

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 20th 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, 2019 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, competition exists amongst insurance companies and it is hard to produce business. To bring discipline and positive changes in Insurance Industry initiative measures has been taken by the Insurance Regulator, Insurance Development & Regulatory Authority (IDRA). 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 a 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.

Our business performance during the year 2019 was higher than that of the previous year and earned a total premium of Tk. 50.20 crore while it was Tk. 46.29 crore in 2018.

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 2019 along with comparative business figures of 2018 are furnished below:-

Particulars	T A K A	
	2019	2018
Gross Premium	- 50,20,29,252	46,28,76,880
Net Premium Income	- 34,75,31,358	27,88,26,927
Com. earned on R/I Ceded	- 3,55,22,077	3,17,35,508
Net Claim	- 4,96,86,505	5,98,02,931
Reserve for Unexpired Risk	- 14,18,38,023	11,15,30,771
Fixed Deposit & BGTB	- 30,00,00,000	30,14,00,000
Investment in Share	- 19,95,96,375	19,36,01,258
Management Expenses	- 18,03,84,597	16,72,73,051
Commission Expenses	- 7,53,04,388	6,94,31,531
Interest and other Income	- 3,28,57,171	2,81,50,791
Underwriting Profit	- 3,43,31,890	-51,46,049
Profit Before Tax	- 4,99,15,815	76,82,111
Total Assets	- 95,49,32,659	95,98,84,253

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

Including statutory deposit of Tk. 2,50,00,000 with Bangladesh Bank in the form of Bangladesh Government Treasury Bond (BGTB), the Company invested its Fund in Fixed Deposit, Shares and amount lying with STD Accounts with different scheduled 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 head wise investment figures are listed below:

	T A K A	
	2019	2018
Bangladesh Govt. Treasury Bond	- 2,50,00,000	2,50,00,000
Investment in Share	- 19,95,96,375	19,36,01,258
F.D.R. with Different Banks	- 27,50,00,000	27,64,00,000
STD, CD, BO Account & Petty Cash	- 5,63,77,941	9,51,22,858
Office Space (at cost)	- 4,12,76,000	4,12,76,000
	59,72,50,316	63,14,00,116

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 comparative figure showing Capital and Reserve as on 31-12-2019 & 31-12-2018 is given below:

		T A K A	
		<u>2019</u>	<u>2018</u>
Paid-Up Capital	-	29,50,64,800	29,50,64,800
Reserve and Surplus	-	28,77,48,683	25,90,43,187
		<u>58,28,13,483</u>	<u>55,41,07,987</u>

DIVIDEND

The Board of Directors recommended 3% Stock dividend for their honorable shareholders for the year ended 31st December 2019 from the retained earnings of the company.

CREDIT RATING REPORT

Argus Credit Rating has rated your Company from 'A' to 'A+' considering the gradual development at the audited financial statements of the company ended 31st December 2019. The rating reflects high claims-paying ability, protection factors are good and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.

DIRECTORS

According to 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., being eligible for re-election all of them except Janaba Sharifa Khatun offered themselves for re-election: -

1. Janaba Shahida Anowar
2. Janaba Shirin Akhter
3. Janab Md. Ashik Hossain
4. Janaba Sharifa Khatun

APPOINTMENT OF AUDITOR

The Auditor of the Company M/s. Shiraz Khan Basak & Co., Chartered Accountants shall retire at the 20th Annual General Meeting and expressed their willingness to continue in office for the next term. Being eligible for re-appointment under Section 210 (3) of the Companies Act-1994, the Board of Directors has recommended to the members for their consideration of re-appointment of M/s. Shiraz Khan Basak & Co., Chartered Accountants for the year 2020 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