

ANNUAL REPORT 2021



તર્ધાળ ઇસલામી ઇન્સુરન્સ લિઃ
NORTHERN ISLAMI INSURANCE LTD.

ANNUAL REPORT 2021



নর্দার্ন ইসলামী ইন্স্যুরেন্স লিঃ
NORTHERN ISLAMI INSURANCE LTD.

Head Office

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Letter of Transmittal

All shareholders,

Bangladesh Securities and Exchange Commission (BSEC);
Insurance Development and Regulatory Authority (IDRA);
Registrar of Joint Stock Companies & Firms (RJSC);
Dhaka Stock Exchange Limited (DSE);
Chittagong Stock Exchange PLC (CSE);
Central Depository Bangladesh Limited (CDBL);
Bangladesh Insurance Association (BIA);
Bangladesh Insurance Forum (BIF);
Bangladesh Association of Publicly Listed Companies (BAPLC);
Other stakeholders;

Dear Sir (s),

Re: Annual Report for the year ended 31 December 2021

Please find the enclosed Annual Report 2021 together with the Directors Report, Auditors Report, Annual Audited Financial Statements of the Company including the Balance Sheet, Profit & Loss Account, Statement of Cash Flows and Statement of Changes in Equity for the year ended 31 December 2021 along with the notes thereon of Northern Islami Insurance Limited for your kind information and record.

Yours faithfully,



M. H. Galib
Company Secretary



নর্দার্ন ইসলামী ইন্স্যুরেন্স লিঃ

NORTHERN ISLAMI INSURANCE LTD.

Notice of the 26th Annual General Meeting

Notice is hereby given that the **26th Annual General Meeting** of the honorable shareholders of Northern Islami Insurance Limited will be held on **Tuesday, 28 June 2022 at 11.00 A.M. (Dhaka time)** by using **Digital Platform** (in pursuance with BSEC order SEC/SRMRC/94-231/25 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, 2021.
- 2. Dividends**
To declare and approve dividend for the year 2021 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 2022 and to fix their remuneration.
- 5. Appointment of Professional**
To consider appointment of Corporate Compliance Auditors of the Company for the year 2022 and to fix their remuneration.
- 6. Appointment/Reappointment of Independent Director**
To consider post facto approval of appointment/reappointment of Independent Director.

Dated, Dhaka
June 02, 2022

By order of the Board of Directors

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

Notes:

- Shareholders whose names appear on the Share/Depository Register on the "Record Date" i.e. **26 May 2022** shall be eligible to attend the 26th Annual General Meeting and receive dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/25 dated 08 July, 2020, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using digital platform.
- 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.
- The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the **link: <https://niil26agm.digitalagmbd.net>**
- 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 2021 in soft format to the respective e-mail address of the shareholders available in their BO Account maintained with the Depository Participants (DP). The soft copy of the Annual Report-2021 will also be available at Company's website - **www.niil.com.bd**
- Depository Participants (DP)/Stock Brokers are requested to send the list of Margin Account Holders based on Record Date, if any, within June 05, 2022 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.
- 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).

Corporate Information

Name of the Company	Northern Islami Insurance Limited
Legal Form	<p>A Public Limited Company is 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 (Insurance Development & Regulatory Authority). The company provides non life insurance services within the stipulations laid down by Insurance Act, 2010 and related directives.</p> <p>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.</p>
Nature of Business	Non Life Insurance Business
Auditors	<p>M/s Hussain Farhad & Co. Chartered Accountants House # 15, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212</p>
Contacts	<p>Telephone : (+880-2) 02223382928-29, 02223382938 Hotline: 47110160 Fax : (+880-2-) 9551579 Email : info@niil.com.bd Website : www.niil.com.bd</p>
Legal Advisor	<p>M. A. Hannan & Counsels Consultants in Law Apartment 6-B, Level-6, Unique Heights, 117, Kazi Nazrul Islam Avenue, Dhaka</p>
Tax Advisor	<p>ADN Associates Rupayan Karim Tower, A-II, 80, Kakrail, Dhaka-1000, Bangladesh</p>
Principal Bankers	<p>Standard Chartered Bank AB Bank Ltd. First Security Islami Bank Ltd. Southeast Bank Ltd. Shahjalal Islami Bank Ltd. Al-Arafah Islami Bank Limited Islami Bank Bangladesh Ltd. Social Islami Bank Ltd. Union Bank Ltd. Global Islami Bank</p>
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. 21.00
Price Earning Ratio (as on 31-12-2021)	:	DSE-Tk. 30.57, CSE-Tk.30.11
Market Price (as on 31-12-2021)	:	DSE Tk. 53.80, CSE Tk. 53.00
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, 10% (Cash) 2020, 10% (Cash) 2021
Distribution of 10% cash dividend in respect of financial year ended 31st December, 2020	Record date Distribution date	June 23, 2021 September 06, 2021
25 th Annual General Meeting	Notice date	July 01, 2021
25 th Annual General Meeting	Held on	August 07, 2021

FINANCIAL CALENDAR

	Submission Date
Audited Financial Statement for the year ended 31 December, 2020	June 08, 2021
Unaudited Financial Statement for the 1st quarter ended 31 March, 2021	June 01, 2021
Unaudited Financial Statement for the 2nd quarter and half year ended 30 June, 2021	August 22, 2021
Unaudited Financial Statement for the 3rd quarter ended 30 September 2021	October 27, 2021



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 provide 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	Frox Tower (5th Floor), 92, Agrabad C/A Chattogram	Tel : 02333314279 02333318284 Mobile : 01819-321297
Anderkilla Branch	A.N. Tower (5th Floor), 23, Anderkilla, Teri Bazar, Chattogram	Tel: 02333360092-93 Mobile: 01819 179290
B.B. Avenue Branch	29, B.B. Avenue (1st floor), Dhaka-1000	Tel: 02223386735 Mobile : 01711-850550
Cumilla Branch	Hira Mansion (3rd floor), Ramghat, Kandirpar, Cumilla.	Tel : 02-334404813 Mobile : 01711 107137
Dilkusha Branch	Zaman Court, (8th Floor), 45 Dilkusha, C/A, Dhaka-1000	Tel : 02223357630, 47122816 Mobile : 01819-242180
Elephant Road Branch	299, Elephant Road (5th floor), Dhaka	Tel : 02223360746 Mobile : 01749-072106
Gazipur Branch	Tangail Road, Near Brac Bank & NCC Bank Ltd. Chandana, Chowrasta, Gazipur	Mobile : 01711317698 01715727522
Hatkholra Branch	12, R.K. Mission Road, Dhaka.	Tel : 02223383635 47114960 Mobile : 01819-468690
Imamgonj Branch	AGI Business Centre (6th Floor) 81/B-1 Hosne Dalan Road, Chankharpool More Dhaka.	Tel: 02-57300725 Mobile : 01871-210100
Jubilee Road Branch	44, Jubilee Road, (2nd Floor), Enayet Bazar, Chattogram.	Tel: 02333365611 031-630327 Mobile : 01819-385413
Kadamtoli Branch	1336/A.D.T. Road, (2nd Floor) Kadamtoli, Chattogram.	Tel : 02333316123 Mobile : 01680474872
Khatungonj Branch	279 Khatungonj, Noor Market, Chattogram.	Tel : 031-622425 Mobile : 01817-748474
Kawran Bazar Branch	57/E (1st Floor), Kazi Nazrul Islam Avenue, Dhaka-1000	Tel : 48113604 Mobile : 01819-199170
Kakrail Branch	50/D, VIP Road (1st Floor), Naya Palton, Dhaka-1000	Tel : 02222226686 Mobile: 01913464031

Branch Network

Branch Name	Address	Phone/Fax/Mobile
Local Office Branch	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 : 02223389702 Mobile : 01711-107651
Mogh Bazar Branch	4, Shahid Tajuddin Saroni (3rd Floor), Boro Moghbazar, Dhaka-1217	Tel : 48310450 Mobile : 01817-110699
Mohakhali Branch	H-4 (2nd floor), International Airport Road, Mohakhali C/A, Dhaka	Tel : 02222286790 Mobile : 01713-038195
Narayangonj Branch	Fazar Ali Trade Centre (3rd Floor), 78, B.B. Sarak, Narayangonj	Tel : 02224431963 Mobile : 01816-338372
Paltan Branch	Chowdhury Complex (2nd Floor), Suite-01, 15, Purana Paltan, Dhaka-1000	Tel : 02-9513173 Mobile : 01711-136580
Rampura Branch	Rupayan Kamaruddin Tower, (3rd Floor), 20- B/A, D.I.T. Road, Malibagh Chowdhury Para, Dhaka-1219.	Tel : 02222227365 02222227366 Mobile : 01819986262
Shantinagar Branch	Shahjalal Complex (Level - 7), 80/A, Siddheshari Circular Road, Malibagh Dhaka.	Tel : 02222228037 Mobile : 01818-342006
Sk. Mujib Road Branch	Progressive Tower (2nd floor), 1837, SK. Mujib Road, Badamtoli, Agrabad, Chattogram.	Tel : 02333332415 Mobile : 01716-524778
Principal Branch	Akram Tower (Level-4), 199, Shahid Syad Nazrul Islam Sarani, 15/5, Bijoy Nagar, Dhaka-1000.	Tel: 48310074-75 Mobile : 019122 46526

Corporate Structure

Board of Directors

Chairman

Mr. S. M. Ayub Ali Chowdhury

Directors

Al-haj Nasiruddin

Mr. Mohammad Azam

Al-haj Abdus Samad

Al-haj Md. Saiful Alam

Mrs. Ferdousi Islam

Ms. Thamina Rahman

Barrister Faysal Ahmed Patwary

Mr. Mortuza Siddique Chowdhury

Mrs. Naiyer Sultana

Mrs. Tasmin Saida Chowdhury

Mr. Abdullah Jamil Matin

Mr. Syed Abrar Sarwar

Mr. Mostafizur Rahman

Independent Director

Prof. Dr. Zainab Begum

Mr. Ansarul Alam Chowdhury

Chief Executive Officer

Mr. Chowdhury Golam Faruque

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

Mr. Mohammad Azam

Audit Committee

Chairman

Prof. Dr. Zainab Begum

Claim Committee

Chairman

Al-haj Nasiruddin

Nomination and Remuneration
Committee (NRC)

Chairperson

Mr. Ansarul Alam Chowdhury

Manpower Review Committee

Convener

Al-haj Abdus Samad

Shariah Council

Chairman

Prof. Dr. Mohammed Gias Uddin Talukdar

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. 115 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, Alhaj 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 115 where he has got interest in the capacity of Managing Director. He has 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 &
Convener of Manpower
Review Committee

Alhaj Abdus Samad, is a member of Board of Directors of Northern Islami Insurance Ltd. He is a renowned entrepreneur of the country 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 116. 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 Chandrighar, 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 & Chairman of
Executive Committee

Mr. Mohammad Azam is a member of the Board of Directors of Northern Islami Insurance Ltd. He is also Chairman of Executive Committee of the company. 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. 115. He is deeply involved in many social activities and charitable organizations. He is a widely travelled person across the globe.



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. 117. Apart from all these, he is associated with a number of Social, Sports, Cultural and Religious Organizations.

Board of Directors and their Profile



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 116. He is also involved in many social & charitable activities and known 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. 115. She is also actively involved in many social activities. She is a widely traveled person across the globe.



Barrister Faysal Ahmed Patwary
Director, BOD

Barrister Faysal Ahmed Patwary is a member of Board of Directors of Northern Islami Insurance Ltd. 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 115. 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.

Board of Directors and their Profile



Mrs. 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. 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.



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 social cultural activities and contributed herself in social welfare works.

Board of Directors and their Profile



Mr. Abdullah Jamil Matin
Director, BOD

Mr. Abdullah Jamil Matin, a young and diversified business personality is included to the Board of Directors of Northern Islami Insurance Limited on September 21, 2020. He obtained his graduation in Economics & Finance from University of Sydney, Australia. He had a versatile work experiences as Director of different companies which is listed in the page no. 115. He is a widely travelled person and devoted himself in many social activities.



Mr. Syed Abrar Sarwar
Director, BOD

Syed Abrar Sarwar is included as a member of the Board of Directors of Northern Islami Insurance Ltd. on 27 October, 2021. He completed his graduation from University of Toronto, Canada. He has a vast knowledge in marketing at Canada. He is a widely travelled person.



Mr. Mostafizur Rahman
Director, BOD

Mr. Mostafizur Rahman is included as a member of the Board of Directors of Northern Islami Insurance Ltd. on 27 April, 2022. As a versatile business personality in the country, he has long business experience like Textile, Garments Manufacturing, Securities, Agro industry, Media Communication, Properties and Trading Sector. He is holding capacity of Chairman & Managing Director of different entities i.e. Smart Jeans Ltd., Apparel Promoters Ltd., Smart Bio Inception Ltd., Shehan Specialized Textile Mills Ltd., Globe Textile Mills Ltd., Smart Media Ltd., Smart Share & Securities Ltd., Smart Jacket BD Ltd., Smart Outdoor Ltd., Chittagong Denim Mills Ltd., Smart Grain Agro Industries Ltd., RB Industries Ltd., BM Container Depot Ltd., BM Energy Ltd., Al Razi Chemical Complex Ltd. and City Home Properties Ltd. He is also involved in many social and charitable activities and known as a widely travelled person.

Board of Directors and their Profile



Mr. Ansarul Alam Chowdhury
Independent Director, BOD &
Chairperson of NRC

Mr. Ansarul Alam Chowdhury was appointed to the Board of Directors of Northern Islami Insurance Limited on September 23, 2020 as an Independent Director. He accomplished his M. A. and has a long active participation in the organizing activities of the “Chattogram Iron & Steel Utpadak O Banik Society” at Chattogram. He has vast experience in different business affiliation which is listed in the page no. 116.



Prof. Dr. Zainab Begum
Independent Director &
Chairman of Audit Committee

Prof. Dr. Zainab Begum was appointed as Independent Director of Northern Islami Insurance Limited on 01 February 2022. She is a retired Joint Secretary of Government of the People's Republic of Bangladesh, Bangladesh Secretariat. She has 35 years experience in different Ministries of Bangladesh Govt. for policy making as senior ranking Government officer. She obtained her M. Sc. From University of Dhaka and completed her Ph.D from University De Clermontferrand, France. She got various training in different from UGC, UNESCO, NAEM, Dhaka, SAARC, BIAM Dhaka, RD CD of Division of LGRM Ministry. She is a widely travelled person across the globe on official trips on different occasions including attending high level international conference, Seminar, Symposium etc.

Management Team

Managing Director & CEO	Mr. Chowdhury Golam Faruque
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. Zahir Uddin Babur Mr. Kazi Mizanur Rahman Mr. Md. Abdul Haque Chowdhury Mr. Golam Haider Chowdhury
Assistant Managing Director	Mr. Md. Rafiqul Islam Mr. Mohammed Salim
Sr. Executive Vice President	Mr. Md. Nazmul Huda Mr. Md. Azazul Islam
Executive Vice President	Mr. Khokan Chandra Sarkar Mr. Md. Shahidul Hoque Mr. Shamsuddin Ahmed Mrs. Nur Akter Begum
Sr. Vice President	Mr. Md. Waliullah Sikder Mr. Babul Mitra Mr. Md. Nazrul Islam Mr. Md. Shahadat Hossain Mr. Fahad Bin Hoque
Vice President	Mr. M. H. Galib Mr. A. S. M. Sajjadul Islam Chowdhury Mr. Mohammed Saifur Rahman Mr. Tofael Ahmed Bhuya
Deputy 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 Mr. Md. Shamsul Alam Mr. Md. Moniruzzaman

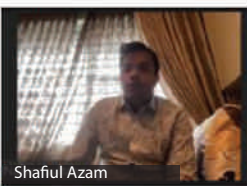
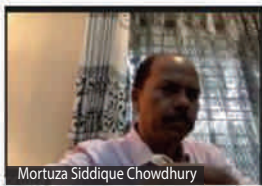
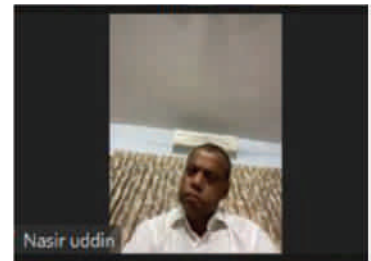
Pictorial



নর্দার্ন ইসলামী ইন্স্যুরেন্স লিঃ
NORTHERN ISLAMI INSURANCE LTD.

25th
Annual General
Meeting

7 August 2021, using Digital Platform



25th AGM held on 7 August 2021



223rd Board of Directors Meeting held on 02 December 2021



223rd Board of Directors Meeting



Half Yearly Business Conference 2021



26th Annual Business Conference 2022



Celebrated the Birth Anniversary of Sheikh Russel



Handingover Claim Cheque by MD & CEO



Celebrated Natonal Bima Dibhos 2022



S. M. Ayub Ali Chowdhury
Chairman of the Board

Chairman's Address

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum Warahmatullah,

I, on behalf of the Board of Directors have great pleasure to extend a hearty welcome to you all to the twenty sixth Annual General Meeting of Northern Islami Insurance Ltd. I have the pleasure to present before you the Annual Report of 2021 including the Audited Financial Statements and Auditor's Report thereon. I would take this opportunity to briefly discuss the developments during the year and also some issues following the close of our financial year ended 31st December 2021.

While reviewing the year 2021, I would say that it was a very tough and challenging year due to recurring the second wave of the Covid-19 pandemic situation. I would like to start with a brief overview of the performance and strategy of our company. A position mind set and proper risk management has impacted the final outcome of the key business performances mainly due to business based on Islami Shariah. Besides, the Board has taken certain steps to increase company's Gross Premium income of BDT 1,002.77 million against BDT 978.20 million in 2020 and Net Premium income of BDT 571.19 million against BDT 564.05 million in 2020. The Net Profit after tax stood BDT 75.07 million from BDT 74.30 Million in 2020 and Total Asset reached at BDT 1,899.06 million as at 31st December 2021. We record with gratitude the contribution to this growth made by all our clients, local corporate and sundry entities. There was a substantial increase in Total Investment to BDT 723.21 million as against BDT 647.43 million in 2020 and significant increase in Investment Income at BDT 42.17 million despite notable fall in profit on deposit against BDT 37.95 million in 2020.

Northern Islami Insurance Limited (NIIL) has efficiently managed the overall pandemic crisis because it stayed true to the core values, putting service first, pursuing excellence, embracing change, acting with integrity and serving the clients with its best. Close contact, effective and efficient decision made by the Board of Directors and the management team collaboratively result in ultimate positive growth in the profitability. Credit Rating of the company has been graded to AA+ in the long term and ST-1 in the short term with a Stable Outlook.

Northern Islami Insurance Ltd. conceived in prudent underwriting, follows all applicable Rules, Regulations and Orders of IDRA meticulously. During the year under review it has been complies with the GAD Circular No. 6/2021 dated 25 March 2021 regarding similar organization structure of all insurers on time. Northern Islami Insurance Limited has been sending

Chairman's Address

information about policies to the Unified Messaging Platform (UMP) regularly at the end of every day's business. With a view to making the capital securities market vibrant in the interest of the general investors, the Bangladesh Securities and Exchange Commission (BSEC) constituted a Fund named Capital Market Stabilization Fund (CMSF) by transferring unclaimed undistributed or unsettled cash or stock dividend or non refunded public subscription money or un-alloted rights shares from the issuer of listed securities lying with them for more than three years.

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 Ltd., Chittagong Stock Exchange PLC, CDBL, BSEC, Sadharan Bima Corporation and other govern bodies for their continued co-operation and support.

I would 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 Allah bless all of us.



S. M. Ayub Ali Chowdhury

Chairman



Chowdhury Golam Faruque
Managing Director & CEO of the Company

Chief Executive Officer's Review

Bismillahir Rahmanir Rahim

Assalamu Alaikum Warahmatullah,

It is my great pleasure to present before you a short review on our company's activities and its performance on behalf of the Board of Directors, Executives, Officers and all the Staff of Northern Islami Insurance Ltd. The company acrossed another year and we would appreciate for its quality business & good customer service.

During second wave of the Covid-19 pandemic in 2021, the path became challenging once the country was further impacted by the pandemic. We have anchored on the foundations of sustainability and remained silent, which has paved the pathway to deliver yet another successful year and steady progress across multiple facts of our business. As the world around us remains turbulent but we keep on rebuilding our competencies in the market segment we operate.

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 Exchanges Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange PLC. (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.

(Figures in Million Taka)

Particulars	2021	2020	2019	2018	2017
Gross Premium	1,002.77	978.20	618.18	462.35	422.60
Net Premium	571.19	564.05	376.78	246.60	247.21
Underwriting Profit	100.76	110.11	116.81	120.42	117.81
Investment Income	42.17	37.95	28.06	15.88	14.72
Investment (Including FDR)	723.21	647.43	377.39	300.04	291.26
Net profit before tax	88.21	88.68	93.02	99.55	99.03
Net profit after tax	75.07	74.30	73.53	70.49	69.42
EPS	1.76	1.74	1.72	1.65	1.63
NOCFPS	3.75	6.53	3.27	1.33	3.22
Shareholders' equity	895.64	863.22	831.59	800.72	851.36
Total assets	1,899.06	1,747.84	1,484.42	1354.88	1282.29
NAV (Per Share)	21.00	20.24	19.49	18.77	19.96
Paid-up capital	426.60	426.60	426.60	426.60	426.60
No. of share	4,26,59,611	4,26,59,611	4,26,59,611	4,26,59,611	4,26,59,611

As always, we maintain a healthy Gross Premium due to continuous striving for professionalism. Our most premium generating business classes are Fire, Marine, Motor and Miscellaneous. The repercussion of the Covid-19 pandemic has continues to plague the insurance market of Bangladesh throughout the year 2021. Northern is trying its level in order for enhancing our underwriting capabilities so that we can be generating significant premium from other unexplored riches.

Chief Executive Officer's Review

Northern Islami Insurance Limited (NIIL) is a reputed company for its transparency in Corporate Governance. We have been very clear that acting sustainably is an integral part of our approach and a foundation of our strategy. 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 and focus on mutual business discussion meeting. We arrange congenial environment to our staff members for ensuring self motivation in discharging responsibilities in most professional manner. Our strategy is bringing trust and profit will come logically through clients and customers satisfaction. Our other goal of ensuring customers services, particularly at the time of 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.

Compliance to regulations introduced by “Insurance Development and Regulatory Authority (IDRA)” is our top priority. It is our strength, which facilitates good corporate governance, and adequate service levels, bringing sustainability. We also 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 Insurance Development and Regulatory Authority (IDRA), Registrar of Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange PLC (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 2021 and hope for continuance in the years to come.

Finally I wish to express my profound gratefulness to the honorable Board of Directors for their valuable guidance, support and advices to proceed with the work smoothly to attain the optimum goal of the company.

I sincerely thank each and every shareholder for their unshakable trust and confidence in making the year 2021 a success and we are always looking for ideal opportunities for them. I 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,



Chowdhury Golam Faruque
Chief Executive Officer

Report of the Board of Directors



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors of Northern Islami Insurance Ltd., it is indeed a great privilege to welcome you to the 26th Annual General Meeting of the company. We are pleased to place the Annual Report-2021; Audited Financial Statements alongwith Auditors' Report for the year ended 31st December, 2021 to shareholders for your valued evaluation and approval. While preparing the Annual Report, section 184 of the Companies Act 1994, BSEC's Notification, the Listing Regulation of Dhaka and Chittagong Stock Exchange, guidelines of IDRA and other applicable rules & regulations are strictly followed and complied with.

Global & Bangladesh Economy

The Covid-19 pandemic has led to a dramatic loss of human life worldwide and presents an unprecedented challenge to public health, food systems and the world of work. Millions of enterprises face an existential threat. Informal economy workers are particularly vulnerable because the majority lack social protection and access to quality health care and have lost access to productive assets. The pandemic has been affecting the entire food system and has laid its fragility. Recently, the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable population in low income countries hardest. According to International Monetary Fund (IMF) global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Beyond 2023, the global growth is forecast to decline to about 3.3 percent over the medium term. War induced commodity price increase. However, multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

The rapid spread of the Omicron Variant indicates that the pandemic will likely continue to disrupt economic activity in the near term. In addition, a notable deceleration in major economics including the United States and China will weigh on external demand in emerging and developing economics. At a time when governments in many developing economics lack the policy space to support activity if needed, new Covid-19 outbreaks, persistent supply chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swaths of the world could increase the risk of a hard landing.

Bangladesh has made a strong economic recovery from the Covid-19 pandemic, but growth

face new headwinds as global commodity prices increase amid the uncertainty created by the war in Ukraine, says a new World Bank report. In Bangladesh, a rebound of manufacturing and service sector activities led strong growth in FY21 and in the first half of FY22. In the medium term, GDP growth is expected to remain strong. Headline inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. The war in Ukraine and associated sanctions may lead to a higher current account deficit and rising inflation as global commodity prices surge. Public debt remains sustainable, and in the March 2022 Joint World Bank - IMF Debt Sustainability Analysis assessed that Bangladesh remained at low risk of external and public debt distress.

The Asian Development Bank (ADB) has forecasted that Bangladesh's gross domestic product (GDP) would continue to maintain the similar strong growth at 6.9. This projection has been revealed in the latest ADB report titled "Asian Development Outlook (ADO) 2022". The ADB held stepped up budget spending, a strong expansion in exports and slight improvement in agriculture output behind the growth projection. With large available funding, public investment will increase to support the implementation of priority large infrastructure projects, it forecasted. It has been also mentioned in the report that growth would continue to be strong in the current and following fiscal year, but below pre-pandemic levels because growth in industrialised economics is expected to slow down thanks to disruptions caused by Russian invasion of Ukraine. ADB in its report mentioned that private consumption would continue to be the main contributor to growth, guided by a modest increase in remittances. On the downside, the agriculture sector lost steam. Towards the end of the fiscal year 2021-2022, higher import prices as a result of the war in Ukraine likely also acted as a slight drag on momentum.

The insurance industry rebounded strongly in 2021 after getting hit by the corona virus pandemic. However, people of this country have courageously faced the adverse situation, so created, by carrying on economic activities with inborn resilience, with which we have been blessed. Governments' adoption of a policy of mass vaccination at the early stage of the pandemic has effectively contained a situation which otherwise could have been worse. This has put Bangladesh ahead of many developing countries. In line with the country's impressive GDP growth, the insurance industry should also not grow by remedying its manifold problems. According to the Insurance Development and Regulatory Authority (IDRA), total gross premium of life and non-life insurance grew 8.45 percent year-on-year to Tk. 14,392 crore in 2021. However, the most important drawback for the sector is low public confidence, so digitization was important. But the regulatory reforms in Bangladesh which started with the introduction of the Insurance Act 2010 are yet to be completed as the important regulations under the Act, governing important aspects like solvency margin and reserving, have not yet been put in place.

Financial Achievement

In the year ended on 31st December, 2021 the Gross Premium income of the company stood at Tk. 1,002.77 million mainly due to business based on Islami Shariah against Tk. 978.20 million during the year 2020. Total Investment including FDR reached to Tk. 723.21 million during the year compare to Tk. 647.43 million in 2020 and Total Assets stood at Tk. 1,899.06 million against Tk. 1,747.84 million in 2020.

Profit

Despite radical fall in rate of profit/interest on deposits during the year 2021, Investment Income stood at Tk. 42.17 million against Tk. 37.95 million in 2020. Your company earned Net Profit after tax Tk. 75.07 million in 2021 against Tk. 74.30 million in 2020.

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. 190.01 million against Tk. 78.13 million in 2020.

Reserve & Surplus

In order to build strong and solid foundation of Assets & Reserve based Company, the Board of Directors proposed to transfer Tk. 39.95 million only to Reserve for Exceptional Losses Account during the year and therefore, the Reserve and Surplus stood at Tk. 616.13 million in 2021 as follows:

	In Million Tk.
Reserve for Exceptional Loss	309.03
Reserve for Un-expired Risk	228.80
Revaluation Surplus	78.30
Total	616.13

Earning Per Share

Company's attributable profit to the ordinary shareholders is Tk. 75.07 million in 2021. During this year Company's Earning Per Share (EPS) stood at Tk. 1.76 (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 2021 subject to approval in the 26th AGM.

Investment

The total Investment including FDR of the Company stood at Tk. 723.21 million at the end of the year 2021 as against Tk. 647.43 million in 2020

	Year 2021	Year 2020
	In Million Tk.	In Million Tk.
Fixed Deposit with various Banks	489.28	425.90
Bangladesh Govt. Treasury Bond	139.90	119.90
Premium on Bangladesh Govt. Treasury Bond	13.88	11.53
FSIB 2nd Mudaraba Subordinated Bond	30.00	40.00
AIBL 3rd Mudaraba Subordinated Bond	50.00	50.00
Share in Public Limited Company	0.15	0.10
Total	723.21	647.43

Financial Summary

Taka in Million

Particulars	2021	2020	2019	2018	2017
Gross Premium	1,002.77	978.20	618.18	462.35	422.60
Net Premium	571.19	564.05	376.78	246.60	247.21
Gross Claim Paid	190.01	78.13	80.20	81.11	84.99
Underwriting Profit	100.76	110.11	116.81	120.42	117.81
Investment Income	42.17	37.95	28.06	15.88	14.72
Net Profit (after tax)	75.07	74.30	73.53	70.49	69.42
Investment including FDR	723.21	647.43	377.39	300.04	291.26
Total Assets	1,899.06	1,747.84	1,484.42	1,354.88	1,282.29
Earning Per Share (Taka)	1.76	1.74	1.72	1.65	1.63
Face Value Per Share	Tk. 10	Tk. 10	Tk. 10	Tk. 10	Tk. 10

Retirement and Reappointment of Directors

At the 26th 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) Mrs. Ferdousi Islam
- 3) Mr. Mortuza Siddique Chowdhury
- 4) Mr. Abdullah Jamil Matin

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 26th Annual General Meeting:

- 1) Alhaj Md. Saiful Alam
- 2) Barrister Faysal Ahmed Patwary

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 April 28, 2022 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 388 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, Islami Economics and money laundering 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.

Credit Rating

The Credit Rating Company has been graded to "AA+" in the Long Term and "ST-1" in the Short Term with Stable Outlook by the Government approved Alpha Credit Rating Ltd. on the basis of Audited Financial Statements for the year ended December 31, 2021 and the other relevant information. The rating is supported by increasing gross premium, liquidity position, adequate solvency, prudent underwriting, dividend policy, prompt settlement of claims etc.

Appointment of Auditor(s)

i) Statutory Auditor:

The present Auditor 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 26th Annual General Meeting and they have completed their assignment as Auditor(s) for consecutive 3 years. To comply BSECs' requirement the Board of Directors of Northern Islami Insurance Ltd. recommended to appoint M/S FAMES & R, Chartered Accountants, Address: H-3/1 & 3/2 (Flat-2A), Bijoy Nagar, Dhaka-1000 as they expressed their willingness & offered themselves as statutory Auditor of the company for the year 2022, subject to approval in the 26th Annual General Meeting.

ii) Appointment for Corporate Governance Compliance Certificate Auditor:

Das Chowdhury Dutta & Co., Chartered Accountants had conducted the audit on compliance of the code of Corporate Governance of the company for the year ended 31st December, 2021 as issued by the BSEC Notification No. BSEC/CMRRCD/2006-158/107/Admin/80 dated 03/06/2018. The Board of Directors of the company has recommended to re-appoint Das Chowdhury & Co., Chartered Accountants, as the professional to provide the Certification as to the compliance to the Corporate Governance Code issued by the BSEC Notification dated 03/06/2018 for the year 2022.

Corporate Governance

The Board of Directors of the company firmly believes that practice of Good Corporate Governance and transparency is 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 Ltd. 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 Regularity Authority (IDRA), Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC, Registrar of Joint Stock Companies & Firms, Central Depository of Bangladesh 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.

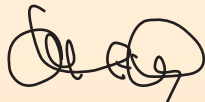
We also offer sincere gratitude and thanks for all out efforts and team spirit of the Chief Executive Officer, CFO, Company Secretary, Senior Executives, Officers and the Employees of the company for their sincere and dedicated services towards greater success. We always solicit your continuous co-operation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

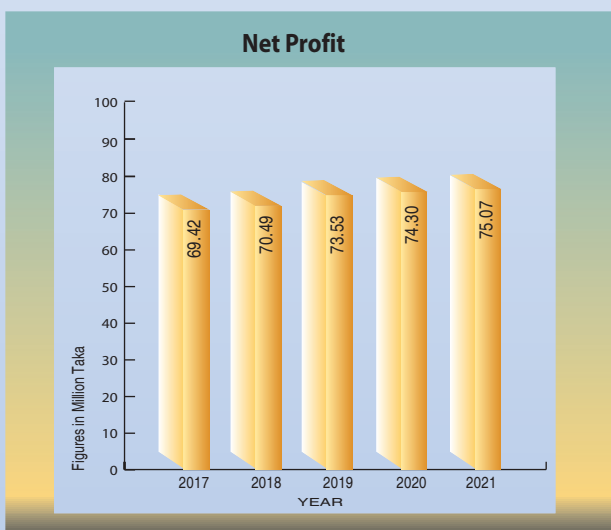
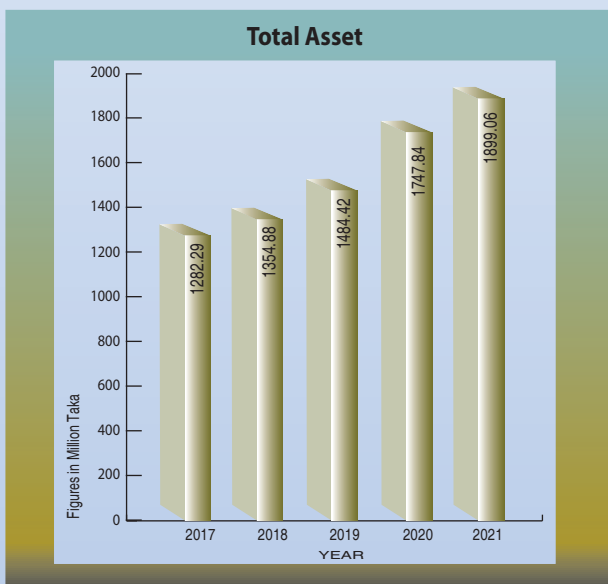
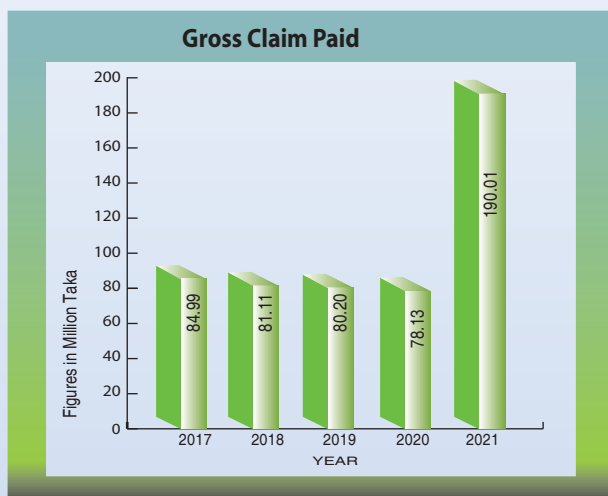
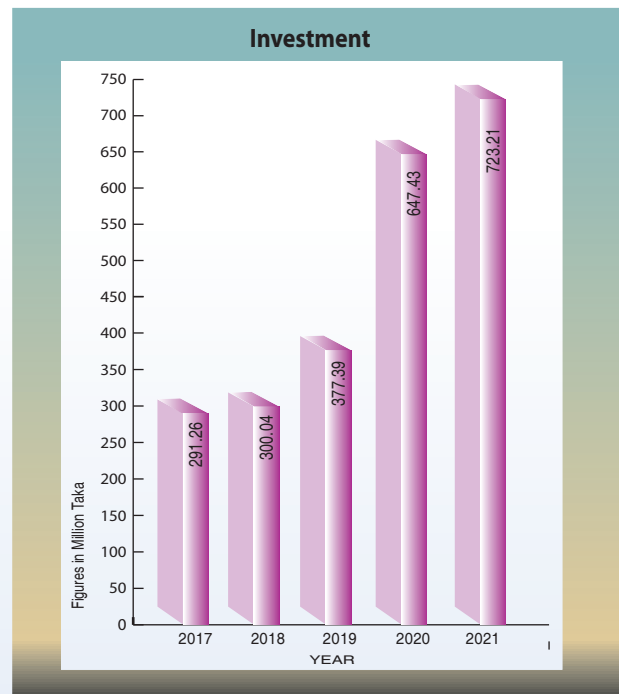
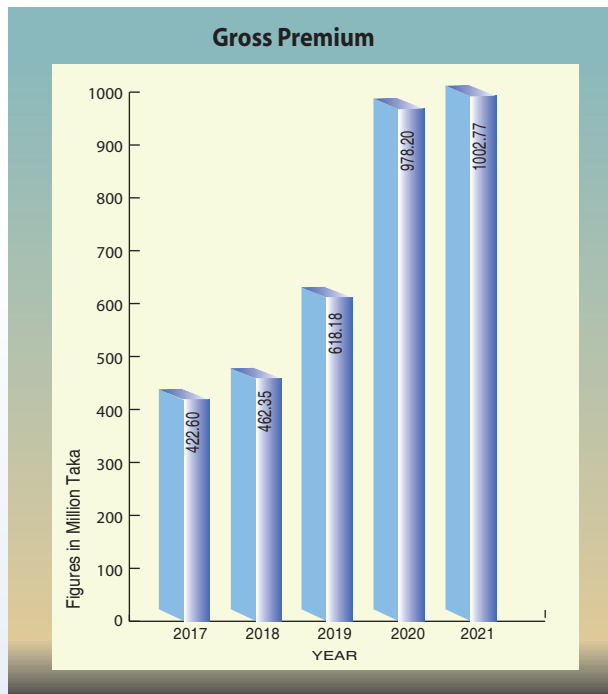
For and on behalf of the
Board of Directors

Northern Islami Insurance Ltd.



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 Transactions are depicted in Note no. 26, 26.1, 26.2.1 & 26.2.2 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, 2021 the Board of Directors held 11 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 Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% as at December 31, 2021 are as stated in **Annexure-II**.
- ☐ Key operating and financial data of last 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, 2021)

ANNEXURE-II

Particulars	No. of Share Held	Percentage	Remark
Parent Company	-	-	The Company is not subsidiary of any company
Directors :			
Mr. S.M. Ayub Ali Chowdhury	10,92,504	2.561	
Al-haj Nasiruddin	9,27,111	2.173	
Al-haj Abdus Samad	9,27,111	2.173	
Al-haj Md. Saiful Alam	8,54,231	2.002	
Mr. Mohammad Azam	9,84,385	2.307	
Mrs. Ferdousi Islam	12,45,647	2.920	
Barrister Faysal Ahmed Patwary	9,52,373	2.232	
Md. Mortuza Siddique Chowdhury	9,27,111	2.173	
Ms. Thamina Rahman	12,45,647	2.920	
Mrs. Naiyer Sultana	11,71,111	2.745	
Mrs. Tasmin Saida Chowdhury	12,45,647	2.920	
Mr. Abdullah Jamil Matin	9,47,111	2.220	
Mr. Syed Abrar Sarwar	9,41,897	2.207	
Total	1,34,61,886	31.553	
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, HIA) :	NIL		
Shareholders Holding 10% or more voting right :	NIL		

Compliance of Notification

No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 January, 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 Prof. Dr. Zainab Begum 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

Northern Islami Insurance Limited has no Subsidiary Company.

3. 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
- 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 COMMITTEE:

NRC Committee 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 Exchanges 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

The Board of Directors
Northern Islami Insurance Limited

ANNEXURE-III

Subject: Declaration on Financial Statements for the year ended on 31 December 2021

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 2021 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.

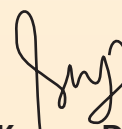
In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 31 December 2021 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,



Chowdhury Golam Faruque
Chief Executive Officer (CEO)



Sujit Kumar Dey FCA
Chief Financial Officer (CFO)

AUDIT COMMITTEE REPORT

For the year ended 31st December, 2021

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

Name	Status	Position of Audit Committee
Mrs. Umme Habiba Akhter	Independent Director	Chairman
Mr. S.M. Ayub Ali Chowdhury	Chairman	Member
Al-haj Abdus Samad	Director	Member
Alhaj Nasiruddin	Director	Member

The Committee held 5 (Five) meetings during the year as per following:

Name of the Meeting	Total Meeting held during the 2021	Attended
Audit Committee Meeting	5 (Five)	100% attendance on average

Activities of the Audit Committee:

- Reviewed and recommended to the Board to approve the financial statements prepared for statutory purpose;
- Report to the Board of Directors on internal audit finding from time to time considering the significance of the issues;
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- 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.
- 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

Umme Habiba Akhter

Chairman

Audit Committee

Nomination and Remuneration Committee (NRC)

For the year ended 31st December, 2021

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. Ansarul Alam Chowdhury, Independent Director	Chairperson
02	Mr. S. M. Ayub Ali Chowdhury, Chairman	Member
03	Al-haj Abdus Samad, Director	Member
04	Alhaj Nasiruddin, Director	Member

The Committee held 1(one) meeting during the year as per following:

Name of the Meeting	Total Meeting held during 2021	Attended
Nomination and Remuneration Committee (NRC)	1 (One)	100% attendance on average

Terms of Reference (ToR) of NRC committee in line with the corporate governance Condition no. 6 (1) and other compliance as per 6 (2) to 6 (5) of BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 are as follows Terms of Reference

Purpose

The Committee assists 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 normal process of considering remuneration directors, top level executive.

Authority

- 1.0 The Nomination and Remuneration Committee is a Committee of the Board of Northern Islami Insurance Limited from which it derives its authority and to which it regularly reports.
- 1.1 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

Constitution

1.0 Chairperson

- a. One member of the NRC is to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- 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;
- c. The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of

the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

2.0 Membership

- a. The Committee shall comprise of at least, three members including an independent director;
- b. All members of the Committee shall be non executive directors;
- c. Members of the Committee shall be nominated and appointed by the Board;
- d. The Board shall have authority to removed and appoint any member of the Committee;
- 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;
- f. The Chairperson of the Committee may 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.

3.0 Secretary

- a. The company secretary shall act as the secretary of the Committee;

4.0 Proceeding of Meeting

1) Frequency of Meetings

- a. The NRC shall conduct at least one meeting in a financial year;
- b. The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

2) Quorum

- a. 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, which ever is higher,
- b. The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

3) Meeting Fees

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.

4) Minutes of Meeting

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.

Activities & Role 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

AssalmuAlaikumWaRahmatullah

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. Chowdhury Golam Faruque for their success in converting from traditional operation to Islamic Shariah based operation.

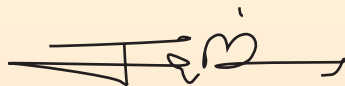
Observation:

- * The audited financial statement of the company for the year ended 31 December 2021 presented in the Shariah Council Meeting held on 27 April 2022 are reviewed and approved.
- * 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

Well Tower (1st Floor), Flat- A/1
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Fax: 088-02-58310639
E-mail: dcdhaka@outlook.com

Offices :

Jahan Building No.5 (2nd Floor)
74 Agrabad com. Area, Chittagong
Tel : 088-031-725955
Fax : 088-031-714312
E-mail : dcdctg@outlook.com

Website : www.daschowdhurydutta.com

[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 2021**. 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:

- 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.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- 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
- The Governance of the company is satisfactory.

Dhaka, 12 May 2022





Sunirmal Chowdhury FCA
ICAB Enrollment Number 500
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 integrity 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 applicable
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 thereof;	✓		
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;	✓		
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;	✓		Not applicable
2(d)	Statement as to the review of minutes of Subsidiary company by the holding company's Board;	✓		Not applicable
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding company;	✓		Not applicable
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 may 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



Year	Long Term Rating	Short Term Rating	Outlook
2021	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 : 31 May, 2022

Rating Validity : 30 May, 2023

Rated by : Alpha Credit Rating Ltd.



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(A KEY TO PROTECTION)

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, 2021 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.

Chowdhury Golam Faruque
Managing Director & CEO

Al-haj Abdus Samad
Director

Al-haj Nasiruddin
Director

S.M. Ayub Ali Chowdhury
Chairman

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northern Islami Insurance Limited (the "Company"), which comprise the Statement of Balance Sheet as at December 31, 2021, 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 December 31, 2021, 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, 2020 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) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

Emphasis of Matters

- a) We draw attention to note 2.13.3.1 of the Financial Statements, which describes the reason for not establishing Workers' Profit Participation Fund by the Company according to the Labor Act, 2006 (as amended in 2013 and 2018);
- b) Management has described the reason for not performing impairment test in accordance with IFRS 9 regarding the investment on FDR in People's Leasing and Financial Service and International Leasing and Financial Service Ltd. carrying at BDT 1,600,000 and BDT 1,39,29,299 respectively as at December 31, 2021 in note 15.1 and 15.1.1 of the financial statements; and
- c) As disclosed in note 2.18.6 to the financial statements where it has been described the reason for departure from IFRS 16 during the year in the financial statements.

Our Opinion is not modified in respect of the matters emphasized.

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	
<p>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 BDT 1,002,766,187 for the year ended December 31, 2021.</p> <p>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.</p>	<p>Our procedures included obtaining an understanding of management's premium income recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note 2.12.1 and Form XL of the financial statements. In addition, we assessed whether the disclosed revenue recognition policy was in accordance with relevant Insurance Act & Rules.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p>

Key Audit Matter	How our audit addressed the key audit matters
Premium Income	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> • The design and operating effectiveness of key controls around premium income recognition process. • 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	

Key Audit Matter	How our audit addressed the key audit matters
Estimated liability in respect of outstanding claims whether due or intimated and claim payment	
<p>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.</p> <p>As a result, financial statements may show distorted amount which may also concern going concern issue for the company.</p> <p>At year end the 2021, the Company reported total balance under the head of estimated liability in respect of outstanding claims whether due or intimated and claim payment of BDT 152,877,101.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> • 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. • 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 08 to the financial statements	

Key Audit Matter	How our audit addressed the key audit matters
Property, Plant & Equipment	
<p>The carrying value of property, plant & equipment amounts to Taka 291,353,343. This represents a significant amount in the company's statement of financial position as at December 31, 2021.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> 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. <p>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.</p>	<p>Our audit procedures to assess the carrying value of property, plant & equipment included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> 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. 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.	

Key Audit Matter	How our audit addressed the key audit matters
Deferred tax liability	
<p>Company reported net deferred tax liability totaling Taka 77,957,903 as at December 31, 2021.</p> <p>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.</p>	<p>Our audit procedures to assess the carrying value of Deferred Tax liability included the following:</p> <ul style="list-style-type: none"> • 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	

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 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.
- 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, 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.

Firm Name : **Hussain Farhad & Co., Chartered Accountants**
Registration No : 4/452/ICAB-84

Signature of the auditor

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Name of the auditor : **A.K.M. Fazlul Haque, FCA, Partner/Enrollment No: 1090**

DVC Number : 2204281090AS501368

Place : Dhaka

Dated : **April 27, 2022**

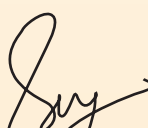
Northern Islami Insurance Limited

Balance Sheet

Capital and Liabilities	Notes	Amount in Taka	
		2021	2020
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		469,044,861	436,631,075
Reserve for Exceptional Losses	4	309,029,298	269,083,020
Revaluation Reserve	5	78,300,533	82,759,041
Profit and Loss Appropriation Account	6	81,715,030	84,789,014
Balance of Funds and Accounts		228,795,744	225,661,162
Fire Insurance Business		102,890,945	99,145,746
Marine Insurance Business		45,354,058	45,820,940
Motor Insurance Business		41,312,537	44,391,564
Miscellaneous Insurance Business		39,238,204	36,302,912
Premium Deposit	7	40,270,912	28,817,604
Liabilities and Provisions		734,354,251	630,137,995
Estimated Liability in Respect of Outstanding			
Claims Whether Due or Intimated	8	152,877,101	67,273,000
Amount Due to Other Persons or Bodies			
Carrying on Insurance Business	9	165,052,981	171,271,470
Sundry Creditors (including provision for tax)	10	338,466,266	313,428,363
Deferred Tax Liabilities	18.2.1	77,957,903	78,165,162
Total Capital and Liabilities		1,899,061,878	1,747,843,946
Net Assets Value Per Share		21.00	20.24

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer

Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368

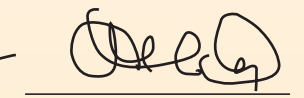
As At December 31, 2021

Property and Assets	Notes	Amount in Taka	
		2021	2020
Investment	11	233,930,488	221,537,364
Interest Accrued (but not due)	12	6,586,769	5,726,557
Amount Due From Other Persons or Bodies Carrying on Insurance Business	13	404,106,486	392,406,869
Sundry Debtors (including advance taxes, others advances, deposits and pre-payments)	14	384,424,783	349,823,915
Cash and Cash Equivalents	15	577,075,843	480,569,406
Other Accounts		292,937,509	297,779,835
Property, Plant and Equipment	16	291,353,343	296,901,022
Intangible Assets	17	72,386	111,363
Stock of Stationery in hand		644,330	386,200
Insurance Stamps in hand		867,450	381,250
Total Assets and Properties		1,899,061,878	1,747,843,946

Signed in terms of separate report of even date.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co.
 Chartered Accountants

Northern Islami Insurance Limited

Profit and Loss Account

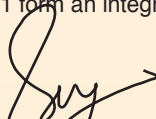
Particulars	Notes	Amount in Taka	
		2021	2020
Expenses of Management (not applicable to any particular fund or account)	19	34,013,861	38,828,735
		22,820,328	22,117,574
Directors' Fees		4,866,800	3,854,800
Audit Fees		678,500	327,750
Subscription		691,000	1,254,911
Legal and Professional Fees		778,500	182,863
Depreciation and Amortization		14,407,336	15,531,739
Registration Renewal Fees		1,398,192	965,511
Profit Before Tax		88,209,524	88,676,375
Deferred Tax (Income)/Expenses	18.2	(207,259)	(653,987)
Provision for Taxation	18.3.1	13,343,386	15,031,111
Profit after Tax carried to Profit or Loss Appropriation Account		75,073,397	74,299,251
Total		145,043,713	149,622,684

Profit and Loss Appropriation Account

Particulars	Notes	Amount in Taka	
		2021	2020
Reserve for Exceptional Losses		39,946,278	43,714,234
Cash Dividend		42,659,611	42,659,611
Balance of Profit After Tax		81,715,030	84,789,014
Total		164,320,919	171,162,859
Earning Per Share (EPS)	2.11	1.76	1.74
Face Value Per Share		10	10

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


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer

Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368

For The Year Ended December 31, 2021


Particulars	Notes	Amount in Taka	
		2021	2020
Interest, Dividend and Rents (not applicable to any particular fund or account):			
Interest Income	21	42,168,384	37,946,212
Other Income	22	2,117,521	1,566,037
Underwriting Profit or Loss transferred from :		100,757,808	110,110,435
Fire Insurance Revenue Account		(57,801,818)	7,778,285
Marine Insurance Revenue Account		57,408,411	28,562,155
Motor Insurance Revenue Account		50,944,615	41,333,200
Miscellaneous Insurance Revenue Account		50,206,600	32,436,795
Total		145,043,713	149,622,684

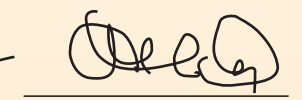
For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance being Profit brought forward from last year		84,789,014	92,290,779
Revaluation Surplus Transferred to Retained Earnings		4,458,508	4,572,829
Net Profit for the year brought down		75,073,397	74,299,251
Total		164,320,919	171,162,859

Signed in terms of our report of even date annexed.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co.
 Chartered Accountants

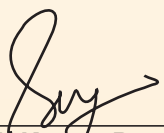
Northern Islami Insurance Limited

Consolidated Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2021	2020
Claims under policies less re-insurances:			
Paid during the year		146,728,331	62,144,731
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		152,877,101	67,273,000
		299,605,432	129,417,731
Less : Claims outstanding at the end of the previous year		67,273,000	48,474,126
		232,332,432	80,943,605
Agent commission		61,573,612	137,461,253
Expenses of management	20	253,836,047	261,030,258
Balance of account at the end of the year as shown in the balance sheet		228,795,744	225,661,162
Underwriting profit or loss transferred to profit or loss account		100,757,808	110,110,435
Total		877,295,643	815,206,713

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer

Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368

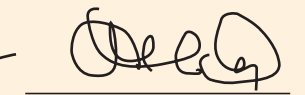
For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance of account at the beginning of the year:			
Reserve for unexpired risks		225,661,162	150,801,063
Premium less re-insurances		571,192,412	564,054,630
Commission on re-insurances ceded		80,442,069	100,351,020
Total		877,295,643	815,206,713

Signed in terms of our report of even date annexed.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co
 Chartered Accountants

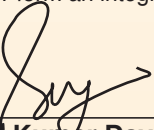
Northern Islami Insurance Limited

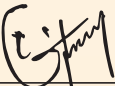
Fire Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2021	2020
Claims under policies less re-insurances :			
Paid during the year		123,273,574	42,195,109
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		106,500,000	36,858,334
		229,773,574	79,053,443
Less : Claims outstanding at the end of the previous year		36,858,334	35,947,387
		192,915,240	43,106,056
Agent Commission		35,858,700	81,154,812
Expenses of management	20.1	132,065,918	145,845,280
Balance of account at the end of the year as shown in the balance sheet			
Reserve for unexpired risks being 40% of premium income of the year		102,890,945	99,145,746
Underwriting profit or loss transferred to profit and loss account		(57,801,818)	7,778,285
Total		405,928,985	377,030,179

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer


Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368

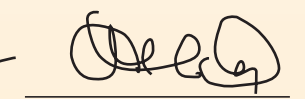
For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance of account at the beginning of the year:			
Reserve for unexpired risks		99,145,746	56,569,258
Premium less re-insurances		257,227,363	247,864,363
Commission on re-insurances ceded		49,555,876	72,596,558
Total		405,928,985	377,030,179

Signed in terms of our report of even date annexed.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co.
 Chartered Accountants

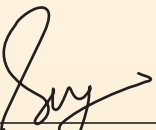
Northern Islami Insurance Limited

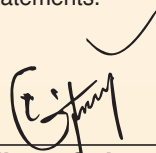
Marine Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2021	2020
Claims under policies less re-insurances			
Paid during the year		2,083,693	5,960,498
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		30,845,090	14,619,016
		32,928,783	20,579,514
Less : Claims outstanding at the end of the previous year		14,619,016	3,190,360
		18,309,767	17,389,154
Agent Commission		9,565,956	22,995,456
Expenses of management	20.1	44,581,789	47,701,514
Balance of account at the end of the year as shown in the balance sheet			
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on Marine Hull of the year :		45,354,058	45,820,940
Cargo		44,822,758	45,755,423
Hull		531,300	65,517
Underwriting profit or loss transferred to profit and loss account		57,408,411	28,562,155
Total		175,219,981	162,469,219

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer

Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368


For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance of account at the beginning of the year:			
Reserve for unexpired risks		45,820,940	31,493,932
Premium less re-insurances		112,588,196	114,454,075
Commission on re-insurances ceded		16,810,845	16,521,212
Total		175,219,981	162,469,219

Signed in terms of our report of even date annexed.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co.
 Chartered Accountants

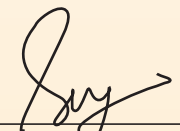
Northern Islami Insurance Limited

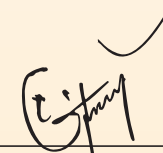
Motor Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2021	2020
Claims under policies less re-insurances			
Paid during the year		21,317,393	13,498,274
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		15,532,011	15,795,650
		36,849,404	29,293,924
Less : Claims outstanding at the end of the previous year		15,795,650	9,336,379
		21,053,754	19,957,545
Agent Commission		6,137,624	16,733,584
Expenses of management	20.1	30,041,478	30,585,558
Balance of account at the end of the year as shown in the balance sheet			
Reserve for unexpired risks being 40% of premium income of the year		41,312,537	44,391,564
Underwriting profit or loss transferred to profit and loss account		50,944,615	41,333,200
Total		149,490,008	153,001,451

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer

Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368

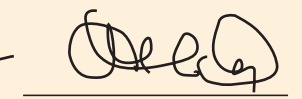
For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance of account at the beginning of the year:			
Reserve for unexpired risks		44,391,564	41,339,106
Premium less re-insurances		103,281,342	110,978,911
Commission on re-insurances ceded		1,817,102	683,434
Total		149,490,008	153,001,451

Signed in terms of our report of even date annexed.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co.
 Chartered Accountants

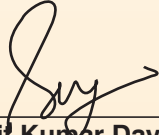
Northern Islami Insurance Limited

Miscellaneous Insurance Revenue Account

Particulars	Notes	Amount in Taka	
		2021	2020
Claims under policies less re-insurances			
Paid during the year		53,671	490,850
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	-
		53,671	490,850
Less : Claims outstanding at the end of the previous year		-	-
		53,671	490,850
Agent Commission		10,011,332	16,577,401
Expenses of management	20.1	47,146,862	36,897,906
Balance of account at the end of the year as shown in the balance sheet			
Reserve for unexpired risks being 40% of premium income of the year		39,238,204	36,302,912
Underwriting profit or loss transferred to profit and loss account		50,206,600	32,436,795
Total		146,656,669	122,705,864

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer

Place: Dhaka
 Dated: April 27, 2022
 DVC NO : 2204281090AS501368

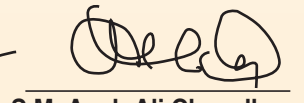
For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance of account at the beginning of the year:			
Reserve for unexpired risks		36,302,912	21,398,767
Premium less re-insurances		98,095,511	90,757,281
Commission on re-insurances ceded		12,258,246	10,549,816
Total		146,656,669	122,705,864

Signed in terms of our report of even date annexed.


Al-haj Nasiruddin
 Director


Al-haj Abdus Samad
 Director


S.M. Ayub Ali Chowdhury
 Chairman


Hussain Farhad & Co.
 Chartered Accountants

Northern Islami Insurance Limited







Statement of Changes in Equity For the year ended December 31, 2021

Particulars	Amount in taka			
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Reserve
Balance as on January 01, 2021	426,596,110	84,789,014	269,083,020	82,759,041
Addition during the period	-	-	39,946,278	-
Revaluation surplus transferred to Retained Earnings	-	4,458,508	-	(4,458,508)
Cash dividend for the year 2020	-	(42,659,611)	-	-
Profit after tax for the year	-	35,127,119	-	-
Balance as on December 31, 2021	426,596,110	81,715,030	309,029,298	78,300,533
				895,640,971

Statement of Changes in Equity For the year ended December 31, 2020

Particulars	Amount in taka			
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Reserve
Balance as on January 01, 2020	426,596,110	92,290,779	225,368,786	87,331,870
Addition during the period	-	-	43,714,234	-
Revaluation surplus transferred to Retained Earnings	-	4,572,829	-	(4,572,829)
Cash dividend for the year 2019	-	(42,659,611)	-	-
Profit after tax for the year	-	30,585,017	-	-
Balance as on December 31, 2020	426,596,110	84,789,014	269,083,020	82,759,041
				831,587,545

The accompanying notes from 1 to 29 & Annexed-1 form an integral part of these financial statements.


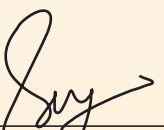
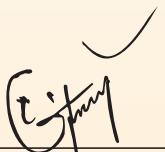


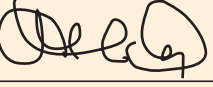
 M.H. Galib Company Secretary	 Sujit Kumar Day FCA Chief Financial Officer	 Chowdhury Golam Faruque Chief Executive Officer	 Al-haj Nasiruddin Director	 Al-haj Abbas Samad Director	 S.M. Ayub Ali Chowdhury Chairman
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Northern Islami Insurance Limited

Statement of Cash Flows

For The Year Ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
A. Cash flows from operating activities			
Collection from premium and others		950,711,573	947,792,280
Payment for management expenses, re-insurance and claims		(779,383,947)	(643,415,831)
Income Tax paid		(11,197,320)	(25,999,510)
Net cash generated from operating activities (A)		160,130,306	278,376,939
B. Cash flows from investing activities			
Fixed Assets acquired		(8,111,738)	(4,126,698)
Investment in Bond		(10,000,000)	(134,900,000)
Premium on Investment in Bond		(4,390,715)	(12,229,845)
Net cash used in investing activities (B)		(22,502,453)	(151,256,543)
C. Cash flows from financing activities			
Dividend paid		(41,121,416)	(41,185,232)
Net cash generated from financing activities (C)		(41,121,416)	(41,185,232)
D. Net Increase/(decrease) (D =A+B+C)		96,506,437	85,935,164
E. Cash and cash equivalents at the beginning of the year		480,569,406	394,634,242
F. Cash and cash equivalents at the end of the year (F=D+E)		577,075,843	480,569,406
Net Operating Cash Flow per Share (NOCFS)		3.75	6.53

 M.H. Galib Company Secretary	 Sujit Kumar Day FCA Chief Financial Officer	 Chowdhury Golam Faruque Chief Executive Officer
 Al-haj Nasiruddin Director	 Al-haj Abdus Samad Director	 S.M. Ayub Ali Chowdhury Chairman

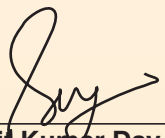
Northern Islami Insurance Limited

FORM - AA Classified Summary of Assets

As At December 31, 2021

Class of Assets	Amount in Taka		Remarks
	Book value as per Balance Sheet	Market Value	
Bangladesh Govt. Treasury Bond	139,900,000	139,900,000	Not quoted in the market
Fixed Deposit with Banks	489,282,286	489,282,286	Realizable Value
Balance in STD A/C with Banks	85,913,089	85,913,089	Realizable Value
Cash in Hand	1,880,468	1,880,468	Realizable Value
Interest on Investment accrued but not due	6,586,769	6,586,769	Realizable Value
Amount due from other persons or bodies carrying on insurance business	404,106,486	404,106,486	Realizable Value
Other Assets :			
Property, Plant & Equipments	291,425,729	291,425,729	Revalued
Investment in Bond	80,000,000	80,000,000	Market Value
Investment in share	145,021	145,021	Market Value
Sundry Debtors	398,310,250	398,310,250	Realizable Value
Stock of Stationery and Stamps	1,511,780	1,511,780	Realizable Value
	1,899,061,878	1,899,061,878	

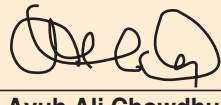

M.H. Galib
Company Secretary


Sujit Kumar Day FCA
Chief Financial Officer


Chowdhury Golam Faruque
Chief Executive Officer


Al-haj Nasiruddin
Director


Al-haj Abdu Samad
Director


S.M. Ayub Ali Chowdhury
Chairman

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

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 Firms (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 IAS1: "Presentation of Financial Statements". A complete set of financial statements comprises of:

- i. Balance sheet as at December 31, 2021;
- ii. Profit and Loss Account for the year ended December 31, 2021;
- iii. Profit and Loss Appropriation Account for the year ended December 31, 2021;
- iv. Consolidated Insurance Revenue Account for the year ended December 31, 2021;
- v. Fire Insurance Revenue Account for the year ended December 31, 2021;
- vi. Marine Insurance Revenue Account for the year ended December 31, 2021;
- vii. Motor Insurance Revenue Account for the year ended December 31, 2021;

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

- viii. Miscellaneous Insurance Revenue Account for the year ended December 31, 2021;
- ix. Statement of Changes in Equity for the year ended December 31, 2021;
- x. Statement of Cash Flows for the year ended December 31, 2021;
- xi. Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2021;

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 of departure from few requirements of IFRS due to mandatory compliance of Insurance Act's requirements:

Management of Northern Islami Insurance Limited has followed the principles of IFRS consistently in preparation of the financial statements to that extent as applicable to the company. Some requirements of the Insurance Act 1938 and the Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IFRS. As such the NIIL has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of IDRA which are disclosed below along with financial impact where applicable:

2.3.1 Valuation of Investment:

As per Insurance Act 1938 (as amended 2010), investments in quoted shares are revalued at the year end at market price and unquoted shares is revalued at the year end at cost price and as per book value of last audited balance sheet respectively. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

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 IAS37.

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 Reserve for unexpired risks

Unexpired risk on insurance premium and re-insurance premium are followed as per Insurance Act 1938 (as amended 2010). However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the NIIL has recognized provision of BDT 228,795,744 as balance of fund and accounts in the balance sheet under liabilities.

2.3.5 Financial Instruments

As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. NIIL has disclosed financial instruments in accordance with prescribed templates of IDRA guidelines where applicable.

2.3.6 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.

2.4.1 Implications of COVID-19 on our Business:

After obtaining the required permission for operating business based on Islami Shariah, Company formed Shariah Council and started its insurance business based on Islami Shariah from 1 December, 2019. On introduction of Islami Shariah base business our overall business has increased but not as expected due to COVID-19. On the other hand, to provide better client services operational expenses has slightly increased due to pandemic situation in COVID-19.

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.

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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 IAS7“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. 1.76 [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	2021	2020
Net Profit after Tax for the year (Taka)	75,073,397	74,299,251
Ordinary Shares (Number)	42,659,611	42,659,611
Face value per share (Taka)	10	10
Basic Earnings Per Share (Taka)	1.76 (Approx)	1.74 (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 Gross general insurance premium comprise the total premium received for the whole period of cover provided by contracts entered into during the accounting period. They are recognized in the year on which the policy issued. Re-insurance premium are deducted from the gross premium to present the net premium income from insurance business. Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated as required by the Insurance Act, 1938 (as amended in 2010). The proportion

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attributable to subsequent periods is deferred as a provision for unearned premiums.

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 2020 to June 2021 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. Gratuity is being paid on cash basis.

2.13.3.1 Workers' Profit Participation and Welfare Fund:

Section 234 of chapter 15 of Labor Law 2006 (as amended in 2013) requires every company to establish a workers' Participation Fund and Welfare Fund. However, BFID, on behalf of the financial

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institution sector, requested clarification from the Labor Ministry regarding the applicability of the provisions for the sector. Similarly, Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for exemption for Insurance Companies. As on 2nd June 2021, IDRA issued a letter to the minister of finance department in which they requested to give exemption from the section 234 of chapter 15 of Labor Law 2006 (as amended in 2013). As no decision has been yet concluded on such communications, we are yet to provide for the said provision.

2.14 Provision for Outstanding Claim:

This has been recognized on estimates in the financial statements on the basis of expected ultimate cost of 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. 39,946,278 was appropriated out of current year's profit before tax being 7% of net premium earned during the year 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 20):

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

2.18 Property, Plant & Equipment's:

2.18.1 Recognition and Measurement:

The cost of an item of Fixed Assets shall be recognized as an asset if, and only if 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

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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. Management has reviewed the fair value of Office Floor Space in current year and assessed that there is no material difference in market price mainly due to pandemic situation. Revaluation will be considered in future.

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, 2021 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.

The rate of Depreciation used on the assets is as follows:

Name of Assets	Rate
Software installation	35%

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2.18.4 Sale of Property, Plant & Equipment's:

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 & Equipment's".

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.

2.18.6 Leases:

Financial Reporting Principles IFRS 16 Leases effective from annual periods beginning on or after January 01, 2019 has changed how the company accounts for its lease contracts. The company leases a number of office space in addition to service sites. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempted.

In compliance with the standard, the company has assumed to use the recognition exemptions in the standard for short-term leases and leases of low value items. Due to this reason, the leases have accounted for as short term leases and the lease payments associated with them are recognized in note 20 as office rent expenses of Taka 10,281,788 including VAT.

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 2021.

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.

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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 (IAS) 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 26.

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 26 branch offices (including Head Office) with no overseas branch as on December 31, 2021. 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 2021 as in financial statements for 2020 (unless otherwise stated).

2.25 Comparative Information:

Comparative information has been disclosed in respect of the period ended December 31, 2021 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.

2.26 Reporting Currency:

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

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Notes To The Financial Statements

As at and for the year ended December 31, 2021

2.27 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.

2.28 Reporting Period:

These financial statements have covered under audit for twelve months' period from January 01, 2021 to December 31, 2021.

2.29 Directors Responsibility:

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

2.30 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, 2021 at its 228th Board meeting held on April 27, 2022 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.

2.31 Approval for Issuing Financial Statements:

The Board of Directors has approved these Financial Statements on April 27, 2022.

2.32 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.

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(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 another 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.

Northern Islami Insurance Limited

Notes To The Financial Statements

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		Amount in Taka	
		31-Dec-2021	31-Dec-2020
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, 2021 are given below :

Shareholder Group	No. of Shareholder	No. of Shares	Percentage
Sponsors	13	13,461,886	31.56%
Institutional Investors	177	7,863,697	18.43%
General Investors	5,104	21,334,028	50.01%
Total	5,294	42,659,611	100.00%

3.2.2 Range wise shareholding position as at December 31, 2021 are given below :

Share holding range	No. of Shareholder	No. of Shares	Percentage
000001-005000	4,453	5,053,912	11.85%
005001-050000	752	10,569,258	24.78%
050001-100000	44	3,083,794	7.23%
100001-200000	14	1,877,086	4.40%
200001-300000	8	2,029,649	4.76%
300001-400000	1	308,837	0.72%
400001-500000	0	-	0.00%
500001- Over	22	19,737,075	46.27%
Total	5,294	42,659,611	100.00%

3.2.3 Shareholding position of Sponsor/Director as at December 31, 2021 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. Syed Abrar Sarwar	Ordinary	941,897	10	9,418,970
03	Al-haj Nasiruddin	Ordinary	927,111	10	9,271,110
04	Mr. Abdullah Jamil Matin	Ordinary	947,111	10	9,471,110
05	Mr. Mohd. Azam	Ordinary	984,385	10	9,843,850
06	Al-haj Md. Mortaza Siddique Chowdhury	Ordinary	927,111	10	9,271,110
07	Ms. Thamina Rahman	Ordinary	1,245,647	10	12,456,470
08	Mr. Faysal Ahmed Patwary	Ordinary	952,373	10	9,523,730
09	Al-haj Abdus Samad	Ordinary	927,111	10	9,271,110
10	Mrs. Ferdousi Islam	Ordinary	1,245,647	10	12,456,470
11	Tasmin Saida Chowdhury	Ordinary	1,245,647	10	12,456,470
12	Naiyer Sultana	Ordinary	1,171,111	10	11,711,110
13	Al-haj Md. Saiful Alam	Ordinary	854,231	10	8,542,310
Total			13,461,886		134,618,860

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		Amount in Taka	
		31-Dec-2021	31-Dec-2020
4.	Reserve for Exceptional Losses : Tk. 309,029,298		
	This is arrived at as under:		
	Balance as at January 01, 2021	269,083,020	225,368,786
	Add : Provision for the year	39,946,278	43,714,234
	Balance as at December 31, 2021	309,029,298	269,083,020
5.	Revaluation Reserve : Tk. 78,300,533		
	This represents revaluation of Office Floor Space and arrived at as under:		
	Balance as at January 01, 2021	82,759,041	87,331,870
	Less : Transferred to Retained Earnings	(4,458,508)	(4,572,829)
	Balance as at December 31, 2021	78,300,533	82,759,041
6.	Profit and loss Appropriation Account : Tk. 81,715,030		
	This is arrived at as under:		
	Balance as at January 01, 2021	84,789,014	92,290,779
	Less : Appropriation for Cash dividend & Stock dividend	42,659,611	42,659,611
		42,129,403	49,631,168
	Add : Profit during the year	35,127,119	30,585,017
	Add : Transferred from Revaluation Reserve	4,458,508	4,572,829
	Balance as at December 31, 2021	81,715,030	84,789,014
7.	Premium Deposit : Tk. 40,270,912	40,270,912	28,817,604
	This represents the balance of premium received against Cover Notes during the year for which Policies were not issued within December 31, 2021.		
8.	Estimated liability in respect of outstanding claims whether due or intimated : Tk. 152,877,101		
	The break-up of the amount with estimated numbers of claim against policies is as under:		
Sl. No.	Class of business	Taka	
01	Fire	106,500,000	36,858,334
02	Marine	30,845,090	14,619,016
03	Motor	15,532,011	15,795,650
04	Miscellaneous	-	-
Total		152,877,101	67,273,000

Most of the time clients can't provide necessary documents for settlement of claims, particularly third party documents. Due to Lack of required documents Surveyor can't assess quantum of losses. Sometimes prior approvals are required from re-insurer SBC for settlement of claims. For these reasons some outstanding claim are carried forwarded.

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As at and for the year ended December 31, 2021

9. Amount due to other persons or bodies carrying on insurance business : Tk.165,052,981

Sl. No.	Detailed Break down of Amount Due to	Amount in Taka	
		31-Dec-2021	31-Dec-2020
1	Sadaran Bima Corporation	163,426,272	169,644,761
2	Prime Insurance Co. Ltd.	705,027	705,027
3	Mercantile Insurance Co. Ltd.	117,365	117,365
4	Pravati Insurance Co. Ltd.	111,171	111,171
5	Continantal Insurance Co. Ltd.	264,901	264,901
6	Co-Operative Insurance Co. Ltd.	319,018	319,018
7	Eastern Insurance Co. Ltd.	109,227	109,227
	Total	165,052,981	171,271,470

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

10. Sundry Creditors : Tk. 338,466,266

The break-up of the amount is as under :

Sl. No.	Head of accounts	Taka	
01	Audit fees payable	1,201,825	897,075
02	VAT Payable	22,708,928	7,687,925
03	Employees' Tax deduction at source	395,859	242,191
04	Security Deposit	35,000	35,000
05	Share Subscription	4,435,895	4,435,895
06	Accrued expenses	15,716,552	20,962,361
07	Provident Fund Payable	1,362,606	1,399,233
08	Shareholders Account	1,321,052	1,321,052
09	Provision for Income Tax	283,802,952	270,459,566
10	Dividend Payable	5,653,115	4,114,920
11	Income tax deducted at source	1,832,482	1,873,145
	Total	338,466,266	313,428,363

11. Investment : Tk. 233,930,488

The break-up of the amount is as under:

	Amount in Taka	
	31-Dec-2021	31-Dec-2020
11.1 Bangladesh Government Treasury Bond - at cost	139,900,000	119,900,000
11.2 Premium on Bangladesh Government Treasury Bond	13,885,467	11,532,865
11.3 FSIB 2nd Mudaraba Subordinated Bond	30,000,000	40,000,000
11.4 AIBL 3rd Mudaraba Subordinated Bond	50,000,000	50,000,000
11.5 Shares in Listed Companies	145,021	104,499
	233,930,488	221,537,364

11.1 Investment in Bangladesh Government Treasury Bond includes Tk. 25,000,000 made as per section 23, schedule - 1 of the Insurance Act - 2010 being statutory deposit with Bangladesh Bank..

11.2 Premium on Bangladesh Government Treasury Bond other than statutory deposit is made at the time of purchase of Bangladesh Government Treasury Bond which is amortised over the period of such Bond.

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

Amount in Taka	
31-Dec-2021	31-Dec-2020

11.3 Further Investment for Tk. 500,00,000 (Tk. 3,00,00,000 and 2,00,00,000 was made in FSIB 2nd Mudaraba Subordinated Bond on 13.12.2017 and 17.12.2017 respectively) for seven years. Originally, the profit 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.

11.4 Further Investment for Tk. 500,00,000 in AIBL 3rd Mudaraba Subordinated Bond on 01.11.2020. Originally, the profit rate is Mudaraba Term Deposit rate plus 2.00% additional. The investment will be redeemed @20% each year after 2 (two) years from end of 3rd year.

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

Sl. No.	Particulars	Cost	Taka	
			Market value as at 31.12.2021	Market value as at 31.12.2020
01	Aftab Auto Limited		164	160
02	BD Finance Limited		1,360	698
03	Beacon Pharma Limited		60,850	19,600
04	Dhaka Bank Limited		1,512	1,214
05	Eastern Bank Limited		539	432
06	Exim Bank Limited		1,016	932
07	Fine Foods Limited		11,995	15,375
08	Islami Bank Limited		256	214
09	Islami Insurance Limited		39,195	27,889
10	National Bank Limited		855	763
11	Paramount Insurance Limited		21,184	31,475
12	Premier Leasing International Limited		4,176	3,863
13	Prime Finance Limited		490	391
14	Pubali Bank Limited		322	289
15	Rupali Insurance Limited		179	177
16	Summit Power Limited		233	233
17	Uttara Finance Limited		695	794
Total			145,021	104,499

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. 6,586,769

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

12.1 Bangladesh Govt. Treasury Bond	5,044,351	4,223,679
Fixed Deposit with different banks	19,036	790,661
FSIB Mudaraba Subordinate Bond	805,802	68,884
AIBL 3rd Mudaraba Subordinated Bond	717,580	643,333
	6,586,769	5,726,557

Northern Islami Insurance Limited

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As at and for the year ended December 31, 2021

		Amount in Taka	
		31-Dec-2021	31-Dec-2020
12.1	Bangladesh Govt. Treasury Bond:		
	Investment in Bangladesh Government Treasury Bond was purchased through AB Bank Limited, Principal Branch, Dhaka. Accrued interest is calculated at the rate varied from 6.44% to 12.10% .		

13. **Amount due from other persons or bodies carrying on insurance business: Tk. 404,106,486**

Sl. No.	Particulars	Closing Amount in Taka	
		31-Dec-2021	31-Dec-2020
1	Sadharan Bima Corporation	401,927,567	390,227,950
2	Rupali Ins. Co. Ltd.	593,109	593,109
3	Federal Ins. Co. Ltd.	49,434	49,434
4	Central Insurance Co. Ltd.	164,529	164,529
5	Janata Ins. Co. Ltd.	261,017	261,017
6	City General Ins. Co. Ltd.	23,963	23,963
7	Pragati Ins. Cco. Ltd.	497,582	497,582
8	Bd. National Ins. Co. Ltd.	54,707	54,707
9	Green Delta Ins. Co. Ltd.	328,555	328,555
10	Kharnaphuli Ins. Co. Ltd.	83,201	83,201
11	Republic Ins. Co. Ltd.	112,130	112,130
12	Desh General Ins. Co. Ltd.	10,692	10,692
Total		404,106,486	392,406,869

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

14. **Sundry Debtors : Tk. 384,424,783**
(including advance taxes, others advances , deposits and pre-payments)
The break-up of the amount as under :

Sl. No.	Particulars	31-Dec-2021	31-Dec-2020
01	Advance Income Tax	295,963,123	288,963,123
02	Advance Tax deduction at source	44,809,186	40,611,866
03	Not Yet Deposit (Bank Guarantee)	39,013,009	15,900,138
04	Advance office rent	4,339,465	4,048,788
05	Security Deposit with CDBL	300,000	300,000
Total		384,424,783	349,823,915

Advance Tax payment has been made year to year on cheque payment through Government treasury challan as advance tax and Tax Return filed on the basis of Audited Accounts.

It is to mention that, as appeals are pending at Commissioner of Appeal, Tribunal and High Court, paid amount of "advance tax" and "advance tax deduction at source" mentioned above, could not be adjusted yet.

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

15. Cash and Cash Equivalents: Tk. 577,075,843

The break-up of the amount is as under:

15.1	Fixed Deposit with banks	489,282,286	425,898,349
15.2	Balance with banks	85,913,089	45,295,268
15.3	Cash in hand (including cash at branches)	1,880,468	9,375,789
		<u>577,075,843</u>	<u>480,569,406</u>

15.1 Fixed Deposit with banks : Tk. 489,282,286

Sl. No.	Name of Bank	Amount in Taka	
		31-Dec-2021	31-Dec-2020
01	AB Bank Ltd.	800,000	628,651
02	Al Arafah Islami Bank Limited	99,966,887	36,148,351
03	Bangladesh Commerce Bank Limited	5,643,270	2,304,650
04	Bank Asia Limited	6,365,499	5,119,615
05	BASIC Bank Limited	1,043,124	993,141
06	BRAC Bank Limited	4,816,068	5,211,508
07	Dhaka Bank Limited	14,016,265	10,381,990
08	Dutch Bangla Bank Limited	2,166,476	2,091,193
09	Exim Bank of Bangladesh Limited	17,668,087	16,091,263
10	Eastern Bank Limited	10,046,049	4,310,817
11	First Security Islami Bank Limited	53,225,228	83,291,666
12	Global Islami Bank Limited	5,422,732	8,342,505
13	IFIC Bank Limited	7,734,527	7,334,300
14	International Leasing and Financial Service Limited	13,929,299	12,707,661
15	Islami Bank Bangladesh Limited	15,925,142	18,709,779
16	ICB Islamic Bank Ltd.	-	500,000
17	Jamuna Bank Ltd.	6,755,886	4,208,895
18	Janata Bank Limited	3,964,559	3,764,287
19	Lanka Bangla Finance Ltd.	-	1,728,533
20	Meghna Bank Ltd.	800,000	-
21	Marcentile Bank Limited	4,529,195	5,145,323
22	Midland Bank Ltd.	800,000	-
23	Modhumoti Bank Ltd.	800,000	-
24	Mutual Trust Bank Limited	5,679,449	7,053,100
25	NCC Bank Limited	20,358,273	19,268,553
26	NRB Bank Ltd.	800,000	-
27	NRB Commercial Bank Limited	4,364,458	4,844,840
28	National Bank Limited	2,982,944	2,833,847
29	One Bank Limited	3,640,546	3,482,676
30	Padma Bank Limited	631,509	591,577

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

Sl. No.	Name of Bank	Amount in Taka	
		31-Dec-2021	31-Dec-2020
31	People's Leaseing And Financial Services Ltd.	1,600,000	1,600,000
32	Premier Bank Limited	11,894,413	9,703,404
33	Prime Bank Limited	7,742,271	7,987,441
34	Pubali Bank Limited	4,814,861	1,550,222
35	Rajshahi Krishi Unnayan Bank	1,660,879	1,578,645
36	Rupali Bank Limited	1,341,177	1,274,370
37	Shahjalal Islami Bank Limited	7,551,542	7,065,663
38	Social Islami Bank Limited	69,639,413	61,399,044
39	South Bangla Agriculture and Commerce Bank	8,538,003	7,391,400
40	Southeast Bank Limited	7,606,569	8,040,111
41	Standard Bank Limited	11,094,916	6,751,748
42	The City Bank Limited	1,802,326	953,688
43	Trust Bank Limited	4,298,980	1,813,226
44	Union Bank Ltd.	12,661,673	24,687,100
45	United Commercial Bank Limited	20,956,734	16,631,016
46	Uttara Bank Limited	1,203,057	382,550
Total		489,282,286	425,898,349

15.1.1 As Government of Bangladesh or any Court of Law has not yet been declared insolvent any of the above mentioned Banks/Financial Institutions due to liquidity crisis, the management of the Company assumed that all above mentioned financial assets will be recoverable and any impairment loss relating to said investments may be considered as and when Govt./Court of Law may resolve.

15.1.1.01 Peoples Leasing and Financial Services Limited (PLFSL), which commenced its operation in 1996, faced a wide range of financial scams from 2004, which forced the central bank to appoint an observer in 2015. The central bank removed five directors of the NBFI in 2015 for their alleged involvement in the embezzlement of Tk 358 crore. Now, the HC has appointed Kamal-UI-Alam, a senior lawyer of the Supreme Court, as PLFSL chairman and Mohammad Jalaluddin, a former managing director of Ansar VDP Unnayan Bank, as managing director.

This whole issue under the supervision of the High Court of Bangladesh and that's why we can't provide any kind conclusive evidence to the auditor regarding the FDR (Tk. 16,00,000) of PLFSL.

15.2 Balance with banks :Tk. 85,913,089

This represents the balance in STD & CD accounts with different banks. We have circularized the balance confirmation letter to the bank to confirm the balance directly to the Auditors. The detailed of the bank balances has been given below :

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

Sl. No.	Name of Bank	Amount in Taka	
		31-Dec-2021	31-Dec-2020
01	Union Bank Ltd.	828,310	12,448,814
02	Al-Arafah Islami Bank Ltd - STD	4,565,821	16,419,207
03	First Security Islami Bank Ltd - STD	37,835,794	9,054,185
04	Shahjalal Islami Bank Ltd - STD	6,622,826	6,409,264
05	Al-Arafah Islami Bank Ltd - CD	10,280,069	(14,071,965)
06	Al-Arafah Islami Bank Ltd - CD	630,446	950,928
07	Shahjalal Islami Bank Ltd - CD	4,524,158	2,415,677
08	First Security Islami Bank Ltd - CD	7,304,367	1,830,398
09	Sonali Bank Ltd - CD	4,117,636	2,334,742
10	Southeast Bank Ltd.	3,806,014	3,750,026
11	First Security Islami Bank Ltd - (Dividend)	2,811,332	1,223,600
12	First Security Islami Bank Ltd - (Fraction Warrant)	2,190,769	2,146,918
13	Southeast Bank Ltd - Dollar	370,962	359,943
14	Southeast Bank Ltd - Pound	9,448	8,962
15	Southeast Bank Ltd - Euro	15,138	14,569
Total		85,913,089	45,295,268

15.3 Cash in hand : Tk. 1,880,468 Detailed breakdown of Cash in Hand :

Sl. No.	Particulars	31-Dec-2021	31-Dec-2020
1	Head office (Including IOU)	1,511,128	7,994,358
2	Branch office	369,340	1,381,431
Total		1,880,468	9,375,789

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.

Northern Islami Insurance Limited

Notes To The Financial Statements FOR THE YEAR ENDED ON DECEMBER 31, 2021

16. Property, Plant & Equipments : Tk. 291,353,343

Particulars	Cost			Rate	Depreciation			Written Down Value			
	Opening balance as at 1-Jan-21	Addition during the year	Disposal during the year		Balance as on 31-Dec-21	Charged during the year	Adjustment during the year	Balance as on 31-Dec-21	Balance as on 31-Dec-20		
Property, Plant & Equipments (Using Cost Model):											
Furniture and Fixture	10,454,604	60,265	-	10%	7,587,303	289,532	-	7,876,835	2,638,034	2,867,301	
Furniture and Fixture	10,514,869	350,914	-	10%	7,876,835	289,200	-	8,166,035	2,699,748	2,638,034	
Type Writer and Office Equipments	6,922,852	142,617	-	15%	5,713,196	186,855	-	5,900,051	1,165,418	1,209,656	
Electric Fan	381,147	-	-	15%	362,722	2,764	-	365,486	15,661	18,425	
Air Conditioner and Refrigerator	7,558,567	269,805	-	20%	6,539,616	242,178	-	6,781,794	1,046,578	1,018,951	
Motor Vehicle	72,411,296	9,700,000	5,815,000	20%	45,628,399	5,728,474	3,145,417	48,211,456	28,084,840	26,782,897	
Motor Cycle	1,305,905	-	-	20%	1,275,503	6,080	-	1,281,583	24,322	30,402	
Telephone Installation	649,000	-	-	15%	607,041	6,294	-	613,334	35,666	41,959	
Office Decoration	38,899,765	39,130	-	10%	29,266,327	966,260	-	30,232,586	8,706,309	9,633,439	
Library Books	187,488	-	-	20%	142,453	9,007	-	151,460	36,028	45,035	
Computer	5,836,427	987,797	-	20%	3,316,776	607,183	-	3,923,959	2,900,265	2,519,651	
Sub Total	144,667,316	11,490,263	5,815,000	100,728,867	8,044,295	3,145,417	105,627,745	44,714,834	43,938,449		
Property, Plant & Equipments (Using Revaluation Model):											
Office Floor Space	319,000,000	-	-	2.5%	66,037,427	6,324,064	-	72,361,491	246,638,509	252,962,573	
Sub total	319,000,000	-	-	319,000,000	66,037,427	6,324,064	-	72,361,491	246,638,509	252,962,573	
Grand total as at December 31, 2021	463,667,316	11,490,263	5,815,000	469,342,579	-	166,766,294	14,368,359	3,145,417	177,989,236	291,353,343	296,901,022
As at December 31, 2020	459,540,618	4,126,698	-	463,667,316	151,294,519	15,471,775	-	166,766,294	296,901,022	-	-

Northern Islami Insurance Limited

Notes To The Financial Statements

FOR THE YEAR ENDED ON DECEMBER 31, 2021

17. Intangible Assets :		Tk. 72,386								
Particulars		Cost			Rate	Depreciation			Written Down Value	
		Opening balance as at 1-Jan-21	Addition during the year	Disposal during the year		Balance as on 31-Dec-21	Charged during the year	Adjustment during the year	Balance as on 31-Dec-21	Balance as on 31-Dec-20
Software Installation		4,842,161	-	-	35%	4,730,798	38,977	-	4,769,775	111,363
As at December 31, 2021		4,842,161	-	-	35%	4,730,798	38,977	-	4,769,775	111,363
As at December 31, 2020		4,842,161	-	-		4,670,834	59,964	-	4,730,798	-

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

		Amount in Taka	
		31-Dec-2021	31-Dec-2020
18.	Deferred Tax [IAS 12] :		
18.1	Deferred Tax Liabilities :		
	Book value of depreciable fixed assets	291,425,729	297,012,385
	Less: Tax base	83,537,988	88,050,353
	Total difference	207,887,741	208,962,032
	Less: Permanent difference	-	521,600
	Taxable Temporary differences	207,887,741	208,440,432
	Effective Tax Rate [is considered as per Finance Act, 2021]	37.50%	37.50%
18.2	Deferred Tax Expense/(Income) : Tk. (207,259)		
	Opening deferred tax liabilities	78,165,162	78,819,149
	Closing deferred tax Liabilities	77,957,903	78,165,162
	Total Deferred tax expense /(Income)	(207,259)	(653,987)
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, 2021	78,165,162	78,819,149
	Deferred tax expense/ (Income) during the year	(207,259)	(653,987)
	Balance as at December 31, 2021	77,957,903	78,165,162
18.3	Provision for Taxation :		
	Break-up of the above is as under:		

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

Amount in Taka	
31-Dec-2021	31-Dec-2020

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%	3,658,534	37.50%	1,371,950
Tax on Interest from FDR & STD accounts@37.50%	24,317,459	37.50%	9,119,047
Tax on Interest income from BGTB @0%	-	0%	-
Tax on Interest income from 2nd FSIBL Bond @5%	2,175,000	37.50%	815,625
Tax on Interest income from 3rd ALIBL Bond @5%	3,780,000	37.50%	1,417,500
Tax on Dividend Income @20%	566	20%	113
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%	708,942	15%	106,341
Tax on Other Income @37.50%	1,367,491	37.50%	512,809
	<u>36,007,992</u>	<u>-</u>	<u>13,343,386</u>

19. Expenses of Management : Tk. 34,013,861

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	1,600,454	1,398,225
Bank Charges & Excise duty	733,211	836,768
Amortization on premium on BGTB	2,038,113	696,980
Advertisement and Publicity	712,911	1,338,321
Traveling and Conveyance	1,474,827	1,148,267
AGM & Conferance	105,000	700,641
Picnic expenses	-	2,415,654
Festival Allowance	17,544,630	20,648,024
Performance bonus	2,568,757	2,299,738
Allowance for Covid'19	1,029,630	1,049,468
Annual listing fee	582,596	632,596
Group Insurance Premium	703,864	954,388
Contribution to Provident Fund	4,919,868	4,709,665
	<u>34,013,861</u>	<u>38,828,735</u>

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

		Amount in Taka	
		31-Dec-2021	31-Dec-2020
20.	Expenses of Management : Tk. 253,836,047		
	These expenses were incurred in consolidation of identical business as below:		
	Salaries and allowances (including CEO's salary)	211,489,178	220,682,890
	Wages	1,589,500	1,662,107
	Postage and Telegram	367,846	504,524
	Printing	2,465,632	3,511,047
	Stationery	1,415,501	2,188,690
	Conveyance	2,430,136	2,623,345
	Training Fee	36,068	77,625
	Entertainment	2,475,151	2,490,438
	Electrical Expenses	75,656	107,858
	Office Contingency and General Charges	994,766	1,079,722
	Repair & Maintenance	174,154	361,271
	Telephone, Trunk Call and Telex	2,485,087	1,682,772
	Car Fuel	2,348,930	2,516,948
	Internet Charge	1,449,901	1,850,571
	Office Rent	10,281,788	9,390,344
	Gas, Water and Electricity Charges	2,920,529	2,616,276
	Service Charges	974,400	974,400
	Papers and Periodicals	90,146	81,363
	Holding Tax	2,210	2,210
	Other Expenses	1,561,459	1,075,797
	Management Expenses SBC	7,360,159	4,686,830
	Stamp Duty consumed - Fire	231,150	167,050
	Stamp Duty consumed - Motor	324,900	485,130
	Stamp Duty consumed - Miscellaneous	291,800	211,050
		253,836,047	261,030,258

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	536,808,269	54%	128,331,514	3,734,404	132,065,918
Marine	178,173,988	18%	42,594,980	1,986,809	44,581,789
Motor	111,364,976	11%	26,623,353	3,418,125	30,041,478
Miscellaneous	176,418,954	18%	42,175,415	4,971,447	47,146,862
Total for the year 2021	1,002,766,187	100%	239,725,262	14,110,785	253,836,047
Total for the year 2020	978,197,805	100%	255,480,198	5,550,060	261,030,258

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

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. 3,600,000 in 2021 and Tk. 2,980,000 in 2020.

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

21. Interest Income: Tk. 42,168,384

This represents the amount received or accrued during the year on interest bearing account with different bank as follows:

Particulars	Amount in taka	
	31-Dec-2021	31-Dec-2020
Bangladesh Treasury Bond	11,895,925	4,827,302
FSIBL 2nd Mudaraba Subordinated Bond	2,175,000	3,875,000
AIBL 3rd Mudaraba Subordinated Bond	3,780,000	643,333
Fixed Deposits Receipts	23,337,106	24,577,982
Short Term Deposits	980,353	4,022,595
	<u>42,168,384</u>	<u>37,946,212</u>

22. Others Income: Tk. 2,117,521

This represents the amount received different head of income as follows:

Particulars	Amount in taka	
	31-Dec-2021	31-Dec-2020
Gain(unrealised) on investment in security	40,522	51,597
Gain on sales of car	708,942	-
Cash dividend	566	597
Co-Insurance service charge	1,361,791	5,037
Forfieted amount refund from PF	-	1,508,806
Miscellaneous	5,700	-
	<u>2,117,521</u>	<u>1,566,037</u>

23. 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-2021	31-Dec-2020
Shareholders' equity	895,640,971	863,227,185
Weighted average number of ordinary shares	42,659,611	42,659,611
Net Assets Value (NAVs) per share at the balance sheet date	<u>21.00</u>	<u>20.24</u>

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

24. 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-2021	31-Dec-2020
Net cash generated from operating activities	160,130,306	278,376,939
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	3.75	6.53

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 claim payment was increased in 2021 from 2020.

25. 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 below:

Particulars	Amount in taka	
	31-Dec-2021	31-Dec-2020
Net profit before tax	88,209,524	88,676,375
Add: Depreciation & Amortization	16,445,449	16,228,719
Add/(less): Loss/(gain) on fair value adjustment	(40,522)	(51,597)
Add/(less): Loss/(gain) on sales of Motor Vehicle	(708,942)	-
Add/(less): Increased/(decreased) in current liabilities	104,129,824	215,937,399
Add/(less): Decreased/(increased) in current assets	(36,707,707)	(16,414,447)
Cash generated from operation	171,327,626	304,376,449
Less: Income tax paid	11,197,320	25,999,510
Net cash generated from operating activities	160,130,306	278,376,939

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

26. Related Party Disclosure: [IAS - 24]

26.1 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. S. M. Ayub Ali Chowdhury	Chairman	1 City Pharmaceuticals Limited	Chairman
			2 K. B. Knit Fashion Limited	Chairman
			3 Fortune Fashion Limited	Chairman
02	Mr. Mohammad Azam	Vice Chairman	1 Zia and Brothers	Proprietor
			2 Boshra Trading	Proprietor
03	Mr. Abdullah Jamil Matin	Director	1 Metropolitan Medical Center Limited	Director
			2 Rupali Life Insurance Company Limited	Director
			3 CAZ Enterprise	Partner
			4 Narsingdi Hatchery and Fisheries Limited	Managing Director
04	Mr. Syed Abrar Sarwar	Director	Not Applicable	
05	Al-haj Nasiruddin	Director	1 Nasim Trading Company	Proprietor
			2 Nams Trade Corporation	Proprietor
			3 J. A. N. Corporation Limited	Managing Director
06	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 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
			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

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

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
10.	Al-haj Abdus Samad	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 SS Power I Limited Nominee	Director
			17 Norinco Engineering Limited	Director
			18 Ekushey Television Limited	Vice Chairman
			19 Sonali Cargo Logistics (Pvt.) Limited	Chairman
			20 AIBL Capital Market Services Limited	Promoter Shareholder/ Director
			21 Marine Empire Limited	Managing Director
			22 Samad Trading Agency	Proprietor
			23 Fatehabad Farm Limited	Chairman
11.	Mortuza Siddique Chowdhury	Director	1 First Security Islami Bank Limited	Sponsor Shareholder
			2 Mortaza Assets Limited	Managing Director
			3 MARSA Holding Limited	Chairman
			4 MARSA Trading Limited	Proprietor
			5 MARSA Fishing Limited	Chairman
			6 Parkview Hospital Limited	Vice Chairman
12.	Mrs. Umme Habiba Akhter	Independent Director	1 Akhter's Collection's	Proprietor
			2 Chattogram Women Chamber of Commerce & Industries (WCCI)	Member
			3 Disney Elementary School, Chattogram	Advisor
			4 Subline Consultancy	Advisor
			5 Ladies Club, Jamalpur	President
			6 Ladies Club, Rajshahi Division	Vice President
13.	Tasmin Saida Chowdhury	Director	1 Sylhet Steel Mills Ltd.	Director
			2 Star Alliance	Shareholder
14.	Mr. Ansarul Alam Chowdhury	Independent Director	1 Ansar Enterprise Proprietor	
			2 Victor Trading and Business Ltd.	Managing Director
			3 Inherent Tradind and Impex Ltd.	Managing Director

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

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	Al-haj Md.Saiful Alam	Director	1 Al-Arafah Islami Bank Limited	Sponsor Shareholder
			2 Karnaphuli Praktik 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	Managing 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 Reliance Brokerage Services Limited	Chairman
			23 Aviva Finance Limited	Chairman
			24 Sonali Cargo Logistics (Pvt.) Limited	Managing Director
			25 Fatehabad Farm Limited	Managing Director
			26 Nexus Television and Media Network Ltd	Managing Director
			27 SS Power I Limited	Chairman(BOD) & Nominee Director
			28 Pavilion International Ltd.	Managing Director
			29 Crest Holdings Ltd.	Managing Director
			30 Virgin Assets Ltd.	Managing Director
			31 Noor Islamic Holdings Ltd.	Managing Director
			32 Disney Business Solution Ltd.	Managing Director
			33 C&H Power Managent Co. Ltd.	Chairman
			34 Padma Islami Life Insurance Ltd.	Shareholder
			35 Ekushey Television Limited	Chairman

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

26.2.1 Transactions with Related Party (Insurance premium & Claim):

The Company has carried out business through the following related parties and the nature of transactions and value are detailed below :

Sl. No.	Name of the Client	Related to	Nature of transaction	Amount in Taka	
				2021	2020
1	Metropolitan Medical Center Limited	Mr. Abdullah Jamil Matin	Insurance Premium	-	36,533
2	S. Alam Cold Rolled Steel Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	9,009,770	27,219,048
3	S. Alam Steels Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	1,492,297	2,965,727
4	S. Alam Cement Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	2,228,863	2,937,330
5	S. Alam Hatchery Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	560
6	S. Alam Luxury Chair Coach Services Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	222,315
7	S. Alam Tank Terminal Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	404,428	198,000
8	S. ALAM Super Edible Oil Ltd.	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	21,877,140	27,272,298
9	S. Alam Vegetable Oil Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	16,308,444	29,199,629
10	S. Alam Power Plant Limited	Al-haj Abdus Samad	Insurance Premium	-	2,030
11	Portman Cement Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	460
12	S. Alam Properties Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	2,815
13	Reliance Brokerage Services Limited	Al-Haj Md. Saiful Alam	Insurance Premium	67,254	114,889
14	Aviva Finance Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	3500
15	S. Alam Refined Sugar Industries Limited	Al-Haj Md. Saiful Alam	Insurance Premium	30,566,221	32,317,401
16	Rangdhanu Media Limited	Al-Haj Md. Saiful Alam	Insurance Premium	-	1,580
17	S. Alam Power Generation Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	6,721,606	8,909,013
18	SS Power I Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	-	560
19	S. Alam Bag Manufacturing Mills Limited	Al-Haj Md. Saiful Alam	Insurance Premium	1,143,600	1,631,151
20	China Bangla Ceramic Industries Limited	Mrs. Ferdousi Islam	Insurance Premium	9,302,218	10,258,769
21	Total Merchandising & Trims Limited	Mrs. Ferdousi Islam	Insurance Premium	400,000	400,000
22	United Shipping Lines Limited	Mrs. Ferdousi Islam	Insurance Premium	400,000	400,000
23	Azbal International Limited	Mrs. Ferdousi Islam	Insurance Premium	400,000	403,570
24	Bangal Tiger Cement Industries Limited	Mrs. Ferdousi Islam	Insurance Premium	-	540

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

26.2.2 Transactions with Related Party (Bank account, FDR & Bond):

The Company has carried out business through the following related parties and the nature of transactions and value are detailed below :

Sl. No.	Bank Name/ Account No.	Related to	Name of Account	Amount in Taka			
				Balance as on 31 December 2020	Deposited during the period	Withdrawn during the period	Balance as on 31 December 2021
1	First Security Islami Bank Limited, Dilkusha Br. A/c. no. '010113100009412	Al-Haj Md. Saiful Alam	SND	9,054,185	659,425,601	630,643,992	37,835,794
2	First Security Islami Bank Limited, Dilkusha Br. A/c. no.'010111100029065	Al-Haj Md. Saiful Alam	CD	1,830,398	183,250,000	177,776,031	7,304,367
3	First Security Islami Bank Limited, Dilkusha Br. A/c. no. '010113100009389 (Dividend)	Al-Haj Md. Saiful Alam	SND	1,223,600	37,348,982	35,761,250	2,811,332
4	First Security Islami Bank Limited, Dilkusha Br. A/c. no. 010113100001256 (Fraction Warrant)	Al-Haj Md. Saiful Alam	SND	2,146,918	53,334	9,483	2,190,769
5	Al-Arafah Islami Bank Limited, Motijheel Corporate Br., A/C no. '0151220004692 (STD)	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	SND	16,419,207	335,142,259	346,995,645	4,565,821
6	Al-Arafah Islami Bank Limited, Motijheel Corporate Br., A/C no.'0151020053479 (CD)	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	CD	(14,071,965)	211,500,000	187,147,966	10,280,069
7	Al-Arafah Islami Bank Limited, HO Corporate Br., A/C no.'1431020002104 (CD)	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	CD	950,928	109,350,000	109,670,482	630,446
8	First Security Islami Bank Limited	Al-Haj Md. Saiful Alam	Bond	40,000,000	-	10,000,000	30,000,000
9	First Security Islami Bank Limited	Al-Haj Md. Saiful Alam	FDR	83,291,666	19,998,659	50,065,097	53,225,228
10	Al-Arafah Islami Bank Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Bond	50,000,000	-	-	50,000,000
11	Al-Arafah Islami Bank Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	FDR	36,148,351	68,679,191	4,860,655	99,966,887

Northern Islami Insurance Limited

Notes To The Financial Statements

As at and for the year ended December 31, 2021

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

The slab of employees' remuneration is given below:

Particulars	No. of Employees	
	2021	2020
Below Taka.36,000 per year	-	-
Taka.36,000 and above	388	409
Total	388	409

28. Provisions Relating to Collection of Premium :

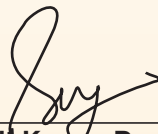
The Company has always complied with the Section 18 of the Insurance Act, 2010 as applicable with regard to provision in collecting premium.

29. Restriction on Certain Investment :

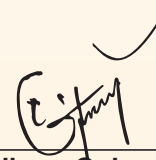
Northern Islami Insurance Limited has not made any investment nor holds any shares or debentures of any company, firms or other business concern except FSIB Mudaraba Subordinated Bond and AIBL 3rd Mudaraba Subordinated Bond, in which any of its directors or any members of the family of such directors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



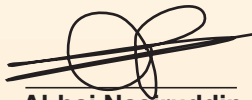
M.H. Galib
Company Secretary



Sujit Kumar Day FCA
Chief Financial Officer



Chowdhury Golam Faruque
Chief Executive Officer



Al-haj Nasiruddin
Director



Al-haj Abbas Samad
Director



S.M. Ayub Ali Chowdhury
Chairman

Northern Islami Insurance Limited

Statement of Class-wise Underwriting Profit / (Loss)

FOR THE YEAR ENDED ON DECEMBER 31, 2021

Particulars	Amount in taka				
	2021				2020
	Fire	Marine	Motor	Miscellaneous	
Gross Premium	536,808,269	178,173,988	111,364,976	176,418,954	1,002,766,187
Add: Premium on Re-insurance Accepted	-	-	-	-	-
Less: Premium on Re-insurance ceded	279,580,906	65,585,792	8,083,634	78,323,443	431,573,775
Net Premium Income	257,227,363	112,588,196	103,281,342	98,095,511	571,192,412
Add: Commission on Re-insurance ceded	49,555,876	16,810,845	1,817,102	12,258,246	80,442,069
Less: Commission on Re-insurance Accepted	-	-	-	-	-
Less: Agent Commission	35,858,700	9,565,956	6,137,624	10,011,332	61,573,612
Add: Last year's Unexpired Risks	99,145,746	45,820,940	44,391,564	36,302,912	225,661,162
Sub-Total	370,070,285	165,654,025	143,352,384	136,645,337	815,722,031
Deduct:					
Net Claim	192,915,240	18,309,767	21,053,754	53,671	232,332,432
Management Expenses	132,065,918	44,581,789	30,041,478	47,146,862	253,836,047
Reserve for Unexpired Risks	102,890,945	45,354,058	41,312,537	39,238,204	228,795,744
Sub-Total	427,872,103	108,245,614	92,407,769	86,438,737	714,964,223
Underwriting Profit / (Loss)	(57,801,818)	57,408,411	50,944,615	50,206,600	110,110,435

M.H. Galib
Company Secretary

Sujit Kumar Day FCA
Chief Financial Officer

Chowdhury Golam Faruque
Chief Executive Officer

Al-hajj Abbas Samad
Director

Al-hajj Nasiruddin
Director

S.M. Ayub Ali Chowdhury
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, 2021

FORM XL

Direct Business:

Class of Business	Premium Income (Taka)				Commission (Taka)				Claims (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	523,142,056		267,020,105	256,121,951	35,858,700		47,781,225	(11,922,525)	162,112,242	-	39,112,606	122,999,636
Marine - Cargo	150,547,872		44,172,996	106,374,876	9,565,956		12,932,598	(3,366,642)	4,541,438	-	2,596,622	1,944,816
Marine - Hull	5,062,000		4,567,000	495,000	-		810,289	(810,289)	-	-	-	-
Motor	108,305,540		7,889,998	100,415,542	6,137,624		1,817,102	4,320,522	21,250,880	-	-	21,250,880
Miscellaneous	118,280,306		21,505,704	96,774,602	10,011,332		8,518,521	1,492,811	-	-	-	-
Total	905,337,774	-	345,155,803	560,181,971	61,573,612	-	71,859,735	(10,286,123)	187,904,560	-	41,709,228	146,195,332

Public Sector Business (PSB):

Fire	13,666,213	-	12,560,801	1,105,412	-	-	1,774,651	(1,774,651)	273,938	-	-	273,938
Marine - Cargo	21,206,676	-	15,524,657	5,682,019	-	-	2,995,295	(2,995,295)	167,838	-	28,961	138,877
Marine - Hull	1,357,440	-	1,321,139	36,301	-	-	72,663	(72,663)	-	-	-	-
Motor	3,059,436	-	193,636	2,865,800	-	-	-	-	66,513	-	-	66,513
Miscellaneous	58,138,648	-	56,817,739	1,320,909	-	-	3,739,725	(3,739,725)	1,593,927	-	1,540,256	53,671
Total	97,428,413	-	86,417,972	11,010,441	-	-	8,582,334	(8,582,334)	2,102,216	-	1,569,217	532,999


Direct Business and Public Sector Business (PSB):


Fire	536,808,269	-	279,580,906	257,227,363	35,858,700	-	49,555,876	(13,697,176)	162,386,180	-	39,112,606	123,273,574
Marine - Cargo	171,754,548	-	59,697,653	112,056,895	9,565,956	-	15,927,893	(6,361,937)	4,709,276	-	2,625,583	2,083,693
Marine - Hull	6,419,440	-	5,888,139	531,301	-	-	882,952	(882,952)	-	-	-	-
Motor	111,364,976	-	8,083,634	103,281,342	6,137,624	-	1,817,102	4,320,522	21,317,393	-	-	21,317,393
Miscellaneous	176,418,954	-	78,323,443	98,095,511	10,011,332	-	12,258,246	(2,246,914)	1,593,927	-	1,540,256	53,671
Total	1,002,766,187	-	431,573,775	571,192,412	61,573,612	-	80,442,069	(18,868,457)	190,006,776	-	43,278,445	146,728,331


M.H. Galib
 Company Secretary


Sujit Kumar Day FCA
 Chief Financial Officer


Chowdhury Golam Faruque
 Chief Executive Officer


Al-hajj Abubakar Samad
 Director


Al-hajj Nasiruddin
 Director








S.M. Ayub Ali Chowdhury
 Chairman

Northern Islami Insurance Limited

Status of compliance of International Accounting Standards and International Financial Reporting Standards

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
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 by retirement 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
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
Financial instruments	9	**
Consolidated Financial Statements	10	N/A
Revenue recognition	15	Applied
Lease	16	Applied

** 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 authoritative directions as mentioned in note 2.3.

 M.H. Galib Company Secretary	 Sujit Kumar Day FCA Chief Financial Officer	 Chowdhury Golam Faruque Chief Executive Officer	 Al-haj Abdu Samad Director	 Al-haj Nasiruddin Director	 S.M. Ayub Ali Chowdhury Chairman
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নর্দাণ 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 26th
Annual General Meeting (AGM) of the Company to be held on Tuesday 28 June 2022 at 11:00
A.M. by using "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.



নর্দাণ ইসলামী ইন্স্যুরেন্স লিঃ
NORTHERN ISLAMI INSURANCE LTD.
(A KEY TO PROTECTION)

ATTENDANCE SLIP

I hereby record my attendance at the 26th Annual General Meeting (AGM) held on Tuesday, 28 June, 2022 at 11:00 A.M. by using "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.



নর্দার্ন ইসলামী ইন্স্যুরেন্স লিঃ
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