account 4,71,36,990	- 6,61,68,828	
Office Space (at cost) 4,12,76,000	- 4,12,76,000	
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	<b>49,98,27,749</b>	<b>45,06,93,021</b>

## HON'BLE SHAREHOLDERS

Islami Commercial Insurance Company Limited commenced business in 2000 with a Paid Up Capital of Tk. 60.00 Million. Now, the Paid Up Capital of your Company increased to Tk. 243.86 Million. A significant amount was invested in fixed and current assets & a picture in this regard as on 31-12-2015 & 31-12-2016 is depicted hereunder:

### Fund Generated :

	<b>T A K A</b>	
	<u>2016</u>	<u>2015</u>
Paid-Up Capital	- 24,38,55,300	21,77,28,000
Reserve and Surplus	- 23,20,18,775	19,20,30,482
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	47,58,74,075	40,97,58,482
Less : Fund Invested	- 49,98,27,749	44,96,93,021
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<b>EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>	<b>2,39,53,674</b>	<b>3,99,45,539</b>
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## DIVIDEND

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The Board of Directors recommended 10% Stock & 2% Cash dividend for their honorable shareholders for the year ended 31st December, 2016 in its 119th Meeting held on 16-04-2016 from the net profit of Tk. 5,07,47,316/- for the year 2016.

**:4:**

### **DIRECTORS**

In accordance with the provision of Article 24.1 of the Articles of Association of the Company, the following Directors will retire from the office in the 16th Annual General Meeting and as per Article 24.3., all of them are eligible for re-election and offered themselves for re-election :-

1. Janaba Shahida Anowar
2. Janab Al-Haj Mohammad Yahya
3. Janaba Shirin Akhter
4. Janaba Israt Jahan

### **AUDITORS**

The Auditor of the Company M/s. Islam Aftab Kamrul & Co., Chartered Accountants shall retire at the 17th Annual General Meeting and have consented to continue in office for the next term. Being eligible for re-appointment under Section 210 (3) of the Companies Act-1994, the matter will be placed in the meeting for approval of re-appointment of M/s. Islam Aftab Kamrul & Co., Chartered Accountants for the year 2017 at remuneration to be fixed by you.

### **ACKNOWLEDGEMENTS**

The Board of Directors takes the opportunity to offer thanks to all the Shareholders, valued Clients and well wishers for their active co-operation and support extended to this Company.

It is expected that the Management Functionaries of the Company shall put in their untiring efforts with Plan and Vision so that the Company may gradually emerge as a progressive Islami General Insurance Company in Bangladesh.

The Board of Directors also offers its sincere thanks and gratitude to the Ministry of Finance, Ministry of Commerce, The Insurance Regulatory and Development Authority, Bangladesh Bank, The Registrar of Joint Stock Companies & Firms, Bangladesh Securities & Exchange Commission, Sadharan Bima Corporation, Bangladesh Insurance Association, Bangladesh Insurance Academy, all Scheduled Banks and other Government and non-Government Organizations for their whole hearted co-operation and support.

The Board of Directors further offers thanks to all the officials of the Company for rendering their service sincerely with devotion.

May Almighty Allah grant us courage, strength and fortitude to lead this Company to attain its objectives with greater glory.

Ameen.

For and on behalf of the Board of Directors  
Of Islami Commercial Insurance Co. Ltd.

  
**(Md. Anowar Hossain)**  
Chairman