ANNUAL REPORT

2019

নর্দার্ণ ইসলামী ইন্স্যুরেন্স লিঃ

HOME OF ASSURANCE

NORTHERN ISLAMI INSURANCE LTD.

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HOME OF ASSURANCE

NORTHERN ISLAMI INSURANCE LTD.

Head Office

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NORTHERN ISLAMI INSURANCE LTD.

HOME OF ASSURANCE

Notice of the 24th Annual General Meeting

Notice is hereby given that the **24th Annual General Meeting** of the honorable shareholders of Northern Islami Insurance Limited will be held on **Monday, 21 September 2020 at 04:00 P.M.** (Dhaka time) by using **Digital Platform** (in pursuance with BSEC order SEC/SRMRC/04-231/25 dated July 08, 2020) to transact the following business:

AGENDA

1. **Report and Accounts**
   To receive, consider and adopt the Audited Financial Statements and the Report of the Directors and Auditors of the Company for the year ended 31st December, 2019.
2. **Dividends**
   To declare and approve dividend for the year 2019 as recommended by the Board of Directors.
3. **Election/Re-election of Directors**
   To elect/re-elect Directors who are retiring in terms of the relevant provision of the Articles of Association of the company.
4. **Appointment of Auditors**
   To consider appointment of Auditors for the year 2020 and to fix their remuneration.
5. **Appointment of Professional**
   To consider appointment of Corporate Compliance Auditors of the Company for the year 2020 and to fix their remuneration.

By order of the Board of Directors

Dated, Dhaka
August 26, 2020

Sd/-
(M. H. Galib)
Company Secretary

Notes:

a) Members whose names appear on the Member/Depository Register on the "Record Date" i.e., 13 August 2020 shall be eligible to attend the 24th Annual General Meeting and receive dividend.

b) The 24th AGM of the company would be conducted through Digital Platform in line with the Order No. SEC/SRMRC/04-231/25 dated 08 July, 2020 of Bangladesh Securities and Exchange Commission.

c) Detail login process for the meeting will be available at Company's website www.niil.com.bd and the link will be mailed to the respective Member's email address and by SMS available with the Registers.

d) A member eligible to attend the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote on his/her behalf (through digital platform). Proxy forms duly filled, signed & stamped with BDT 20.00 must be sent through email to the Share Department of the Company at share@niil.com.bd at least **48 hours** before the time fixed for the Meeting.

e) Pursuant to the Bangladesh Securities & Exchange Commission Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 the Company will send the Annual Report 2019 in soft format to the respective e-mail address of the shareholders available in their BO Account maintained with the Depository Participants (DP). However, interested shareholders may collect hard copy of the Annual Report-2019 from the Company's Share Department, by submitting a written request. The soft copy of the Annual Report-2019 will also be available at Company's website - www.niil.com.bd

f) Depository Participants (DP)/Stock Brokers are requested to send the list of Margin Account Holders based on Record Date, if any, within 31 August 2020 to the Company, otherwise, the dividend will be paid to shareholders Bank Account whose names appeared in the Member/Depository Register on the "Record Date". Those, who have already sent the list, need not to send again.

g) Members are requested to update particulars of their Bank Account, Email Address, NID No., Mailing Address, Contact Number and 12 digit Tax payer's Identification Number (E-TIN) in their CDBL account through Depository Participants (DP).

h) **No Gift/Gift Coupon/Benefit in cash or Kind,** other than in the form of dividend shall be offered/paid to the shareholders in the 24th AGM in compliance with the circular of Bangladesh Securities and Exchange Commission's BSEC/CMRRCD/2009-193/154 dated 24 October, 2013.

Corporate Information

Name of the Company	**Northern Islami Insurance Limited**
Legal Form	A Public Limited Company incorporated in Bangladesh under the Companies Act 1994 from Registrar of Joint Stock Companies & Firms and Registered with Department of Insurance, Govt. of the People's Republic of Bangladesh now Insurance Development & Regulatory Authority (IDRA). To operate insurance business on the basis of Islami Shariah, the required changes including provision for formation of Shariah Council in the Memorandum of Association and Articles of Association had been approved in Extra Ordinary General Meeting held on 14/10/2019. Thereafter, the company obtained the required permission for operating business based on Islami Shariah and the change of company name from Northern General Insurance Co. Ltd. to Northern Islami Insurance Limited had been obtained from Insurance Development & Regulatory Authority (IDRA) & Registrar of Joint Stock Companies & Firms (RJSC). The company formed Shariah Council and started its insurance business based on Islami Shariah from 1 December, 2019.
Nature of Business	Non Life Insurance Business
Auditors	M/s Hussain Farhad & Co. Chartered Accountants House # 15, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212
Contacts	Telephone : (+880-2) 955 9077-79, 57164389, Hotline: 47110160 Fax : (+880-2-) 9551579 Email : info@niil.com.bd Website : www.niil.com.bd
Legal Advisor	M. A. Hannan & Counsels Consultants in Law Apartment 6-B, Level-6, Unique Heights, 117, Kazi Nazrul Islam Avenue, Dhaka
Tax Advisor	ADN Associates Rupayan Karim Tower, A-II, 80, Kakrail, Dhaka-1000, Bangladesh
Principal Bankers	First Security Islami Bank Ltd. Islami Bank Bangladesh Ltd. Shahjalal Islami Bank Ltd. Al-Arafah Islami Bank Limited Social Islami Bank Ltd. Union Bank Ltd. NRB Global Bank Ltd.
Web presence	**www.niil.com.bd**

Corporate Milestones

Incorporation of the Company	:	April 08,1996
Commencement of Business	:	April 08,1996
First Board Meeting	:	March 25,1996
Registered with the Department of Insurance	:	May 25,1996
Authorized Capital (in Tk.)	:	Tk. 1,000,000,000.00
Issued, Subscribed & Paid up capital	:	Tk. 42,65,96,110.00
Number of Share Issued	:	4,26,59,611 Shares
Face Value (Per Share)	:	Tk.10.00
Applied for Listing with DSE	:	July 16, 2008
Applied for Listing with CSE	:	July 16, 2008
First Trading of shares on DSE	:	November 25, 2008
First Trading of shares on CSE	:	November 25, 2008
Net Asset value per share	:	Tk. 19.49
Price Earning Ratio (as on 30-12-2019)	:	DSE-Tk. 14.65, CSE-Tk. 14.53
Market Price (as on 30-12-2019)	:	DSE Tk. 25.20, CSE Tk. 25.00
Year Wise Dividend Declaration	:	12.50% (Cash Dividend) 2007, 15% (Bonus) 2008, 15% (Bonus) 2009, 12% (Bonus) 2010, 15% (Bonus) 2011, 12% ((Bonus) 2012, 10% (Bonus) 2013 10% (Bonus) 2014, 12% (Bonus) 2015 10%(Bonus) 2016, 10% (Cash) 2017 10% (Cash) 2018, 10% (Cash) 2019
Distribution of 10% cash dividend in respect of financial year ended 31st December, 2018	Record date	May 19, 2019
	Distribution date	July 22, 2019
23rd Annual General Meeting	Notice date	May 29, 2019
23rd Annual General Meeting	Held on	June 23, 2019

FINANCIAL CALENDAR

	Submission Date
Audited Financial Statement for the 31 December, 2018	May 15, 2019
Unaudited Financial Statement for the 1st quarter ended 31 March, 2019	May 15, 2019
Unaudited Financial Statement for the 2nd quarter and half year ended 30 June, 2019	July 30, 2019
Unaudited Financial Statement for the 3rd quarter ended 30 September, 2019	October 14, 2019

Vision, Mission & Objectives

Our Vision

To be the market leader as strong and dynamic non-life insurer in providing integrated insurance service with special focus on prompt claim settlement.

Our Mission

- Enhance profitability through customer's satisfaction.
- Create shareholders value.
- Progress Employer's Commitment to excellence.

Objectives

- To meet the customers demand with our all out effort.
- To ensure the maximum protection of investment of our shareholders.
- To provider secured employment environment.
- To maintain high level of ethical standard.
- To develop corporate culture and good governance for us and all around us.
- To maintain the transparency in disclosures.

Products and Services

Fire Insurance	◆ Fire Insurance (including Allied Perils) ◆ Industrial All Risks (IAR)
Marine Cargo Insurance	◆ Transit by Steamer or Powered Vessel ◆ Transit by Rail/Lorry/Truck ◆ Transit by Inland Rail or Road Conveyance ◆ Transit by Air Cargo ◆ Transit by Inland Cargoes (water borne)
Marine Hull Insurance (TLO)	◆ Total Loss Only (TLO) ◆ Comprehensive
Motor Insurance	◆ Commercial Vehicle ◆ Private Vehicle ◆ Motor Cycle/Scooter

Miscellaneous	◆ Burglary & House Breaking Insurance
	◆ Cash in Safe
	◆ Cash in Transit
	◆ Cash in Counter
	◆ Cash in Premises
	◆ Contractors' All Risk (CAR)
	◆ Erection All Risk (EAR)
	◆ Engineering Insurance
	  ◗ Boiler and Pressure Vessel Insurance (BPV)
	  ◗ Machinery Breakdown Policy (MBD)
	  ◗ Deterioration of stock in cold storage Policy (DOS)
	  ◗ Electronic Equipment Insurance (EEI)
	  ◗ Lift Insurance Policy
	◆ Fidelity Guarantee Insurance
	◆ People Personal Accident (PPA)
	◆ Performance Bond Insurance
	◆ Third Party Liability Policy
	◆ Workmen's Compensation Policy
	◆ Personal Accident Policy (PA)
	◆ Business Interruption Policy
	◆ Public Liability Policy
	◆ Overseas Med claim and Holiday Insurance including study and employment

Branch Network

Branch Name	Address	Phone/Fax/Mobile
Agrabad Branch	Sattar Chamber (4th floor) 99, Agrabad C/A, Chattogram	Tel : 031-716032 Mobile : 01819-321297
Anderkilla Branch	A.N Tower (5th Floor), 23, Anderkilla, Teri Bazar, Chattogram	Tel: 031-620092-93 Mobile: 01819 179290
Bangshal Branch	230, North South Road (2nd floor), Bangshal, Dhaka	Tel: 02-47116843 Mobile : 01913-464031
B.B. Avenue Branch	29, B.B. Avenue (1st floor), Dhaka-1000	Tel: 02-9558011 Mobile : 01711-850550
Cumilla Branch	Hira Mansion (3rd floor), Ramghat, Kandirpar, Cumilla	Tel : 081-67813 Mobile : 01711 107137
Dilkusha Branch	Zaman Court, (8th Floor), 45 Dilkusha, C/A, Dhaka-1000	Tel : 02-9551805 Mobile : 01819-242180
Elephant Road Branch	299, Elephant Road (5th floor) Dhaka	Tel : 02-9660746 Mobile : 01749-072106
Gazipur Branch	Tangail Road, Near Brac Bank & NCC Bank Ltd. Chandana, Chowrasta, Gazipur	Tel : 49263672 Mobile : 01711-317698
Hatkhola Branch	Property Heights (2nd Floor), 12, R.K. Mission Road, Dhaka.	Tel : 02-9563635 Mobile : 01819-468690
Jubilee Road Branch	44, Jubilee Road, (2nd Floor), Enayet Bazar, Chattogram.	Tel : 031-615611 Mobile : 01819-385413
Kadamtoli Branch	1336/A, D.T. Road, (2nd Floor) Kadamtoli, Chattogram.	Tel : 031-718495 Mobile : 01819-311430
Khatungonj Branch	279 Khatungonj, Noor Market, Chattogram.	Tel : 031-622425-26 Mobile : 01817-748474
Kawran Bazar Branch	57/E (1st Floor), Kazi Nazrul Islam Avenue, Dhaka	Tel : 02-9125864 Mobile : 01819-199170

Branch Network

Branch Name	Address	Phone/Fax/Mobile
Kakrail Branch	50/D, VIP Road (1st Floor) Naya Palton, Dhaka-1000	Tel : 02-9346686 Mobile : 01819-271092
Local Office	Motijheel Square (7th floor), 1/B, D.I.T. Avenue, Motijheel C/A, Dainik Bangla Moor, Dhaka-1000	Tel : 02-9576969 Mobile : 01925-769092
Motijheel Branch	Bhuiyan Mansion (1st floor), 6, Motijheel C/A, Dhaka-1000.	Tel :02-9559702 Mobile : 01711-107651
Mogh Bazar Branch	4, Shahid Tajuddin Saroni (3rd floor), Boro Moghbazar, Dhaka-1217	Tel : 02-8331549 Mobile : 01817-110699
Mohakhali Branch	H-4 (2nd floor), International Airport Road, Mohakhali C/A, Dhaka	Tel : 02-9886790 Mobile : 01713-038195
Narayangonj Branch	Fazar Ali Trade Centre (3rd floor), 78, B.B. Sarak, Narayangonj	Tel : 02-7631963 Mobile : 01816-338372
Paltan Branch	Chowdhury Complex (2nd Floor), Suite-01, 15, Purana Paltan, Dhaka-1000	Tel : 02-9513173 Mobile : 01711-136580
Shantinagar Branch	Faizunnesa Homes (6th floor), 81/1 Siddeswari Circular Road Ramna, Dhaka	Dhaka Tel : 02-9338037 Mobile : 01818-342006
Sk. Mujib Road Branch	Progressive Tower (2nd floor), 1837, SK. Mujib Road, Badamtoli, Agrabad, Chattogram.	Tel : 031-2517832 Mobile : 01716-524778
Imamgonj Branch	AGI Business Centre (6th Floor) 81/B-1, Hosineey Dalan Road, Chankharpool More, Dhaka.	Tel: 02-57300725 Mobile : 01871-210100
Principal Branch	Akram Tower (Level-4),199, Shahid Syad Nazrul Islam Sarani, 15/5, Bijoy Nagar, Dhaka-1000.	Tel: 02-48310074 Mobile : 019122 46526

Corporate Structure

Board of Directors

Chairman
Mr. S. M. Ayub Ali Chowdhury

Directors
Al-haj Nasiruddin
Mr. Md. Sarwar Salim
Mr. Mohammad Azam
Al-haj Abdus Samad
Al-haj Md. Saiful Alam
Mr. Mortuza Siddique Chowdhury
Mrs. Ferdousi Islam
Barrister Faysal Ahmed Patwary
Ms. Thamina Rahman
Mrs. Naiyer Sultana
Mrs. Tasmin Saida Chowdhury

Independent Director
Mrs. Umme Habiba Akhter
Mr. Mohammad Rafique

Chief Executive Officer
Mr. Abdul Haque FCA

Chief Financial Officer
Mr. Sujit Kumar Dey FCA

Company Secretary
Mr. M. H. Galib

Head of Internal Audit & Compliance
Mr. Mohammed Saifur Rahman

Executive Committee
Chairman
Barrister Faysal Ahmed Patwary

Audit Committee
Chairman
Mrs. Umme Habiba Akhter

Claim Committee
Chairman
Al-haj Nasiruddin

Nomination and Remuneration Committee (NRC)
Chairman
Mrs. Umme Habiba Akhter

Manpower Review Committee
Convener
Mr. Md. Sarwar Salim

Shariah Council
Chairman
Prof. Dr. Mohammed Giasuddin Talukder

Introducing the Directors

Board of Directors and their Profile

Mr. S. M. Ayub Ali Chowdhury
Chairman, BOD

Mr. S. M. Ayub Ali Chowdhury is the current Chairman of the Board of Directors of Northern Islami Insurance Limited. He is one of the Sponsor Director of Northern Islami Insurance Limited. Apart from his involvement he is a prominent businessman of the country and is involved in the business of Manufacturing, Pharmaceutical & Trading sector holding the capacity of Managing Director & Director which has been listed in the page no. 103. He is also involved in many social activities and is a widely travelled person.

Al-haj Nasiruddin
Director, BOD &
Chairman of Claim Committee

Former Chairman of Board of Directors, Al-haj Nasiruddin is a Sponsor Director of Northern Islami Insurance Ltd. as well as a versatile business personality. He is actively associated with a number of companies in the areas of Insurance, Trading and Indenting Sector. A list of organization and entities has given in the page 103 where he has got interest in the capacity of Managing Director. He is attached with various educational & social cultural activities and devoted himself in the development of the country. He is widely travelled person and involved in many charitable organizations.

Board of Directors and their Profile

Al-haj Abdus Samad
Director, BOD

Al-haj Abdus Samad, is a member of Board of Directors of Northern Islami Insurance Ltd. He is a renowned entrepreneur of the country and Chairman of the Board of Directors of Al-Arafah Islami Bank Ltd. and Vice Chairman of S. Alam Group. He has versatile & diversified business affiliation and keen perception in Banking, Leasing, Merchant Banking, Manufacturing, Shipping, Power Plant, Transportation, Properties, Electronic Media and Trading business holding the capacity of Chairman, Vice Chairman, Managing Director and Director which is listed in the page 104. He is very much active using his tremendous leadership to progress and development of the insurance sector. He accomplished his graduation in business administration from Panjab University Chondrighar, India. He travelled the SAARC countries, USA, UK, Canada, Brazil, Japan, China, Malaysia, Singapore, Thailand and several European Countries on business trips on different accession including conference, seminar, symposium etc. He is also deeply involved in many social activities.

Mr. Mohammad Azam
Director, BOD

Mr. Mohammad Azam is a member of the Board of Directors of Northern Islami Insurance Ltd. He is a prominent businessman of the country. He has a long experience in various field of business and associated with a number of entities which is listed in the page no. 103. He is deeply involved in many social activities and charitable organizations. He is a widely travelled person across the globe.

Mr. Md. Sarwar Salim
Director, BOD &
Convener, Manpower Review Committee

Former Vice Chairman of the Board of Directors Mr. Md. Sarwar Salim is a member of Board of Directors & Convener of Manpower Review Committee of Northern Islami Insurance Ltd. He completed his M. Com in Accounting and he is a highly proficient personality in the field of banking sector having a long experience in multinational banking sector with the managerial capacity. He is involved himself in different lines in business activities like manufacturing, international trading and property business holding the capacity of Managing Director & Director which has been listed in the page 103. He is widely travelled person across the globe on business trips and involved in many charitable and social activities.

Board of Directors and their Profile

Al-haj Md. Saiful Alam
Director, BOD

Al-haj Md. Saiful Alam member of Board of Directors of Northern Islami Insurance Ltd. is a renowned entrepreneur of the country. He is the Chairman of S. Alam Group and First Security Islami Bank Ltd. Besides, he has build up a reputation as an astute and efficient business personality and achieved a remarkable success in a good number of business entities engaged in Banking, Leasing, Merchant Banking, Shipping, Manufacturing, Power Plant, Transportation, Properties, Electronic Media & Trading Business holding the capacity of Chairman & Managing Director which is listed in the page no. 105. Apart from all these, he is associated with a number of Social, Sports, Cultural and Religious Organizations.

Mr. Mortuza Siddique Chowdhury
Director, BOD

Mr. Mortuza Siddique Chowdhury is a member of Board of Directors of Northern Islami Insurance Ltd. As a versatile business personality in the country, he has a long business experience like Leasing, Media Communication, Service Sector and Trading Sector holding the capacity of Chairman, Vice Chairman and Director listed in the page 104. He is also involved in many social & charitable activities and know as a widely travelled person.

Mrs. Ferdousi Islam
Director, BOD

Mrs. Ferdousi Islam, a dynamic and visionary business personality is a Sponsor Director and is involved with a good number of business entities holding the capacity of Chairman, Managing Director & Director in the various field of business listed in the page no 103. She is also actively involved in many social activities. She is a widely travelled person across the globe.

Board of Directors and their Profile

Barrister Faysal Ahmed Patwary
Director, BOD &
Chairman of Executive Committee

Barrister Faysal Ahmed Patwary is a member of Board of Directors of Northern Islami Insurance Ltd. He is also Chairman of Executive Committee of the company. After completion his Bar-at Law, he engaged himself with business activities in different areas with several prestigious sector holding the capacity of Director which is listed in the page 103. He is very much using his tremendous leadership to progress and development of the insurance business. He is a widely travelled person and visited the SAARC countries, USA and several European countries for business purpose.

Ms. Thamina Rahman
Director, BOD

Ms. Thamina Rahman is a young and promising business woman and she is devoted herself to business activity at Chittagong. She is involved in many social, cultural activities and devoted herself in social welfare works. She is a widely travelled person.

Mrs. Naiyer Sultana
Director, BOD

Mrs. Naiyer Sultana is a Member of the Board of Directors of Northern Islami Insurance Limited since 30 July 2019. She is a young and promising business woman and devoted herself to business activity. She is involved in many social, cultural activities and devoted herself in social welfare works. She is a widely travelled person.

Board of Directors and their Profile

Mrs. Tasmin Saida Chowdhury
Director, BOD

Mrs. Tasmin Saida Chowdhury, a young and promising business woman is included to the Board of Directors of Northern Islami Insurance Limited on 1 December 2019. She is involved in many socio cultural activities and contributed herself in social welfare works.

Mrs. Umme Habiba Akhter
Independent Director and
Chairman of Audit Committee

Mrs. Umme Habiba Akhter was appointed to the Board of Directors of Northern Islami Insurance Ltd. as Independent Directors on December 12, 2018. Mrs. Habiba has completed her graduation from Chittagong University as well as M.A. in Political Science. As a dynamic and visionary lady she is involved with a good number of business entities. She is a member of Chattogram Women Chamber of Commerce & Industries (WCCI), President of Ladies Club, Jamalpur & Vice President of Ladies Club, Rajshahi Division.

Mohammad Rafique
Independent Director

Mr. Mohammad Rafique was appointed to the Board of Northern Islami Insurance Limited on 23 September, 2014 as an Independent Director. He has vast experience in diversified business affiliation. He accomplished his MSS in Economic from Chittagong University. He is the proprietor of M. M. Corporation.

Management Team

Managing Director & CEO
Mr. Abdul Haque FCA

Deputy Managing Director
Mr. Sujit Kumar Dey FCA (CFO)
Mr. Md. Raihan Ferdous
Mr. Md. Mahbubul Haque
Mr. Md. Mustafizur Rahman
Mr. Md. Lutful Alam
Mr. Md. Masud Rana
Mr. Md. Zahir Uddin Babur
Mr. Chowdhury Golam Faruque
Mr. Kazi Mizanur Rahman
Mr. Md. Abdul Haque Chowdhury
Mr. Golam Haider Chowdhury

Assistant Managing Director
Mr. S. M. Ahsanul Hoque
Mr. Md. Rafiqul Islam

Sr. Executive Vice President
Mr. Mohammed Salim
Mr. Md. Nazmul Huda
Mr. Md. Azazul Islam

Executive Vice President
Mr. Khokan Chandra Sarkar
Mr.Md. Shahidul Hoque

Sr. Vice President
Mr. Md. Aminul Islam
Mr. Md. Waliullah Sikder
Mr. Babul Mitra
Mr. Md. Nazrul Islam

Vice President
Mr. Md. Shahadat Hossain
Mr. M. H. Galib
Mr. A. S. M. Sajjadul Islam Chowdhury
Mr. Mohammed Saifur Rahman
Mr. Tofael Ahmed Bhuya

Senior Assistant Vice President
Mr. Md. Nazmul Karim
Mrs. Fazilatun Nesa Rimi
Mr. Mohammad Osman Gani

Assistant Vice President
Mr. Md. Mostafa Jamal Masud
Mr. Mohammed Jahangir Alam
Mr. Md. Shakhawat Hossain
Mrs. Shikha Rani Datta, ACS
Mr. Md. Mafizur Rahman
Mr. Biddut Kumar Samadder

Jt. Assistant Vice President
Mr. Md. Shamsul Alam
Mr. Md. Hafizullah
Mr. Md. Moniruzzaman

Pictorial

23rd AGM held on June 23, 2019

Extra Ordinary General Meeting 2019

195th Board of Directors Meeting -2019

197th Board of Directors Meeting -2019

Annual Managers' Conference-2019

Inaugural Ceremony of Islami Insurance Business

Half Yearly Business Conference-2019

Doa at Shariah Council Meeting -2019

1st Bima Dibosh (Insurance Day -2020)

S. M. Ayub Ali Chowdhury
Chairman of the Board

Chairman's Address

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum Warahmatullah,

It is indeed a great pleasure for me to say few words about the activities of the company. Before going to the subject, I would like to express my deep condolence to our fellow Director & Ex-Chairman Late Engineer Abdul Matin who had breathed his last recently. May Allah grant him jannah.

Considering increasing trend of insureds' interest towards islamic insurance, the Board took decision to operate insurance business on the basis of Islami Shariah. The company obtained the required permission for operating business based on Islami Shariah and the change of company name from Northern General Insurance Co. Ltd. to Northern Islami Insurance Limited from Insurance Development & Regulatory Authority (IDRA) & Registrar of Joint Stock Companies & Firms (RJSC) and started its insurance business based on Islami Shariah from 1 December, 2019.

Thank you for joining us today in the 24th Annual General Meeting of Northern Islami Insurance Limited and I place before you the company's Financial Statements and performance for the year 2019. The Board has taken certain steps to increase company's Gross Premium and Net Premium. During the year 2019, Gross Premium income was BDT. 618.18 million against BDT 462.35 million in 2018 and net premium income was BDT 376.78 million against BDT 246.60 million in 2018. The Net Profit after tax rose BDT 73.53 million from BDT 70.49 million in 2018 and total asset stood at BDT 1484.42 million as at 31st December 2019. We record with gratitude the contribution to this growth made by all our clients.

There was an impressive increase of 77% in Investment Income to BDT 28.06 million as opposed to BDT 15.88 million in 2018. The company continued its efforts towards diversifying its business portfolio, thus achieving a desirable spread of business fundamental to the growth of insurance industry.

Northern Islami Insurance Limited always emphasize on professionalism and relied on the dynamism in skilled through our highly qualified personnel. We have rendered dedicated services over the years and moved the company forward. We believe that our skilled manpower is devoted towards responding to customer's requirement with utmost transparency and efficiency. We paid equal attention in expending our latest IT infrastructure and stretched network coverage to its optimum capacity.

Northern Islami Insurance Limited views sound Corporate Governance as a critical factor in ensuring organizational integrity and efficiency creating long term value for shareholders. We aspire to the highest standards of ethical conduct and best practices in reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern our business in different jurisdiction.

With its impressive track record, we are very much confident that the company is poised to accept challenges of the future, capitalize on opportunities arising and maintain its momentum in growth of business and profitability in the years to come. We are most obliged and appreciative of the continued support from our clients & shareholders and would look forward to continuation of the same. In particular, I would like to thank all scheduled banks & non banking financial institutions with whom we have extensive dealings, prime regulator IDRA, Dhaka Stock Exchange & Chittagong Stock Exchange, CDBL, BSEC, Sadharan Bima Corporation, Bangladesh Insurance Association and other government bodies for their continued co-operation and support.

On behalf of the Board I would like to take the opportunity to express our gratitude to the Management and staff of the company for their outstanding work in adherence to company's vision. I would also like to convey my sincere gratitude to my fellow Directors for their extended support, valuable advice and guidance which made your company in a desirable position within the insurance industry. The diligence of the management team and the staff who worked very hard to take the company forward and delivering excellent results. I must express our deepest appreciation of their dedicated & untiring services and convey our thanks to all of them.

May Almighty Allah bless all of us.

S. M. Ayub Ali Chowdhury
Chairman

Abdul Haque FCA
Managing Director & CEO of the Company

Chief Executive Officer's Review

Bismillahir Rahmanir Rahim

Assalamu Alaikum Warahmatullah,

We are grateful to the Almighty Allah for enabling us to pass another successful business year for company and you would appreciate for its quality business & good customer services. Before going to the subject, I would like to express my deep condolence to our Ex. Chairman and Director Late Engr. Abdul Matin who had breather his last recently. May Allah grant his jannah.

The company follows International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in preparing financial statements. Disclosure as required by Insurance Act 2010 has been complied with while preparing financial statements and also in compliance with the Companies Act 1994, in addition to the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE). Detailed description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the note 2.0 of the financial statements.

The outbreak of Worldwide Corona Virus epidemic as well as our country is an unprecedented shock to the Bangladesh Economy during the last part 2019 and at the starting of year 2020. Despite of the slow growth economy, Northern Islami Insurance Ltd., a non life insurance company has reached in an unique position in the insurance field by making a difference. The key operating and financial performance as will as cash flows for immediate precedings five years are as follows:

(Figures in Million Taka)

Particulars	2019	2018	2017	2016	2015
Gross Premium	618.18	462.35	422.60	373.38	351.49
Net Premium	376.78	246.60	247.21	209.68	241.63
Underwriting Profit	116.81	120.42	117.81	110.96	130.98
Investment Income	28.06	15.88	14.72	14.41	24.99
Net Profit after tax	73.53	70.49	69.42	66.21	64.16
EPS	1.72	1.65	1.63	1.55	1.50
NOCFPS	3.27	1.33	3.22	1.17	0.90
Paid-up Capital	426.60	426.60	426.60	387.81	346.26
No. of Share	4,26,59,611	4,26,59,611	4,26,59,611	3,87,81,465	3,46,26,308
Shareholders' Equity	831.59	800.72	851.36	781.94	715.73
Total Assets	1,484.42	1354.88	1282.29	1129.28	1110.65
NAV (Per Share)	19.49	18.77	19.96	18.33	16.78

We have been able to maintain a healthy Gross Premium and Net premium in this slow growth economy and competitive insurance market which have been presented in detail in the Report of Board of Directors. In 2019 we left no stone unturned to make headway in our core business, for which we really indebted to all of you. Despite a challenging business environment, we are extremely happy to inform you that our investment income during the year resulted in outperforming market benchmarks which is recorded a positive growth of 77% to reach Tk. 28.06 million for the year.

Northern Islami Insurance Limited (NIIL) is a company well-respected for its transparency in Corporate Governance. Continuing to uphold this reputation, it is noted with pleasure that NIIL has both regulatory and voluntary governance best practices. We are researching for continuous improvement of existing products and bent on to bringing innovation in insurance solutions. Our management team meets frequently to sorting out problem and focus on using problem solving tools through brain storming and focus on mutual business discussion meeting. Our dynamic Board guides us evaluating employee's efficiency and facilitates continuous training to develop the professional and technical skills. Our strategy is bringing trust and profit will come logically through clients and customers satisfaction. In our way to settle every valid claim in a shorter period of time, we attempt to improve our core competency in claims settlement because we want to reflect in our every dealing that insurance must be the ones who are in the business of indemnifying policyholders when misfortunes do strike. Insurers have to pay genuine claims quickly for the compensation of the clients. We will continue implementing our projects and delivering value to our clients and other stakeholders.

Adequate service levels, good corporate governance practices & compliance with regulations can have a significant impact on the company's sustainability. We aspire to the highest standards of corporate governance and apply the codes as set out by BSEC as well as abide by the rules & regulations of Registrar of Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository of Bangladesh Ltd., Sadharan Bima Corporation, Bangladesh Bank, all Schedule Banks & Non Banking Finance Institutions. We are really thankful to our employees for their dedicated services during the year 2019 and hope for continuance in the years to come.

Finally we would like to convey our thanks to all of our stakeholders and colleagues for their whole-hearted support and our sincere gratitude to the Board of Directors for sharing their insights and wisdom. We sincerely thank each and every shareholder for their unshakable trust and confidence in making the year 2019 a success and we are always looking for ideal opportunities for them. We assure all shareholders that we will make every effort to honor their trust for running the company with the highest level of ethics, integrity and honesty.

Thank you,

May Almighty Allah grant us wisdom and strength in days to come. Take care and be safe.

Ma-assalam,

Abdul Haque FCA
Chief Executive Officer

Report of the Board of Directors

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

It is a great pleasure to welcome you all on behalf of the Board of Directors to the 24th Annual General Meeting of Northern Islami Insurance Limited and to present before you the Director's Report along with the audited financial statements as on and for the year ended 31st December 2019 for your consideration. Before going to the subject, I would like to express my deep condolence to our fellow Director & Ex-Chairman Late Engineer Abdul Matin who had breathed his last recently. May Allah grant him jannah.

While preparing the Annual Report, section 184 of the Companies Act 1994, BSEC's Notifications, the Listing Regulations of Dhaka Stock Exchange, Chittagong Stock Exchange, guideline of Insurance Development and Regulatory Authority (IDRA) and other applicable rules & regulations are followed and complied with.

To operate insurance business on the basis of Islami Shariah, the required changes including provision for formation of Shariah Council in the Memorandum of Association and Articles of Association had been approved in Extra Ordinary General Meeting held on 14/10/2019. Thereafter, the company obtained the required permission for operating business based on Islami Shariah and the change of company name from Northern General Insurance Co. Ltd. to Northern Islami Insurance Limited had been obtained from Insurance Development & Regulatory Authority (IDRA) & Registrar of Joint Stock Companies & Firms (RJSC). The company formed Shariah Council and started its insurance business based on Islami Shariah from 1 December, 2019.

Shariah Council of Northern Islami Insurance Limited is represented 5 (five) members having adequate knowledge in Quran Sunnah and Fiqah who are eminent Islamic scholars, Shariah experts and Insurance experts for supervising the function of the company complying with Shariah. Shariah Council of Northern Islami Insurance Limited plays a vital role in framing and exerting guidelines to ensure compliance with Islami Shariah for preparation of audited financial statements and settlement of insurance claims with integrity on the basis of documents. The Shariah Council is in the view that the company is following Islami Shariah guidelines in all respect except legal restriction & practical difficulties.

Global & Bangladesh Economy

Global growth during the year 2019 recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across the countries. These challenges call for policymakers to avoid missteps and to take the right policy steps at home, across the

borders and globally. The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the Virus. Restriction on movement of people, goods and services, and containment measures such as factory closures have cut manufacturing and domestic demand sharply. The impact on the rest of the world through business travel and tourism, supply chains, commodities and lower confidence is growing. Output contractions in China are being felt around the world, reflecting the key and rising role China has in global supply chains, travel and commodity markets. The June 2020 Global Economic Prospects describes both the immediate and near-term outlook for the impact of the pandemic and the long term damage. The baseline forecast 5.2 percent contraction in global GDP in 2020, using market exchange rate weights the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages. The pandemic is expected to plunge most countries into recession in 2020. The adverse on financial markets, the travel sector and disruption to supply chain contributes to the downward revision in all G20 economics in 2020, particularly ones strongly inter connected to China, such as Japan, Korea and Australia. A longer lasting and more intensive corona virus outbreak, spreading widely throughout the Asia Pacific region, Europe and North America, would weaken prospects considerable. In this event, global growth could drop to 1.50% in 2020, half the rate projected to the virus outbreak.

Globally, no major setback was suffered by Bangladesh Economy during 2019 on a sustained basis, inflicting irreparable damage. This may be attributed to the limited degree of globalization effected by Bangladesh economy till now. But some headwind stemmed from slowed-down export and import growth due to shrinking global economic growth. Loss of market to competitors with greater comparative advantage, particularly in garment manufacturing, could also have played its part in whatever decline in exports took place during the year under discussion. According to Bangladesh Bureau of Statistics (BBS), exports from Bangladesh declined by 7.6 percent in the first five months of the current fiscal while imports dropped by 3.20 percent during the same period. The World Trade Organization (WTO) projected that global trade volume would have shrunk by 2.60 percent in 2019. The International Monetary Fund (IMF) in its update on global economy estimated that global growth during 2019 would have receded to an extent that would be the weakest pace since the 2008 financial meltdown. The Bangladesh economy grew by a record 8.15 percent in FY 2018-19. Bangladesh gross domestic product would grow by 4.5 percent in fiscal year 2020 and 7.5 percent in the fiscal year 2021, the Asian Development Bank said in June, 2020. The World Bank said that the country's economy might post a growth between 2 percent and 3 percent in fiscal 2020, followed by 1.2 percent to 2.9 percent in fiscal 2021. The International Monetary Fund in June almost halved its GDP growth forecast for Bangladesh in 2019-20 to 3.8 percent, about 3.5 percentage points less than projection the IMF had forecasted before the pandemic had begun. The Government had revised the target down to 5.2 percent from 8.2 percent after the corona virus crises had begun, because agricultural production was good and remittances sent by the expatriates shattered records.

Bangladesh non life insurance industry continues to operate as one of the small in the world. The growth of non-life insurance companies' premium income has been rather nominal and

the insurance industry now in the way to keep pace with the economic growth of the country. The situation in Bangladesh non life insurance market still has unlined due to intense and cut throat competition among the existing market players.

Financial Achievement

In the year ended on 31st December, 2019 the Gross Premium income of the company stood at Tk. 618.18 million against Tk. 462.35 million during the year 2018. Total Investment including FDR reached to Tk. 377.39 million during the year compare to Tk. 300.04 million in 2018 and Total Assets stood at Tk. 1,484.42 million against Tk. 1,354.88 million in 2018.

Profit

Profit/interest on fixed deposit during the year 2019 & Investment Income stood at Tk. 28.06 million against Tk. 15.8 million in 2018. Inspite of small increase in investment income your Company earned Net Profit after tax Tk. 73.53 million in 2019 against Tk. 70.49 million in 2018.

Client Service & Claim Settlement

The Board of Directors of the company follows the principle of increasing goodwill of the company in all respect such as prompt settlement of Claim, payment of any dues in time, improvement of prompt services to the clients, associates, well wishers and to look after the well-being irrespective of rank and file of the insured to maintain excellent friendly atmosphere at all time. The Claim Department of Northern Islami Insurance Limited is fully equipped with devoted and efficient professionals capable of providing personalized services to the clients round the clock. The Gross Claim paid during the year stood at Tk. 80.20 million against Tk. 81.11 million in 2018.

Reserve & Surplus

In order to build strong and solid foundation of Assets & Reserve based Company, the Board of Directors proposed to transfer Tk. 37.68 million only to Reserve for Exceptional Losses Account during the year and therefore, the Reserve and Surplus stood at Tk. 463.50 million in 2019 as follows:

	In Million Tk.
Reserve for Exceptional Loss	225.37
Reserve for Un-expired Risk	150.80
Revaluation Surplus	87.33
Total	**463.50**

Earning Per Share

Company's attributable profit to the ordinary shareholders is Tk. 73.53 million in 2019. During this year Company's Earning Per Share (EPS) stood at Tk. 1.72 (face value per share Tk. 10/-).

Dividend

Our long term goal is to maximize shareholders interest on their investment. Keeping this objective in mind, the Board of Directors recommended 10% Cash Dividend to the

shareholders of the Company for the year ended 31st December 2019 subject to approval in the 24th AGM.

Investment

The total Investment including FDR of the Company stood at Tk. 377.39 million at the end of the year 2019 as against Tk. 300.04 million in 2018.

	Year 2019	Year 2018
	In Million Tk.	In Million Tk.
Fixed Deposit with various Banks	302.34	225.00
Bangladesh Govt. Treasury Bond	25.00	25.00
FSIB 2nd Mudaraba Subordinated Bond	50.00	50.00
Share in Public Limited Company	0.05	0.04
Total	**377.39**	**300.04**

Financial Summary

Taka in Million

Particulars	2019	2018	2017	2016	2015
Gross Premium	618.18	462.35	422.60	373.38	351.49
Net Premium	376.78	246.60	247.21	209.68	241.63
Gross Claim Paid	80.20	81.11	84.99	92.17	56.29
Underwriting Profit	116.81	120.42	117.81	110.96	130.98
Investment Income	28.06	15.88	14.72	14.41	24.99
Net Profit (after tax)	73.53	70.49	69.42	66.21	64.16
Investment including FDR	377.39	300.04	291.26	211.87	178.74
Total Assets	1,484.42	1,354.88	1,282.29	1129.28	1110.65
Earning Per Share (Taka)	1.72	1.65	1.63	1.55	1.50
Face Value Per Share	**Tk. 10**	**Tk. 10**	**Tk. 10**	**Tk. 10**	**Tk. 10**

Retirement of Directors

At the 24th Annual General Meeting the following Directors from 'A' Group shall be retired by rotation as per article 112 & 114 of the Articles of Associations of Company, being eligible, they offer themselves for re-appointment:

1) Mr. S. M. Ayub Ali Chowdhury
2) Mr. Md.Sarwar Salim
3) Mr. Mortuza Siddique Chowdhury
4) Mrs. Ferdousi Islam

In accordance with the provision of clause 112 of the Articles of Association of the Company the following 2 Directors belonging to Group -B will retire in the 24th Annual General Meeting:

1) Barrister Faysal Ahmed Patwary
2) Ms. Thamina Rahman

With a view to inform all public shareholders, the relevant notice in relation to Election of Directors from Public Shareholders has already been published on 22 July, 2020 in two National Dailies.

Human Resource Management

In the perspective of the national economy of the country, the principal goal is to generate more and more employment. All of you know that the skilled manpower plays a very vital role in achieving a gradual achieved goal. You would be pleased to know that presently 398 efficient and dedicated professional officers & staff are working in the company holding various positions. To build up an efficient and enriched team, through all level of officers and staff, different types of training have been arranged that has given a positive improvement on overall image of the company.

The company is to continue training on Islamic Shariah and Islami Economics to develop skill and to increase the knowledge of employees of all levels in Islamic Shariah and Islamic Economics to earn confidence of the customers to increase business of the company.

Appointment of Auditors

The present Auditors M/s Hussain Farhad & Co. Chartered Accountants, Address: House # 15, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212 is going to retire in the 24th Annual General Meeting and they have completed their assignment as Auditors for the year 2019. Being eligible they have expressed their willingness and offered themselves for re-appointment as Statutory Auditors of the company for the year 2020 till next AGM, subject to approval in the 24th Annual General Meeting.

Credit Rating

The Company has been rated as "AA" in the Long Term and "ST-1" in the Short Term by the Government approved Alpha Credit Rating Ltd. on the basis of Audited Financial Statements for the year ended December 31, 2019 and the other relevant information. The rating is supported by increasing gross premium, prudent underwriting, dividend policy, prompt settlement of claims etc.

Corporate Governance

The Board of Directors of the company firmly believes that practice of Good Corporate Governance and transparency in a sine qua non towards ensuring a disciplined and a sustainable organization. The main objective of corporate governance is to ensure transparency and accountability through a mix of national and social responsibilities with the company's individual goal and its outcome. In pursuant to the Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, it is to highlight here that the listed companies of Bangladesh have taken steps to adapt such Corporate Governance. Accordingly the Board of Directors of Northern Islami Insurance Limited has taken this notification into their consideration and in trail to that you are requested to look at your company's present status in Annexure-1.

Looking Ahead

This year the company has set up a challenging business target and in order to achieve the same, some concrete initiatives have also been adopted and we believe that our endeavour to provide quality and prompt services to the clients will be helpful to increase the volume of business. We hope and believe that Insha Allah, the endeavour of the management with

full co-operation & active participation of all of us, we shall continue our progress in the coming days too.

Acknowledgement

The Board of Directors deeply appreciates the gracious support and co-operation extended by the Government of the Peoples Republic of Bangladesh particularly, the Financial Institutions Division, Ministry of Finance, Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository of Bangladesh Ltd, Alpha Credit Rating Ltd. The Board also like to put on record its appreciation and services rendered by IDRA, Sadharan Bima Corporation, Bangladesh Insurance Association, Bangladesh Insurance Forum and Bangladesh Insurance Academy. The Board also would like to thank Bangladesh Bank and all scheduled Banks, Non-Banking Financial Institutions, our valued clients, patrons and well wishers for their continuous assistance and co-operation, patronization and encouragement extended to us on various aspects.

We also offer sincere gratitude and thanks for all out efforts and team spirit of the Chief Executive Officer, CFO, Company Secretary, Senior Executives, Officers and the Employees of the company for their sincere and dedicated services towards greater success. We always solicit your continuous co-operation, hard work and valuable suggestions during the days ahead as done before.

We are also highly grateful to our colleagues and express our heartfelt thanks and gratitude to the Chairman of Shariah Council, Executive Committee, Claims Committee, Audit Committee, Nomination and Remuneration Committee and Convener of Manpower Review Committee of the Board of Directors for their valuable suggestion, noble counsel, active co-operation and unstinted support towards achieving the cherish goals of the Company.

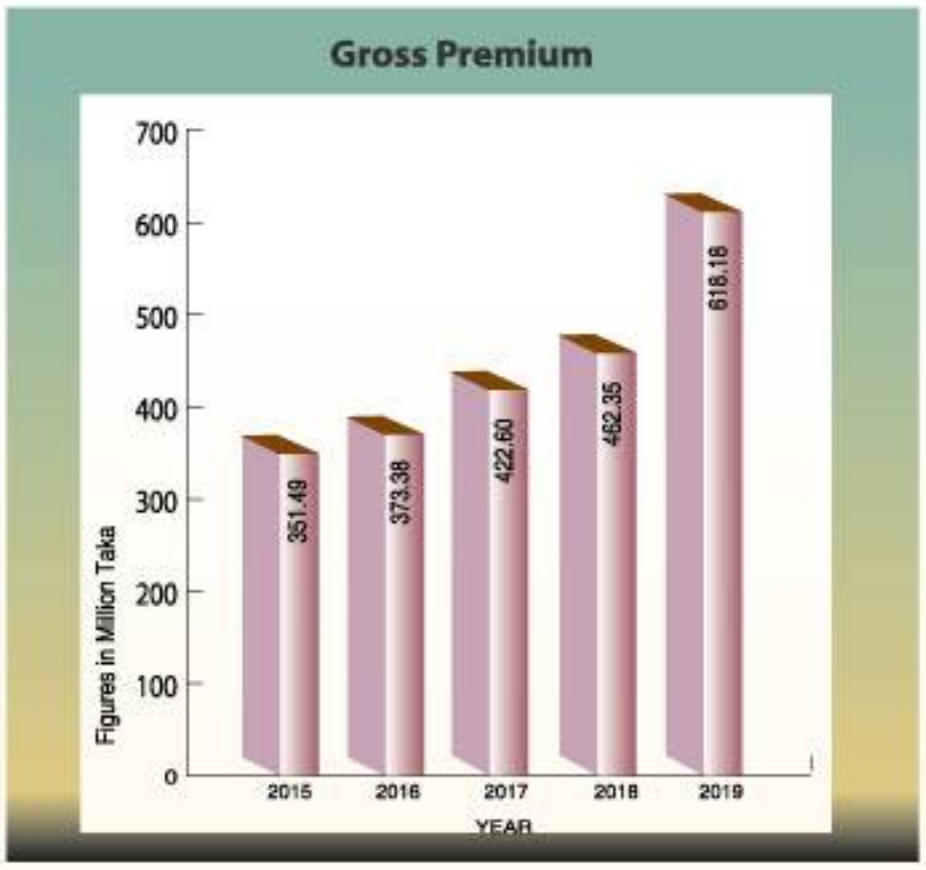
We all are most grateful to Almighty Allah who has helped us and given us the courage to lead the Company towards a better future.

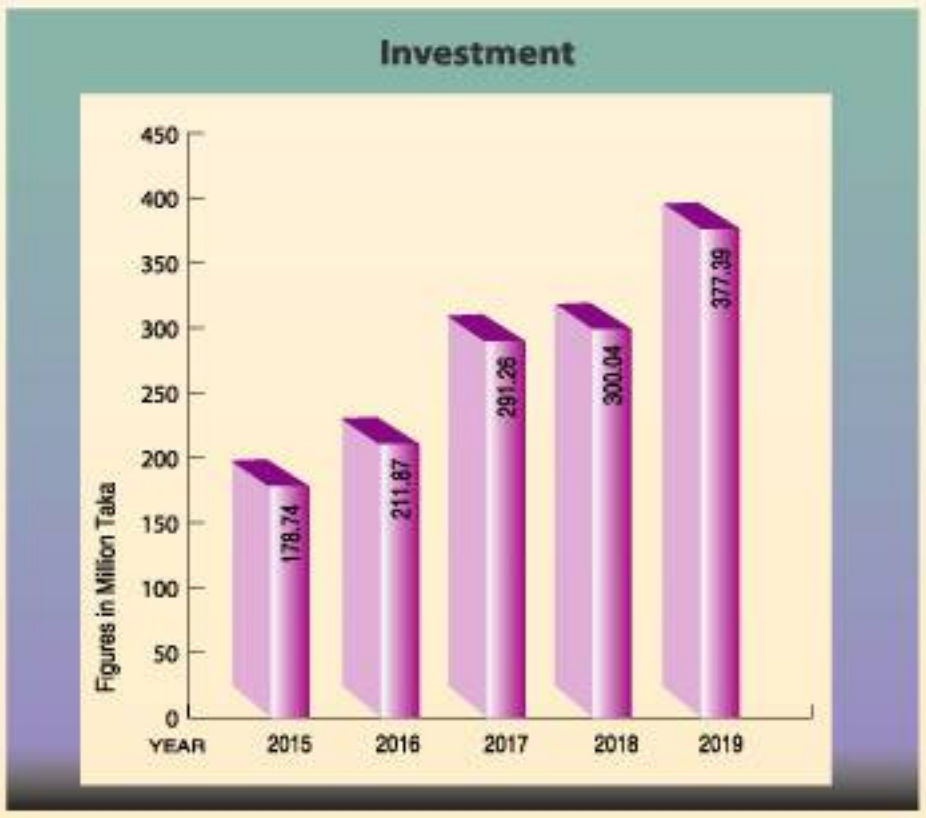
For and on behalf of the
Board of Directors

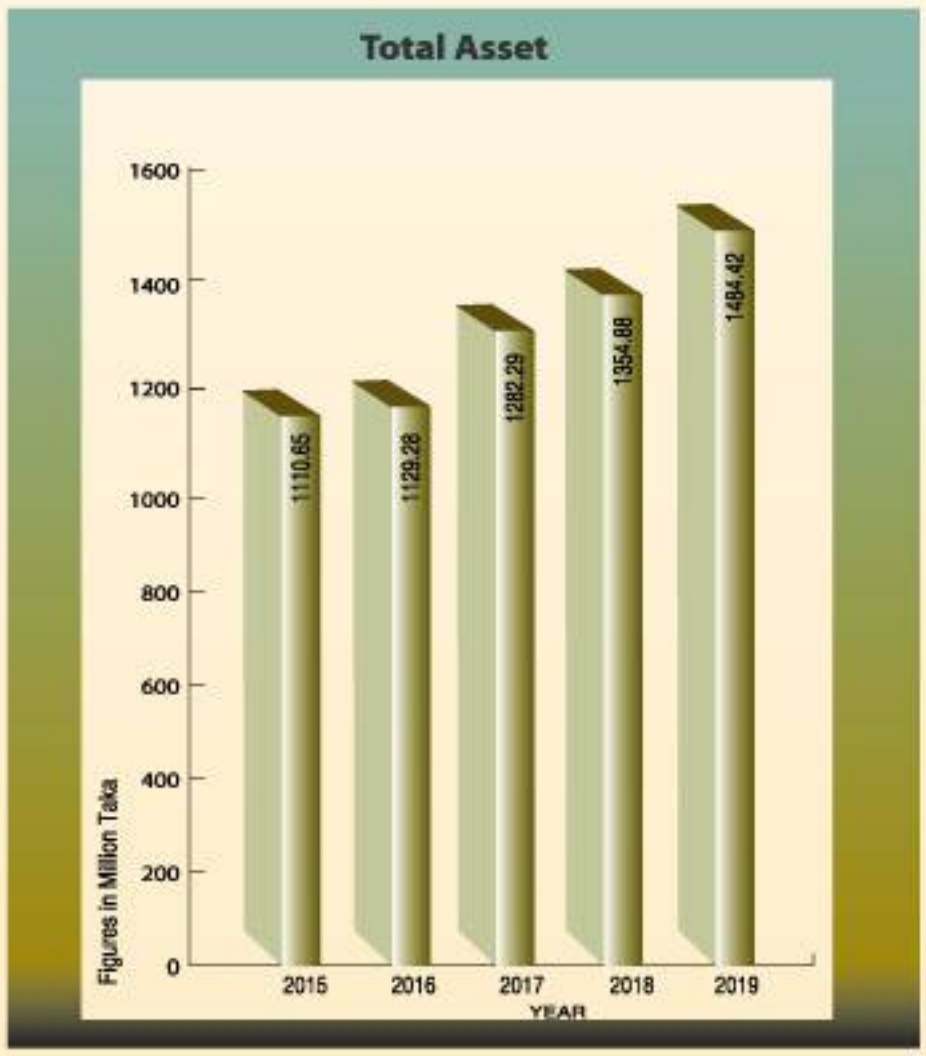
Northern Islami Insurance Limited

(S. M. Ayub Ali Chowdhury)
Chairman of the Board

Graphical Data







Compliance Report to

Bangladesh Securities and Exchange Commission

(under section 184 of the Companies Act, 1994)

ANNEXURE-I

The Directors also report that-

- Related party Transaction are depicted in Note no. 24 & 24.1 in the Notes of Accounts.
- Remuneration of Directors including Independent Director have been shown in the statement of comprehensive income.
- The Financial Statements of the company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with IAS/BAS/IFRS/BFRS.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- During the year ended December 31, 2019 the Board of Directors held 8 meetings and the Directors serving on the Board attended in aggregate 80% of the total number of the meetings.
- The pattern of shareholding (along with name detail) of Partner/Subsidiary/Associated companies and other related parties, Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% as at December 31, 2019 are as stated in **Annexure-II.**
- Key operating and financial data of last 5 (five) years have been presented in summarized form in **Report of the Board of Directors.**
- Brief Resume of the Directors who seek re-appointed and appointed in the AGM are stated in **Profile of Directors and their attachment.**
- A management's discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's positions and operations along with a brief discussion of changes in financial statements, among others.
- Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) is disclosed in **Annexure- III**.
- The report as well as certificate regarding compliance of condition of this code as required under condition. 9 is disclosed in **Annexure- IV & V**.

Shareholding Pattern of Directors & Sponsors:

(as at 31st December, 2019)

ANNEXURE-II

Particulars	No. of Share Held	Percentage	Remark
Parent Company	-	-	The Company is not subsidiary of any company
Directors :			
Mr. Abdul Matin	9,27,111	2.173	
Mr. Mohammad Azam	9,84,385	2.307	
Al-haj Nasiruddin	9,27,111	2.173	
Mr. S.M. Ayub Ali Chowdhury	10,92,504	2.561	
Mr. Md. Sarwar Salim	9,41,897	2.207	
Mrs. Ferdousi Islam	12,45,647	2.920	
Al-haj Abdus Samad	9,27,111	2.173	
Mr. Shahriar Khaled	9,27,111	2.173	
Barrister Faysal Ahmed Patwary	9,52,373	2.232	
Ms. Thamina Rahman	12,45,647	2.920	
Mr. Mortuza Siddique Chowdhury	9,27,111	2.173	
Mrs. Naiyer Sultana	11,71,111	2.745	
Al-haj Md. Saiful Alam	8,54,231	2.002	
Mrs. Tasmin Saida Chowdhury	12,45,647	2.920	
Total	**1,43,68,997**	**33.679**	
Chief Executive Officer(CEO) and his spouse and minor children :	NIL		
Chief Financial Officer(CFO) and his spouse and minor children :	NIL		
Company Secretary (CS) and his spouse and minor children :	NIL		
Head of Internal Audit and his spouse and minor children :	NIL		
Executives (Top salaried person other than CEO, CFO, CS, HIAC) :	NIL		
Shareholders Holding 10% or more voting right :	NIL		

Compliance of Notification

No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018

1. BOARD OF DIRECTORS:

1.1 Board's Size

The member of the Board Directors within the limit given by BSEC

1.2 Independent Director's:

(i) In terms of the Provision under this sub-clause the Board of Directors has appointed 2 (two) nos. Independent Director as per Insurance Act'2010.

(ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the Corporate Governance Code of BSEC

(iii) In terms of provision of SEC Notification under reference the shareholders in the AGM are required to approve the appointment of Mrs. Umme Habiba Akhter for 3 years as Independent Director.

(iv) The post of Independent Director shall not be kept vacant for more than 90 days.

(v) The Board of Directors has laid down a code of conduct for all members of the Board.

(vi) The tenure of office of the Independent Director as nominated above shall be 3(three) years which may be extended for 1 (one) term only.

1.3 Qualification of Independent Director (ID)

(i) The Independent Director nominated by the Board is highly qualified and knowledgeable person.

(ii) The recommended IDs' have more than 10 years experiences.

1.4 Duality of Chairperson of the Board of Directors and Managing Director or CEO

(i) The position of the Chairman of the Board and the Chief Executive Officer stand separate. The roles of the Chairman and CEO & Managing Director are separate.

(ii) The Board defined respective roles and responsibilities of the Chairperson/Chairman and the Managing Directors and/or Chief Executive Officer

1.5 The Director's Report to Shareholders

All the requirements have been fulfilled.

1.6 The Company is conducting Board Meeting and record the minutes of the meeting in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)

1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer. All the requirements have been fulfilled.

2. **Governance of Board of Directors of Subsidiary Company NGICL has no Subsidiary Company.**

3. **CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)**
   All the requirements have been fulfilled.

4. **Board of Directors' Committee**
   The Board of Directors is assisted by the following Committees;
   01) Executive Committee
   02) Claim Committee
   03) Audit Committee
   04) Nomination & Remuneration Committee (NRC)
   05) Shariah Council

5. **AUDIT COMMITTEE:**
   The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the BSEC regulation, has been duly adopted by the Board. Their reports are being submitted as per BSEC requirements.

6. **NRC** of Northern Islami Insurance Limited as a committee of the Board, assists the Board in formulation of the nomination criteria or policy for determining qualification, positive attributes, experience and independence of directors and top level executive. The Committee is independent and accountable to the Board and to the shareholders.

7. **EXTERNAL/STATUTORY AUDITOR(S):**
   The BSEC guidelines are being strictly followed in engaging Statutory Auditors.

8. **MAINTAINING A WEBSITE BY THE COMPANY:**
   Northern Islami Insurance Limited has an website link with the Stock Exchange and detail disclosures of the company are available on its website under the listing regulations.

9. **REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**
   Requirement on the above are being complied with.

Responsibilities of CEO & CFO

ANNEXURE-III

The Board of Directors
Northern Islami Insurance Limited

Subject: Declaration on Financial Statements for the year ended on 31 December 2019

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Date 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Northern Islami Insurance Limited for the year ended on 31 December 2019 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 reasonable 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 concern 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 2019 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statements 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,

Abdul Haque FCA
Chief Executive Officer

Sujit Kumar Dey FCA
Chief Financial Officer

Audit Committee Report

For the year ended 31st December, 2019

The Audit Committee of Northern Islami Insurance Limited is a sub-committee of the Board of Directors and members are appointed by the Board of Directors. The Audit Committee consists of the following Directors:

Sl.	Name	Status	Position of Audit Committee
1.	Mrs. Umme Habiba Akhter	Independent Director	Chairman
2.	Mr. S.M. Ayub Ali Chowdhury	Director	Member
3.	Al-haj Abdus Samad	Director	Member
4.	Al-haj Nasiruddin	Director	Member
5.	Mr. Md. Sarwar Salim	Director	Member
6.	Mr. Abdul Matin	Director (Died on 4.4.2020)	Member

The Committee held 6 (Six) meetings during the year as per following:

Name of the Meeting	Total Meeting held during the 2019	Attended
Audit Committee Meeting	6 (Six)	98% attendance on average

Activities of the Audit Committee:

a) Reviewed and recommended to the Board to approve the financial statements prepared for statutory purpose;

b) Report to the Board of Directors on internal audit finding from time to time considering the significance of the issues;

c) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and

d) Reviewed and considered the internal auditor's report and management report submitted by the statutory auditor's regarding observations on internal control. The Audit Committee is of the view that risk management associated with the insurance business is adequately controlled.

e) The Committee reviewed the internal audit reports, quarterly, half yearly, annual financial statements and the external audit report and recommended to the board for consideration. The Committee did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Umme Habiba Akhter

Mrs. Umme Habiba Akhter
Chairman
Audit Committee

Nomination and Remuneration Committee (NRC)

For the year ended 31st December, 2019

The NRC of Northern Islami Insurance Limited is a sub committee of the Board of Directors and is appointed by the Board of Directors as follows;

Sl. No.	Name	Position
01	Mr. Mohammed Rafique, Independent Director	Chairman
02	Mr. Abdul Matin, Director (died on 4.4.2020)	Member
03	Mr. Md. Sarwar Salim, Director	Member
04	Al-haj Abdus Samad, Director	Member
05	Al-haj Nasiruddin, Director	Member
06	Mr. Abdul Haque FCA, MD & CEO	Member

Activities of the NRC

1) NRC shall be independent and responsible or accountable to the Board and to the shareholders;

2) NRC shall oversee, among others, the following matters and make report with recommendation to the Board;

   a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;

      i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

      ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

      iii) 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;

   b. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

   c. indentifying 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;

   d. formulating the criteria for evaluation of performance of independent directors and the Board;

   e. indentifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

   f. developing, recommending and reviewing annually the company's human resources and training policies;

3) The Committee shall report to the Board and disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

Report of the Shariah Council

Respected Shareholders
Assalmu Alaikum Wa Rahmatullah

Northern Islami Insurance Limited (NIIL) started its operation on shariah based insurance business. On behalf of the Shariah Council, I would like to congratulate all the members of the Board of Directors and the Chief Executive Officer Mr. Abdul Haque FCA for their success in converting from traditional operation to Islamic Shariah based operation.

Observation:

- The audited financial statement of the company for the year ended 31 December 2019 presented in the Shariah Council Meeting held on 21 July 2020 are reviewed and approved.
- In absence of Rules & Regulations on Islamic Shariah based insurance the company is following to the extent possible, the guidance of Shariah Council.
- Except legal obligations & practical difficulties in deposit & investment, the company is following Islamic Shariah guidelines.
- Shariah Council opine that the company settled insurance claims with integrity on the basis of documents.

Suggestion:

- Except legal restriction & practical difficulties the company should follow Islamic Shariah in all aspects.
- The company is to prefer transactions and fixed deposit with Islamic Shariah based banks & financial institutions and gradually transfer transactions & deposits from banks and financial institutions running on interest basis.
- The company is to increase the knowledge of employees of all levels in Islamic Shariah and Islamic Economics to earn confidence of the customers to increase business of the company.
- The company is to continue training on Islamic Shariah and Islamic Economics to develop skill of the employees.

May the Almighty Allah accept all our welfare efforts, and keep the continuity of success and blessing. Ameen.

Prof. Dr. Mohammed Giasuddin Talukder
(Chairman)

দাশ চৌধুরী দত্ত এন্ড কোং
DAS CHOWDHURY DUTTA & CO.
CHARTERED ACCOUNTANTS

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[Certificate as per condition No. 1 (5) (xxvii)] Report to the Shareholders of Northern Islami Insurance Limited (Ex- Northern General Insurance Company Limited) on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Northern Islami Insurance Limited (changed from Northern General Insurance Company Limited on 03.11.2019)** for the year ended on **31 December 2019**. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018** of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation there of as adopted by the Management in encuring 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 there of, we report that, in our opinion:

(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 Secratarial 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.

Dhaka, 19 August 2020

DAS CHOWDHURY DUTTA & CO. CHARTERED ACCOUNTANTS

Sunirmal Chowdhury FCA
Partner
Das Chowdhury Dutta & Co.
(CHARTERED ACCOUNTANTS)

Compliance Report on CGC

Annexure-V

Status of Compliance with the Corporate Governance Code (CGC) [As per condition No. 1(5) (xxvii)] Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Report under Condition No. 9)

Condition No.	Title	status		Remarks
		Complied	Not complied	
1.	**Board of Directors**			
1(1)	The number of Board members shall not be less tha 5 (five) and more than 20 (twenty)	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID);	✓		As per insurance act 2010
1(2)(b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the company	✓		Declared by independent director
1(2)(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associated, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	✓		
1(2)(b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	✓		
1(2)(b)(iv)	ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	✓		
1(2)(b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;	✓		
1(2)(b)(viii)	ID shall not be independent director in more than five listed companies;	✓		
1(2)(b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFI;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(2)(b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	Appointment of ID shall be done by Board and approved by shareholders in the AGM;	✓		
1(2)(d)	The position of IDs cannot remain vacant for more than ninety days;	✓		
1(2)(e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;	✓		
1(3)(a)	ID shall be a knowledgeable individual with integrit who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;	✓		
1(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		
1(3)(b)(iii)	ID is/was Former official of government in the position not below 5th Grade at the national pay Scale	✓		
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;	✓		
1(3)(c)	The ID shall have at least Ten years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	✓		
1(4)(a)	Chairperson of the Board and the Chief Executive Officer of the company is different individual having clearly defined their respective roles and responsibilities by the board;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(4)(b)	Chairperson of the Board and the MD and/or CEO of the company shall be different individuals;	✓		
1(4)(c)	Chairperson elected from among the non-executive directors of the company;	✓		
1(4)(d)	The board clearly defined respective roles of the Chairperson and the Managing Director;	✓		
1(4)(e)	In absence of chairperson, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting;	✓		
1(5)(i)	An industry outlook and possible future developments;	✓		
1(5)(ii)	Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion and statement on related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of Directors remuneration;	✓		
1(5)(xi)	A statement on fair preparation of the financial statements by the management of the issuer company;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(5)(xix)	IAS/BAS/IFRS/BFRS, 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)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders;	✓		
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern;	✓		No such significant deviation observed
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		No such significant deviation observed
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Available in the Annual Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Declared dividend regularly
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		Not Aplicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit 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;	✓		
1(5)(xxiv) (b)	Nature of expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and membership of board committees;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
1(5)(xxv)	A Management's Discussion and Analysis signed CEO or MD;	✓		
1(5)(xxv)(a)	Presenting detailed analysis of accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Presenting detailed analysis of changes in accounting policies and estimation, if any;	✓		
1(5)(xxv)(c)	Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons therof;	✓		
1(5)(xxv)(d)	Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	Presenting detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual 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(3) disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report and compliance certificate disclosed as per Annexure-B and Annexure-C;	✓		
1(6)	Conducting Board Meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	✓		
1(7)(a)	Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company;	✓		
1(7)(b)	Code of conduct as determined by the NRC shall be posted on the website of the company;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
2.	**Governance of Board of Director of subsidiary company**			
2(a)	Composition of the board of the subsidiary company;	✓		Not applicable
2(b)	Independent director of the holding company on the Board of the subsidiary company;	✓		
2©	Review of minutes of the subsidiary company's Board meeting by the holding company's Board;	✓		
2(d)	Statement as to the review of minutes of Subsidiary company by the holding company's Board;	✓		
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding company;	✓		
3.	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	✓		
3(1)(b)	The positions of the MD or 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)	Respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s);	✓		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓		
3(3)(a)(i)	Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement;	✓		
3(3)(a)(ii)	Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws;	✓		
3(3)(b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
4.	**Board of Directors' Committee**			
4(i)	Board Audit Committee (BAC);	✓		
4(ii)	Nomination and Remuneration Committee;	✓		
5.	**Audit Committee**			
5(1)(a)	BAC as a sub-committee of the Board	✓		
5(1)(b)	BAC shall assist the Board of Directors as to the financial statements reflect true and fair view of the state of affairs of the company;	✓		
5(1)(c)	BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing;	✓		
5(2)(a)	BAC is composed of 3 (three) members;	✓		
5(2)(b)	The Board appointed members of BAC who are non-executive directors and Chairperson is an ID;	✓		
5(2)(c)	All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	Filling of casual vacancy in the BAC;	✓		
5(2)(e)	The CS shall act as the Secretary of the Committee.	✓		
5(2)(f)	The quorum of the BAC meeting have not constitute without ID	✓		
5(3)(a)	The Board of Directors select 1 (one) ID as the Chairman of BAC;	✓		
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes.	✓		
5(3)(c)	Chairman of the BAC shall remain present in the AGM;	✓		
5(4)(a)	BAC conducted four meetings in the financial year;	✓		
5(4)(b)	The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher;	✓		
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
5(5)(e)	Hold meeting with the external or statutory auditors for review of 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)	Review the 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 the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;	✓		
5(6)(a)(i)	The BAC shall report on its activities to the Board;	✓		
5(6)(a)(ii) (a)	The BAC shall immediately report to the Board if any report on conflicts of interests;	✓		No conflict of interest
5(6)(a)(ii) (b)	The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		No such finding
5(6)(a)(ii) (c)	The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		No such finding
5(6)(a)(ii) (d)	The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
5(6)(b)	If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	✓		
5(7)	Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	✓		
6.	**Nomination and Remuneration Committee (NRC)**			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓ ✓		
6(1)(c)	Tor of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);			
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)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓ ✓		
6(2)(f)	The Chairperson of the Committee my appoint or co-opt any external expert and /or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
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, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	✓		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be chairperson of the committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the chairperson of the NRC, the remaining members may elect one of themselves as chairperson for that particular meeting, the reason of absence of the regular chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
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;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	✓		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
6(5)(b)(i)(b)	NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
6(5)(b)(i)(c)	NRC shall oversee, formulate & recommend to the Board regarding 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)	NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	NRC shall oversee & make report with recommendation to the Board regarding indentifying 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)	NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	NRC shall oversee & make report with recommendation to the Board regarding indentifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	NRC shall oversee & make report with recommendation to the Board regarding developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report;	✓		
	The issuer company shall not engage its external or statutory auditors;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
7.	**External on Statutory Auditors**			
7(1)(i)	To perform the appraisal or valuation services or fairness opinions of the company.	✓		
7(1)(ii)	To perform the financial information systems design and implementation of the company.	✓		
7(1)(iii)	To perform book-keeping or other services related to the accounting records or financial statements of the company.	✓		
7(1)(iv)	To perform broker-dealer services of the company.	✓		
7(1)(v)	To perform actuarial services of the company.	✓		
7(1)(vi)	To perform internal audit services or special audit services of the company.	✓		
7(1)(vii)	To perform any service that the Audit Committee determines of the company.	✓		
7(1)(viii)	To perform audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company.	✓		
7(1)(ix)	To perform any other service that creates conflict of interest of the company.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of the company; his or her family members also shall not hold any shares in the said company;	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		

Condition No.	Title	status		Remarks
		Complied	Not complied	
8.	**Maintaing a website by the company**			
8(1)	The company shall have an official website linked with the website 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)	Compliance Audit certification and its disclosure in the Annual Report;	✓		
9(2)	Compliance certification professional shall be appointed by the shareholders in the AGM;	✓		
9(3)	The directors of the company shall state, in accordance with the directors' report whether the company has complied with these conditions or not.	✓		

Credit Rating Report

AA

Year	Long Term Rating	Short Term Rating	Outlook
2019	AA	ST-1	Stable

Rating Explanation:

Northern Islam Insurance Limited has been rated by Alpha Credit Rating. The result of credit rating in long term **"AA"** reflects **very strong capacity,** short term **"ST-1"** reflects **strong capacity** and **outlook-stable.**

Date of Rating : 17 August, 2020
Rating Validity : 16 August, 2021

Rated by : Alpha Credit Rating Ltd.

নর্দার্ণ ইসলামী ইন্স্যুরেন্স লিঃ
NORTHERN ISLAMI INSURANCE LTD.
HOME OF ASSURANCE

Directors Certificate

As per Section 63(2) of the Insurance Act' 2010, we certify that:

01. The value of investments in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.

02. The Values of all assets as shown in the Balance Sheet and as classified on Form AA annexed have been duly reviewed as at 31st December, 2019 and 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 heading's as enumerated therein.

03. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Abdul Haque FCA
Managing Director & CEO

Mortuza Siddique Chowdhury
Director

Al-haj Nasiruddin
Director

S. M. Ayub Ali Chowdhury
Chairman

HFC HUSSAIN FARHAD & CO
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of
NORTHERN ISLAMI INSURANCE LIMITED

Opinion

We have audited the financial statements of Northern Islami Insurance Limited (the "Company"), which comprise the Statement of Balance Sheet as at 31 December 2019, Profit and Loss Account, Profit and Loss Appropriation Account, Consolidated Insurance Revenue Account, 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 give a true and fair view of the financial position of the company as at 31 December 2019, and of 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 Auditor's 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.25 of the financial statements, which describes the effects of prior year adjustments relating to error occurred in recognizing deferred tax and Revaluation reserve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matters
Premium Income	
Premium income is the most financially significant item in the statement of profit and loss account & profit and loss appropriation account. The company has reported gross premium income of Taka 618,182,552 for the year ended 31 December 2019.	With respect to Premium income in respect of various types of insurance we carried out the following procedures: ● The design and operating effectiveness of key controls around premium income recognition process.

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AUTHORISED TRAINING EMPLOYER

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Gross general insurance premium comprises the total premium received during the accounting period for the entire period of cover for which insurance policy has been issued by contracts with Northern Islami Insurance Limited. As the premium income recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.	• 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. • 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. • Ensured on a sample basis that the premium income was being deposited in the designated bank account. • 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 re insurance 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.
See Form-XL to the financial statements	

Estimated liability in respect of outstanding claims whether due or intimated and claim Payment	
Northern Islami Insurance Limited has represented the amount related with the claim due or intimated from the insured which involves management judgment & risk of over & understatement of the value. As a result, financial statements may show distorted amount which may also concern going concern issue for the company. At year end the 2019, the Company reported total balance under the head of estimated liability in respect of outstanding claims whether due or intimated and claim payment of Taka 48,474,126.	We tested the design and operating effectiveness of controls around the due and intimated claim recording process. We additionally carried out the following substantive testing's around this item: • Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. • Obtained a sample of claimed policy copy and cross check it with claim. • Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.

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	● Reviewed the claim committee meeting minutes about decision about impending claims. ● Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. ● 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.
See note no 08 to the financial statements	

Property, Plant & Equipment	
The carrying value of property, plant & equipment amounts to Taka 308,246,099. This represents a significant amount in the company's statement of financial position as at 31 December 2019. There is a risk of: ► determining which costs meet the criteria for capitalization; ► determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ► the estimation of economic useful lives and residual values assigned to Fixed asset. We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.	Our audit procedures to assess the carrying value of property, plant & equipment included the following: Our audit procedures included controls testing and substantive procedures covering, in particular: ● Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values; ● Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization. ● Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. ● Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents. ● We reviewed minutes of board meetings for approval of the total capitalization cost.

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	• We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy. • We traced payments to supporting documents. • We assessed the adequacy of the disclosures of the financial statements.
See note no 2.18 & 16 to the financial statements.	

Deferred tax liability	
Company reported net deferred tax liability totaling Taka 78,819,149 as at 31 December 2019. Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.	Our audit procedures to assess the carrying value of Deferred Tax liability included the following: • We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the Company. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense. • We tested the mathematical accuracy in calculation of deferred tax. • We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability. • We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. • We also assisted in evaluating the tax implications, the reasonableness of estimations and calculations determined by management. • We also involved our internal experts from the tax area in the analysis of the reasonableness of the tax assumptions on the basis of the applicable legislation. • Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.
See note no. 2.19.2 & 18 to the financial statements	

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Other Matter

a) The financial statements of the Company for the year ended December 31, 2018, were audited by another auditor Rahman Mostafa Alam & Co., Chartered Accountants, who expressed an unmodified opinion on those statements on April 27, 2019.

b) The accounts of income and expenditure of the Employees (Contributory) Provident Fund of the Company for the year 2018 and 2019 are yet to be audited in accordance with the Income Tax Ordinance, 1984, the Bangladesh Labour Act, 2006, the Bangladesh Labour Act (Amendment), 2013, the Bangladesh Labour Rules, 2015 and the Bangladesh Labour Act (Amendment), 2018. According to the notification no. 179/FRC/FRM/notification/2020/2, dated, July 07, 2020, of Financial Reporting Council, the Company shall take initiative to refund and account for the forfeited amount in its Profit and loss account.

Other Information

Management is responsible for the other information. The other information comprises all the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view 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 as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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

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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 consolidated and separate 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 consolidated and separate 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 consolidated and separate 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.

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- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 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:

- 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;

- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;

- The company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;

- As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanation given to us,

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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 profit & loss account of the Company;

- 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; and

- The expenditure was incurred for the purpose of the Company's business.

Place: Dhaka
Date: July 21, 2020

A. K. M. Fazlul Haque FCA
Engagement Partner
Hussain Farhad & Co.
Chartered Accountants

Balance Sheet

Capital and Liabilities	Notes	Amount in Taka	
		31-Dec-19	31-Dec-18
Share Capital	3		
Authorized :			
100,000,000 ordinary shares of Tk.10 each	3.1	1,000,000,000	1,000,000,000
Issued, subscribed and paid up :			
42,659,611 ordinary shares of Tk.10 each	3.2	426,596,110	426,596,110
Reserve or Contingency Accounts		404,991,435	374,124,969
Reserve for Exceptional Losses	4	225,368,786	187,690,821
Revaluation Reserve	5	87,331,870	92,021,951
Profit and Loss Appropriation Account	6	92,290,779	94,412,196
Balance of Funds and Accounts		150,801,063	99,550,573
Fire Insurance Business		56,569,258	27,442,958
Marine Insurance Business		31,493,932	32,035,027
Motor Insurance Business		41,339,106	28,138,598
Miscellaneous Insurance Business		21,398,767	11,933,990
Premium Deposit	7	19,211,310	7,551,554
Liabilities and Provisions		482,815,486	447,057,999
Estimated Liability in Respect of Outstanding Claims Whether Due or Intimated	8	48,474,126	47,206,200
Amount Due to Other Persons or Bodies Carrying on Insurance Business	9	52,464,808	71,953,503
Sundry Creditors (including provision for tax)	10	303,057,403	248,867,142
Deferred Tax Liabilities	18.2.1	78,819,149	79,031,154
Total Capital and Liabilities		1,484,415,404	1,354,881,205
Net Assets Value Per Share		19.49	18.77

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary

Chief Financial Officer

Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

As At 31 December 2019

Property and Assets	Notes	Amount in Taka	
		31-Dec-19	31-Dec-18
Investment	11	75,052,902	75,040,024
Interest Accrued (but not due)	12	4,553,633	2,937,453
Amount Due From Other Persons or Bodies Carrying on Insurance Business	13	393,990,411	379,815,081
Sundry Debtors (including advance taxes, others advances, deposits and pre-payments)	14	307,377,565	276,603,775
Cash and Cash Equivalents	15	394,634,242	301,185,754
Other Accounts		**308,806,651**	**319,299,118**
Property, Plant and Equipment	16	308,246,099	318,528,473
Intangible Assets	17	171,327	180,305
Stock of Stationery in hand		123,875	321,890
Insurance Stamps in hand		265,350	268,450
Total Assets and Properties		**1,484,415,404**	**1,354,881,205**

Signed in terms of separate report of even date.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Profit and Loss Account

Particulars	Notes	Amount in Taka	
		2019	2018
Expenses of Management (not applicable to any particular fund or account)	19	32,349,994	16,967,564
		19,494,248	19,775,110
Directors' Fees		1,840,000	960,250
Audit Fees		327,750	1,529,500
Subscription		753,000	300,000
Legal and Professional Fees		119,000	201,250
Depreciation and Amortization		15,819,191	16,244,688
Registration Renewal Fees		635,307	539,422
Profit Before Tax		**93,019,673**	**99,553,268**
Deferred Tax (Income)/Expenses	18.2	(212,005)	979,254
Provision for Taxation	18.3.1	19,705,601	28,085,107
Profit after Tax carried to Profit or Loss Appropriation Account		**73,526,077**	**70,488,907**
Total		**144,863,915**	**136,295,942**

Profit and Loss Appropriation Account

Particulars	Notes	Amount in Taka	
		2019	2018
Reserve for Exceptional Losses		37,677,965	24,659,651
Cash Dividend		42,659,611	42,659,611
Balance of Profit After Tax		92,290,779	94,412,196
Total		**172,628,355**	**161,731,458**
Earning Per Share (EPS)	2.11	**1.72**	**1.65**
Face Value Per Share		**10**	**10**

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary

Chief Financial Officer

Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Interest, Dividend and Rents (not applicable to any particular fund or account):			
Interest Income		28,044,727	15,882,771
Other Income		13,007	(9,425)
Underwriting Profit or Loss transferred from		**116,806,181**	**120,422,596**
Fire Insurance Revenue Account		9,340,077	31,272,444
Marine Insurance Revenue Account		49,781,874	52,331,527
Motor Insurance Revenue Account		36,327,828	16,319,130
Miscellaneous Insurance Revenue Account		21,356,402	20,499,495
Total		**144,863,915**	**136,295,942**

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Balance being Profit brought forward from last year		94,412,196	86,432,212
Revaluation Surplus Transferred to Retained Earnings		4,690,081	4,810,340
Net Profit for the year brought down		73,526,077	70,488,907
Total		**172,628,355**	**161,731,458**

Signed in terms of our report of even date annexed.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Northern Islami Insurance Limited

Consolidated Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2019	2017
Claims under policies less re-insurances:			
Paid during the year		76,560,760	54,023,166
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		48,474,126	47,206,200
		125,034,886	**101,229,366**
Less : Claims outstanding at the end of the previous year		47,206,200	32,428,688
		77,828,686	**68,800,678**
Agent commission		71,401,060	48,579,681
Expenses of management	**20**	131,734,787	66,259,064
Balance of account at the end of the year as shown in the balance sheet		150,801,063	99,550,573
Underwriting profit or loss transferred to profit or loss account		116,806,181	120,422,596
Total		**548,571,777**	**403,612,592**

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary

Chief Financial Officer

Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Balance of account at the beginning of the year:			
Reserve for unexpired risks		99,550,573	98,927,542
Premium less re-insurances		376,779,650	246,596,512
Commission on re-insurances ceded		72,241,554	58,088,538
Total		**548,571,777**	**403,612,592**

Signed in terms of our report of even date annexed.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Northern Islami Insurance Limited

Fire Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances :			
Paid during the year		38,354,468	22,364,213
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		35,947,387	15,631,727
		74,301,855	**37,995,940**
Less : Claims outstanding at the end of the previous year		15,631,727	8,090,000
		58,670,128	**29,905,940**
Agent Commission		34,636,086	20,109,158
Expenses of management	20.1	57,112,679	25,632,955
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income of the year		56,569,258	27,442,958
Underwriting profit or loss transferred to profit and loss account		9,340,077	31,272,444
Total		**216,328,228**	**134,363,455**

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary

Chief Financial Officer

Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Balance of account at the beginning of the year:			
Reserve for unexpired risks		27,442,958	29,195,058
Premium less re-insurances		141,423,144	68,607,395
Commission on re-insurances ceded		47,462,126	36,561,002
Total		**216,328,228**	**134,363,455**

Signed in terms of our report of even date annexed.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Northern Islami Insurance Limited

Marine Insurance Revenue Account

Particulars	Notes	Amount in Taka 2019	Amount in Taka 2018
Claims under policies less re-insurances			
Paid during the year		6,853,120	3,842,553
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		3,190,360	9,961,303
		10,043,480	**13,803,856**
Less : Claims outstanding at the end of the previous year		9,961,303	7,530,000
		82,177	**6,273,856**
Agent Commission		14,661,750	14,358,915
Expenses of management	**20.1**	27,335,268	16,321,014
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on Marine Hull of the year :		**31,493,932**	**32,035,027**
Cargo		31,345,261	30,515,080
Hull		148,671	1,519,947
Underwriting profit or loss transferred to profit and loss account		49,781,874	52,331,527
Total		**123,355,001**	**121,320,339**

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary | Chief Financial Officer | Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Balance of account at the beginning of the year:			
Reserve for unexpired risks		32,035,027	33,438,603
Premium less re-insurances		78,511,823	77,807,646
Commission on re-insurances ceded		12,808,151	10,074,090
Total		**123,355,001**	**121,320,339**

Signed in terms of our report of even date annexed.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Northern Islami Insurance Limited

Motor Insurance Revenue Account

Particulars	Notes	Amount in Taka 2019	Amount in Taka 2018
Claims under policies less re-insurances			
Paid during the year		31,264,499	29,582,289
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		9,336,379	21,266,920
		40,600,878	**50,849,209**
Less : Claims outstanding at the end of the previous year		21,266,920	16,462,438
		19,333,958	**34,386,771**
Agent Commission		12,507,447	8,677,093
Expenses of management	**20.1**	22,342,641	10,309,815
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income of the year		41,339,106	28,138,598
Underwriting profit or loss transferred to profit and loss account		36,327,828	16,319,130
Total		**131,850,980**	**97,831,407**

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary | Chief Financial Officer | Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Balance of account at the beginning of the year:			
Reserve for unexpired risks		28,138,598	27,038,784
Premium less re-insurances		103,347,766	70,346,495
Commission on re-insurances ceded		364,616	446,128
Total		**131,850,980**	**97,831,407**

Signed in terms of our report of even date annexed.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Miscellaneous Insurance Revenue Account

Particulars	Notes	Amount in Taka 2019	Amount in Taka 2018
Claims under policies less re-insurances			
Paid during the year		88,673	(1,765,889)
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	346,250
		88,673	**(1,419,639)**
Less : Claims outstanding at the end of the previous year		346,250	346,250
		(257,577)	**(1,765,889)**
Agent Commission		9,595,777	5,434,515
Expenses of management	**20.1**	24,944,199	13,995,280
Balance of account at the end of the year as shown in the Financial Position			
Reserve for unexpired risks being 40% of premium income of the year		21,398,767	11,933,990
Underwriting profit or loss transferred to profit and loss account		21,356,402	20,499,495
Total		**77,037,568**	**50,097,391**

The accompanying notes from 1 to 27 & Annexed-1 form an integral part of these financial statements.

Company Secretary

Chief Financial Officer

Chief Executive Officer

Dated: **Dhaka**
July 21, 2020

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Balance of account at the beginning of the year:			
Reserve for unexpired risks		11,933,990	9,255,097
Premium less re-insurances		53,496,917	29,834,976
Commission on re-insurances ceded		11,606,661	11,007,318
Total		**77,037,568**	**50,097,391**

Signed in terms of our report of even date annexed.

Director

Director

Chairman

Hussain Farhad & Co.
Chartered Accountants

Northern Islami Insurance Limited

Statement of Changes in Equity
For the year ended December 31, 2019

Particulars	Amount in taka				
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus	Total Equity
Balance as on January 01, 2019	**426,596,110**	**94,412,196**	**187,690,821**	**92,021,951**	**800,721,079**
Addition during the period	-	-	37,677,965	-	37,677,965
Revaluation surplus transferred to Retained Earnings	-	4,690,081	-	(4,690,081)	-
Cash dividend for the year 2018	-	(42,659,611)	-	-	(42,659,611)
Profit after tax for the year	-	35,848,112	-	-	35,848,112
Balance as on December 31, 2019	**426,596,110**	**92,290,779**	**225,368,786**	**87,331,870**	**831,587,545**

Statement of Changes in Equity
For the year ended December 31, 2018

Particulars	Amount in taka				
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus	Total Equity
Balance as on January 01, 2018	**426,596,110**	**78,269,063**	**163,031,170**	**183,467,942**	**851,364,285**
Adjustments due to wrong recognition of Deferred		8,163,149	-	(86,635,651)	(78,472,502)
Tax and Revaluation Reserve	-	-	-	-	-
Adjusted Opening Balance	426,596,110	86,432,212	163,031,170	96,832,291	772,891,783
Addition during the period	-	-	24,659,651	-	24,659,651
Revaluation surplus transferred to Retained Earnings	-	4,810,340	-	(4,810,340)	-
Cash dividend for the year 2017	-	(42,659,611)	-	-	(42,659,611)
Profit after tax for the year	-	45,829,256	-	-	45,829,256
Balance as on December 31, 2018	**426,596,110**	**94,412,196**	**187,690,821**	**92,021,951**	**800,721,079**

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Director | Chairman

Northern Islami Insurance Limited

Statement of Cash Flows

For The Year Ended December 31, 2019

Particulars	Notes	Amount in Taka	
		31-Dec-2019	31-Dec-2018
A. Cash flows from operating activities			
Collection from premium and others		724,165,604	550,534,743
Payment for management expenses, re-insurance and claims		(554,011,511)	(431,441,525)
Income Tax paid		(30,491,422)	(62,383,886)
Net cash generated from operating activities (A)		**139,662,671**	**56,709,332**
B. Cash flows from investing activities			
Fixed Assets acquired		(5,527,839)	(14,340,495)
Investment in Bond		-	10,000,000
Net cash used in investing activities (B)		**(5,527,839)**	**(4,340,495)**
C. Cash flows from financing activities			
Dividend paid		(40,686,344)	(41,992,337)
Net cash generated from financing activities (C)		**(40,686,344)**	**(41,992,337)**
D. Net Increase/(decrease) (D =A+B+C)		**93,448,488**	**10,376,500**
E. Cash and cash equivalents at the beginning of the year		301,185,754	290,809,254
F. Cash and cash equivalents at the end of the year (F=D+E)		**394,634,242**	**301,185,754**
Net Operating Cash Flow per Share (NOCFS)		**3.27**	**1.33**

Company Secretary

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

Northern Islami Insurance Limited

FORM - AA
Classified Summary of Assets

As At December 31, 2019

Class of Assets	Amount in Taka		Remarks
	Book value as per Balance Sheet	Market Value	
Bangladesh Govt. Treasury Bond	25,000,000	25,000,000	Not quoted in the market
Fixed Deposit with Banks	302,338,163	302,338,163	Realizable Value
Balance in STD A/C with Banks	80,824,134	80,824,134	Realizable Value
Cash in Hand	11,471,945	11,471,945	Realizable Value
Interest on Investment accrued but not due	4,553,633	4,553,633	Realizable Value
Amount due from other persons or bodies carrying on insurance business	393,990,411	393,990,411	Realizable Value
Other Assets :			
Property, Plant & Equipments	308,417,426	308,417,426	Revalued
Investment in Bond	50,000,000	50,000,000	Market Value
Investment in share	52,902	52,902	Market Value
Sundry Debtors	307,377,565	307,377,565	Realizable Value
Stock of Stationery and Stamps	389,225	389,225	Realizable Value
	1,484,415,404	**1,484,415,404**	

Company Secretary

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

1.0 Introduction:

1.1 Status of the Company:

Northern General Insurance Company Limited ("Northern Islami Insurance Limited" after changing its name) was incorporated as public company limited by shares on April 08, 1996 under the companies Act, 1994 bearing certificate of incorporation no.C-30509(1725)/96. The Company was entitled to commence business vide certificate of commencement issued on April 08, 1996 by the Registrar of Joint Stock Companies & Firms under section 150(2) of the said Act. The Controller of Insurance has issued certificate of registration on May 25, 1996. The Securities & Exchange Commission has approved for issue of shares to public on October 20, 2008 (date of lottery). The company has been listed with the stock exchange [both in Dhaka and in Chittagong] on July 16, 2008.

With the approval of all concern authority, Northern General Insurance Company Limited has been renamed to Northern Islami Insurance Limited ("the Company") and certificate no. C-30509, issue no. 92741, dated November 03, 2019 has been issued by the Registrar of Joint Stock Companies and Farms (RJSC). Insurance Development and Regulatory Authority (IDRA) had provided registration certificate on November 18, 2019 by giving approval to change the name from Northern General Insurance Company Limited to Northern Islami Insurance Limited. Both Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) also gave approval in this regard with effect from March 12, 2020.

1.2 Operation of business based on Islami Shariah & Change of name of the Company:

To operate insurance business on the basis of Islami Shariah, the required changes including provision for formation of Shariah Council in the Memorandum of Association and Articles of Association had been approved in Extra Ordinary General Meeting held on 14/10/2019. Thereafter, the company obtained the required permission for operating business based on Islami Shariah and the change of company name from Northern General Insurance Co. Ltd. to Northern Islami Insurance Limited had been obtained from Insurance Development & Regulatory Authority (IDRA) & Registrar of Joint Stock Companies & Firms (RJSC). The company formed Shariah Council and started its insurance business based on Islami Shariah from 1 December, 2019.

1.3 Nature of Business:

The primary objectives of the Company are to carry on non-life related all kinds of insurance, guarantee and indemnity business.

1.4 Structure, Content and Presentation of Financial Statements:

These financial statements are presented in accordance with the guidelines provided as per requirement of Insurance Act 1938 (as amended in 2010) and IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises of:

i. Balance sheet as at December 31, 2019;
ii. Profit and Loss Account for the year ended December 31, 2019;
iii. Profit and Loss Appropriation Account for the year ended December 31, 2019;
iv. Consolidated Insurance Revenue Account for the year ended December 31, 2019;
v. Fire Insurance Revenue Account for the year ended December 31, 2019;
vi. Marine Insurance Revenue Account for the year ended December 31, 2019;
vii. Motor Insurance Revenue Account for the year ended December 31, 2019;
viii. Miscellaneous Insurance Revenue Account for the year ended December 31, 2019;
ix. Statement of Changes in Equity for the year ended December 31, 2019;
x. Statement of Cash Flows for the year ended December 31, 2019;
xi. Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2019;

2.0 Summary of Significant Accounting Policies & Basis of Preparation:

A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), as set out below:

2.1 Basis of preparation:

These financial statements have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention. The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Insurance Act, 1938 (as amended in 2010), the Insurance Rules, 1958 and in conformity the Companies Act, 1994, the Securities and Exchange Rules, 1987, the listing rules of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Exchange Ltd. (CSE) and other applicable laws & regulations in Bangladesh.

2.2 Basis of Presentation:

The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with part I and "Form A" in Part II of the First Schedule. The revenue account for fire, marine, motor and miscellaneous business has been prepared in accordance with "Form F" in Part II of the third schedule. Statement of cash flow and Statement of changes in equity has been prepared in accordance with IFRS.

2.3 Disclosure Differs:

Northern Islami Insurance Limited has followed the IASs/ IFRSs provisions to that extent which is not restricted by the Insurance Act and Rules as outlined below:

2.3.1 Valuation of Investment:

IAS 39 provides to disclose unrealized gain/loss in investment in shares through comprehensive income. But this is restricted in accordance with the provisions of Insurance Act and Rules.

2.3.2 Provision for Insurance Premium:

Depending on business, certain percentage of premium income is to be made as provision in accordance with Insurance Act and Rules. But, this is not in commensurate to the provision of IAS 37.

2.3.3 Comprehensive Income Statement:

Northern Islami Insurance Limited does not require preparing a single Comprehensive Income Statement other than the Income Statement prepared in accordance with the templates stipulated by Insurance Act and Rules.

2.3.4 IDRA Guidelines:

Mandatory investment has to be made as per IDRA instructions which are not required in accordance with IASs/ IFRSs.

2.4 Going Concern:

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These do not include any adjustments for which Northern Islami Insurance Limited is unable to continue as a going concern.

2.5 Functional and Presentation Currency:

These financial statements are presented in BD Taka, which is the Company's functional currency except as indicated otherwise.

2.6 Use of Estimates and Judgments:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses for which actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when revised and in any future periods affected.

2.7 Materiality and Aggregation:

Each material item has been presented separately in the financial statements being significant

consideration of the management. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a basis only when permitted by the relevant accounting standards.

2.8 Investment in Share and Redeemable Bond:

Investments are initially recognized at cost including acquisition charges. The investments in marketable ordinary shares have been valued at market price. Investment in redeemable bond has been valued at cost. Provision for diminution value of shares as on closing of the year is made in the financial statements.

2.9 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash, cash in clearing account, FDR and bank balances. For the purpose of statement of cash flow, cash and cash equivalents are arrived at after net off bank overdrafts, if any.

2.10 Cash Flow Statements:

Cash flow statement is prepared in accordance with IAS 7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method". As per clause 5(2)(e) of the BSEC notification (No. BSEC/CMRRCD/2006-158/208/Admin/81-dated 20 June 2018) the reconciliation of net income or net profit with cash flows from operating activities are given in note 23.

2.11 Earnings Per Share [EPS]: TK. 1.72 [IAS 33]:

Earnings Per Share (IAS - 33) is calculated by applying the formula of net profit after tax divided by number of shares as follows:

Particulars	2019	2018
Net Profit after Tax for the year (Taka)	73,526,077	70,202,391
Ordinary Shares (Number)	42,659,611	42,659,611
Face value per share (Taka)	10	10
Basic Earnings Per Share (Taka)	1.72 (Approx)	1.65 (Approx)

It is relevant to note that the Company has changed its face value per share from Tk. 100 to Tk. 10 vide 6th EGM held on November 24, 2011.

2.12 Revenue Recognition [IFRS 15]:

2.12.1 Premium is recognized when insurance policies are issued. The sum of premium income as appeared in Revenue Accounts is net of the refund made, Re-insurance ceded and Re-insurance premium on PSB.

2.12.2 The premium in respect of Company's share of Public Sector Insurance Business (PSB) has been accounted for in the year in which the relevant statement of accounts received from Shadharan Bima Corporation (SBC). The statements of account for the period from July 2018 to June 2019 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly.

2.12.3 Amounts received, against issue of Cover Notes which have not been converted into Policies for the purpose of recognition, as income at the earlier date of Cover Notes converted into Policies or after expiry of nine months of issuing Cover Notes.

2.12.4 Re-insurance commission is recognized as revenue over the period in which the related services performed.

2.12.5 Interest on Fixed Deposit Receipts (FDR) and Bangladesh Govt. Treasury Bond is recognized as revenue on accrual basis.

2.12.6 Capital gain/ (loss) from dealing with listed companies' shares are recognized in the accounts as and when arisen or incurred. Dividend income is recognized on cash basis.

2.13 Benefits, Claims and Expenses Recognition:

2.13.1 Gross Benefits and Claims:

General insurance claims include all claims occurring during the year relates to internal and external/external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

2.13.2 Re-insurance Claims:

Re-insurance claims are recognized when the related gross insurance claim determined according to the terms of the relevant contract.

2.13.3 Employment Benefits [IAS 19]:

The company's employment benefits to eligible employees comprise of recognized contributory provident fund and group insurance scheme. Assets of provident fund are held under separate trustee as per the provident fund rules. Provident Fund is contributed by the employees and the company at pre-determined rates. Employees are entitled to get company's contribution to provident fund after completion of minimum five years of service in the company. The company's contributions to the provident fund, group insurance and provision for gratuity have been charged as revenue expenditure. The provision for gratuity has not been made during the year as provision is adequate.

2.14 Provision for Outstanding Claim:

This has been recognized on estimates in the accounts on the basis of expected claims including incidental cost whether reported or not on the date of reporting.

2.15 Reserve or Contingencies:

2.15.1 Un-expired Risk:

Surplus/(deficit) on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

2.15.2 Reserve for Exceptional Loss:

Reserve for Exceptional Losses Tk. 37,677,965 was appropriated out of current year's profit before tax as reserve to meet exceptional losses under 4th schedule of Income Tax Ordinance 1984.

2.15.3 Revaluation reserve:

This has been recognized in the financial statements in year 2014 being difference amount of revalued assets and depreciated assets, that is, the surplus value of revalued and depreciated assets. Revaluation reserve has been transferred to Retained Earnings as per IAS 16 subsequently.

2.16 Interest Expense:

The company has incurred interest and related expenses on account of overdraft and short term loan. In terms of provision of the International Accounting Standard (IAS) 1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

2.17 Allocation of Management Expenses (Note 19):

Management expenses have been allocated to all Revenue Accounts in proportion to their gross premium.

2.18 Property, Plant & Equipments:

2.18.1 Recognition and Measurement:

The cost of an item of Fixed Assets shall be recognized as an asset if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure

that is directly attributable to the acquisition of the items.
Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit or Loss account during the financial period in which they are incurred.
Office Floor Space have been revalued in the year 2014 by an independent organization, named as "Jorip O Paridarshan Company Limited" to reflect the fair value at prevailing market price.

2.18.2 Depreciation on Property, Plant and Equipment:

Fixed assets are depreciated applying the Reducing Balance method consistently, as per IAS 16 for addition of assets; depreciation is charged from the date of capitalization up to the date immediately preceding the date of disposal. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.
According to IAS 8 Management has estimated the useful life of Floor Space (including undivided proportionate land) and as such the depreciation of the related asset is changed and accounted for on new rate of 2.50%.
The rate of Depreciation used on the assets is as follows:

Name of Asset	Rate	Name of Asset	Rate
Furniture and Fixture	10%	Telephone Installation	15%
Type Writer and Office Equipments	15%	Office Decoration	10%
Electric Fan	15%	Office Floor Space	2.5%
Air Conditioner and Refrigerator	20%	Library Books	20%
Motor Vehicle	20%	Computer	20%
Motor Cycle	20%		

The value of all assets at December 31, 2019 as shown in the Balance Sheet and in the Classified Summary of Assets have been prepared following the regulations and Form AA, Part II, First Schedule of the Insurance Act 1938. The said assets have been set forth in the Balance Sheet at amounts of their respective book values and such value does not exceed their aggregate market value.

2.18.3 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss (if any). Intangible assets are recognized when all the conditions for recognition as per IAS 38 intangible assets are met.
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

2.18.4 Sale of Property, Plant & Equipments:

Sale price of Fixed Assets are determined on the basis of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as being the difference between sales proceeds and carrying amount of the asset so recognized as per provision of IAS 16 "Property, Plant & Equipments".

2.18.5 Impairment:

If the recoverable amount of asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as expenses in the Income Statement.

2.19 Taxation:

Income tax on earnings for the year comprises current and deferred tax which is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

2.19.1 Current Tax:

Current tax is the expected tax payable on taxable income for the year based on the taxes rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or Assets) to the extent that it is unpaid (or refundable).

Provision for income tax has been made at best estimate keeping in view with the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time. Applicable rate of income tax for the company is 37.50% as per Finance Act 2019.

2.19.2 Deferred Tax [IAS 12]:

The Company recognized deferred tax in accordance with the provision of IAS 12. This arises due to temporary difference deductible or taxable for the events or transaction recognized in the profit and loss account. A temporary difference is the difference between tax bases of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/liabilities do not create a legal liability/recoverability to and from the income tax authority.

2.20 Accounting for Changes in Accounting Estimates:

IAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

2.21 Related Party Disclosure:

As per International Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 24.

2.22 Contingent Liabilities and Contingent Assets:

The company does not recognize contingent liability and contingent assets. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that cannot be measured reliably.

The company has a writ petition against VAT on agent commission under the service code S 099.20 "Other Miscellaneous Service" and the entity obtained a stay order by the High Court Division of the Supreme Court of Bangladesh.

2.23 Branch Accounting:

The company has 25 branch offices (including Head Office) with no overseas branch as on December 31, 2019. Accounts of the branches are maintained at the head office which is included in the accompanying financial statements.

2.24 Consistency of Presentation:

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, Northern Islami Insurance Limited applies the accounting disclosure principles consistently from one period to the next. For selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8 and applied the same accounting and valuation principles in 2019 as in financial statements for 2018 (unless otherwise stated).

2.25 Prior year adjustment (error occurred in recognizing deferred tax and Revaluation reserve):

Deferred tax has been recognized for revaluation reserve in respect of property, plant and equipment in conformance with IAS 12: Income Taxes. There was an error in calculation and recognition of deferred

tax expenses/ deferred assets in previous years regarding revaluation reserve. The prior non recognition of deferred tax is classified as an error under IAS 8: Accounting policies, changes in accounting estimates and error and has been rectified with retrospective adjustment. Accordingly, deferred tax liability has been recognized for Tk. 78,472,503 with the corresponding adjustment to revaluation reserve and retained earnings. Detailed calculation has been shown under note no. 5, 6 & 18.2.1.

According to the IAS 16, Para 41, amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. The Company has also revised the balance of revaluation reserve due to erroneous transfer in previous years. The prior error of revaluation transfer to retained earnings is classified as an error under IAS 8: Accounting policies, changes in accounting estimates and error and has been rectified with retrospective adjustment. Detailed calculation has been shown under note no. 5 & 6.

2.26 Comparative Information:

Comparative information has been disclosed in respect of the period ended December 31, 2019 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Prior year figures have been restated and rearranged whenever considered necessary to ensure comparability with the current period.

2.27 Reporting Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's financial currency.

2.28 Rounded off and Rearrange of Figures:

Figures appearing in these Financial Statements have been rounded off to the nearest Taka. Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

2.29 Reporting Period:

These financial statements have covered under audit for twelve months' period from January 01, 2019 to December 31, 2019.

2.30 Directors Responsibility:

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.

2.31 Events after the Balance Sheet Date:

The Board of Directors has recommended 10% cash dividend totaling Tk.42,659,611 on paid-up capital of Tk. 426,596,110 for the year ended December 31, 2019 at its 208th Board meeting held on July 21, 2020 subject to the approval of the AGM.

Under International Accounting Standard (IAS) 10: Events after the reporting period, dividend was declared after the balance sheet date should not be classified as a liability at the balance sheet date, as the proposed dividend does not represent a present obligation under IAS 37: Provisions, contingent liabilities and contingent assets.

2.32 Approval for Issuing Financial Statements:

The Board of Directors has approved these Financial Statements on July 21, 2020.

2.33 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 related 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 has 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 shared 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 outlined by the amount of risk which can be ceded to other re-insurer. 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:

It 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.

		Amount in Taka	
		31-Dec-2019	31-Dec-2018
3.	**Share Capital :**		
3.1	**Authorized Share Capital :**		
	100,000,000 ordinary shares of Tk. 10 each	**1,000,000,000**	**1,000,000,000**
3.2	**Issued, Subscribed and Paid up Capital :**		
	Issued against cash	150,000,000	150,000,000
	Issued against bonus share	276,596,110	276,596,110
		426,596,110	**426,596,110**

3.2.1 Group wise shareholding position as at December 31, 2019 are given below :

Shareholder Group	No. of Shareholder	No. of Shares	Percentage
Sponsors	14	14,368,997	33.68%
Institutional Investors	144	9,385,472	22.00%
General Investors	3,945	18,905,142	44.32%
Total	**4,103**	**42,659,611**	**100.00%**

3.2.2 Range wise shareholding position as at December 31, 2019 are given below :

Share holding range	No. of Shareholder	No. of Shares	Percentage
000001-005000	3,422	3,682,191	8.63%
005001-050000	592	9,203,459	21.57%
050001-100000	44	3,227,258	7.57%
100001-200000	17	2,354,020	5.52%
200001-300000	4	1,113,380	2.61%
300001-400000	4	1,277,258	2.99%
400001-500000	0	-	0.00%
500001- Over	20	21,802,045	51.11%
Total	**4,103**	**42,659,611**	**100.00%**

3.2.3 Shareholding position of Sponsor/Director as at December 31, 2019 are as follows:

SI. No.	Name of the Directors/Sponsor	Class of Share	No. of Shares	Nominal value	Taka
01	Mr. S. M. Ayub Ali Chowdhury	Ordinary	1,092,504	10	10,925,040
02	Mr. Md. Sarwar Salim	Ordinary	941,897	10	9,418,970
03	Al-haj Nasiruddin	Ordinary	927,111	10	9,271,110
04	Mr. Abdul Matin	Ordinary	927,111	10	9,271,110
05	Mr. Mohd. Azam	Ordinary	984,385	10	9,843,850
06	Shahriar Khaled	Ordinary	927,111	10	9,271,110
07	Md. Mortuza Siddique Chowdhury	Ordinary	927,111	10	9,271,110
08	Ms. Thamina Rahman	Ordinary	1,245,647	10	12,456,470
09	Mr. Faysal Ahmed Patwary	Ordinary	952,373	10	9,523,730
10	Al-haj Abdus Samad	Ordinary	927,111	10	9,271,110
11	Mrs. Ferdousi Islam	Ordinary	1,245,647	10	12,456,470
12	Tasmin Saida Chowdhury	Ordinary	1,245,647	10	12,456,470
13	Naiyer Sultana	Ordinary	1,171,111	10	11,711,110
14	Al-haj Md. Saiful Alam	Ordinary	854,231	10	8,542,310
	Total		**14,368,997**		**143,689,970**

		Amount in Taka	
		31-Dec-2019	31-Dec-2018
4.	**Reserve for Exceptional Losses : Tk. 225,368,786**		
	This is arrived at as under:		
	Balance as at January 01, 2019	187,690,821	163,031,170
	Add : Provision for the year	37,677,965	24,659,651
	Balance as at December 31, 2019	**225,368,786**	**187,690,821**
5.	**Revaluation Reserve : Tk. 87,331,870**		
	This represents revaluation of Office Floor Space and arrived at as under:		
	Balance as at January 01, 2019	92,021,951	183,467,942
	Less : Adjustment due to recognition of deferred tax liability	-	(95,581,301)
	Add : Adjustment due to Excess Transfer to Retained Earnings		8,945,650
	Adjusted Opening Balance	**92,021,951**	**96,832,291**
	Less : Transferred to Retained Earnings	(4,690,081)	(4,810,340)
	Balance as at December 31, 2019	**87,331,870**	**92,021,951**
6.	**Profit and loss Appropriation Account : Tk. 92,290,779**		
	This is arrived at as under:		
	Balance as at January 01, 2019	94,412,196	78,269,063
	Add :Adjustment due to Error in recognition of Deferred Tax and Transfer from Revaluation Reserve	-	8,163,149
	Adjusted Opening Balance	94,412,196	86,432,212
	Less : Appropriation for Cash dividend & Stock dividend	42,659,611	42,659,611
		51,752,585	43,772,601
	Add : Profit during the year	35,848,112	45,829,256
	Add : Transferred from Revaluation Reserve	4,690,081	4,810,340
	Balance as at December 31, 2019	**92,290,779**	**94,412,196**
7.	**Premium Deposit :**	**19,211,310**	**7,551,554**

This represents the balance of premium received against Cover Notes during the year for which Policies were not issued within December 31, 2019.

8. **Estimated liability in respect of outstanding claims whether due or intimated : Tk. 48,474,126**

The break-up of the amount with estimated numbers of claim against policies is as under:

Sl. No.	Class of business	Taka	
01	Fire	35,947,387	15,631,727
02	Marine	3,190,360	9,961,303
03	Motor	9,336,379	21,266,920
04	Miscellaneous	-	346,250
	Total	**48,474,126**	**47,206,200**

9.	**Amount due to other persons or bodies carrying on insurance business :**	**52,464,808**	**71,953,503**

The above amount is payable to Shadharan Bima Corporation on account of re-insurance arrangements and co-insurance scheme to other General Insurance Companies.

	Amount in Taka	
	31-Dec-2019	31-Dec-2018

10. Sundry Creditors : Tk. 303,057,403

The break-up of the amount is as under :

Sl. No.	Head of accounts	Taka	
01	Audit fees payable	2,110,325	2,070,075
02	VAT Payable	9,550,504	2,816,109
03	Employees' Tax deduction at source	234,779	89,179
04	Security Deposit	35,000	35,000
05	Share Subscription	4,435,895	4,435,895
06	Accrued expenses	24,521,100	-
07	Provident Fund Payable	1,230,875	1,097,495
08	Shareholders Account	1,321,052	1,321,052
09	Provision for Income Tax	255,428,455	235,722,854
10	Dividend Payable	2,640,541	667,274
11	Income tax deducted at source	1,548,877	612,209
	Total	**303,057,403**	**248,867,142**

11. Investment : Tk. 75,052,902

The break-up of the amount is as under:

11.1	Bangladesh Government Treasury Bond - at cost	25,000,000	25,000,000
11.2	FSIB 2nd Mudaraba Subordinated Bond	50,000,000	50,000,000
11.3	Shares in Listed Companies	52,902	40,024
		75,052,902	**75,040,024**

11.1 Investment in Bangladesh Government Treasury Bond is made as per section 23, schedule - 1 of the Insurance Act - 2010 being statutory deposit with Bangladesh Bank.

11.2 Further Investment for Tk. 500,00,000.00 (Tk. 3,00,00,000.00 and 2,00,00,000.00 was made in FSIB 2nd Mudaraba Subordinated Bond on 13.12.2017 and 17.12.2017 respectively) for seven years. Orginally, the interest rate is Mudaraba Term Deposit rate plus 1.25% additional.The investment will be redeemed 20% each year after 2 (two) years from end of 3rd year.

	Amount in Taka	
	31-Dec-2019	31-Dec-2018

11.3 Details of investment in the shares of listed companies are given below :

Sl. No.	Particulars	Cost	Taka	
			Market value as at 31.12.2019	Market value as at 31.12.2018
01	Aftab Auto Limited	567	146	275
02	BD Finance Limited	605	240	359
03	Beacon Pharma Limited	20,545	11,225	4,050
04	Dhaka Bank Limited	1,947	1,176	1,335
05	Eastern Bank Limited	387	398	396
06	Exim Bank Limited	393	798	932
07	Fine Foods Limited	-	10,163	9,853
08	Islami Bank Limited	274	153	194
09	Islami Insurance Limited	10,454	12,761	11,349
10	National Bank Limited	2,165	842	884
11	Paramount Insurance Limited	11,772	9,693	3,932
12	Premier Leasing International Limited	15,212	3,550	4,432
13	Prime Finance Limited	2,005	233	295
14	Pubali Bank Limited	466	288	312
15	Rupali Insurance Limited	216	83	78
16	Summit Power Limited	151	218	236
17	Uttara Finance Limited	1,595	935	1,112
	Total	**68,754**	**52,902**	**40,024**

The above investment in marketable securities that are designated as available for sale by the management. These are measured at fair value and presented as non current assets.

12. Interest accrued (but not due) : Tk. 4,553,633

This represents accrued interest on Fixed Deposits with the different banks and in Bangladesh Treasury Bond as summarized below:

12.1	Bangladesh Govt. Treasury Bond	952,806	952,806
	Fixed Deposit with different banks	1,691,012	-
	FSIB Mudaraba Subordinate Bond	1,909,815	1,984,647
		4,553,633	**2,937,453**

12.2 Bangladesh Govt. Treasury Bond:

Investment in Bangladesh Government Treasury Bond was purchased in different time from AB Bank Limited, Principal Branch, Dhaka. Accrued interest is calculated at the rate varied from 9.55% to 12.10% .

	Amount in Taka	
	31-Dec-2019	31-Dec-2018
13. Amount due from other persons or bodies carrying on insurance business :	393,990,411	379,815,081

The above amount is due from Shadharan Bima Corporation on account of re-insurance arrangements, public sector business and co-insurance scheme to other General Insurance Companies.

14. Sundry Debtors : Tk. 307,377,565

[including advance tax, other advances, deposits and pre-payments]

The break-up of the amount as under :

Sl. No.	Particulars	31-Dec-2019	31-Dec-2018
01	Advance Income Tax	267,263,123	239,021,152
02	Advance Tax deduction at source	36,312,356	34,062,905
03	Advance office rent	3,502,086	3,219,718
04	Security Deposit with CDBL	300,000	300,000
	Total	**307,377,565**	**276,603,775**

It is to mention that paid amount of advance tax and tax deduction at source to be adjusted against provision of completed assessment years.

15. Cash and Bank balances : Tk. 394,634,242

The break-up of the amount is as under:

15.1	Fixed Deposit with banks	302,338,163	225,005,540
15.2	Balance with banks	80,824,134	62,699,894
15.3	Cash in hand (including cash at branches)	11,471,945	13,480,320
		394,634,242	**301,185,754**

15.1 Fixed Deposit with banks : Tk. 302,338,163

Sl. No.	Bank	Amount in Taka	
		31-Dec-2019	31-Dec-2018
01	AB Bank Ltd.	577,203	1,063,050
02	Al Arafah Islami Bank Limited	24,011,898	9,805,193
03	Bangladesh Commerce Bank Limited	1,400,000	3,089,639
04	Bank Asia Limited	4,069,837	5,522,744
05	BASIC Bank Limited	943,770	896,885
06	BRAC Bank Limited	2,636,177	2,269,970
07	CAPM Venture Capital & Finance Ltd.	878,200	800,000
08	Dhaka Bank Limited	6,059,905	6,058,396
09	Dutch Bangla Bank Limited	2,001,142	1,898,616
10	Eastern Bank Limited	3,344,082	3,474,789
11	Exim Bank of Bangladesh Limited	9,002,566	7,961,108
12	First Security Islami Bank Limited	40,645,781	20,421,332
13	IFIC Bank Limited	7,252,385	3,310,904
14	Industrial Promotion and Development of BD Ltd.	-	300,000
15	International Leasing and Financial Service Ltd.	11,434,898	10,294,901
16	Islami Bank Bangladesh Limited	11,485,503	12,199,052
17	Jamuna Bank Ltd.	1,649,400	1,311,951
18	Janata Bank Limited	3,571,302	4,236,129
19	Lanka Bangla Finance Ltd.	1,580,603	2,191,745
20	Marcentile Bank Limited	4,051,980	1,749,577

Sl. No.	Bank	Amount in Taka	
		31-Dec-2019	31-Dec-2018
21	Meghna Bank Limited	-	1,099,527
22	Modhumoti Bank Ltd.	-	524,850
23	Mutual Trust Bank Limited	4,341,368	3,603,528
24	National Bank Limited	2,603,591	1,953,453
25	NCC Bank Limited	11,248,849	8,348,978
26	NRB Commercial Bank Limited	2,254,114	2,912,862
27	NRB Global Bank Limited	6,881,000	2,045,780
28	One Bank Limited	2,516,172	1,595,658
29	People's Leaseing And Financial Services Ltd.	1,600,000	1,600,000
30	Premier Bank Limited	4,581,144	2,455,701
31	Prime Bank Limited	5,965,006	5,636,040
32	Pubali Bank Limited	705,330	661,482
33	Rajshahi Krishi Unnayan Bank	1,501,632	1,437,449
34	Reliance Finance Ltd.	45,367,135	44,281,334
35	Rupali Bank Limited	1,210,930	1,150,685
36	Shahjalal Islami Bank Limited	5,150,975	4,631,768
37	Social Islami Bank Limited	41,776,569	11,888,527
38	Sonali Bank Limited	3,667,828	9,715,475
39	Southeast Bank Limited	6,795,672	7,834,906
40	Standard Bank Limited	4,026,440	3,384,482
41	South Bangla Agriculture and Commerce Bank	2,400,000	-
42	The City Bank Limited	907,410	854,737
43	Padama Bank Limited	540,500	500,000
44	Trust Bank Limited	943,545	878,794
45	Union Bank Ltd.	1,100,000	-
46	United Commercial Bank Limited	7,297,821	5,817,394
47	Uttara Bank Limited	358,501	1,336,149
	Total	**302,338,163**	**225,005,540**

15.2 Balance with banks :

This represents the balance in STD accounts with different banks. We have circularized the balance confirmation letter to the bank to confirm the balance directly to the Auditors. But they said to have not received any reply till to the date of this report.

15.3 Cash in hand :

This represents petty cash of head office and branches and also CD account balances of the branches. Management has certified the closing petty cash in hand.

Notes To The Financial Statements

FOR THE YEAR ENDED ON DECEMBER 31, 2019

16. Property, Plant & Equipments : Tk. 308,246,099

Particulars	Cost				Depreciation					Written Down Value	
	Opening balance as at 1-Jan-19	Addition during the year	Disposal during the year	Balance as on 31-Dec-19	Rate	Opening balance as at 1-Jan-19	Charged during the year	Adjustment during the year	Balance as on 31-Dec-19	Balance as on 31-Dec-19	Balance as on 31-Dec-18
Property, Plant & Equipments (At Cost):											
Furniture and Fixture	10,454,604	-	-	10,454,604	10%	7,268,714	318,589	-	7,587,303	2,867,301	3,185,890
Type Writer and Office Equipments	6,669,884	224,946	-	6,894,830	15%	5,285,991	216,001	-	5,501,992	1,392,838	1,383,893
Electric Fan	381,147	-	-	381,147	15%	355,646	3,825	-	359,471	21,676	25,501
Air Conditioner and Refrigerator	7,131,717	193,340	-	7,325,057	20%	6,104,128	216,549	-	6,320,677	1,004,380	1,027,589
Motor Vehicle	65,211,296	4,700,000	-	69,911,296	20%	32,179,687	6,752,988	-	38,932,675	30,978,621	33,031,609
Motor Cycle	1,305,905	-	-	1,305,905	20%	1,258,403	9,500	-	1,267,903	38,002	47,502
Telephone Installation	649,000	-	-	649,000	15%	590,926	8,711	-	599,637	49,363	58,074
Office Decoration	38,799,505	-	-	38,799,505	10%	27,023,425	1,177,608	-	28,201,033	10,598,472	11,776,080
Library Books	148,988	-	-	148,988	20%	132,762	3,245	-	136,007	12,981	16,226
Computer	4,293,233	377,053	-	4,670,286	20%	2,418,450	418,164	-	2,836,615	1,833,671	1,874,783
Sub Total	**135,045,279**	**5,495,339**	**-**	**140,540,618**		**82,618,132**	**9,125,180**	**-**	**91,743,312**	**48,797,306**	**52,427,147**
Property, Plant & Equipments (At Revalued):											
Office Floor Space	319,000,000	-	-	319,000,000	2.5%	52,898,674	6,652,533	-	59,551,207	259,448,793	266,101,326
Sub Total	**319,000,000**	**-**	**-**	**319,000,000**		**52,898,674**	**6,652,533**	**-**	**59,551,207**	**259,448,793**	**266,101,326**
Grand Total As at December 31, 2019	**454,045,279**	**5,495,339**	**-**	**459,540,618**	**-**	**135,516,806**	**15,777,713**	**-**	**151,294,519**	**308,246,099**	**318,528,473**
As at December 31, 2018	**439,704,784**	**14,340,495**	**-**	**454,045,279**		**119,369,205**	**16,147,601**	**-**	**135,516,806**	**318,528,473**	**-**

Notes To The Financial Statements

FOR THE YEAR ENDED ON DECEMBER 31, 2019

17. Intangible Assets : **Tk. 171,327**

Particulars	Cost				Depreciation					Written Down Value	
	Opening balance as at 1-Jan-19	Addition during the year	Disposal during the year	Balance as on 31-Dec-19	Rate	Opening balance as at 1-Jan-19	Charged during the year	Adjustment during the year	Balance as on 31-Dec-19	Balance as on 31-Dec-19	Balance as on 31-Dec-18
Software Installation	4,809,661	32,500	-	4,842,161	35%	4,629,356	41,478	-	4,670,834	171,327	180305
As at December 31, 2019	**4,809,661**	**32,500**	**-**	**4,842,161**		**4,629,356**	**41,478**	**-**	**4,670,834**	**171,327**	**180,305**
As at December 31, 2018	**4,809,661**	**-**	**-**	**4,809,661**		**4,532,269**	**97,087**	**-**	**4,629,356**	**180,305**	**-**

		Amount in Taka	
		31-Dec-2019	31-Dec-2018
18.	**Deferred Tax [BAS 12] :**		
18.1	**Deferred Tax Assets :**		
	Book value of depreciable fixed assets	308,417,426	318,708,778
	Less: Tax base	97,581,029	316,404,040
	Total difference	**210,836,397**	**2,304,738**
	Less: Permanent difference	652,000	815,000
	Taxable Temporary differences	**210,184,397**	**1,489,738**
	Total (taxable)/deductible temporary difference	**210,184,397**	**1,489,738**
	Effective Tax Rate [is considered as per Finance Act, 2019]	37.50%	37.50%
18.2	**Deferred Tax Expense/(Income) : Tk. (212,005)**		
	Opening deferred tax liabilities	79,031,154	420,602
	Closing deferred tax Liabilities	78,819,149	558,652
	Total Deferred tax expense /(Income)	**(212,005)**	**979,254**
18.2.1	**Increase in deferred tax Liabilities over the year :**		
	The break-up of the amount is as under :		
	Balance as at January 01, 2019	79,031,154	(420,602)
	Add: Adjustment due to recognition of deferred tax liability	-	78,472,502
	Adjusted Opening Balance	**79,031,154**	**78,051,900**
	Deferred tax expense/ (Income) during the year	(212,005)	979,254
	Balance as at December 31, 2019	**78,819,149**	**79,031,154**

18.3 Provision for Taxation :

Break-up of the above is as under:

Particulars	Total Income	Exempted (Exceptional loss reserve & unrealised gain)	Taxable Income
Income from business(U/s 28 ITO, 1984)	64,961,939	37,677,965	27,283,974
Interest income from FDR & STD accounts (U/s 22 ITO, 1984)	21,179,638	-	21,179,638
Interest income from BGTB	2,780,500	2,780,500	-
Interest income from 2nd FSIBL Bond	4,084,589	-	4,084,589
Dividend Income from investment in securities(U/s 54 Rule 19)	129	-	129
Gain (Unrealised) on investment in securities	12,878	12,878	-
Capital gain from share trading(U/s 31)	-	-	-
Fixed assets sales (Motor Car) U/s 16(3)	-	-	-
Other Income (U/s 33)	-	-	-
	93,019,673	**40,471,343**	**52,548,330**

	Amount in Taka	
	31-Dec-2019	31-Dec-2018

18.3.1 Computation of current year tax provision

Particulars of using Tax payable rate on taxable income against various head as per the Income Tax Ordinance, 1984. Details are given below:

Particulars	Total Income	Rate of Tax	Tax provision
Tax on Income from business@37.50%	27,283,974	37.50%	10,231,490
Tax on Interest from FDR & STD accounts@37.50%	21,179,638	37.50%	7,942,364
Tax on Interest income from BGTB @0%	-	0%	-
Tax on Interest income from 2nd FSIBL Bond @5%	4,084,589	37.50%	1,531,721
Tax on Dividend Income @20%	129	20%	26
Tax on Gain (Unrealised) on investment in securities @0%	-	0%	-
Tax on Capital gain from share trading @10%	-	10%	-
Tax on Fixed assets sales (Motor Car) @15%	-	15%	-
Tax on Other Income @37.50%	-	37.50%	-
	52,548,330		**19,705,601**

19. Expenses of Management : Tk. 32,349,994

The following expenses were incurred for management of the company's total business but not related to any particular fund or identical business.

Insurance Premium	1,360,654	1,373,858
Bank Charges & Excise duty	2,490,141	625,128
Advertisement and Publicity	1,078,351	789,606
Traveling and Conveyance	1,454,177	13,823
Lease Rental	2,703,781	4,276,020
AGM & Conferance	224,348	378,996
Festival Allowance	5,992,584	5,099,977
Performance bonus	11,318,381	-
Annual listing fee	672,596	562,596
Group Insurance Premium	896,141	684,034
Contribution to Provident Fund	4,158,840	3,163,526
	32,349,994	**16,967,564**

	Amount in Taka	
	31-Dec-2019	31-Dec-2018

20. Expenses of Management : Tk. 131,734,787

These expenses were incurred in consolidation of identical business as below:

Salaries and allowances (including CEO's salary)	98,697,745	41,403,845
Wages	319,876	972,282
Postage and Telegram	388,447	334,098
Printing	4,130,463	1,429,922
Stationery	1,150,535	433,195
Conveyance	1,520,107	763,521
Training Fee	59,250	42,500
Entertainment	1,718,954	1,179,320
Electrical Expenses	58,908	3,775
Office Contingency and General Charges	864,918	117,187
Telephone, Trunk Call and Telex	973,998	540,649
Car Maintenance	1,495,657	712,964
Internet Charge	801,662	641,660
Office Rent	8,234,727	7,932,568
Gas, Water and Electricity Charges	3,017,501	2,733,184
Service Charges	1,055,600	974,400
Papers and Periodicals	55,115	25,510
Holding Tax	2,160	2,160
Other Expenses	589,856	207,616
Management Expenses SBC	5,803,183	5,066,523
Stamp Duty consumed - Fire	176,350	177,600
Stamp Duty consumed - Motor	500,875	444,835
Stamp Duty consumed - Miscellaneous	118,900	119,750
	131,734,787	**66,259,064**

20.1 Gross Premium & Allocation of Expenses of Management:

The above expenses were allocated to respective revenue account on the basis of gross premium earned during the year under audit as follows:

Revenue Account	Basis of allocation		Amount in taka		
	Gross Premium	Percentage %	General Expenses	Direct Expenses	Total Management Expenses
Fire	276,571,437	45%	55,984,918	1,127,761	57,112,679
Marine	126,792,625	21%	25,665,972	1,669,296	27,335,268
Motor	106,895,930	17%	21,638,387	704,254	22,342,641
Miscellaneous	107,922,560	17%	21,846,202	3,097,997	24,944,199
Total for the year 2019	**618,182,552**	**100%**	**125,135,479**	**6,599,308**	**131,734,787**
Total for the year 2018	**462,349,914**	**100%**	**60,450,356**	**5,808,708**	**66,259,064**

20.2 Chief Executive Officer's salary & allowances:

The CEO has been appointed with the approval from Insurance Development & Regulatory Authority (IDRA). In addition to remuneration, the CEO is also provided with telephone, cell phone, internet bills at actual. The Chief Executive Officer's salaries and allowances are Tk. 3,140,000 in 2019 and Tk. 2,364,000 in 2018.

It may be mentioned here that the above amount has been shown in Revenue Account as Management expenses in the Financial Statements.

21. Net assets value (NAV):

Net Assets Value (NAVs) per share has been calculated by dividing net asset value reported in the statement of financial position by the weighted average number of ordinary shares in issue.

Particulars	Amount in taka	
	31-Dec-2019	31-Dec-2018
Shareholders' equity	831,587,545	800,721,079
Weighted average number of ordinary shares	42,659,611	42,659,611
Net Assets Value (NAVs) per share at the balance sheet date	**19.49**	**18.77**

22. Net operating cash flow (NOCF):

Net Operating Cash Flow (NOCFs) per share has been calculated by dividing net cash used in operating activities reported in the cash flows statement of financial position by the weighted average number of ordinary shares in issue.

Particulars	Amount in taka	
	31-Dec-2019	31-Dec-2018
Net cash generated from operating activities	139,662,671	56,709,332
Weighted average number of ordinary shares	42,659,611	42,659,611
Net Operating Cash Flow per Share (NOCFS) per share at the balance sheet date	**3.27**	**1.33**

Net Operating Cash Flow per Share (NOCFS) depends on Income from Net Premium, Investment income, Net claim paid, Commission paid, Management Expenses and Income tax paid. The significant deviation in NOCFPS due to indicator of income was increased in 2019 from 2018. Besides this payment of Net claim, Agent Commission, Management Expenses, Re-Insurance premium and Income tax paid were also decreased in the year 2019 than 2018.

23. Reconciliation of net income or net profit with cash flow from operating activities:

As per clause 5(2)(e) of the BSEC notification (No. BSEC/CMRRCD/2006-158/208/Admin/81-dated 20 June 2018) the reconciliation of net income or net profit with cash flows from operating activities are given bellow:

Particulars	Amount in taka	
	31-Dec-2019	31-Dec-2018
Net profit before tax	93,019,673	99,553,268
Add: Depreciation & Amortization	15,819,191	16,244,688
Add/(less): Loss/(gain) on fair value adjustment	(12,878)	9,425
Add/(less): Increased/(decreased) in current liabilities	77,200,870	15,495,825
Add/(less): Decreased/(increased) in current assets	(15,872,763)	(12,209,988)
Cash generated from operation	**170,154,093**	**119,093,218**
Less: Income tax paid	30,491,422	62,383,886
Net cash generated from operating activities	**139,662,671**	**56,709,332**

24. Related Party Disclosure: [IAS - 24]

24.1 Related Party being Directors:

Directors' involvement in other Firms/ Companies are details below:

Sl. No.	Name of Directors	Status With NIIL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.		Position in the Firms/ Companies
01	Mr. Abdul Matin	Chairman	1	Metropolitan Medical Center Limited	Chairman
			2	Rupali Life Insurance Company Limited	Alternate Director
			3	Modern Textile Mills	Proprietor
			4	Modern Dying and Screen Printing Limited	Managing Director
			5	Narsingdi Hatchery and Fisheries Limited	Chairman
02	Mr. Mohammad Azam	Vice Chairman	1	Zia and Brothers	Proprietor
			2	Boshra Trading	Proprietor
03	Mr. S. M. Ayub Ali Chowdhury	Director	1	City Pharmaceuticals Limited	Chairman
			2	K. B. Knit Fashion Limited	Chairman
			3	Fortune Fashion Limited	Chairman
04	Mr. Md. Sarwar Salim	Director	1	Panwin Fashion Limited	Managing Director
			2	Panwin Garments Limited	Managing Director
			3	Panwin Designs Limited	Managing Director
			4	Pantax Accessories (Pvt) Limited	Managing Director
			5	Shamoli Garments Limited	Managing Director
			6	Western Developers Limited	Director
05	Al-haj Nasiruddin	Director	1	Nasim Trading Company	Proprietor
			2	Nams Trade Corporation	Proprietor
			3	J. A. N. Corporation Limited	Managing Director
06	Mrs. Naiyer Sultana	Director		Not Applicable	
07	Ms. Thamina Rahman	Director	1	Alliance Knit Composite Ltd.	Director
08	Mr. Faysal Ahmed Patwary	Director	1	Patwary Potato Flakes Limited	Director
			2	Greentech Greenhouse Bangladesh Limited	Director
			3	Social Islami Bank Ltd.	Director
			4	Patwary & Associates	Proprietor
09	Mrs. Ferdousi Islam	Director	1	China Bangla Ceramic Industries Limited	Chairman
			2	China Bangla Engineering & Technology Services Limited	Chairman
			3	Sommit Enterprise Ltd.	Director
			4	Trustee Securities Limited Managing	Director
			5	Bangal Tiger Cement Industries Limited	Director
			6	Total Merchandising & Trims Limited	Director
			7	United Shipping Lines Limited	Director
			8	Dhaka-Foshan Mould Company Limited	Director
			9	Azbal International Limited	Chairman
			10	Global International Ltd.	Director
10.	Mr. Shahriar Khaled	Director		Not Applicable	

Sl. No.	Name of Directors	Status With NIIL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.		Position in the Firms/ Companies
11.	Al-haj Abdus Samad	Director	1	Al-Arafah Islami Bank Limited	Chairman (BOD) & Promoter Shareholder/ Director
			2	S. Alam Power Plant Limited	Managing Director
			3	Karnaphuli Prakritik Gas Limited	Managing Director
			4	S. Alam Hatchery Limited	Chairman
			5	S. Alam Soyaseed Extraction Plant Limited	Chairman
			6	S. Alam Tank Terminal Limited	Chairman
			7	S. Alam Cold Rolled Steels Limited	Chairman
			8	S. Alam Steels Limited	Chairman
			9	S. Alam Cement Limited	Chairman
			10	Portman Cements Limited	Chairman
			11	S. Alam Brothers Limited	Chairman
			12	S. Alam Properties Limited	Chairman
			13	S. Alam Luxury Chair Coach Services Limited	Chairman
			14	S. Alam Super Edible Oil Limited	Sponsor Shareholder
			15	S. Alam Vegetable Oil Limited	Sponsor Shareholder
			16	S. Alam Power Generation Limited	Chairman
			17	SS Power I Limited Nominee	Director
			18	Norinco Engineering Limited	Director
			19	Ekushey Television Limited	Vice Chairman
			20	Reliance Finance Limited Nominee	Director
			21	Sonali Cargo Logistics (Pvt.) Limited	Chairman
			22	AIBL Capital Market Services Limited	Promoter Shareholder/ Director
			23	Marine Empire Limited	Managing Director
			24	Samad Trading Agency	Proprietor
			25	Fatehabad Farm Limited	Chairman
12.	Mr. Md. Mortuza Siddique Chowdhury	Director	1	Diganta Media Corporation Limited	Sponsor Shareholder
			2	Reliance Finance Limited	Director
			3	Mortaza Assets Limited	Managing Director
			4	MARSA Holding Limited	Chairman
			5	MARSA Trading Limited	Proprietor
			6	MARSA Fishing Limited	Chairman
			7	Parkview Hospital Limited	Vice Chairman
13.	Mrs. Umme Habiba Akhter	Independent Director	1	Akhter's Collection's Proprietor	
			2	Chattogram Women Chamber of Commerce & Industries (WCCI)	Member
			3	Disney Elementory School, Chattogram	Advisor
			4	Subline Consultancy	Advisor
			5	Ladies Club, Jamalpur	President
			6	Ladies Club, Rajshahi Division	Vice President
14.	Mrs. Tasmin Saida Chowdhury	Director		Not Applicable	

Sl. No.	Name of Directors	Status With NIIL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.		Position in the Firms/ Companies
15.	Mr. Mohammed Rafique	Independent Director	1	M. M. Corporation	Proprietor
16.	Al-haj Md. Saiful Alam	Director	1	Al-Arafah Islami Bank Limited	Sponsor Shareholder
			2	Karnaphuli Prakritik Gas Limited	Chairman
			3	First Security Islami Bank Limited	Chairman
			4	First Security Islami capital & Investment Limited	Chairman
			5	S. Alam Hatchery Limited	Managing Director
			6	S. Alam Soyaseed Extraction Plant Limited	Managing Director
			7	S. Alam Tank Terminal Limited	Managing Director
			8	S. Alam Cold Rolled Steels Limited	Director
			9	S. Alam Bag Manufacturing Mills Limited	Managing Director
			10	S. Alam Refined sugar Industries Limited	Managing Director
			11	S. Alam Steels Limited	Managing Director
			12	S. Alam Cement Limited	Managing Director
			13	Portman Cements Limited	Managing Director
			14	S. Alam & Co.	Proprietor
			15	S. Alam Trading Co. (Pvt.) Limited	Managing Director
			16	S. Alam Brothers Limited	Managing Director
			17	S. Alam Properties Limited	Managing Director
			18	S. Alam Luxury Chair Coach Services Limited	Managing Director
			19	S. Alam Super Edible Oil Limited	Sponsor Shareholder
			20	S. Alam Vegetable Oil Limited	Sponsor Shareholder
			21	Norinco Engineering Limited	Chairman
			22	S. Alam Power Generation Limited	Managing Director
			23	Reliance Brokerage Services Limited	Chairman
			24	Reliance Finance Limited	Chairman
			25	Sonali Cargo Logistics (Pvt.) Limited	Managing Director
			26	Fatehabad Farm Limited	Managing Director
			27	Rangdhanu Media Limited	Managing Director
			28	SS Power I Limited	Chairman (BOD) & Nominee Director
			29	Pavilion International Ltd.	Managing Director
			30	Crest Holdings Ltd.	Managing Director
			31	Virgin Assets Ltd.	Managing Director
			32	Noor Islamic Holdings Ltd.	Managing Director
			33	Disney Business Solution Ltd.	Managing Director
			34	Ekushey Television Limited	Chairman

25. Compliance of Schedule XI Part II of the Companies Act, 1994 :

The slab of employees' remuneration is given below:

Particulars	No. of Employees	
	2019	2018
Below Taka.36,000 per year	-	-
Taka.36,000 and above	**398**	**296**
Total	**398**	**296**

26. Provisions Relating to Collection of Premium :

The Company has always complied with the Section 18 of the Insurance Act, 2010 as applicable with regard to provision in collecting premium.

27. Restriction on Certain Investment :

Northern General Insurance Company Limited has not made any investment nor holds any shares or debentures of any company, firms or other business concern except FSIB Mudaraba Subordinated Bond, in which any of it's directors or any members of the family of such directors has any interest as Proprietor, Partner, Director, Manager or Managing Agent as per Section 44(3) of the Insurance Act, 2010 .

Company Secretary | Chief Financial Officer | Chief Executive Officer

Director | Director | Chairman

Northern Islami Insurance Limited

Statement Of Class-Wise Underwriting Profit Or Loss

FOR THE YEAR ENDED ON DECEMBER 31, 2019

Particulars	Amount in taka					
	2019					2018
	Fire	Marine	Motor	Miscellaneous	Total	
Gross Premium	276,571,437	126,792,625	106,895,930	107,922,560	618,182,552	462,349,914
Add: Premium on Re-insurance Accepted	-	-	-	-	-	-
Less: Premium on Re-insurance ceded	135,148,293	48,280,802	3,548,164	54,425,643	241,402,902	215,753,402
Net Premium Income	141,423,144	78,511,823	103,347,766	53,496,917	376,779,650	246,596,512
Add: Commission on Re-insurance ceded	47,462,126	12,808,151	364,616	11,606,661	72,241,554	58,088,538
Less: Commission on Re-insurance Accepted	-	-	-	-	-	-
Less: Agent Commission	34,636,086	14,661,750	12,507,447	9,595,777	71,401,060	48,579,681
Add: Last year's Unexpired Risks	27,442,958	32,035,027	28,138,598	11,933,990	99,550,573	98,927,542
Sub-Total	**181,692,142**	**108,693,251**	**119,343,533**	**67,441,791**	**477,170,717**	**355,032,911**
Deduct:						
Net Claim	58,670,128	82,177	19,333,958	(257,577)	77,828,686	68,800,678
Management Expenses	57,112,679	27,335,268	22,342,641	24,944,199	131,734,787	66,259,064
Reserve for Unexpired Risks	56,569,258	31,493,932	41,339,106	21,398,767	150,801,063	99,550,573
Sub-Total	**172,352,065**	**58,911,377**	**83,015,705**	**46,085,389**	**360,364,536**	**234,610,315**
Underwriting Profit / (Loss)	**9,340,077**	**49,781,874**	**36,327,828**	**21,356,402**	**116,806,181**	**120,422,596**

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Director | Chairman

Northern Islami Insurance Limited

Statement showing the details of classwise premium income, re-insurance accepted and ceded, commission earned and paid, claim paid, losses recovered and recoverable

For the year ended December 31, 2019

Direct Business:

Class of Business	Premium Income (Taka)				Commission (Taka)				Clains (Taka)			
	Gross Premium	Re-insurance Accepted	Re-insurance Ceded	Net Premium	Direct Business	Re-insurance Accepted	Re-insurance Ceded	Net Commission	Paid for direct Business	Re-Insurance Accepted	Re-insurance Ceded	Net Claim
Fire	263,994,556		124,805,130	139,189,426	34,636,086		46,320,162	(11,684,076)	39,634,788	-	1,331,661	38,303,127
Marine - Cargo	102,926,789		29,809,705	73,117,084	14,409,750		9,297,016	5,112,734	6,675,536	-	-	6,675,536
Marine - Hull	1,800,000		1,700,000	100,000	252,000		255,000	(3,000)	-	-	-	-
Motor	104,252,882		3,459,975	100,792,907	12,507,447		364,616	12,142,831	32,397,017		1,199,934	31,197,083
Miscellaneous	68,541,262		15,721,295	52,819,967	9,595,777		6,434,003	3,161,774	32,505	-	-	32,505
Total	**541,515,489**	**-**	**175,496,105**	**366,019,384**	**71,401,060**	**-**	**62,670,797**	**8,730,263**	**78,739,846**	**-**	**2,531,595**	**76,208,251**
Public Sector Business (PSB):												
Fire	12,576,881	-	10,343,163	2,233,718	-	-	1,141,964	(1,141,964)	487,078	-	435,737	51,341
Marine - Cargo	21,699,935	-	16,453,867	5,246,068	-	-	3,238,687	(3,238,687)	584,093	-	406,503	177,590
Marine - Hull	365,901	-	317,230	48,671	-	-	17,448	(17,448)	(6)	-	-	(6)
Motor	2,643,048	-	88,189	2,554,859	-	-	-	-	67,416	-	-	67,416
Miscellaneous	39,381,298	-	38,704,348	676,950	-	-	5,172,658	(5,172,658)	320,883	-	264,715	56,168
Total	**76,667,063**	**-**	**65,906,797**	**10,760,266**	**-**	**-**	**9,570,757**	**(9,570,757)**	**1,459,464**	**-**	**1,106,955**	**352,509**
Direct Business and Public Sector Business (PSB):												
Fire	276,571,437	-	135,148,293	141,423,144	34,636,086	-	47,462,126	(12,826,040)	40,121,866	-	1,767,398	38,354,468
Marine - Cargo	124,626,724	-	46,263,572	78,363,152	14,409,750	-	12,535,703	1,874,047	7,259,629	-	406,503	6,853,126
Marine - Hull	2,165,901	-	2,017,230	148,671	252,000	-	272,448	(20,448)	(6)	-	-	(6)
Motor	106,895,930	-	3,548,164	103,347,766	12,507,447	-	364,616	12,142,831	32,464,433	-	1,199,934	31,264,499
Miscellaneous	107,922,560	-	54,425,643	53,496,917	9,595,777	-	11,606,661	(2,010,884)	353,388	-	264,715	88,673
Total	**618,182,552**	**-**	**241,402,902**	**376,779,650**	**71,401,060**	**-**	**72,241,554**	**(840,494)**	**80,199,310**	**-**	**3,638,550**	**76,560,760**

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Director | Chairman

Northern Islami Insurance Limited

Status of compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

	Annexure-1	
Name of the IAS	**IAS No**	**Status**
Presentation of financial statements	1	**
Inventories	2	N/A
Cash flow statement	7	Applied
Accounting policies,change in accounting estimates and errors	8	Applied
Events after the balance sheet date	10	Applied
Construction contracts	11	N/A
Income Taxes	12	Applied
Property,plant and equipment	16	Applied
Lease	17	Applied
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for government grants and disclosure of governments assistance	20	N/A
The effect of change in foreign exchange rates	21	N/A
Borrowing cost	23	Applied
Related party disclosure 24 Applied		
Accounting and reporting byretirement benefits plan	26	Applied
Consolidated and separate financial statements	27	Applied
Investment in associates	28	N/A
Investment in joint ventures	31	N/A
Financial instruments: disclosure and presentations	32	**
Earning per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provision,contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied
Financial instruments: recognition and measurement combination	39	**
Investment property	40	N/A
Agriculture	41	N/A
Name of the IFRS	**IFRS No**	**Status**
Share base payment	2	N/A
Business combination	3	N/A
Insurance contracts	4	**
Non-currents assets held for sale and discontinued operation	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosure	7	**
Operating segment	8	N/A

** Northern Islami Insurance Limited management has followed the principles of IAS and IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline. On the other hand, some disclosures differ with the authoratative directions as mentioned in note 2.3.

Company Secretary | Chief Financial Officer | Chief Executive Officer

Director | Director | Chairman

নর্দার্ণ ইসলামী ইন্স্যুরেন্স লিঃ

NORTHERN ISLAMI INSURANCE LTD.

(A KEY TO PROTECTION)

PROXY FORM

I/We ----------of

---------- BO Account No.----------

being a member of Northern Islami Insurance Limited and holding ----------

Ordinary Shares do hereby appoint Mr. / Ms. ----------

BO Account No. ..... holding ..... ordinary shares as my/our proxy to attend and vote for me / us and on my / our behalf at the 24th Annual General Meeting (AGM) of the Company to be held on Monday, 21 September, 2020 at 04:00 P.M. at "Digital Platform" and any adjournment thereof.

Signature of Proxy Registered Folio/BO	Revenue Stamp Tk. 20.00	Signature of Shareholder Registered Folio/BO

Note:

1) This proxy form signed across twenty taka revenue stamp and must be deposited at least 48 hours before the meeting at the company's registered office.
2) Signature of the Shareholders should agree with the specimen signature registered with the company and / or Depository Register.
3) The eligible member to attend and vote at the above Annual General Meeting may appoint the proxy (as per Articles of Association, proxy must be a member of the Company) to attend and vote on his/her behalf.

নর্দার্ণ ইসলামী ইন্স্যুরেন্স লিঃ

NORTHERN ISLAMI INSURANCE LTD.

(A KEY TO PROTECTION)

ATTENDANCE SLIP

I hereby record my attendance at the 24th Annual General Meeting (AGM) held on Monday, 21 September, 2020 at 04:00 A.M. at "Digital Platform".

Name of the Member:..... Signature:.....

Registered Folio/BO ID No:..... Date.....

Name of the Proxy:..... ..... Signature:.....

Registered Folio/BO ID No:..... Date.... .....

Note: The shareholders/proxy are requested to send this Proxy Form duly filled, signed & stamped through email to Share Department of the company at share@niil.com.bd.

HOME OF ASSURANCE

নর্দার্ণ ইসলামী ইন্স্যুরেন্স লিঃ

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