

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 19th 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, 2018 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 payment of excess commission, 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.

Despite many limitations, our business performance during the year 2018 was higher than that of the previous year and earned a total premium of Tk.46.29 crore while it was Tk. 41.02 crore in 2017.

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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 2018 along with comparative business figures of 2017 are furnished below:-

	<u>T A K A</u>	
	<u>2018</u>	<u>2017</u>
Gross Premium	46,28,76,880	41,02,12,107
Net Premium	27,88,26,826	24,06,49,282
Com. earned on R/I Ceded	3,17,35,508	4,07,67,292
Net Claim	5,98,02,931	3,61,17,028
Reserve for Unexpired Risk	11,15,30,771	9,62,59,713
Fixed Deposit & BGTB	30,14,00,000	33,75,00,000
Investment in Share	19,36,01,258	11,58,09,462
Total Assets	95,98,84,253	87,97,92,390

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.

The position of total investment at cost is as under:

	<u>T A K A</u>	
	<u>2018</u>	<u>2017</u>
Bangladesh Govt. Treasury Bond	2,50,00,000	2,50,00,000
Investment in Share	19,36,01,258	11,58,09,462
F.D.R. with Different Banks	27,64,00,000	31,25,00,000
STD,CD,BO Account & Petty Cash	9,51,22,858	8,13,14,695
Office Space (at cost)	4,12,76,000	4,12,76,000
	63,14,00,116	57,59,00,157

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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. 295.06 Million. A significant amount was invested in fixed and current assets. A picture in this regard as on 31-12-2018 & 31-12-2017 is depicted hereunder:

Fund Generated :

		T A K A	
		<u>2018</u>	<u>2017</u>
Paid-Up Capital	-	29,50,64,800	26,82,40,800
Reserve and Surplus	-	25,90,43,187	27,00,19,136
		-----	-----
		55,41,07,987	53,82,59,936
Less : Fund Invested	-	63,14,00,116	57,59,00,157
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EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES		7,72,92,129	3,76,40,221
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DIVIDEND

The Board of Directors recommended 5% Cash dividend for their honorable shareholders for the year ended 31st December, 2018 in its 127th Meeting held on 21-03-019 from the retained earnings of the company.

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 19th Annual General Meeting and as per Article 24.3., all of them are eligible for re-election and offered themselves for re-election.:-

1. Janab Md. Rezaul Karim
2. Janab M.G. Faruk
3. Janaba Nigar Sultana
4. Janaba Nusrat Jahan (Tania)

APPOINTMENT OF INDEPENDENT DIRECTORS

It has been decided by the Board of Directors in its 128th Board Meeting held on June 27, 2019 of the Company to appoint Janab A.Z.M. Shamsul Alam and Janab Md. Amirul Hassan as Independent Directors for a tenure of 03 (three) years.

The issue of appointment of the Independent Directors will be placed in the forthcoming 19th Annual General Meeting for shareholders approval.

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APPOINTMENT OF AUDITOR

M/s. Islam Aftab Kamrul & Co., Chartered Accountants was re-appointed as Auditor of the Company in the last Annual general Meeting for the year 2018. To comply with clause No. 2(2) of BSEC's Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 the Board of Directors recommended M/s. Shiraz Khan Basak & Co., Chartered Accountants for appointment as Auditor for the year 2019 at a 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.

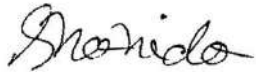
The Board of Directors also offers its sincere thanks and gratitude to the Ministry of Finance, Ministry of Commerce, The Insurance Regulatory and Development Authority, Bangladesh Bank, The Registrar of Joint Stock Companies & Firms, Bangladesh Securities & Exchange Commission, Sadharan Bima Corporation, 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.


(**Shahida Anowar**)
Chairman