

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 18th 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, 2017 together with the Directors' Report thereon.

DISTINGUISHED SHAREHOLDERS

This Company commenced its business from 01.01.2000. There are two types of insurance companies in our country. At present, there are 45 Non-Life and 31 Life Insurance Companies are operating business in the market in addition 2 (Two) State Owned Corporations namely Sadharan Bima Corporation and Jibon Bima Corporation. Comprising the small size of insurance market and inadequate insurance clients the insurance companies are large in number. So, it is hard to produce business and during last few years, whole Insurance Industry of Bangladesh has been facing tough & unhealthy competition. 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. Insurance Companies will have to take initiatives collectively and sincerely of running the business properly and effectively for the growth of the insurance industry.

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 progress 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.

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Despite many limitations, our business performance during the year 2017 was higher than that of the previous year and earned a total premium of Tk.41.02 crore while it was Tk. 32.59 crore in 2016.

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 2017 along with comparative business figures of 2016 are furnished below:-

	<u>T A K A</u>	
	<u>2017</u>	<u>2016</u>
Gross Premium	- 41,02,12,107	32,58,68,610
Net Premium	- 24,06,49,282	21,41,79,825
Com. earned on R/I Ceded	- 4,07,67,292	2,61,63,022
Net Claim	- 3,61,17,028	2,51,33,791
Reserve for Unexpired Risk	- 9,62,59,713	8,56,71,929
Fixed Deposit & BGTB	- 33,75,00,000	27,62,50,000
Investment in Share	- 11,58,09,462	10,96,30,883
Total Assets	- 87,97,92,390	79,64,56,130

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 Insha-Allah.

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.

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The position of total investment at cost is as under:

	<u>T A K A</u>	
	<u>2017</u>	<u>2016</u>
Bangladesh Govt. Treasury Bond -	2,50,00,000	2,50,00,000
Investment in Share -	11,58,09,462	11,61,32,921
F.D.R. with Different Banks -	31,25,00,000	25,12,50,000
STD & CD Account -	8,12,85,820	6,61,68,828
Office Space (at cost) -	4,12,76,000	4,12,76,000
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	57,58,71,282	49,98,27,749

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. 268.25 Million. A significant amount was invested in fixed and current assets. A picture in this regard as on 31-12-2017 & 31-12-2016 is depicted hereunder:

Fund Generated :

	<u>T A K A</u>	
	<u>2017</u>	<u>2016</u>
Paid-Up Capital -	26,82,40,800	24,38,55,300
Reserve and Surplus -	27,00,19,136	23,20,18,775
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	53,82,59,936	47,58,74,075
Less : Fund Invested -	57,58,71,282	49,98,27,749
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EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES	3,76,11,346	2,39,53,674
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DIVIDEND

The Board of Directors recommended 10% Stock & 2% Cash dividend for their honorable shareholders for the year ended 31st December, 2017 in its 123rd Meeting held on 15-04-2018 from the net profit of Tk. 5,07,47,439/- for the year 2017.

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 18th Annual General Meeting and as per Article 24.3., all of them are eligible for re-election and offered

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themselves for re-election except Janab Md. Anowar Hossain.:-

1. Janab Md. Anowar Hossain
2. Janab Niaz Ahmed
3. Janab Ashik Hossain
4. Janaba Sharifa Khatun

As per Article 24.4 , Janab Md. Abu Bakar Siddique is eligible for election and he expressed his interest to be a Director.

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 2018 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 better glory.

Ameen.

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


(Md. Anowar Hossain)
Chairman