

# ANNUAL REPORT 2019



**Fareast Islami Life  
Insurance Company Ltd.**

## LETTER OF TRANSMITTAL

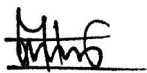
All Shareholders  
Insurance Development and Regulatory Authority  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Central Depository Bangladesh Limited  
All other Stakeholders.

**Annual Report for the year ended on 31 December, 2019.**

Dear Sir,

We are pleased to enclose a copy of the Annual Report 2019 together with the Audited Financial Statements including consolidated Balance Sheet as at 31 December, 2019 and Life Revenue Account, Cash Flow Statement for the year ended 31 December, 2019, a summary of significant accounting policies and other explanatory notes thereto of Fareast Islami Life Insurance Company Limited for your kind information and record.

Best regards,



**(Mahamudhul Hasan FCS)**  
Company Secretary



## CONTENTS

01

Letter of Transmittal

04

Notice of the  
20<sup>th</sup> Annual General Meeting

05

Vision & Mission

06

Objectives

07

Code of Conduct and Ethical Principles

08

Corporate Philosophy

09

Core Values

10

Profile of the Company

11

Corporate Chronicle

12

Corporate Information

13

Board and its Committees

15

Directors' Profiles

23

Executives of Head Office

25

Management Committee

27

Our Products

28

Corporate Social  
Responsibilities (CSR)

29

Report on Human Resources

31

Awards and Recognition

32

Key Financial Indicators

36

Graphical Representation

38

Review of the Chairman

41

Message from the  
Chief Executive Officer

44

Directors' Report

61

Some Memorable Events

66

Risk Management

69

Information Technology

72

Corporate Governance

80

Report to the Shareholders on compliance  
of Corporate Governance Code

81

Corporate Governance Compliance Report

<b>95</b>	Certificate of BAPLC	<b>116</b>	Statement of Consolidated Changes in Shareholders' Equity
<b>96</b>	Report of Board Audit Committee	<b>117</b>	Financial Statements
<b>98</b>	Report of Shariah Council	<b>127</b>	Notes to the Financial Statements
<b>99</b>	Responsibility Statement of CEO & CFO	<b>151</b>	Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)
<b>100</b>	Directors' Responsibilities for Financial Statements	<b>152</b>	Schedule of Fixed Assts
<b>101</b>	Auditors' Report and Financial Statements	<b>154</b>	Statement of Related Party Transactions
<b>102</b>	Independent Auditors' Report	<b>155</b>	Directors' Certificate under the Insurance Act 2010
<b>107</b>	Consolidated Financial Statements	<b>156</b>	Auditors' Report and Financial Statements of Subsidiary Companies
<b>108</b>	Consolidated Balance Sheet	<b>187</b>	Acknowledgement
<b>110</b>	Consolidated Life Revenue Account	<b>188</b>	Divisional Incharges
<b>113</b>	Statement of Consolidated Life Insurance Fund	<b>190</b>	Shareholders' Note
<b>114</b>	Consolidated Form - AA	<b>191</b>	Proxy/ Attendance Form
<b>115</b>	Consolidated Cash Flow Statement		

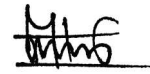
## NOTICE OF THE 20<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Fareast Islami Life Insurance Company Limited that the 20<sup>th</sup> Annual General Meeting of the Company will be held on 15 December 2020, Tuesday at 10.30 AM Virtually (using digital Platform) to transact the following business:

### Agenda:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the reports of Directors and Auditors thereon.
2. To declare Dividend for the year ended 31 December 2019 as recommended by the Board of Directors.
3. To elect/ re-elect Directors and approve the appointment of Independent Directors.
4. To appoint/ re-appoint Statutory Auditors for the year 2020 and fix up their remuneration.
5. To appoint Corporate Governance (CG) Auditors for the year 2020 and fix up their remuneration.
6. To transact any other business with the permission of the Chair.

By Order of the Board of Directors



**(Mahamudhul Hasan FCS)**  
Company Secretary

22 Novemebr 2020  
Dhaka

### Notes :

- The 'Record Date' was 22 November 2020. The Shareholders whose names appeared in the Depository Register of the Company on the 'Record Date' will be entitled to attend the Meeting and to receive Dividend.
- The Board of Directors have recommended 10% Cash Dividend for the year 2019.
- A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf (such proxy shall be a member of the Company). The Proxy Form duly stamped must be submitted at the Head Office of the Company not later than 48 hours before the time fixed for the Meeting.
- Pursuant to the BSEC's Order, the AGM will be held Virtually (using digital platfrom). You will join the virtual AGM through link (Link ID, Password, Full Login/ Participantion process for the Digital Platform meeting will also be available at the Company's website: [www.fareastislamilife.com](http://www.fareastislamilife.com))
- We encourage the Shareholders to login into the system prior to the meeting. Shareholders may comunicate for IT related guidance with e-mail: [filic.agm1@fareastislamilife.com](mailto:filic.agm1@fareastislamilife.com), [filic.agm2@fareastislamilife.com](mailto:filic.agm2@fareastislamilife.com)



## VISION

Our Vision is to have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream and to make a society where human dignity and rights get the highest consideration to remove of poverty.

To become the best and premier islami life insurance comapany in the country in terms of efficiency, capital adequacy, asset quantity, sound management and profitability having strong liquidity.



## MISSION

- Continue delivering attractive returns to our valued shareholder by sustainable growth in business.
- Setting high standards of integrity.
- Become a most caring organization and employer of choice.
- Ensuring human resources development to meet the challenges of the time by providing continued training and professionalism.
- Bring innovation in products and services.



## OBJECTIVES

We believe in uncompromising commitment to fulfil our clients' needs and satisfaction to become their first choice in islami life insurance. As a leading life insurance company in the country, we are committed to provide the all out cooperation and services to our stakeholders. Since inception of the company, we have set a number of long term strategic goals.

We have broadened our range of services over the years with a view to reaching out for more clients and to meet their precise needs and demands.



## CODE OF CONDUCT AND ETHICAL PRINCIPLES

We believe that business ethics practices provide a basis for the stability and sustainable growth of the company. The company has established sophisticated processes and structures exhaustive in employees conduct and ethical principles for a responsible and values driven management and control. The Code of Conduct is designed to guide the employees of the company to observe and comply with the prudential standards of conduct, manner and behaviour. It is in alignment with the Company's Vision, Mission, Objectives, corporate culture and aims at enhancing the ethical and transparent process in managing the affairs of the Company. The employees of the company should strictly adhere to the following code of conduct and ethical principles:

- Employees must be sincere and loyal to the Company.
- Maintain strict secrecy of the Company.
- Refrain from disclosing the confidential and sensitive information of the Company.
- Behaviour must be in such a manner that will enrich the image, dignity and reputation of the Company.
- Perform the duties efficiently and faithfully.
- Ensure policyholders, other stakeholders' needs and satisfaction in the best possible manner within the guidelines of corporate ethics, honesty, sincerity, dignity and utmost care.
- Build and consolidate corporate culture in the company.
- Ensure Corporate Social Responsibilities (CSR) through performing activities.
- Pay more importance in human resources as well as financial capital.



## CORPORATE PHILOSOPHY

### For Policyholders

- To provide the most courteous and efficient services in every aspect of its business.
- To be innovative in the development of new insurance products and services.

### For Employees

- By promoting their well-being through attractive remuneration and fringe benefits.
- By promoting good staff moral through proper staff training and development and provision of opportunities for career development.

### For Shareholders

- By forging ahead and consolidating its position as a stable and progressive financial institution.
- By generating profits and fair return on their investment.

### For Community

- By assuming our role as a socially responsible corporate entity in a tangible manner.
- By adhering closely to national policies and objectives thereby contributing towards the progress of the nation.
- By upholding ethical values and best practices.



## CORE VALUES

Five key core values that dictate the manner through which we provide insurance services to the nation.

### **Integrity**

We are committed to upholding integrity as one of the core values of Islam in all of our activities.

### **Solidarity**

Solidarity of the nation is a must for peace, progress, prosperity and happiness. So, Islam strongly inspires us for solidarity. Solidarity of our people is our dream and wishes to see the dream turning into truth.

### **Lawful**

Fareast Islami Life comes to establish everything lawful and destroys lawlessness. This value taught us to be lawful in our all sphere of operations.

### **A'dal and Ehsan**

Allah SubhanahuTa'ala dictates us to establish A'dal and Ehsan in all Muaamelat and Muasharat. We are here to establish A'dal and Ehsan by ensuring riba free islamic economic system.

### **Mutual benefits**

Fareast Islami Life always concerned about mutual benefits. Our activities are nothing but to make sure mutual benefits of all stakeholders.

## PROFILE OF THE COMPANY

A leading third generation company in the insurance sector, Fareast Islami Life Insurance Company Limited started its journey on May 29, 2000 and obtained Certificate of Incorporation and Certificate of Commencement of Business on May 29, 2000 as a Public Limited Company under the Companies Act, 1994 and subsequently listed with the Dhaka and Chittagong Stock Exchanges Limited in 2005. Since inception, Fareast Islami Life Insurance Company Limited has been working efficiently and achieved strong and prominent position in the insurance sector. By the passing of time the company has consolidated its strength manifold through extending its business rapidly while ensuring sustainable growth. The company has been rendering life insurance business and services through its offices throughout Bangladesh.

Fareast Islami Life Insurance Company Limited is focused on providing quality & quick services to its clients. We are always conscious to meet up our clients' needs. Over the years Fareast Islami Life has established a track record as a sound and dependable services and consistently enabled to comply with all commitments to the clients and the society.

At present the authorized capital of the company is taka 1000 million and paid up capital is taka 747.42 million. As on 31 December 2019 total number of shareholders were 7,262. The shares of the company are traded both in Dhaka and Chittagong Stock Exchanges Limited in the category "A" from the beginning. The total market value of the company's shares is taka 3,707.24 million as on 31 December 2019.

Most of the Directors of the company are prominent figures in the society having ownership of many organisations. They are experienced with adequate knowledge about the relevant business fields and also bearing positive personality. The company has effective and efficient workforce with a perfect combination of talent, youth and experience. At the end of 2019 the company had 2,529 permanent employees and more than 1,97,759 development employees. These employees are amply trained and experienced on various phases of insurance activities and most importantly they are dedicated to their duty and responsibilities. The company always ensures better work environment for its employees and as a result, the employees become motivated to provide better services. Most of the senior employees are highly qualified and professional degree holders. They have been trained at home and abroad.

Financial performance of the company is very strong and positive. Total assets of the company as at 31 December 2019 stood at taka 43,479 million and life fund taka 33,690 million. The company invested its fund in Shariah based banks and financial companies, wherefrom good income is generated and as a result attractive returns are available to give benefits to shareholders as well as policyholders as dividend and bonus. The company always maintained strong corporate culture, corporate governance, code of conduct, ethical principles and corporate social responsibilities.



## CORPORATE CHRONICLE

Incorporation of the Company	29 May, 2000
Commencement of Business	29 May, 2000
License issued by Chief Controller of Insurance	30 May, 2000
First Policy Issued	28 June, 2000
Land Acquisition for Fareast Tower	4 December, 2002
Publication of Prospectus for IPO	29 March, 2005
Subscription opened	7 May, 2005
Subscription closed	11 May, 2005
Lottery held for Allotment of Shares	13 June, 2005
Listed with Dhaka Stock Exchange Ltd.	18 July, 2005
Listed with Chittagong Stock Exchange Ltd.	18 July, 2005
Trading of shares on Dhaka Stock Exchange Ltd.	20 July, 2005
Trading of shares on Chittagong Stock Exchange Ltd.	20 July, 2005
First Observation of Service Month	July 2006
Change in the denomination of Face value BDT 10.00	12 August, 2010
Re-valuation of Fareast Tower	27 December, 2011
Incorporation of Fareast Islami Securities Ltd.	6 March, 2012
Authorized capital increased to BDT 1000 million	5 May, 2013
Incorporation of Fareast Islami Properties Ltd.	24 June, 2014

## CORPORATE INFORMATION

Name of the Company	Fareast Islami Life Insurance Company Limited	
Legal Form	A public limited company incorporated in Bangladesh on 29 May 2000 under the Companies Act 1994 and subsequent listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited	
Commencement of Business	29 May 2000	
Registered Office	Fareast Tower (Level-18), 35 Topkhana Road, Purana Paltan, Dhaka-1000.	
Telephone No.	09613000123	
Fax No.	88-02-9573077	
Website	www.fareastislamilife.com	
E-mail	info@fareastislamilife.com	
Chairman	Mr. Md. Nazrul Islam	
Chief Executive Officer	Mr. Md. Hemayet Ullah	
Chief Consultant	Mr. Md. Ali Hossain	
Authorized Capital	Tk. 1,000 million	
Paid up Capital	Tk. 747.42 million	
Auditors	Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka-1000	
Tax Advisor	Mr. Md. Enamul Kabir Howlader Kabir Associates BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka-1000	
Credit Rating	AA	
Credit Rating Agency	Emerging Credit Rating Ltd. Shams Rangs, House-104 Park Road Leve-A1, A2 & A5, Baridhara, Dhaka-1212	
Subsidiary Company	Fareast Islami Securities Ltd. Fareast Islami Properties Ltd.	
Corporate Governance Auditor	Zoha Zaman Kabir Rashid & Co. Chartered Accountants Rupayan Karim Tower, Level-7, Suite # 7A, 80 Kakrail, Dhaka-1000	
Actuarial Consultant	Mr. Mohammad Sohrab Uddin PhD, AIA House # 6 (4th floor), Road # 12 Sector # 13, Uttara Model Town Dhaka-1230.	
Principal Bankers	Al-Arafah Islami Bank Ltd. Exim Bank of Bangladesh Ltd. First Security Islami Bank Ltd. Islami Bank Bangladesh Ltd.	NRB Bank Ltd. Social Islami Bank Ltd. Union Bank Ltd.
Medical Consultant	Dr. S. M. Mustafa Zaman Professor, BSMMU, Dhaka.  Dr. Hridita Sarker Khaya Boro Moghbazar, Ramna , Dhaka	Dr. Najnin Akter MBBS, Senior Medical Officer Mirpur Holycrescent Hospital, Dhaka.

## BOARD AND ITS COMMITTEES

### BOARD OF DIRECTORS

Mr. Md. Nazrul Islam

**Chairman**

Prof. Dr. Iffat Jahan

**Vice Chairman**

Al-Haj Md. Helal Miah

Mr. Syed Shah Alam Meerza  
(Alternate of Dr. Md. Mokaddes Hossain)

Ms. Ayesha Husne Jahan

Ms. Nazneen Hossain

Dr. Md. Manowar Hossain  
(Alternate of Ms. Shaher Banu)

Ms. Muslima Shireen

Fareast Securities Ltd  
(Rep. Mr. Asif Iqbal)

Ms. Rabeya Begum  
(Alternate of Ms. Ramisha Islam)

South Green Ltd.  
(Rep. Mr. Mohammad Sohel Arif)

Bangladesh Science House  
(Rep. Mr. Abdul Awal)

### Independent Directors

Mr. ABM Hussain Ahmed FCA

Mr. Redwan Farid Sami

### Chief Executive Officer (CEO)

Mr. Md. Hedayet Ullah (ex-officio)

### EXECUTIVE COMMITTEE

Al-Haj Md. Helal Miah Chairman

Mr. Md. Nazrul Islam Member

Prof. Dr. Iffat Jahan Member

Ms. Ayesha Husne Jahan Member

Ms. Nazneen Hossain Member

Dr. Md. Manowar Hossain Member

Ms. Rabeya Begum Member

### BOARD AUDIT COMMITTEE

Mr. ABM Hussain Ahmed FCA Chairman

Mr. Md. Nazrul Islam Member

Mr. Syed Shah Alam Meerza Member

Mr. Redwan Farid Sami Member

Mahamudhul Hasan FCS Member Secretary  
Company Secretary

### NOMINATION & REMUNERATION COMMITTEE

Mr. ABM Hussain Ahmed FCA Chairman

Mr. Md. Nazrul Islam Member

Mr. Syed Shah Alam Meerza Member

Prof. Dr. Iffat Jahan Member

Mahamudhul Hasan FCS Member Secretary  
Company Secretary

### POLICY & CLAIMS COMMITTEE

Ms. Ayesha Husne Jahan Chairperson

Mr. Md. Nazrul Islam Member

Prof. Dr. Iffat Jahan Member

Al-Haj Md. Helal Miah Member

Mr. Syed Shah Alam Meerza Member

Ms. Nazneen Hossain Member

Dr. Md. Manowar Hossain Member

Ms. Muslima Shireen Member

Mr. Asif Iqbal Member

Ms. Rabeya Begum Member

Mr. Mohammad Sohel Arif Member

Mr. Abdul Awal Member

### INVESTMENT & REAL ESTATE DEVELOPMENT COMMITTEE

Mr. Md. Nazrul Islam	Chairman
Al-Haj Md. Helal Miah	Member
Mr. Syed Shah Alam Meerza	Member
Ms. Ayesha Husne Jahan	Member
Ms. Nazneen Hossain	Member
Dr. Md. Manowar Hossain	Member
Ms. Muslima Shireen	Member
Prof. Dr. Iffat Jahan	Member
Mr. Asif Iqbal	Member
Ms. Rabeya Begum	Member
Mr. Mohammad Sohel Arif	Member
Mr. Abdul Awal	Member

### PURCHASE COMMITTEE

Ms. Nazneen Hossain	Chairperson
Mr. Md. Nazrul Islam	Member
Al-Haj Md. Helal Miah	Member
Mr. Syed Shah Alam Meerza	Member
Ms. Ayesha Husne Jahan	Member
Prof. Dr. Iffat Jahan	Member
Mr. Asif Iqbal	Member

### SHARIAH COUNCIL

Principal Saiyyed Kamaluddin Zafree	Chairman
Muhtaram Shah Abdul Hannan	Member
Mufti Sayeed Ahmad Mozaddedi	Member
Justice M. A. Rouf	Member
Dr. Miah Mohammad Ayub	Member
Prof. Mohammad Muzahidul Islam	Member
Prof. Dr. A N M Rafiqur Rahman	Member
Prof. A Q M Abdul Hakim	Member
Shah Mohammad Wali Ullah	Member
H.M. Prof. Dr. Shahidul Islam Barakaty	Member
Prof. Mau. ABM Masum Billah	Member
Mr. Md. Hemayet Ullah, Chief Executive Officer	Ex-officio Member

### SHARIAH EXECUTIVE COMMITTEE

Mufti Sayeed Ahmad Mozaddedi	Chairman
Muhtaram Shah Abdul Hannan	Member
Dr. Miah Mohammad Ayub	Member
Prof. Mohammad Muzahidul Islam	Member
Prof. Dr. A N M Rafiqur Rahman	Member
Mr. Md. Hemayet Ullah, Chief Executive Officer	Ex-officio Member

## DIRECTORS' PROFILES



### **Mr. Md. Nazrul Islam**

Chairman, Board of Directors

Mr. Md. Nazrul Islam is a Sponsor Director of Fareast Islami Life Insurance Company Limited and Chairman of the Board of Directors. He engaged in business after graduation and near about in three decades he established a good number of companies in the financial sector and NBFI. He contributes a lot to develop the country's economy via Bank, NBFI and Insurance Company. Mr. Nazrul Islam with his dynamic personality contributed a lot to contributes the nation by developing the education sector.

His business affiliation is versatile and diversified. He earned notable fame in the business community for his integrity and remarkable business performance. He proves himself as a successful Chairman in several companies namely Fareast Islami Securities Limited, Fareast Islami Properties Limited, Primeasia University Board of Trustees, Prime Multimedia Ltd, Prime Insurance Company Limited and Prime Islami Securities Limited. He is the Executive Committee Chairman of Meghna Bank Limited and Vice Chairman of Bangladesh Institute for Professional Development (BIPD). Apart from that he is the Managing Director of Apsara Holding Limited, Ramisha Cold Storage Limited, Punot Cold Storage Limited, Fareast Cold Storage Limited, Fareast Securities Limited, Ramisha BD Limited, Rimsha BD Limited and Ramisha Composite Textiles Mills Limited (proposed). He is also Sponsor of CVC Finance Limited. Proprietor of M/s. Ramisha Enterprise and M/s. Rimsha Enterprise.

As a very prominent entrepreneur, he has received many prestigious awards from the institutions at home and abroad for his remarkable contribution to the modern business. He is the Executive Committee member of Bangladesh Insurance Association (BIA), Bangladesh Association of Publicly Listed Companies, member of Australia Bangladesh Chamber of Commerce, Canada Bangladesh Chamber of Commerce & Industry, Bangladesh Thai Chamber of Commerce & Industry (BTCCI) & Bangladesh German Chamber of Commerce & Industry (BGCCI). He is also member of Kurmitola Golf Club and Army Golf Club. He contributes a lot among the various business sectors and its development by setting the strategic plan to achieve the business goal.

Mr. Nazrul Islam's contribution to the society through the Corporate Social Responsibility activities is remarkable. As a very widely travelled person, he has the detailed idea of modern business and technologies through cross country cultural activities. He has an amiable personality having the track record of making contributions in the social and educational development activities of the country.



**Prof. Dr. Iffat Jahan**

Director

Prof. Dr. Iffat Jahan is an Alternate Director of Ms. Taslima Islam and she is Vice-Chairman of the Company. She is a business person and also an educationist. Dr. Iffat Jahan completed her BA (Hons), MA degree from Dhaka University in the year 1980 & 1982 respectively. In the year 2002 she got her PhD. degree from Jadavpur University, Kolkata, India. She started her career as a lecturer in Government College of Music, Agargaon, Dhaka. Lastly, she promoted to the rank of professor and retired from the same post in the year 2009. She is the Chairperson of TERTEX Ind. Ltd. an export oriented garments factory. Prof. Dr. Iffat Jahan is a director of Prime Insurance Company Limited and member of Primeasia University Board of Trustess.

She has attachment with various social development activities



**Alhaj Md. Helal Miah**

Director

Al-Haj Mohammad Helal Miah is a Sponsor Director and Chairman, Executive Committee of Fareast Islami Life Insurance Company Limited and the Founder Chairman of Amanat Shah Group. He is the man of vision. In the Last 35 years he has established himself as successful industrialist and renowned businessman, especially in the field of spinning and textile. His business affiliation is versatile and diversified in the capital market. He is the founder President of Bangladesh Lungi Manufactures, Traders & Exporters Association. He is also earning foreign currency every year exporting his products. He is the member of Board of Trustee and Board of Governor of Southeast University, Narsingdi Model School and contributing the nation with quality education. He is the life member of Bangladesh Red Crescent Society, Bangladesh Diabetics Society, Narsingdi Club and Narsingdi Foundation. Moreover, he is the life Advisor of Narsingdi Chamber of Commerce. At present he belongs to the organizations such as Chairman, Hazrat Amanat Shah Securities Ltd., Chairman & Managing Director of Amanat Shah Weaving Processing Ltd., Standard Company Ltd., Managing Director, Hazrat Amanat Shah Spinning Mills Ltd., Director, Midland Bank Ltd. and Proprietor - M/s Helal & Brothers.



**Dr. Md. Mokaddes Hossain**

Director

Dr. Md. Mokaddes Hossain is a Sponsor Director of Fareast Islami Life Insurance Company Limited. He was born in 1956 in a respectable Muslim family in Barisal. He obtained his MBBS Degree from Chittagong Medical College. He is engaged in business for last 25 years in different sectors like Construction, Real Estate and Medical Diagnostics etc. His business affiliation is versatile and diversified. He was the Founder Chairman of the Board of Directors of Fareast Islami Life Insurance Co. Ltd. and Metro Living (Pvt.) Ltd. He is the Chairman of Barisal CT Centre Ltd., North Bengal CT Scan Ltd., Rangpur CT Scan Ltd. and Diagnosis Centre Ltd., CT Imaging and Diagnostic Centre Chittagong Ltd., CT Imaging and Diagnostic Centre Khulna Ltd. His association with the above mentioned well reputed organizations makes him a forward looking and progressive industrialist who has already reached a very desirable destiny with enviable heights. Furthermore, he has also attachment with various socio-cultural activities.



**Ms. Ayesha Husne Jahan**

Director

Ms. Ayesha Husne Jahan is a Sponsor Director of Fareast Islami Life Insurance Company Limited and also Chairperson of the Policy & Claims Sub-Committee. She was born in a respectable Muslim family. She had her schooling in the local educational institutions and obtained B.Com. Degree. She is a subscriber member of Fareast Islami Life Insurance Company Limited. She is a director of Prime Insurance Company Limited and a member of Primeasia University Board of Trustess.

She has associated with many other socio-cultural activities.



**Ms. Nazneen Hossain**

Director

Mrs. Nazneen Hossain is a Sponsor Director of Fareast Islami Life Insurance Company Limited and also chairman of purchase sub-committee. She is a reputed business person of the Country. She established versatile and diversified business and proved herself as a business icon in the country. Mrs. Nazneen Hossain is the Director of Mosharaf Group and Chairperson of Mosharaf Composite Textile Mills Limited, Mosharaf Apparels Studio Limited, M.N. Dyeing Printing & Washing Mills Limited, Natore Cold Storage Limited, Ekota Cold Storage Limited and Asuchem Limited. By her dynamic leadership and strong vision, she expanded diversified business to its present level in Mosharaf Group. She is the Director of Sonali Twisting & Netting Industries Limited, Silimpur Cold Storage Limited. She is also a Member of FBCCI and Director of Munshigonj Chamber of Commerce and Industries. She is a Proprietor of M/S. Nazneen Enterprise and M/S. N. H. Trade International.

She is also associated with various charity organizations.



**Dr. Md. Manowar Hossain**

Director

Dr. Md. Manowar Hossain is an Alternate Director of Ms. Shaher Banu, Sponsor Director of Fareast Islami Life Insurance Company Limited. He completed his SSC from West End High School, Dhaka and HSC from Notre Dame College, Dhaka. He obtained his MBBS degree from Sher-e-Bangla Medical College, Barisal and after that he started practice as a physician. In 1992 he opened up a new venture of medical service oriented business named as "Medinova Medical Services Ltd". He is the founder Director of Medinova Medical Services Ltd. and carrying out his duties and responsibilities till now. He is also a Representative Director of Fareast Islami Securities Limited. He has attachment with various educational and socio-cultural activities.



**Ms. Muslima Shireen**

Director

Ms. Muslima Shireen is a Sponsor Director of Fareast Islami Life Insurance Company Limited. Ms. Muslima Shireen is a dynamic and visionary lady. She is the Chairperson of MAWSONS Ltd. and Sponsor of Prime Bank Ltd. She has also taken part in establishing a good number of business entities including bank, non-banking financial institution and Insurance Company. She is also making a lot of contributions to the society.



**Ms. Rabeya Begum**

Director

Ms. Rabeya Begum is an Alternate Director (of Ms. Ramisha Islam) of Fareast Islami Life Insurance Company Limited. She was born in a respectable Muslim family. She has completed her post-graduation from Government Tularam University & College, Narayanggonj. Her qualities such as being holistic, collaborative, inclusive and consultative that helps her to make the decision in the business community. She included her footsteps with the peer group to develop the company's vision and achieve the ultimate goals. She has success in building the meaningful business relationship via social networking. She is a director of Prime Insurance Company Limited and a member of Primeasia University Board of Trustess. She is also associated with many socio-cultural activities.



**Mr. Asif Iqbal**

Director

Mr. Asif Iqbal obtained his Bachelor of Commerce degree from a reputed Public University of Dhaka. He is one of the Directors of Fareast Islami Life Insurance Company Limited, representing Fareast Securities Limited. He is also member of the Policy & Claims Committee, Investment & Real Estate Development Committee and Purchase Committee of the Board of Directors of Fareast Islami Life Insurance Company Limited. Mr. Asif Iqbal is a Director of Prime Insurance Company Limited, representing Rimsha BD Limited. He has attachment with various socio cultural activities.



**Mr. Mohammad Sohel Arif**

Director

Mr. Mohammad Sohel Arif is a Representative Director representing South Green Limited. Mr. Mohammad Sohel Arif born in a respectable muslim family. He completed his M.Com in Management from a public university. He is a reputed business person. He is a young entrepreneur and established versatile business organization. Mr. Mohammad Sohel Arif deals with import business of agricultural machineries and electrical motor pumps. He is associated with a lot of socio-cultural activities.



**Mr. Abdul Awal**

Director

Mr. Abdul Awal is a representative Director representing Bangladesh Science House Limited. He is an entrepreneur of various business of the country. His business affiliation is versatile and diversified. Mr. Abdul Awal engaged in business of Import, Supply, Commissioning, Indenting, Laboratory, Medical heavy equipment & production chemical in Bangladesh. He is a Member of Federation of Bangladesh Chamber of Commerce & Industry, Member of Indentors Association and also Member of Bangladesh Knit Wear Association. He is associated with a lot of socio-cultural activities.



**ABM Hussain Ahmed FCA**

Independent Director

Mr. ABM Hussain Ahmed FCA is an Independent Director of Fareast Islami Life Insurance Company Limited. He is the Chairman of Board Audit Committee and Nomination & Remuneration Committee. Mr. Ahmed is a Fellow of the Institute of Chartered Accountants of Bangladesh (ICAB). He has a long Career in home and abroad with knowledge & integrity in the Financial & Others Sector. From very beginning in career he joined M/s. Riaz Ahmed & Co. Chartered Accountants, Dubai, UAE as Manager, then he joined as Chief Accountant in Power & Electric Co. Abu Dhabi, UAE. Mr. Ahmed worked with the Central Bank of the UAE from 1978 to 1988 and worked with ARBIT, Abu Dhabi UAE, (Present Al-Maaraf Bank) as Financial Analyst from 1988 to 2008. Mr. Ahmed is associate with various training & Seminars in home and abroad.



**Mr. Redwan Farid Sami**

Independent Director

Mr. Redwan Farid Sami is an Independent Director of Fareast Islami Life Insurance Company Limited. Mr Sami has completed Bachelor of Business (Accounting) Sub Major in Finance law from University of Western Sydney, Australia. He has also completed Diploma in Business and Foundation studies from Western Sydney (College), Australia. He has a long career in the field of auditing, accounting. Mr. Sami is a Director of Freshcoast, Singapore. Recently Mr. Sami joined as CEO, Satellite Television, Khela, Dhaka. Mr. Sami associated with many other socio-cultural activities.



**Mr. Md. Hemayet Ullah**

Chief Executive Officer (CEO)

Mr. Md. Hemayet Ullah joined Fareast Islami Life Insurance Company Limited as the Additional Managing Director on 02 July 2010. Now he is Chief Executive Officer (CEO) of Fareast Islami Life Insurance Company Limited. Prior to joining Fareast Islami Life Insurance Company Limited he was the Deputy Managing Director of Meghna Life Insurance Company Limited.

After completing B.Com (Hon's) and M.Com in Accounting from Chittagong University in 1986, Mr. Md. Hemayet Ullah joined Delta Life Insurance Company Limited in 1993. In 2000 he joined Meghna Life Insurance Company Limited as a General Manager and he served in various positions in Meghna Life Insurance Company Limited. He is a Representative Director of Usmania Glass Sheet Factory Ltd and Vice Chairman of Insurance Forum. Apart from those he has attachment with various educational and social organization of the country. He is the member of the Trustee Board of Primeasia University, Bangladesh Red Crescent Society. He is also associated with many other social organization.

## EXECUTIVES OF HEAD OFFICE

### Chief Executive Officer

Mr. Md. Hemayet Ullah

### Chief Consultant

Mr. Md. Ali Hossain

### Deputy Managing Director & CFO

Mr. Mohammed Alamgir Kabir FCA, FLMI, ARA

### Asst. Managing Director

Mr. Md. Abdur Rahim Bhuiyan, ABIA

Mr. Md. Kamrul Hasan Khan

Mr. Md. Majedul Islam

### Senior Executive Vice President

Mr. Md. Farid Hossain

Mr. Abu Ahamed

Mr. Md. Belayet Hosain Bhuiyan

Mr. Engr. Amir Mohammad Ibrahim

Mr. Sk. Abdur Razzaque

Mr. Md. Kamal Hosen Howlader

### Executive Vice President

Mr. Mahabubul Mowla Ripon

Mr. Md. Zakir Hossain

Mr. Md. Firoz Shah Alam

Mr. Mohammed Nazrul Islam

### Joint Executive Vice President

Mr. Muhammad Aminuzzaman

### Senior Vice President

Mr. Md. Lokman Faruque

Mr. K.M. Shamsuddin

Mr. Shahadat Hossain Hazary

Mr. Md. Shah Alam

Mr. Mohammad Shahinul Islam

Mr. Mamun or Rashid

Mr. Md. Nasir Uddin Khan

Mr. Mahamudhul Hasan FCS

## EXECUTIVES OF HEAD OFFICE



## MANAGEMENT COMMITTEE

### Convenor

Mr. Md. Hemayet Ullah  
Chief Executive Officer

### Members

Mr. Md. Ali Hossain  
Chief Consultant

Mr. Mohammed Alamgir Kabir FCA, FLMI, ARA  
DMD & Chief Financial Officer (CFO)

Mr. Md. Majedul Islam  
AMD & Head of IT

Mr. Sk. Abdur Razzaque  
SEVP & Incharge, Banking & Investment and P.F

Mr. Md. Kamal Hosen Howlader  
SEVP & Head of Internal Control & Compliance

Mr. Md. Zakir Hossain -Member Secretary  
EVP & Incharge HRD

Mr. Mahamudhul Hasan FCS  
SVP & Company Secretary

Mr. Muhammad Azaharul Islam  
VP & PS to Chairman

## MANAGEMENT COMMITTEE



From Left Side : 1. Mr. Mahamudhul Hasan FCS, 2. Mr. Md. Zakir Hossain, 3. Mr. Md. Majedul Islam, 4. Mr. Mohammed Alamgir Kabir FCA, FLMI, APA  
5. Mr. Md. Hemayet Ullah, 6. Mr. Md. Ali Hossain, 7. Mr. Md. Kamal Hosen Howlader, 8. Mr. Sk. Abdur Razzaque, 9. Mr. Md. Azaharul Islam

## OUR PRODUCTS



## CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Fareast Islami Life Insurance Company Limited is one of the largest, best corporate cultured companies in Bangladesh. It has been discharging responsibilities to the society since its inception. The Company's CSR activities are largely focused in the areas of education, health, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives. Besides, it also Participates in the areas of disaster relief, environment and ethnicity, all aimed at improving the quality of life of the communities. Corporate Social Responsibility (CSR) has been a long standing commitment of the Company and forms an integral part of its activities.

The Company's objective is to pro-actively support meaningful socio-economic development in the country and enable a larger number of people to participate in and benefit from the country's economic progress. The principal aim and objective of the society are to undertake, promote, sponsor, assist or aid directly any activity in the promotion and growth of the economy, welfare, socio-economic development and upliftment of the people in rural/urban areas. Our Company is committed to being a responsible corporate citizen. We offer assistance and support magnanimously to all of our communities around the society. We take numerous initiatives in individual and organizational level for the development of the society, particularly the less fortunate part of the community. Corporate social responsibility plan of Fareast Islami Life Insurance Company Limited is mainly about the awareness of actions in support of environmentally sustainable social development. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. The CSR policy of the Company sets the framework guiding the Company's CSR activities.

It is our business opportunity to get sustenance from the society where we live and operate. We want to give some return to the society. Our area of corporate social responsibility includes our clients, employees, shareholders, business associates and the society as a whole. Our relationship with the society is our understanding, trust and credibility. The company has spent Taka 16.40 million in the year 2019 for the purpose of CSR for distribution of Blankets among the poor people in cold hit area of the country, medical treatment for poor people, educational welfare and other sectors. The inbuilt rigor of the due diligence process has also led to the recalibration of the CSR expenses in a few instances. While this has also contributed to the reduction in spending, we are confident that we are able to optimize impact on the target beneficiaries through these processes.

CSR Policy indicates the activities to be undertaken by the company and recommendation of the amount of the expenditure to be incurred on such activities; reviewing and recommending the annual CSR plan to the Board, monitoring the CSR activities, implementation of and compliance with the CSR Policy and reviewing and implementing, if required, any other matter related to CSR initiatives.



## REPORT ON HUMAN RESOURCES

### Human Capital

FILIC is committed to being an employer of choice. Our core values of integrity, initiative and involvement

guide us as we create an engaging and dynamic environment for our employees to realize and maximize their potential. We recognise that an engaged workforce is the key to our success. Towards this end, our top priority is to develop our people and our leadership capabilities. At the same time, we strive to foster a strongly collaborative environment in which our people are able to deliver strong and sustainable performance.

### Building A Strong Corporate Culture

Our people are our most valuable assets, embodying our commitment to maximizing wealth of the company. We rely on them to communicate this value to our many stakeholders. A talented officer can win the heart of a customer by providing efficient services blended with personal care which eventually builds a strong and ever-lasting business relationship with that customer. At present, more than 2,529 desk employees and 1,97,759 development employees are actively working with FILIC. Among these, we proudly declare that a good number of female workers with success in both desk & business development level throughout the country.

### Listening To Our Employees

FILIC conducts regular coordination meeting with desk and development employees, also separately amongst Development Office In-charges and Department/ Section In-charges to gather employee feedback on jobs and processes, management and leadership, and the workplace environment. The importance of coordination meeting across the company amongst managers is to develop appropriate action plans. Results of these meetings

are reflected in the performance evaluation of managers, ensuring that the findings are met with appropriate remedies.

### Code Of Conduct

Code of conduct is a set of rules outlining the responsibilities of proper practices for an individual or organization. As per the "Code of Conduct and Ethical Guidelines" for FILIC employees, all have to maintain and demonstrate highest ethical standards. The basic premise of this code of conduct is that each employee, while on the payroll of FILIC, shall place FILIC ahead of his/her personal interests. As our Company based on Shariah, our employees follow the ethical rules & regulations.

### Developing Our People

We have been continuing to invest in our people and in their personal & professional development. Opportunities were provided for them to cultivate core competencies and skills to be future-ready to meet the rapidly changing demands of the industry. On the job learning and workshops were organized throughout the year to help our people in their career development. Our esteem company has its own training institute named FILITRA which is equipped with all modern study and course materials for regular development of our employees.

### Policy Of Recruitment

Our company has formulated Human Resources Policy including a strategic imperative for recruiting the best people from the society. FILIC recruits fresh graduates from different academic backgrounds of renowned universities which act as a source of creativity. Fresh graduates are recruited through comprehensive written test and interview. FILIC also recruits experienced employees from the insurance industry having sound life insurance knowledge and expertise.

### Employees' Health, Safety & Well-being

We believe that our employees are the key to our success; as such we place great priority in ensuring the well-being of our employees through a positive working environment that enhance their quality of life. We aim to address the different needs of our employees. We regularly review and assess the requirements of our employees as we develop a working environment that reflects the societal changes which shape the economy of the future. To ensure a healthy life of our people, our company has made contract with many hospitals such as LABAID, IBNE SINA, SAMARITA, Central Hospital, Islami Bank Hospital etc. for getting health treatment at a discounted rate. Such facility can be availed by our employees and also by their family members.

### Safety Committee

The Safety Committee of FILIC oversees the safety and well-being of all our employees in our head office and branches. The Safety committee organises annual Fire Safety and Emergency trainings for our fire wardens at our locations nationwide. This ensures that assigned wardens are well equipped with the required skills in the face of an emergency.

### Rewards And Performance Management

To drive performance, remuneration and other incentives are based on a total rewards view rather than individual compensation components. We remain committed to a fair and open performance management process to reward performance and support career development. The compensation framework is also aligned to the Financial Stability Boards' principles for sound compensation practices.

### Employees' Benefits

The company offers satisfactory financial and non-financial benefits for the employees of the company to ensure a better lifestyle. These benefits include:

- Annual increment
- Festival and incentive bonuses
- Earned leave encashment
- Group insurance facilities
- Fair promotion
- Loan facilities at privileged rate
- Career growth opportunities
- Training and workshop at home and abroad
- Favorable work environment
- Health care facilities
- Attractive compensation package
- Leave fare assistance
- Hajj & Foreign tour awards
- Hire purchase
- Home Loan

Apart from the above facilities, our company offers the following benefits at resignation or retirement:

- Provident fund
- Gratuity
- 60 days earned leave encashment

### Job Satisfaction

FILIC seeks not only to attract the most qualified personnel but also to retain them by creating a superior working environment and addressing their needs. To ensure success for the company as a whole, employees are encouraged to engage in energetic teamwork and effort is given to facilitate communication and the flow of information. Employees' initiative and responsibility are performed through challenging assignments where rewards are determined by results.

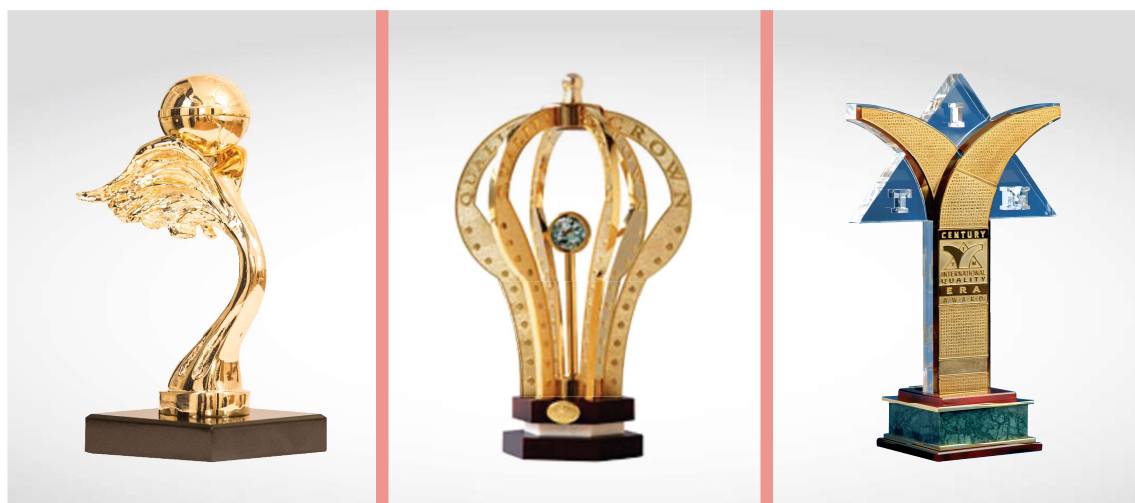
We work hard to create high-quality work environment that will enable our people to fully support our Vision of being the country's pre-eminent life insurance provider while playing a leadership role in driving economic and social development across South East Asia. By doing this, we are better able to deliver our brand promise of helping our clients, our employees, our shareholders and members of our communities lead better lives.

## AWARDS AND RECOGNITION

An award is appreciation of work and high inspiration. Fareast Islami Life Insurance Company Limited is Proud of its effort to make the company best run Insurance company in the country. It is a testament to our good governance, compliance and transparency that we won a number of prestigious awards over the years. A few notable awards achieved are shown below:



BIZZ Award 2017, 2016, 2015 & 14



Europen Award 2013

Crown Award 2012

Geneva Award 2012

## Key Financial Indicators

(Data relates to "Fareast Islami Life Insurance Co. Ltd.")

Amount in Million BDT

Sl.No.	Particulars	Year				
		2015	2016	2017	2018	2019
01	First year Premium Income	2,560.21	3,221.16	3,761.23	3,068.64	3,151.94
02	Renewal Premium Income	5,931.17	6,003.38	6,325.18	7,491.78	7,390.72
03	Group & Health Insurance Premium	19.83	30.46	33.97	27.37	17.75
04	Gross Premium	8,511.21	9,255.00	10,120.38	10,587.79	10,560.41
05	Reinsurance Premium	14.79	17.97	17.31	27.50	20.77
06	Net Premium (4-5)	8,496.42	9,237.03	10,103.07	10,560.29	10,539.64
07	Retention Ratio (6/4) (%)	99.83	99.81	99.83	99.74	99.80
08	First year Premium Income growth (%)	35.45	25.82	16.77	(18.41)	2.71
09	Renewal Premium Income growth (%)	2.85	1.22	5.36	18.44	(1.35)
10	Gross Premium Income Growth (%)	10.95	8.74	9.35	4.62	(0.26)
11	First Year Commissions paid for acquisition of life insurance business	842.63	997.76	1,151.65	955.90	871.46
12	Second Year Commissions paid for acquisitions of life insurance business	71.40	117.19	168.88	181.12	175.72
13	Third and Later year Commissions paid for acquisition of life insurance business	260.86	241.58	231.64	284.16	273.51
14	Total commissions paid for acquisition of life insurance business (11+12+13)	1,174.89	1,356.53	1,552.17	1,421.18	1,320.69
15	First Year Commissions/First Year Premium (%)	32.91	30.98	30.60	30.88	27.49
16	Second Year Commissions/Second Year Renewal Premium (%)	10.00	10.00	10.00	10.00	9.70
17	Third and Later year Commissions/ Third and Later Year Premium (%)	5.00	5.00	5.00	5.00	4.81
18	Management Expenses	3,353.58	4,152.41	4,138.30	3,769.38	3,461.92
19	Allowable Management Expenses	2,762.54	3,520.91	3,460.20	3,566.13	3,729.61
20	Excess Management Expenses (18-19)	591.04	631.50	678.10	203.25	(267.69)

## Key Financial Indicators

(Data relates to "Fareast Islami Life Insurance Co. Ltd")

Amount in Million BDT

Sl. No.	Particulars	Year				
		2015	2016	2017	2018	2019
21	Excess Management Expense Ratio (%)	21.39	17.94	19.60	5.70	(7.18)
22	Overall Management Expenses Ratio (%)	39.40	44.87	40.89	35.60	32.78
23	Renewal Expenses Ratio (%)	25.03	25.62	25.83	17.79	16.90
24	Claims Paid	3,575.05	5,426.22	5,807.91	7,553.63	7,167.43
25	Claims/Gross Premium (%)	42.00	58.63	57.39	71.34	67.87
26	Total Commission Expenses/Gross Premium (%)	13.80	14.66	15.34	13.42	12.51
27	Investment Income	1,611.54	1,502.85	1,483.30	1,022.64	720.31
28	Investment Income/Gross Premium (%)	18.93	16.24	14.66	9.66	6.82
29	Yield on Life Fund (%)	5.50	4.85	4.63	3.11	2.20
30	Conservation Ratio (%)	77.32	70.66	69.97	74.03	70.00
31	Second Policy Year Lapse Ratio (%) by number of policies	47.13	37.13	35.31	32.82	26.43
32	Third Policy Year Lapse Ratio (%) by number of policies	13.54	12.88	14.31	15.42	21.75
33	Fourth Policy Year Lapse Ratio (%) by number of policies	9.19	10.06	10.74	10.74	13.01
34	Fifth Policy Year Lapse Ratio (%) by number of policies	7.02	6.60	8.34	8.28	9.36
35	Sixth Policy Year Lapse Ratio (%) by number of policies	6.26	4.88	5.31	6.41	7.45
36	Second Policy Year Laps Ratio (%) by premium amount	67.80	49.86	27.57	22.79	24.53
37	Third Policy Year Laps Ratio (%) by premium amount	13.47	11.81	9.83	11.83	18.93
38	Fourth Policy Year Laps Ratio (%) by premium amount	10.75	10.17	6.38	7.43	13.54
39	Fifth Policy Year Laps Ratio (%) by premium amount	8.75	8.16	5.90	5.08	8.15
40	Sixth Policy Year Laps Ratio (%) by premium amount	7.49	6.15	4.52	4.51	5.99

## Key Financial Indicators

(Data relates to "Fareast Islami Life Insurance Co. Ltd")

Amount in Million BDT

Sl. No.	Particulars	Year				
		2015	2016	2017	2018	2019
41	Market Price per Share (in BDT) at year end	62.50	67.70	71.50	63.20	49.60
42	Dividend Yield (%)	6.24	5.17	3.50	3.16	2.02
43	Outstanding Premium as at 31st December	1,505.02	1,300.84	913.26	1,066.11	1,543.73
44	Total Investment as at 31st December	26,937.26	26,231.94	27,507.02	25,128.62	26,089.48
45	Life fund as at 31st December	31,297.71	32,166.09	33,447.46	33,388.11	33,726.04
46	Total Assets as at 31st December	40,697.27	41,140.63	42,397.01	42,406.36	43,282.02
47	Paid Up Capital as at 31st December	622.86	622.86	747.43	747.43	747.43
48	Paid Up Capital/Total asset (%)	1.53	1.51	1.76	1.76	1.73
49	Net Cash flow from operating activities	800.51	(335.62)	409.50	(460.59)	716.72
50	Net Cash flow from investing activities	(3,748.51)	(832.49)	(2,869.70)	(7,639.87)	(1,265.11)
51	Net Cash flow from financing activities	(198.18)	(242.91)	(93.43)	(186.86)	(149.49)
52	Net change in cash and cash equivalent	(3,146.18)	(1,411.03)	(2,553.63)	(8,287.32)	697.88

## Key Financial Indicators

(Data relates to "Fareast Islami Life Insurance Co. Ltd")

53. First Year and Renewal Premium Income						Amount in Million BDT
Year	2015	2016	2017	2018	2019	Description
	2,244.61	3,024.60	2970.63	2903.56	2,411.94	First Year Premium Income (excluding single Premium)
2015	N.A	859.79	671.56	495.38	360.40	Renewal premium out of the policies issued in 2015
2016	N.A	N.A	1254.01	906.70	641.64	Renewal premium out of the policies issued in 2016
2017	N.A	N.A	N.A	1060.05	749.06	Renewal premium out of the policies issued in 2017
2018	N.A	N.A	N.A	N.A	757.00	Renewal premium out of the policies issued in 2018

54. Number of First Year and Renewal Policies						
Year	2015	2016	2017	2018	2019	Description
	180,775	235,761	216,105	176,740	176,810	Number of new policies issued
2015	N.A	93,236	72,715	52,534	36,229	Number of policies renewed out of the policies issued in 2015
2016	N.A	N.A	202,613	92,463	62,216	Number of policies renewed out of the policies issued in 2016
2017	N.A	N.A	N.A	108,042	72,466	Number of policies renewed out of the policies issued in 2017
2018	N.A	N.A	N.A	N.A	83,313	Number of policies renewed out of the policies issued in 2018

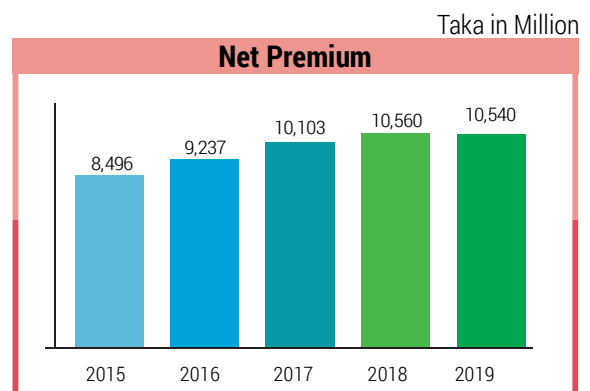
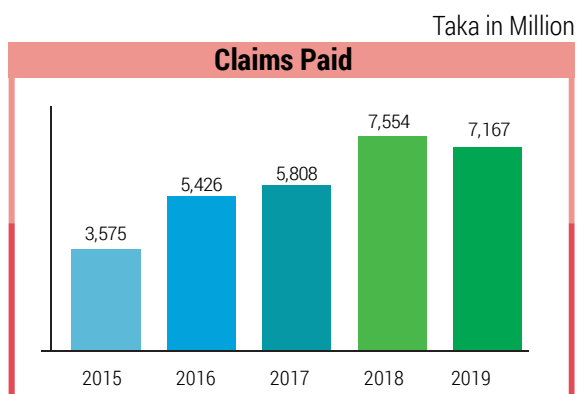
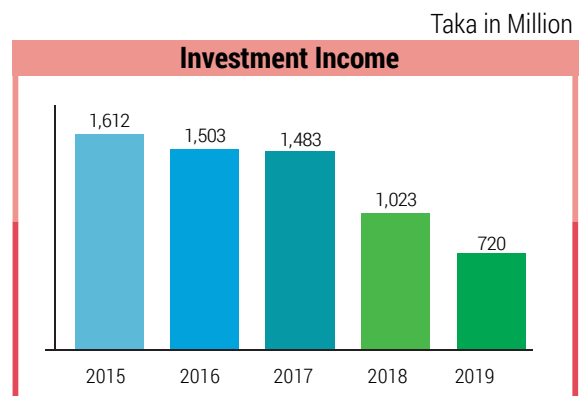
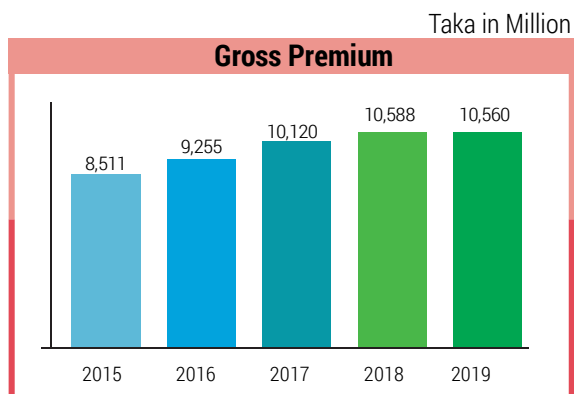
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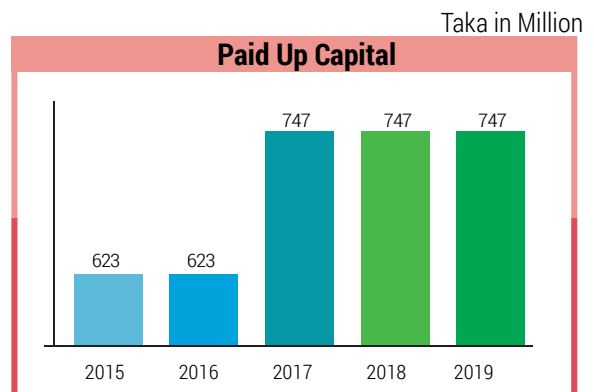
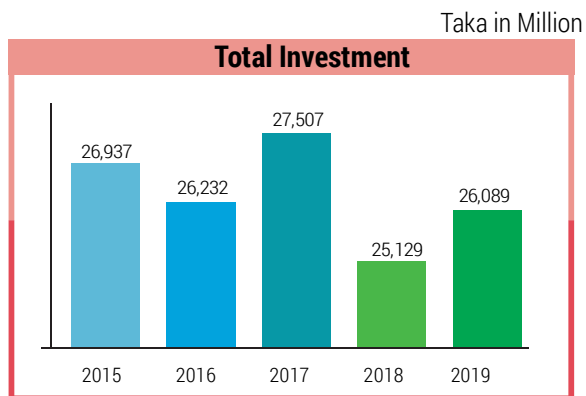
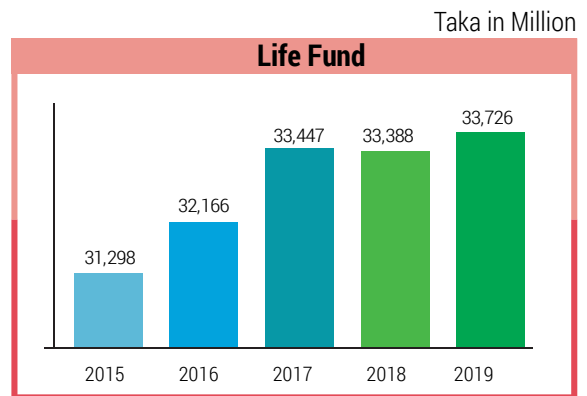
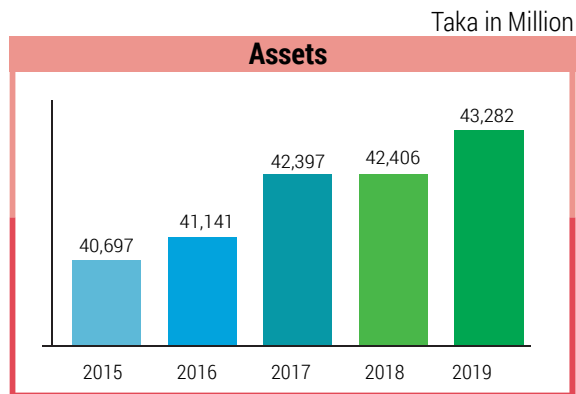
Item No. 31 to 40 : Figures have been calculated omitting single premium business

Item No. 53 & 54 : Figures have been calculated omitting single premium business.

Item 54: Figures are given as exact numbers.

## GRAPHICAL REPRESENTATION





## ■ REVIEW OF THE CHAIRMAN

'Dear Shareholders, with great pleasure, I present to you the highlights of your Company's performance during the year 2019. As detailed in the annual report, your Company continues to tread the path of sustained growth. Your Company has completed a successful year in terms of operational excellence and financial growth. It has performed well, compared to industry, despite challenges and competition. This result could only be achieved because of dedicated efforts, thoughtful strategies and technological intervention. Our approach towards enhancing customer experience and adapting to changing market dynamics has added to the resilience of the Company. We are proud of our achievements and I would like to thank and congratulate all the stakeholders who have played a part in this journey. I am confident that we will continue to perform well in coming years.'

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Bismillahir Rahmanir Rahim.

(In the name of Allah, the most gracious, most merciful)

Dear Shareholders,  
Ladies and Gentlemen,

Assalamu Alikum Wa-rahmatullah.

I am very pleased to welcome you all to the 20th Annual General Meeting (AGM) of Fareast Islami Life Insurance Company Limited and place before you the Company's Financial Statements and performance of the financial year 2019. Stepping into the 20th year of business operation, Fareast Islami Life Insurance Company Limited can assert with proud that it has persistently strived to achieve optimum value index for its shareholders as well as

stakeholders from the very outset of this organisation. The insurance industry in the country is expected to face a challenge in the coming years due to COVID-19. In line with the direction of prime minister and continuing economic growth of the country, the company maintained sustainable momentum in 2019 with gross premium income taka 10,539 million. The regulator has released a number of guidelines, regulations and other exposure drafts during the current financial year. Insurance has a vital role to play in protecting public wealth, mobilizing savings for efficient use and stabilizing the financial markets. It is your kind patronage and relentless support that have always resulted in achieving rip-roaring success for the entity.



Fareast Islami Life Insurance Co. Ltd. (FILIC) took up various confident and customer centric process-overhaul initiatives, tech infrastructure upgrades and HR up-skilling projects. Taking into account the emergence of digital market, upgrading our IT infrastructure and core policy administration systems is a key focus of the bank's continual efforts to transform and improve. To further enrich our customer service, we embarked on a remodeling of distribution channel and our field force network to guarantee greater synergy as a one-stop life insurance provider, thus catering to the varying financial needs of our wide-ranging customer base. In addition, we focused on generating new product in trade, and the emerging corporate and local corporate segments all over the countries. This was done in an attempt to bridge the urban-rural divide

and to ensure that Bangladesh's not tapped life insurance population also receive the profound benefits from the insurance sector.

It is beyond my idea to pay tribute to our customers whose continuous and ever increasing loyalty will always be reciprocated by this company in offering them innovative value added products combined with the highest form of service excellence particularly by the fast settlement of maturity claims. I thank each and every member of our staff for their sincere commitment to fulfil their responsibilities even when faced with unanticipated stress and challenges. Their performance has resulted in another year of outstanding success.

Our Company has always been maintained the highest governance standards and practices by

adopting, as is the norm for all constituent companies of the group “the Fareast group-corporate governance policies and code of conduct.” These policies and code Prescribe a set of systems, processes and principles which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, and other stakeholders.

We have drawn up exciting growth plans and set midterm objective such as below:

- Increase our Customer base - to 5 million;
- To payout all sort of policy holders’ benefit in timely manner;
- To retain the customer level to increase First Year (FY) & Renewal (RW) premium growth;
- Increase the distribution reach – to minimize customer points throughout Bangladesh;

Together, these initiatives will further accelerate our growth and lead to substantial value creation for all.

Fareast has remained a testimony of growth spread across almost two decades. In succession, the financial year 2019 denotes yet another triumphant year of operation.

Dear Shareholders, reassured by our remarkable track record; we believe that the company is poised to surmount the challenges of the future and retain the momentum for business growth in years to come. We are most obliged and appreciative of the

unrelenting support and patronage received from our clients and shareholders; as we look forward to the continuation of the same. In particular, I like to thank with whom we have extensive dealings along with the regulators, stock exchanges of Dhaka and Chittagong, BSEC and Government bodies for their incessant co-operation and support. I would also like to thank all our field forces who have steadfastly continued to support us by bringing satisfactory sustainable business growth, customers for their valuable trust, and employees for their dedication and hard work towards achieving our goals and our shareholders and Board of Directors for their continued guidance and support. I also express my gratitude to Ministry of Finance, IDRA, BSEC, DSE, CSE, CDBL and Bangladesh Bank for their co-operation and support.

May Allah help us, Ameen.

Ma-Assalam,



**Md. Nazrul Islam**

Chairman

01 November 2020

Dhaka

## ■ MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

“Mobility has transformed the way our field teams operate and has created a robust backbone for future sales innovation. As you are well aware, the basic premise of a life insurance business is customers and insurers entering into long duration contracts based on mutual trust and the principle of utmost good faith. Every time a life insurer acquires a new customer, it incurs substantial upfront costs which can typically be recovered only several years later at a policy level. Hence, to be successful it is important that a life insurer build the right customer value proposition to grow consistently and back it with a financial strength to fund growth especially in the market development phase.”

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Bismillahir Rahmanir Rahim.

Dear Shareholders & Patrons,

Assalamu Alikum Wa-rahmatullah

Fareast Islami Life Insurance Co. Ltd. (FILIC) has recently completed 20 years of operations. The closing of 2019 has been on a high note, with the Company gaining on various industry parameters. Your Company has achieved a Gross Written Premium (GWP) of Tk. 10,539 million out of which New Business Premium (NBP) was recorded at 3,151 million. It gives me immense pleasure to share with you the highlights of our performance in 2019 under the contents of Key Financial Indicators. We believe that this performance has only been possible due to the dedication and commitment of all our

employees and partners, and the trust our customers place on us. With this trust comes the responsibility of delivering on the promises made to them and protect their future through our services.

We believe that year 2019 has been positive for the Company. We have entered the 20th successful year of operation. Keeping the tradition of sustainable growth, in First year and Renewal Premium during the year. In our endeavor to expand our business and build a larger customer base, we have expanded our reach, increased our employee strength and continue to develop a stronger sales network. This has helped us to connect well with our customers and serve them better. We have achieved our business target through our distribution channel, this was possible due to our focus on enhancing



distribution efficiency. We have continued our Claim Settlement Ratio related with the last year. The performance is the result of our sustained efforts to improve the quality of business and customer focus. While achieving business excellence, our focus has always been towards placing our customers at the heart of everything we do and we continuously strive to serve them better.

It gives me immense happiness to inform you that FILIC was recognized among the Most Trusted Brands in Life Insurance business in the country. This continuous recognition has only reinforced our faith and belief in ourselves, pushing us to perform even better. These achievement are a testimony to the company's value-driven commitment towards its customers and stakeholders and our professional excellence.

The Company has continued to remain committed to the cause of providing innovative products to our customers. 2019 was a year of renewed focus on customer service, delivery, process automation and enhancements in business process and quality. We expect that our dedicated efforts should help us in sustained development in the coming years. We are also working towards increasing our geographical reach by opening new avenue except but reducing the branch offices. This reinforces our commitment to invest in growing regions which will support the overall premium growth of the Company. We shall undertake the process of digitizing operations from making the sales process automation and paperless to launching mobile learning Apps solution for internal and external customers and employees. This year Company's technological initiatives have

accelerated our achievements and scale of business. We continue to build on our existing corporate culture and strengthen our image as a socially responsible insurance company through various corporate social responsibility initiatives including social issues. We are also focusing on customer education initiatives to improve the overall understanding and importance of insurance in customer's minds. We feel this will help them choose the right products for their insurance needs and also secure their family's future in case of an exigency.

The life insurance industry is entering a new growth phase with the help of positive regulatory initiatives. Government is working hard to provide simple and cheap insurance schemes so as to improve financial inclusion and encourage the low income earners to enter the formal financial system with an aim to increase insurance penetration in the coming years. Demographic situation in the country gives us a strong insurable market with a large young working population. Our regulator Insurance Development and Regulatory Authority (IDRA) plays a crucial role in developing the insurance industry and we are working with them in their endeavor. Our growth has been achieved by the hard work, commitment and dedication of our employees which is why we believe that this growth will be sustained in future as well.

I take this opportunity to express my sincere gratitude for your continued trust and support in this Company. I would also like to thank all our customers for giving us the opportunity to serve them and appreciate the efforts of our partners and other stakeholders for their hard work and dedication to take this Company forward. The IDRA has been very supportive of our efforts and we thank them for their continuous guidance and support. Our commitment to deliver only the best to our customers, employees, partners, regulator and each and every stakeholder remains ever the same. We wholeheartedly thank each one of you for your support, which has helped the company live up to its people's expectations. We look forward to serving and working closely with all of you in our onward journey to set newer benchmarks and bigger milestones.

May Allah help us, Ameen.

Ma-Assalam,



**Md. Hemayet Ullah**  
Chief Executive Officer (CEO)

01 November 2020  
Dhaka.



# Directors' Report

Bismillahir Rahmanir Rahim.  
Respected Shareholders,  
Assalamu Alikum Wa-rahmatullah.

The Board of Directors take the privilege to welcome you all for participating in the 20th Annual General Meeting (virtual) of the Fareast Islami Life Insurance Company Ltd, together with the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended December 31, 2019 for your approval and consideration. Despite various challenges, by the grace of Almighty Allah, we have completed another successful year 2019. The Annual Report of the Company has been prepared in accordance with the Company's Act, 1994, Bangladesh Securities & Exchange Commissions (BSEC) notification, Listing Rules of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) and others applicable Rules & Regulations. The report of the Shariah Council for the year ended has also been placed. The Annual Report also reflects the overall performance of the company for the year ended 2019.

### Global Economy Outlook

World Economic Outlook have offered a glimpse of how difficult rekindling economic activity will be while the pandemic surges. During mid of 2020, as many economies tentatively reopened from the Great Lockdown, the global economy started to climb from the depths to which it had plunged in April. But with the pandemic spreading and accelerating in places, many countries slowed reopening, and some are reinstating partial lockdowns. While the swift recovery in China has surprised on the upside, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks.

To contain the coronavirus (COVID-19) pandemic and protect susceptible populations, most countries imposed stringent lockdown measures in the first half of 2020. Meanwhile, economic activity contracted dramatically on a global scale. This chapter aims to dissect the nature of the economic crisis in the first seven months of the pandemic. It finds that the adoption of lockdowns was an important factor in the recession, but voluntary social distancing in response to rising infections also contributed very substantially to the economic

contraction. Therefore, although easing lockdowns can lead to a partial recovery, economic activity is likely to remain subdued until health risks abate.

Without further action to reduce greenhouse gas emissions, the planet is on course to reach temperatures not seen in millions of years, with potentially catastrophic implications. The analysis in this chapter suggests that an initial green investment push combined with steadily rising carbon prices would deliver the needed emission reductions at reasonable transitional global output effects, putting the global economy on a stronger and more sustainable footing over the medium term.

### Bangladesh Economic Scenario

Growth plunged to an over 10-year low in FY 2020 (July 2019–June 2020), amid unprecedented contractions in merchandise exports, industrial production and remittances due to Covid-19 in Q4. Turning to FY 2021, economic conditions seem to have been gradually improving after the easing of restrictions in May, supported by expansionary fiscal and monetary policies. Merchandise exports rebounded in Q1 2021 (July–September) as the easing of lockdown measures globally boosted demand for clothing. Moreover, remittances—a key source for consumer spending—soared 48.5% in the same period. In turn, the spike in remittances and lower trade deficit led to a marked improvement in the current account balance in Q1 2021. That said, although authorities ruled out strict lockdown restrictions at home, the recent surge in Covid-19 infections globally could reduce foreign demand, boding ill for the economic recovery.

Growth is expected to regain momentum this fiscal year (July 2020–June 2021) as the external sector strengthens, while supportive fiscal and monetary stimulus measures bolster domestic demand. That said, uncertainty over the course of pandemic, the country's poor health infrastructure and a fragile global economy cloud the outlook. Focus Economics panelists project GDP to expand 5.9% in FY 2021, and forecast 7.1% in FY 2022.

### Industry Outlook and Prospects

The development objective of the Insurance Sector Development Project for Bangladesh is to strengthen the institutional capacity of the regulator and state owned insurance corporations and increase the coverage of insurance in Bangladesh. The project

comprises of three components. The first component aims at strengthening the capacity of insurance development and regulatory authority (IDRA) to regulate and supervise the insurance as well as the reinsurance markets with the support of Bangladesh Insurance Academy (BIA). It consists of two sub-components: (i) strengthening the capacity of the regulator IDRA; and (ii) strengthening the capacity of BIA. The second component, modernization, strengthening, and increasing the efficiency of the state-owned insurance corporation's objective is to assist the two state-owned insurance corporations, Jiban Bima Corporation (JBC) and Shadharan Bima Corporation (SBC) improve their systems and business practices. The third component, project implementation, management, and monitoring will help develop a strong monitoring and evaluation system to be used by the project implementation unit at IDRA and other stakeholders to assess progress on implementation.

World Bank sanctioned a loan of USD 65 Million, out of the project cost is USD 80 Million for the development of Insurance Industry in Bangladesh. The project closing date set on as 31 August 2022. Bangladesh Government already prepared a draft paper for the project entitled "Bangladesh Insurance Development Project". The main objective of the project are organizational development, skilled ness, monitoring capability enhancement of Insurance Development & Regulatory Authority (IDRA), Two public Life & Non-Life Insurance Corporation and to increase the number of policy holders. To reform Bangladesh Insurance Academy to enhance the quality of insurance education and training would be done relatedly.

In recent years except 5-6 most of the Life Insurance companies are in solvency crisis and management expenses limit is beyond allowable management expenses limit. As a result companies are fail to settle maturity claims in due time, Bonus of policies are less year after year and above all the public interest hampered seriously. Because most of the Life insurance companies do not have sufficient reserve to meet up the liability and the Insurance Development and Regulatory Authority (IDRA) is still to develop the solvency guideline. By the Insurance Act 2010 already adopted instead of Insurance Act 1938 and many reforms are going on to overcome

the situation.

### Business Performance 2019

Defying odds amid the Covid-19 pandemic, Bangladesh's economy performed well during July-September period of 2020. The Company continues to retain its market leadership among the private local players and achieved the highest market share amongst private players in 2019 under the Islamic Shariah platform. The Company focused on improving its protection business. Our continued focus on customer retention has resulted in increase in retail renewal premium 7,390 million in 2019. Total management expenses reduced to 7% i.e. 3,683 million in 2019 as compared to 3,968 million in 2018. However total cost to total gross premium (TGP) ratio reduced from 38% in 2018 to 35% in 2019. It's an immense pleasure to note that in continued unstable economic condition prevailing in the country and stiff competition among different insurers the year 2019 was another successful year of the company. We all achieved the result due to our dedicated field forces, soundness of our organizational structure and our constant endeavor to review our business strategies wherever necessary keeping in view of the quality of business, improved customer services and reduction of procurement cost in all spheres of business. In addition, a declining interest rate has encouraged investors to pour funds into the insurance market instead of depositing them with the banks.

### Our Reach

The Company reaches its customers through different offices (i.e. Zonal Offices, Service cell and Divisional offices) mostly in Thana/UpaZilla level all over the country. On December 31, 2019, the Company had 2,500 employees and development staffs to cater to the needs of customers. We follow a diversified distribution strategy across our regions to acquire new customers, using a variety of channels including captive agents, corporate agents, banking channels, direct sales and digital mediums. We continue to focus on strengthening our distribution channel and increase our reach within their customer base.

### Product and Services

We continuously focus on developing, updating and innovative products tailoring to ever changing needs

of our customers. We offer customized and competitive products to meet the demand of all types of customers. We have introduced diverse range of products and services to provide to the needs of all our valued clients from the inception of the company. A comprehensive range of Life insurance products and services are awaiting launching very soon with the approval of regulatory authority, such as Health Care Group Insurance Scheme, Monthly Premium Endowment Assurance Plan and Endowment Assurance Plan etc. Most of the products are participating traditional while few products under Group Life and individual life are nonparticipating traditional. To enhance the benefits of the plans accidental and disability riders are also offered. The Company provides quality service to the policyholders and checks to minimize miss-selling and avoid poor persistency. It is expected that the upcoming products will contribute towards the growth of good business for the company in near future.

### **Dividend to Shareholders and Bonus to Policyholders**

The Actuarial Valuation resulted divisible surplus of Taka 181.72 million for the year ended 2019. The Board in the Meeting held on November 01, 2020 recommended to pay 10% Cash dividend i.e. taka 1.00 per Share for the year 2019 as approved in the Annual General Meeting. Based on the actuarial valuation report the Board also approved the highest Bonuses to its Policy Holders'.

### **Preceding Five Years Key Operating and Financial Data**

Preceding five years key operating, financial summarized data and graphical representation as shown in the contents under "Key Financial Indicators" and "Graphical Representation" in the said annual report.

### **Information Technology**

Fareast Islami Life Insurance Co. Ltd. (FILIC) has developed Policy Administration System to provide better services to its internal and external customers. The Policy Administration System is integrated with the Financial Accounting System based on Oracle Application. This integrated System will support the strategic partner to achieve the consequence of the business. FILIC has highly

experienced and trained professionals working on maintaining and developing the company's IT infrastructure. Information and Communication Technology (ICT) has become indispensable for insurance companies in ensuring smooth operational activities and providing efficient services. FILIC has recognized this fact and the Board of Directors have adopted a comprehensive ICT policy for the company. Here it is especially mentionable that the Company has recently implemented online services through its ICT Department for getting prompt services throughout the Bangladesh. Apart from this, steps have been taken to provide access to information technology to all offices and keep the data secured with effective and efficient manner without any sort of malfunction. Mobile phone has a very important role to play in spreading information technology enabled services. FILIC's IT department will develop Mobile Apps for the best interest of the customers and its staff based. FILIC also invested in a world class Data Center with offsite data backup facility to prevent loss of data under any catastrophe incidents.

### **Investment**

An investment in knowledge pays the best interest. The general principle of investing, however, suggests that investment should mirror life goals with short-term goals met through liquid and fixed income assets while medium/long term goals are better met through varying combination of debts and equities. Customers who believe in this philosophy would prefer to have some equity exposure to meet their long-term needs. The primary aim while investing is to generate adequate return while minimizing risk. The investment is also made keeping in mind the asset liability requirement of the respective funds.

The Company seeks to manage its investment risk by ensuring investments are made in high quality assets, which matches its liabilities both by nature and term to the extent that is necessary and possible. The Company has Banking and Investment Department, which acts as the policy making and implementation for the investment operations subject to approval. The Banking and Investment Department periodically discusses the investment strategy, portfolio structures, performance of the portfolio and related issues and ensure that the company has well defined investment policies &

processes to manage all the investment risks. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis by the respective department. The market risk is mitigated by maintaining a desired mix between debt and equity subject to follow investment regulations by IDRA, active asset management based on the ALM (Asset Liability Management) output along with asset and liability duration matching which limits impact of interest rate changes and actions taken to manage guarantee risk. Credit risk or the risk of default of counter parties is sought to be mitigated by investing in securities with highest credit rating (i.e. lowest risks) in line with IDRA guidelines as well as internal norms and reviewing changes in credit ratings. The Company also seeks to deal with financially sound reinsurers. Liquidity risk is monitored on a regular basis to ensure sufficient liquidity is maintained to meet short-term obligations by timing the cash inflows and outflows through cash flow matching and by maintaining an adequate mix of liquid assets.

The year gone by posed multiple challenges from an investment management perspective to pay policy holders' maturity benefit. The Investment guidelines for the Company outlines the principles and process for the investment and management of the assets under different fund categories of Policyholders' and Shareholders' funds. The said Policy inter alia defines the investment objectives and processes across funds, and covers all the aspects related to investments, as defined by the IDRA Regulations S.R.O. No.-360 LAW/2019 dated November 19, 2019. The said regulations also required the related certification as need to conform from the concern department to certify the same as per prescribed format.

### Actuarial Valuation

A senior and renowned Actuary Mr. Mohammad Sohrab Uddin PhD, AIA was appointed by the Board of Directors to complete the actuarial valuation for the year ended 31 December, 2019. In accordance with Insurance Act, Actuarial Valuation of the company as on 31 December, 2019 has been done and the divisible surplus with the Life Fund of the company have been determined. It appears from the valuation report that a remarkable excess of life fund

over liabilities has been determined under the valued policies.

### Credit Rating

During the latest credit rating, Fareast Islami Life Insurance Company Ltd, rated as AA (Double A). The Credit Rating Company has been given concentration on the following key points:

- Strong and sound solvency.
- Satisfactory Payment Position of Claims.
- Satisfactory return on Investment Portfolio.
- Well Experienced management team.
- Sound liquidity position.
- Low management expenses.
- Surplus assets over liabilities etc.

### Auditors

As per section 210 of Companies Act, 1994, every company shall, at each Annual General Meeting appoint an auditor or auditors to hold the office from the conclusion of that meeting until the next Annual General Meeting. Mahfel Huq & Co. a prominent Audit Firm, was appointed as Auditors of the Company for the year 2019 at the Nineteen Annual General Meeting to hold office up to the conclusion of the ensuing Annual General Meeting. This year they will eligible to re-appoint for the year 2020 ref, with the BSEC Notification 20 June 2019 (No. BSEC/CMRRCD/ 2006-158/ 208/ Admin/ 81).

### Re-Insurance

The Board of Directors recognized the importance of sound risk management practices and internal controls to safeguard the Policyholders' Fund and the Company's Assets. Besides, Insurance development and Regulatory Authority (IDRA) circulated an S.R.O No.-349 Law/2015 Dated 16 March 2016 related to reinsurance. It is a mandatory provision for a life insurance company to diverse Co.'s risk through a reinsurance contract. Although, Fareast Islami Life Insurance Co. Ltd. (FILIC) was already under coverage with reinsurer-Trust Re (Reinsurer), Manama, Bahrain.

### Financial Reporting Standard

The company prepared the financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable rules and regulations. The Board of

Directors of the company have ensured the responsibility that the company keeps accounting records with reasonable accuracy. The financial estimates and judgments relating to the financial statements have been made on prudent and reasonable basis, in order to reflect the financial operations of the company in a true and fair view.

### Related Party Transactions

The particulars of contracts or arrangements entered into by the Company with related parties during 2019 referred to in the 'details of related parties and transactions with related parties' including certain arm's length transactions are disclosed in Notes 3.13 to the Accounts forming part of the financial statements.

### Going Concern

The Board of Directors have reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the basis of going concern concept.

### Internal audit and compliance framework

The Company has institutionalized a robust and comprehensive internal control mechanism in respect of all the major processes. The internal Control & Compliance Department (ICCD), in addition to ensuring compliance to policies, regulations, processes etc., also test and report adequacy of internal financial controls with reference to financial reporting/statements by Company's Audit Committee.

**Internal Control:** The internal Control framework/mechanism with all the processes, to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals and, compliance with applicable policies, procedures, laws, and regulations. Review of control is undertaken by Internal Control & Compliance Department (ICCD) through execution of internal audits as per risk based audit plan. The internal control covers auditing of processes, transactions and systems. The internal control function is capable of reviewing and assessing the adequacy and effectiveness of, and the Company's adherence to its internal controls as well as

reporting on its policies and procedures.

**Compliance:** The Company formulated various internal policies/procedures and an employee code of conduct, which governs day-to-day activities to ensure compliance. The Compliance function disseminates relevant laws, regulations and circulars related to insurance, anti-money laundering and other regulatory requirements, to various functions. It also serves as a reference pointed out for the staff of various functions for seeking clarifications on applicable laws, regulations and circulars issued by the regulatory authorities. The team also monitors the adequacy of the compliance framework within the Company. Key issues observed as part of this monitoring are reported to the Board through Audit Committee, and implementation of the recommendations is actively monitored. A compliance certificate signed by competent authority based on the certification from respective functional heads, is placed at the Board in a timely manner.

### Auditors' Report

There is qualification, emphasis of matters but no reservation, adverse remark or disclaimer passed by the statutory auditors for the year ended 31 December 2019.

### Risks and concerns

Fareast Islami Life Insurance Company has a defined Risk Management Strategy and Framework designed to identify, manage, monitor and to mitigate various risks. As part of this, a Risk Management Policy has been put in place. The Company recognizes that risk is an integral part of the business and managed acceptance of risk is essential for the generation of shareholders' value. Life Insurance Companies are exposed to a number of risks such as Investment Risks, Insurance Risks, Market Risks, Operational Risks and Reputational Risks etc. In order to manage these Risks properly, Insurance Development and Regulatory Authority (IDRA) has issued guidelines which are being followed by the company with utmost-care. The standard operating procedure has strengthened internal control system and facilitated the risk management process of our company. Internal control system which is being made effective by increasing the internal audit, both comprehensive

and others, of the various affiliated offices as well as Head office of the company.

### Corporate Governance

The corporate governance's framework of the Company is based on an effective independent Board. The separation of Board's supervisory role from the executive management and the constitution of Board Committees. Fairness, transparency, accountability and the responsibilities are the standard of acceptable corporate behavior. As sound corporate governance practice has consistently been followed in carrying out the overall operation of Fareast Islami Life Insurance Co. Ltd. (FILIC). The company have been smoothly running the day to day activities of FILIC within the policy guidelines of the Board of Directors and in accordance with the legal and regulatory framework of different regulatory bodies of the country. Awareness of corporate governance has grown rapidly worldwide in recent years due to increased legislative and regulatory activities as well as evolving best practice recommendations. FILIC as a leading Life Insurance company in Bangladesh led by highly professional people is committed in adopting the highest governance standard and adjusting them as required in protecting the interest of policyholders and shareholders. A comprehensive report about corporate governance scenario of our company has shown in the contents under "Certificate on Compliance with Conditions of Corporate Governance Guidelines".

### Corporate Social Responsibilities (CSR)

Fareast Islami Life Insurance Company Ltd being one of the best corporate companies in the country has been discharging responsibilities to the society since its inception. As we get our business from the society in which we live and operate. The Company always acknowledges its responsibilities for the well-being of the society and takes part in such activities whenever it becomes necessary. We pursue a strong policy in respect of Corporate Social Responsibility. Our corporate social responsibility includes our clients, employees, shareholders, business associates and the society as a whole. Our relationship with the society is one of understanding, trust and credibility. In reciprocation, the citizens feel and acknowledge the significance and reasons for our existence as a corporate citizen. The company

has been performing its social responsibilities by helping the distressed people affected by natural calamities, education welfare, medical treatment and donation to poor people of the society. In the year 2019 company expended 16.40 million taka in Corporate Social Responsibilities sector.

### Human Resources and Training

We believe that one of the greatest strengths that an organisation can have is the human capital. Encouraging employees to innovate, think out of the box challenge conventions and push boundaries while not letting hierarchy interference with capability, has been a constant effort. At FILIC the employees have a passion for learning and adapting to changes. "People are the Key of success". Technology can be purchased and copied, neither people can be copied nor their ideas, personalities, motivation and cultural values be copied. Recognizing people as "human and intellectual capital" is very important for any organization. Company has to invest in building that capital and manage that resource wisely and deftly for organizational unity of purpose to create and maintain competitive advantages now and all the time to be successful and profitable.

We all aware that a healthy environment has been there, employees enjoy working with pride. To face the challenge and to meet the demand of required manpower normally, we recruit fresh at the entry level as well as experienced officers in mid and top levels. Extensive training programs both centrally, regionally through the company's training department and development professional cadre of human resources. We are also sending our personnel to Bangladesh Insurance Academy, Bangladesh Insurance Association and other training institutions at home and abroad. Research for improvement of operational activities and quality services are going on. Finally, we have in our company dedicated and highly professional pool of workforce voicing our corporate slogan, 'Efficiency is our strength.

### Staff Welfare

Staff welfare has always been uppermost in the Company. The very word staff welfare indicates the financial benefits given to officers and staffs of the company in addition to the salary & allowances. The

company has always been given the uppermost preference regarding staff welfare which includes contributory Recognized Provident Fund, Gratuity Schemes and Group Insurance facility towards welfare of members of the staff including field as well as desk officers of the company. Recently Company has introduced of house Investment scheme, Car loan scheme and Benevolent Fund for the Officers and Staffs of the company.

We have been striving for developing a sustainable institutional infrastructure for the company. It has been built and put into place a dynamic and growth oriented organizational structure by reshuffling the overall activities. We have also been preparing ourselves to face the challenges of globalization with strategies such as capacity building, using modern technologies, decentralization of operations and training of both desk and development work force at home and abroad with a view to providing excellent services to our valued stakeholders.

### Contribution to the National Exchequer

Fareast Islami Life Insurance Company Limited made significant contribution to the government in boosting up its revenue collection. According to prevailing law of the land, the company being a corporate citizen pays Tax on its own income. Besides, the company complies to deduct or paid on account of service tax, stamp duty, tax deducted at source, VAT, dividend distribution tax and other duties and deposited the same to the National Exchequer. During the year 2019 under review the company contributed taka 345.67 million to National Exchequer.

### Subsidiary Companies

Fareast Islami Life Insurance Company has formed two Subsidiary Companies namely "Fareast Islami Securities Ltd." and "Fareast Islami Properties Ltd." In the year of 2012 Fareast Islami Securities Ltd. and in the year of 2014 Fareast Islami Properties Ltd. both of the companies got the Certificate of Incorporation from the Registrar of Joint Stock Companies & Firms.

### Legal Update

During the year 2019, no significant and material orders were passed by the regulators, courts or tribunals, that impacted the going concern status of

the Company, or which can potentially impact the Company's future operations.

### Pattern of Shareholdings

We hereby confirm that the shareholding pattern of the Company and any transfer of shares during the year are in accordance with statutory requirements. There was no capital infusion by the promoters during the year. The total quantity of shares of the company are 7,47,42,751. The pattern of shareholdings has shown under the contents of "Shareholding Structure".

### Relation and Communication with Shareholders

We always give priority to our shareholders. The shareholders of the Company are able to collect all required information from our Share Department. Company is able to provide required services to the shareholders through modern technology based on share management software. The Company has been arranging regularly Annual General Meetings (AGM) as per rules of Companies Act, 1994 from the inception, where discuss about Company's progress, important activities and developments. The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress there on. As a result, the shareholders get various information about the Company in due time.

### Remuneration of Directors

The company only pays meeting fee to its Directors as per rules and regulation. Details are shown in Annexure - 1, "Attendance of the Meeting-2019".

### Retirement & Election of Directors

According to the Companies Act, 1994 and Article 94 of the Articles of Association of the Company one third directors will be retired from their office by rotation in 20th Annual General Meeting. Where eligible Director's offer themselves re-election Independent Directors will be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting.

### Independent Directors

The Company has two Independent Directors on the Board. In compliance with the latest corporate governance notification guidelines of BSEC, were

appointed as independent Directors by the Board of Directors of the Company. The Independent Directors enjoy full independence in terms of carrying out their coveted responsibilities. Both of them are well conversant in the field of business and professional areas.

### Appreciation and Acknowledgement

We would like to convey our immense gratitude for the confidence you have shown in us. Your unwavering backing has helped the company to grow. We thoroughly appreciate the efforts of the employees, whose commitment and hard work are the cornerstones of our success. At the same time, we are deeply grateful to our customers, shareholders, clients, IDRA, BIA, Bangladesh Bank, relevant government agencies, regulatory bodies, Finance ministry and any others doing business with us. Thank you all for your continuous support and co-operation. It is our priority to consistently show that we are deserving of your trust.

May Allah with all of us.

Ameen.

Ma-Assalam.

For and on behalf of the Board of Directors,



**(Md. Nazrul Islam)**  
Chairman

01 November 2020  
Dhaka



পরিচালকমণ্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানির রাহিম  
সন্মানিত শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া'রাহমাতুল্লাহ।  
সমস্ত প্রশংসা আল্লাহর জন্য যিনি বিশ্ব ভ্রমণের শ্রষ্টা এবং  
মালিক। হযরত মুহাম্মদ (স.) এবং তার অনুসারীদের উপর  
আল্লাহর আশীর্বাদ ও শান্তি বর্ষিত হউক।

ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড  
(‘কোম্পানী’) এর ২০তম বার্ষিক সাধারণ সভায় সন্মানিত  
পরিচালকমন্ডলীর পক্ষ থেকে আপনাদেরকে অনলাইন ভার্চুয়াল  
মাধ্যমে জানাই আন্তরিক অভিনন্দন এবং এতদ সঙ্গে ৩১  
ডিসেম্বর ২০১৯ সমাপ্ত বছরের কোম্পানীর নিরীক্ষিত আর্থিক  
বিবরণী ও নিরীক্ষা প্রতিবেদন এবং পরিচালকমন্ডলীর  
প্রতিবেদন আপনাদের অনুমোদন এবং বিবেচনার জন্য  
উপস্থাপন করছি। সম্মানিত পরিচালকবৃন্দের পক্ষে এ  
প্রতিবেদনটি ১৯৯৪ সনের কোম্পানী আইন, বাংলাদেশ  
সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) কর্তৃক  
জারীকৃত প্রজ্ঞাপন, ঢাকা স্টক এক্সচেঞ্জ লিঃ (ডিএসই) এবং  
চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ (সিএসই) এবং সংশ্লিষ্ট অন্যান্য বিধি  
বিধান অনুযায়ী তৈরি করা হয়েছে। বছরান্তে শরি‘আহ  
কাউন্সিলের প্রতিবেদনটিও এর সঙ্গে উপস্থাপন করা হয়েছে।  
বার্ষিক প্রতিবেদনে এছাড়াও ২০১৯ সমাপ্ত বছরের কোম্পানীর  
সামগ্রিক অবদান প্রতিফলিত হয়েছে।

### বিশ্ব অর্থনীতির চিত্র

বিশ্ব অর্থনীতির প্রবৃদ্ধি সমন্বয় সাধনের মাধ্যমে ২০১৯ সাল  
শুভ সূচনার উদ্ভব হয়। প্রবৃদ্ধির প্রবনতার দিক নির্দেশনা  
পরিবর্তনের কারণে ২০১৯ সালের শেষের দিকে এর  
চলমানতার গতি স্তান হয়ে যায়। বছরের প্রথম দিকে আইনি  
সহায়তা ও প্রণোদনার কারণে মার্কিনী অর্থনীতির গতি বৃদ্ধি  
পেয়েছিল কিন্তু পরবর্তীতে ইউরোজোন, যুক্তরাজ্য, জাপান  
এবং চীনের অর্থনীতি ক্রমান্বয়ে দুর্বল হতে শুরু করে। এ  
ধরনের বিভিন্ন প্রবনতা যা অর্থনীতির ধারা দুর্বল করে তা  
২০২০ সালেও অব্যাহত থাকবে। এ ধারা অব্যাহত থাকলে  
বৈশ্বিক প্রবৃদ্ধি হ্রাস পাবে এবং পরবর্তী কয়েক বছরে প্রবৃদ্ধি  
হ্রাসের এ ধারা অব্যাহত থাকবে। প্রকৃতপক্ষে, অর্থনীতি ধারার  
গতি হ্রাস পেয়ে হ্রাসকরণের সর্বোচ্চ শিখরে অবস্থান করছে।  
প্রাক-সঙ্কটের মাত্রার তুলনায় বেকারত্ব কম হলেও, অনেক দেশ  
এখনও শ্রমের অভাব এবং মুদ্রাস্ফীতির হারের কারণে নানান  
সমস্যা হচ্ছে। বিভিন্ন দেশের মধ্যে উচ্চতর দ্বিপাক্ষিক শুল্ক  
বিশ্বব্যাপী বাণিজ্য এবং বিনিয়োগ মাত্রা হ্রাস করেছে। এর  
ফলে কিছু উদীয়মান অর্থনীতি বাজার উচ্চ মূলধনের ব্যবহার  
এবং মুদ্রার আবমূল্যায়ন দ্বারা চ্যালেঞ্জপ্রাপ্ত হয়েছে। আর্থিক  
নীতি স্বাভাবিক হওয়ার সাথে সাথে বিশ্বব্যাপী আর্থিক অবস্থা  
হার হ্রাস পাবে। বিশেষত, মার্কিন রাজস্বের নীতিতে পরিবর্তন  
এবং চীনের প্রবৃদ্ধি বিশ্বব্যাপী মন্দা অবস্থার জন্য দায়ী থাকবে।  
উন্নত অর্থনৈতিক দেশগুলোতে মধ্যম মেয়াদী উৎপাদন,  
জনসংখ্যার কর্মবয়স বৃদ্ধি এবং উৎপাদনশীলতা হ্রাসের ফলে  
এর অর্থনীতি ক্ষতিগ্রস্ত হবে। এশিয়া এবং ইউরোপের  
দেশগুলো অর্থনীতি উদীয়মান হিসেবে এখনও সম্ভাবনাময়।

তবে এর বিপরীতে ল্যাটিন আমেরিকা, মধ্যপ্রাচ্য এবং আফ্রিকা  
সাহারার দেশগুলো প্রবৃদ্ধির সম্ভাবনা কম। উক্ত তিনটি অঞ্চলে  
পন্য রপ্তানিকারীদের ক্ষেত্রে মধ্যমেয়াদী পরিকল্পনায় হ্রাসকর  
পূর্বাভাস নির্দেশ করে। অর্থনীতির বৈচিত্র্য আনয়ন এবং আর্থিক  
সংশোধন করা দরকার। একই সময়ে, বাজারে অস্থিরতা, এর  
মুদ্রার অবমূল্যায়ন, বাজার অনিশ্চয়তা বৃদ্ধি এবং গ্রাহকের  
চাহিদা হ্রাসের কারণে প্রবৃদ্ধির পূর্বাভাসের এক বিস্ময়কর  
সংশোধন আনয়ন করেছে। একইভাবে, সম্প্রতি ঘোষিত  
বাণিজ্য ব্যবস্থার নীতি অনুসরণে, বিভিন্ন এশীয় অর্থনীতির  
বৃদ্ধির পূর্বাভাস লক্ষণীয়।

### বাংলাদেশের অর্থনীতির চিত্র

অর্থ বছর ২০১৯ সালে সাত শতাংশের অধিক হারে জিডিপি  
প্রবৃদ্ধি ছিল, সে ক্ষেত্রে দেশীয় চাহিদা এবং রপ্তানি উভয়ই এ  
প্রবৃদ্ধির উন্নয়ন সহায়তা করে। ২০১৯ সাল বাংলাদেশের জন্য  
ইতিবাচক পূর্ণ ছিল। প্রথমত, বাংলাদেশ জাতিসংঘের  
পরামিতিগুলির অধীনে একটি উন্নয়নশীল দেশের মর্যাদা অর্জন  
করে। দ্বিতীয়ত, রেমিট্যান্স প্রবাহ ভালভাবে পুনরুদ্ধার হয়েছে,  
শতকরা ১৭.৩২% প্রবৃদ্ধির রেকর্ড এবং ৩০ বিলিয়ন মার্কিন  
ডলারের বেশী বৈদেশিক মুদ্রার রিজার্ভ অব্যাহত রয়েছে।  
তৃতীয়ত, মুদ্রাস্ফীতি ৬% নিচে রয়েছে এবং জিডিপি প্রবৃদ্ধি  
প্রশংসনীয় তবে শতকরা ৭.৮৬% ভাগ অর্জন করেছে, এ  
ক্ষেত্রে প্রভাবিত রয়েছে। তবে, রোহিঙ্গা সংকট এবং  
ক্রমবর্ধমান বাণিজ্য ঘাটতি সহ দীর্ঘদিনের প্রতিবন্ধকতাগুলি  
২০১৯ সালে বাংলাদেশে অর্থনৈতিক পুনরুদ্ধারে বাধা প্রদান  
করেছে। যদিও কেন্দ্রীয় ব্যাংকের আর্থিক বাজারে তরলতা  
সঙ্কটের প্রভাব হ্রাস পেয়েছে, বর্ধমান খেলাপি ঋণ এবং  
আমানত দায় বৃদ্ধির ভারসাম্যহীনতা সামগ্রিক অর্থনীতিতে চাপ  
সৃষ্টি করেছে। এদিকে খাদ্য মুদ্রাস্ফীতির সাথে সামঞ্জস্য রাখার  
ফলে চুক্তিভিত্তিক মুদ্রা নীতি গ্রহণের পরিস্থিতি উদ্ভব হয়েছে।

### বীমা শিল্পের চিত্র এবং সম্ভাবনা

বাংলাদেশের জন্য বীমা খাতে উন্নয়নের লক্ষ্য নিয়ন্ত্রক, রাষ্ট্রীয়  
মালিকানাধীন বীমা কর্পোরেশনের প্রাতিষ্ঠানিক ক্ষমতাকে  
শক্তিশালী করা এবং বাংলাদেশে বীমা অধিক্ষেত্রে বৃদ্ধি করা।  
এই তিনটি উপাদান নিয়ে বীমা উন্নয়ন প্রকল্প গঠিত। প্রথম  
উপাদানটি বীমা এবং নিয়ন্ত্রক কর্তৃপক্ষ (আইডিআরএ) এর  
ক্ষমতা শক্তিশালীকরণের লক্ষ্যে বীমা এবং পুনর্বীমাকরণ  
বাজারগুলিকে বাংলাদেশ বীমা একাডেমির (বিআইএ)  
সহায়তায় পূর্ণবিন্যাস করা। এতে দুটি উপ-উপাদান রয়েছে:  
(ক) নিয়ন্ত্রক আইডিআরএর ক্ষমতা শক্তিশালীকরণ; এবং (খ)  
বিআইএর ক্ষমতা শক্তিশালীকরণ। দ্বিতীয় উপাদান হচ্ছে,  
আধুনিকীকরণ, শক্তিশালীকরণ এবং রাষ্ট্রীয় মালিকানাধীন বীমা  
কর্পোরেশনের দক্ষতা বৃদ্ধি করা। দুটি রাষ্ট্রীয় মালিকানাধীন  
বীমা কর্পোরেশন, যথাঃ (ক) জীবন বীমা কর্পোরেশন  
(জেবিসি) এবং সাধারণ বীমা কর্পোরেশন (এসবিসি) তাদের  
প্রযুক্তি এবং ব্যবসায়ের অনুশীলনগুলিতে উন্নয়নে সহায়তা  
করা। তৃতীয় উপাদান হচ্ছে প্রকল্প বাস্তবায়ন, ব্যবস্থাপনা, এবং

পর্যবেক্ষণে আইডিআরএ এবং অন্যান্য স্টেকহোল্ডারদের প্রকল্প বাস্তবায়ন ইউনিট দ্বারা বাস্তবায়নের অগ্রগতি মূল্যায়ন করার জন্য একটি শক্তিশালী পর্যবেক্ষণ এবং মূল্যায়ন পদ্ধতির বিকাশে সহায়তা করবে।

বিশ্বব্যাংক বাংলাদেশে বীমা শিল্পের উন্নয়নে ৬৫ মিলিয়ন মার্কিন ডলার ঋণ বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ বরাবর অনুমোদন করেছে যেক্ষেত্রে মোট প্রকল্প ব্যয় ধরা হয়েছে ৮০ মিলিয়ন মার্কিন ডলার। উক্ত প্রকল্প বাস্তবায়নের সময় ৩১ আগস্ট ২০২২ পর্যন্ত ধার্য করা হয়েছে। বাংলাদেশ সরকার ইতিমধ্যে “Bangladesh Insurance Development Project” নামে প্রকল্পটির খসড়া অনুমোদন করেছে। প্রকল্পটির মূল উদ্দেশ্য হলো সাংগঠনিক উন্নয়ন, দক্ষতা এবং যোগ্যতা দ্বারা বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ (আইডিআরএ) সরকারী জীবন বীমা এবং নন-জীবন বীমা কর্পোরেশনের পর্যবেক্ষণ নীতিমালা এবং পলিসি গ্রহীতার সংখ্যা বৃদ্ধি করা। বাংলাদেশ ইস্যুরেন্স একাডেমীর সংস্কার করত বীমা শিল্প এবং প্রশিক্ষণের মান উন্নতকরনের মাধ্যমে সংশ্লিষ্ট কার্য সম্পন্ন হয়। বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ (আইডিআরএ) জন সচেতনতা বৃদ্ধির লক্ষ্যে বীমা মেলায় আয়োজন করে। বীমা মেলায় ৭৭টি কোম্পানীর মধ্যে সার্বাধিক লাইফ ও নন-লাইফ বীমা কোম্পানী এ মেলায় অংশগ্রহণ করে। মেলা স্থলে অনলাইন পলিসি বিক্রয়, উন্মুক্ত আলোচনা ও সেমিনার অনুষ্ঠিত হয়।

সাম্প্রতিক বছরগুলোতে জীবন বীমা কোম্পানীর মধ্যে ৫-৬টি কোম্পানী ব্যতীত বেশীর ভাগ কোম্পানী অর্থপ্রাচুর্য সঙ্কটে আছে। এর ফলস্বরূপ কোম্পানীগুলো যথোপযুক্ত সময়ে ম্যোদপূর্তির দাবি নিষ্পত্তি করতে ব্যর্থ হচ্ছে, বছরের পর বছর পলিসি বোনাস কমছে এবং সর্বোপরি জনগনের স্বার্থ গুরুতর ভাবে ব্যাহত হচ্ছে। যেহেতু বেশিরভাগ জীবন বীমা কোম্পানীর দায়বদ্ধতা পূরণের জন্য পর্যাপ্ত সঞ্চয় নেই এবং বীমা উন্নয়ন ও রেগুলেটরি অথরিটির (আইডিআরএ) স্বচ্ছলতা মূলনীতি প্রণয়ন এখনও প্রক্রিয়াধীন। বীমা আইন ১৯৩৮ এর পরিবর্তে বীমা আইন ২০১০ প্রণয়ন করা হয়েছে এবং সার্বিক পরিস্থিতি উন্নতির জন্য অনেক সংস্কার চলছে।

### ফারইস্টের ব্যবসা পর্যালোচনা ২০১৯

ফারইস্ট ২০১৯ সালে ইসলামী শরী‘আহ মোতাবেক পরিচালিত হয়ে সমস্ত দেশীয় কোম্পানীর মধ্যে ১ম স্থান দখল করে বীমা বাজারে এর নেতৃত্বকে অব্যাহত রেখেছে। কোম্পানী এর ব্যবসায় উন্নতি এবং সুরক্ষার উপর দৃষ্টি নিবদ্ধন করে। গ্রাহক ধারণ ক্ষমতার উপর আমাদের অব্যাহত দৃষ্টিভঙ্গির কারণে ২০১৯ সালে সংগ্রহীত নবায়ন প্রিমিয়াম যথাক্রমে ৭,৩৯০ মিলিয়ন টাকা। ২০১৯ সালে মোট ব্যবস্থাপনা ব্যয় ৩,৬৮৩ মিলিয়ন টাকা। তবে মোট ওয়েটেড প্রাপ্ত প্রিমিয়ামের তুলনায় মোট খরচের অনুপাত ২০১৮ সালের শতকরা ৩৮% ভাগ হতে কমে ২০১৯ সালে শতকরা ৩৫% ভাগ অর্জিত হয়েছে। এটি একটি অপরিমেয় আনন্দের ব্যাপার যে দেশের অস্থিতিশীল অর্থনৈতিক অবস্থা এবং বিভিন্ন কোম্পানির মধ্যে কঠোর প্রতিযোগিতার মধ্যে ২০১৯ সাল আমাদের ব্যবসার ক্ষেত্রে আরও একটি সফল বছর হিসেবে পরিগণিত হয়েছে। আমরা

সকলে মিলে এই সাফল্য গাথায় অংশীদার হয়েছি এর মধ্যে রয়েছে বিপনন কর্মী, আমাদের সাংগঠনিক কাঠামোর সুদৃঢ়তা, ব্যবসার গুণগতমান, উন্নত গ্রাহক সেবা এবং ব্যবসার সকল ক্ষেত্রে ব্যবসা সংগ্রহের খরচ হ্রাসের মাধ্যমে ব্যবসা কৌশল নির্ধারণ করা।

### আমাদের বিস্তৃতি

কোম্পানী এর গ্রাহকদের বিভিন্ন অফিসের (জোন, সার্ভিস সেন্টার এবং ডিভিশনাল) মাধ্যমে ৩১ শে ডিসেম্বর ২০১৯ পর্যন্ত সেবা প্রদান করে আসছে। উক্ত তারিখে কোম্পানীর মোট কর্মকর্তা ছিল ২,৫০০ জন এবং লক্ষাধিক মাঠকর্মী ছিল যারা গ্রাহকদের সেবা প্রদান করে আসছেন। কোম্পানীর এর পন্য পরিকল্পনাগুলো একনিষ্ঠ কর্মী, ব্যবসায়িক এজেন্ট এবং ব্যাংকিং চ্যানেলের মাধ্যমে বিপনন করে থাকে।

### পণ্য এবং সেবা

আমরা ক্রমাগত আমাদের গ্রাহকদের চাহিদার দিকে খেয়াল রেখে পণ্যের হালনাগাদ করণ, উন্নয়ন ও বিভিন্ন পণ্য উৎপাদন করে থাকি। আমরা গ্রাহকদের চাহিদার দিকে খেয়াল রেখে প্রতিযোগিতামূলক পণ্য তাদের চাহিদা অনুযায়ী প্রদান করি। কোম্পানীর শুরু থেকে আমরা আমাদের মূল্যবান গ্রাহকদের চাহিদাগুলি সরবরাহের জন্য বিভিন্ন ধরনের পণ্য ও পরিসেবাগুলি চালু করেছি। বিস্তৃত পরিসরে জীবন বীমা পণ্য বা পরিসেবাগুলি নিয়ন্ত্রক কর্তৃপক্ষের অনুমোদনের অপেক্ষায় আছে যেমন, হেলথ কেয়ার গ্রুপ স্কীম, বিভিন্ন এডোমেন্ট পরিকল্পনা যা অনুমোদন সাপেক্ষে খুব শীঘ্রই চালু করা হবে। বেশিরভাগ পণ্যগুলি অংশীদারিত্ব ভিত্তিক এছাড়াও গোষ্ঠী বীমা এবং একক জীবন বীমার কিছু পণ্য অ-অংশীদারিত্ব ভিত্তিক হিসেবে রয়েছে। এ ছাড়াও দুর্ঘটনা এবং অক্ষমতা সুবিধা সম্বলিত কিছু সহযোগী পরিকল্পনা রয়েছে। কোম্পানী কিছু অনিয়মতাত্ত্বিক-বিক্রয় কমিয়ে, দুর্বল বীমা চলমানতা বিবেচনায় রেখে বীমাকারীদের জন্য মানসম্মত পরিসেবা সরবরাহ করার ব্যবস্থা গ্রহণ করেছে। আশা করা যাচ্ছে নতুন পণ্যগুলি ভবিষ্যতে কোম্পানীর ব্যবসা প্রবৃদ্ধিতে সহায়তা করবে।

### শেয়ারহোল্ডারদের লভ্যাংশ এবং বীমাগ্রহীতাদের বোনাস

বীমা গানিতিক মূল্যায়ন অনুযায়ী ২০১৯ সালে বন্টনযোগ্য মুনাফা ১৮১.৭২ মিলিয়ন টাকা। কোম্পানীর পরিচালনা পর্ষদ ০১লা নভেম্বর ২০২০ইং তারিখে ১০% নগদ লভ্যাংশ অর্থাৎ শেয়ার প্রতি ১.০০ টাকা প্রদানের জন্য বার্ষিক সাধারণ সভায় অনুমোদনের জন্য সুপারিশ করে। বিগত সময়ে গানিতিক মূল্যায়ন অনুযায়ী বোর্ড কোম্পানীর বীমা গ্রহীতাদের জন্য আকর্ষণীয় পলিসি বোনাস অনুমোদন করে।

### বিগত পাঁচ বছরে উল্লেখযোগ্য ও অর্থ সংক্রান্ত তথ্যাবলী

বিগত পাঁচ বছরে উল্লেখযোগ্য অর্জন, অর্থ সংক্রান্ত সংক্ষিপ্ত তথ্যাবলী এবং চিত্রের মাধ্যমে একটি পূর্ণাঙ্গ প্রতিবেদন সূচীপত্রে “Key Financial Indicators” এবং “Graphical Representation” এ সন্নিবেশিত করা হয়েছে।

### তথ্য ও প্রযুক্তি সেবা

ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড তার কার্যক্রম স্বয়ংক্রিয়, স্বাভাবিক ও নিরাপদজনকভাবে পরিচালনা করার জন্য আইটি সিস্টেমকে সাফল্যজনকভাবে উচ্চতর স্তরে উন্নীত করেছে। এ ক্ষেত্রে ওরাকল এপ্লিকেশন ভিত্তিক পলিসি ব্যবস্থাপনা এবং হিসাব রক্ষণের জন্য সমন্বিত সফটওয়্যার তৈরী করা হয়েছে। এর ফলে ব্যাবসায়িক লক্ষ্য এবং সাফল্য অর্জন সহজ হয়েছে। ফারইষ্ট ইসলামী লাইফের রয়েছে তথ্য-প্রযুক্তি পরিচালনা ও অবকাঠামোগত উন্নয়ন বিষয়ে কাজ করার উচ্চতর অভিজ্ঞতা এবং পেশাগত প্রশিক্ষণ। কোম্পানীর তথ্য-প্রযুক্তি বিষয়ে অভিজ্ঞগণ নিয়মিত ভাবে নতুন নতুন প্রযুক্তি এবং কোম্পানীর প্রয়োজনীয় কার্যক্রম পরিচালনায় সচেষ্ট রয়েছেন। কোম্পানীর তথ্য-প্রযুক্তি বিভাগ প্রধান কার্যালয়ের সাথে শাখা অফিস সমূহের সার্বক্ষণিক যোগাযোগ এবং কাজের গতিশীলতার জন্য Local Area Network (LAN) সার্ভিস চালু করেছেন। তথ্য এবং যোগাযোগ প্রযুক্তি ইন্স্যুরেন্স কোম্পানীর সঠিক কার্যক্রম পরিচালনা এবং কার্যকর সেবা প্রদানের জন্য অপরিহার্য। কোম্পানীর সকল অফিসে কোম্পানীর সফটওয়্যার ও এর ব্যবহার নিশ্চিত করা হয়েছে। আইটি ডিপার্টমেন্ট কর্তৃক কোম্পানীর মোবাইল অ্যাপস তৈরীর কাজ বর্তমানে চলমান রয়েছে। ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেডের পরিচালনা পর্ষদ এ বিষয়টিকে স্বীকৃতি দিয়ে কোম্পানীর জন্য একটি পরিপূর্ণ তথ্য-প্রযুক্তি নীতিমালা গ্রহণ করেছে। এখানে বিশেষ ভাবে উল্লেখ্য যে, কোম্পানী অতি সম্প্রতি আইসিটি ডিপার্টমেন্টের মাধ্যমে দ্রুত গ্রাহক সেবা প্রদানের লক্ষ্যে সারাদেশ ব্যাপী অন লাইন সার্ভিস চালু করেছে।

### বিনিয়োগ ব্যবস্থাপনা

বিনিয়োগ বিষয়ে সম্যক জ্ঞানের মাধ্যমেই সর্বোচ্চ মুনাফা অর্জন সম্ভব। স্বল্প মেয়াদী চাহিদা স্বল্প মেয়াদী বিনিয়োগ এবং দীর্ঘ মেয়াদী চাহিদা দীর্ঘ মেয়াদী বিনিয়োগ দ্বারা চাহিদা পূরণের মাধ্যমে ঝুঁকি হ্রাসকরণ সক্ষমতা অর্জন করা যায়। পর্যাপ্ত বিনিয়োগ আয় হতে বিনিয়োগ ঝুঁকি হ্রাস করা যায়। সংশ্লিষ্ট তহবিলের সম্পদের দায়বদ্ধতা মাথায় রেখে সম্পদের বিনিয়োগ নিশ্চিত করা উচিত। কোম্পানীর ব্যাংকিং এবং বিনিয়োগ বিভাগ যা অনুমোদন সাপেক্ষে বিনিয়োগ করার জন্য নীতি নির্ধারণ ও বাস্তবায়ন করার সকল সার্বিক কার্য সম্পাদনের জন্য সর্বদা কাজ করছে। ব্যাংকিং এবং বিনিয়োগ বিভাগ পর্যায়ক্রমে বিনিয়োগ কৌশল, পোর্টফোলিও কাঠামো এর কার্য সম্পাদন সম্পর্কিত বিষয়গুলো নিশ্চিত করে ও ঝুঁকি হ্রাসকরণের মাধ্যমে বিনিয়োগ নীতিমালা প্রনয়নে সহায়তা এবং সংশ্লিষ্ট কার্যসমূহ সম্পাদন করে। বিনিয়োগকারীদের মেয়াদপূর্তিতে তাদের বোনাসসহ বিনিয়োগকৃত অর্থ ফেরত প্রদানের ক্ষেত্রে বিভিন্ন ধরনের বিনিয়োগের বিপরীতে মুনাফা ঘাটতির ফলে অসুবিধার সম্মুখীন হচ্ছে। কোম্পানীর বিনিয়োগ নির্দেশিকাসমূহ পলিসিহোল্ডার এবং শেয়ারহোল্ডারদের তহবিল সহ সম্পদের বিনিয়োগ এবং পরিচালনা নীতি এবং রূপরেখা প্রদান করে, যা সংশ্লিষ্ট বিভাগ যথারিতী পালন করে। বীমা নিয়ন্ত্রকের বিধিমালা S.R.O. No.-360 LAW/2019 19 নভেম্বর

২০১৯ কর্তৃক প্রকাশিত বিধান যথাযথভাবে কোম্পানীর বিনিয়োগ এবং এর স্বচ্ছতা সম্পর্কে নির্ধারিত ছকে এর প্রমানপত্র বোর্ড অব ডিরেক্টরস কর্তৃক উপস্থাপনা বিষয়ে নির্দেশনা প্রদান করেছে।

### এ্যাকচ্যুরিয়ারিয়াল ভ্যালুয়েশন

একজন অভিজ্ঞ এবং সিনিয়র এ্যাকচ্যুরিয়ারী মোহাম্মদ সোহরাব উদ্দীন পি,এইচ,ডি, এআইএ কে কোম্পানীর ৩১ ডিসেম্বর, ২০১৯ সালের ভ্যালুয়েশনের জন্য কনসাল্টিং এ্যাকচ্যুরিয়ারী হিসেবে নিয়োগ প্রাপ্ত হয়েছেন। বীমা আইন অনুযায়ী ২০১৯ সালের ৩১ ডিসেম্বর পর্যন্ত কোম্পানীর এ্যাকচ্যুরিয়ারিয়াল ভ্যালুয়েশন যথাযথভাবে সম্পন্ন করা হয়েছে এবং কোম্পানীর দায় ও পরিসম্পদের মূল্যায়ন করা হয়েছে। এ্যাকচ্যুরিয়ারিয়াল ভ্যালুয়েশনের ফলাফল অনুযায়ী পলিসিসমূহের বিপরীতে দায়ের তুলনায় কোম্পানীর লাইফ ফান্ডের প্রবৃদ্ধির হার সন্তোষজনক।

### ক্রেডিট রেটিং

ইমার্জিং ক্রেডিট রেটিং লিমিটেড এর সর্বশেষ রেটিং অনুযায়ী ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড কে “AA” রেটিং প্রদান করেছে।

একচ্যুরিয়ারিয়াল ভ্যালুয়েশনের ভিত্তিতে এ রেটিং নিম্নোক্ত রেশনাল সমূহের উপর ভিত্তি করে করা হয়েছে।

- উচ্চমানের আর্থিক স্বচ্ছলতা
- উচ্চহারে বীমা দাবী পরিশোধের ক্ষমতা
- বিনিয়োগের যথাযথ প্রত্যর্পন
- পেশাগত দক্ষ ব্যবস্থাপনা
- সন্তোষজনক তারল্য
- নিয়ন্ত্রিত ব্যবস্থাপনা ব্যয়
- এ্যাকচ্যুরিয়ারিয়াল ভ্যালুয়েশন অনুযায়ী দায়ের তুলনায় সম্পদের আধিক্য ইত্যাদি।

### নিরীক্ষক

কোম্পানী আইন ১৯৯৪, ধারা ২১০ অনুসারে প্রত্যেক কোম্পানী উহার প্রত্যেক বার্ষিক সাধারণ সভায় এক বা একাধিক নিরীক্ষককে উক্ত সভার সমাপ্তি হতে পরবর্তী বার্ষিক সাধারণ সভার সমাপ্তি পর্যন্ত সময়ের জন্য নিয়োগ করতে পারে। মাহফেল হক এন্ড কোং, খ্যাতনামা নিরীক্ষা প্রতিষ্ঠানকে ২০১৯ সালে কোম্পানীর নিরীক্ষক হিসাবে নিয়োগ প্রদান করা হয়েছে। আইন অনুযায়ী বার্ষিক সাধারণ সভায় ২০২০ সালের জন্য উক্ত নিরীক্ষা প্রতিষ্ঠানের পুনঃ নিয়োগের কোন বাধা নেই এ ক্ষেত্রে BSEC Notificaion 20 June 2018 (No. BSEC/ CMRRCD/ 2006-158/208/ Admin/81) উল্লেখযোগ্য। এই বার্ষিক সাধারণ সভায় ২০২০ সালের নিরীক্ষার জন্য নিরীক্ষক পুনঃ নিয়োগ করা হবে।

### পুনঃ বীমাকরণ

কোম্পানীর পরিচালনা পর্ষদ বীমা গ্রহীতাদের প্রিমিয়াম এবং কোম্পানীর সম্পদ রক্ষা করার জন্য ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া এবং অভ্যন্তরীণ নিয়ন্ত্রনগুলোর মাধ্যমে বীমাকারীদের তহবিল রক্ষার গুরুত্ব স্বীকার করে। এ ছাড়া বীমা উন্নয়ন ও নিয়ন্ত্রন

কর্তৃপক্ষ (আইডিআরএ) পুনঃবীমাকরনের পক্ষে ১৬ই মার্চ ২০১৬ S.R.O No.-৩৪৯ আইন/২০১৫ একটি পরিপত্র প্রকাশ করে। জীবন বীমা কোম্পানীর ক্ষেত্রে পুনঃবীমার মাধ্যমে ঝুঁকি হ্রাসকরনের বিধান বাধ্যতামূলক করা হয়েছে। যদিও আমাদের কোম্পানী ট্রাস্ট রি-ইস্যুরেন্স মানামা, বাহরাইনের সাথে পুনঃবীমাকরন চুক্তি সম্পাদন করেছে।

### আর্থিক প্রতিবেদনের মানদণ্ড

কোম্পানী তার আর্থিক প্রতিবেদন বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), কোম্পানী আইন ১৯৯৪ এবং বিদ্যমান অন্যান্য আইন কানুন ও বিধি-বিধান অনুযায়ী তৈরী করেছে। কোম্পানীর পরিচালকবৃন্দ তাদের দায়িত্বশীলতার প্রতি সচেতন এবং কোম্পানীর হিসাব সংক্রান্ত তথ্যাবলী সঠিক এবং বিশ্বাসযোগ্য পছন্দ যথাযথ ভাবে সংরক্ষণ ব্যবস্থা নিশ্চিত করেছেন। আর্থিক পরিমাপ এবং মানদণ্ড সংক্রান্ত অর্থ-হিসাব তৈরী করা হয় সচেতনতা এবং যৌক্তিকভাবে, যাতে কোম্পানীর বার্ষিক আর্থিক বিবরণীতে অর্থ লেনদেন সংক্রান্ত সঠিক এবং নিরপেক্ষতা প্রকাশ পায়।

### কোম্পানীর সাথে সম্পর্কিত পক্ষের লেনদেন

২০১৯ সালে কোম্পানীর সাথে সম্পর্কিত বিভিন্ন পার্টির সাথে বাণিজ্যিক ভাবে লেনদেন পরিচালিত হয়েছে যা ফাইন্যান্সিয়াল স্টেটমেন্টের ৩.১৩ নং নোটে বর্ণনা দেওয়া হয়েছে।

### ব্যবসায়িক চলমানতা ধারণা

কোম্পানীর পরিচালনা পর্ষদ এর ব্যবসায়িক পরিকল্পনা পর্যালোচনা করে ভবিষ্যৎতে কোম্পানী সুষ্ঠুভাবে এর ব্যবসায়িক কার্যকলাপ চালিয়ে নেয়ার জন্য পর্যাপ্ত সংস্থান রয়েছে বলে একমত পোষন করে। তদানুসারে কোম্পানী এর আর্থিক বিবরণী প্রস্তুতের ক্ষেত্রে ব্যবসায়িক চলমানতার ধারনাকে ভিত্তি হিসেবে গ্রহন করেছে।

### আভ্যন্তরীণ নিরীক্ষা এবং পরিপালন কাঠামো

কোম্পানী এর সকল কার্যক্রমের মধ্যে একটি ব্যাপক এবং শক্ত সমর্থ নিয়ন্ত্রণ ব্যবস্থা প্রতিষ্ঠা করেছে। এ ছাড়াও আভ্যন্তরীণ নিরীক্ষা এবং পরিপালন বিভাগ (ICCD) বিভিন্ন নীতিমালা, প্রবিধান, প্রক্রিয়া প্রভৃতির পরিপালন নিশ্চিত করে এর পাশাপাশি আর্থিক প্রতিবেদন/ বিবৃতির সাথে আভ্যন্তরীণ আর্থিক নিয়ন্ত্রনগুলির যথার্থতা যাচাই করে।

**আভ্যন্তরীণ নিরীক্ষা:** আর্থিক প্রতিবেদন, কার্যকরী এবং কৌশলগত লক্ষ্য অর্জনের জন্য সময়মত প্রতিক্রিয়া এবং প্রয়োজ্য নীতিমালা পদ্ধতি, আইন এবং প্রবিধানের সাথে সম্মতি নিশ্চিতকরনের জন্য কোম্পানীটি সমস্ত প্রক্রিয়ার একটি শক্তিশালী আভ্যন্তরীণ নিরীক্ষা কাঠামো প্রতিষ্ঠানিকভাবে পরিচালিত করেছে। ঝুঁকি ভিত্তিক নিরীক্ষা পরিকল্পনা অনুযায়ী নিয়ন্ত্রণ পর্যালোচনার বিষয়বলী আভ্যন্তরীণ নিরীক্ষা ও প্রতিপালন বিভাগ দ্বারা পরিচালিত হয়। আভ্যন্তরীণ নিরীক্ষার বিভিন্ন প্রক্রিয়াকরন, লেনদেন এবং বিভিন্ন পদ্ধতি এর অন্তর্ভুক্ত। আভ্যন্তরীণ নিরীক্ষা কার্যপদ্ধতি কোম্পানীর আভ্যন্তরীণ নিয়ন্ত্রনের কার্যকারিতা, পর্যালোচনা, পর্যাপ্ততা ও এর প্রতিবেদনের নীতি ও

পদ্ধতি পরিমাপ করে।

**পরিচালন কাঠামো:** কোম্পানী বিভিন্ন আভ্যন্তরীণ নীতিমালা/ পদ্ধতি এবং কর্মচারী আচরন বিধি প্রনয়ন করেছে যা দৈনন্দিন কার্যক্রম পরিচালনার জন্য একটি নিশ্চিত পরিপালন কাঠামো। পরিচালন কার্য বিভিন্ন ক্ষেত্রে প্রয়োজনীয় আইন প্রবিধান এবং বীমার সাথে সংশ্লিষ্ট বিজ্ঞপ্তি এন্টি মানি লন্ডারিং এবং অন্যান্য নিয়ন্ত্রকের অত্যাবশ্যকীয় বিষয়গুলি বিভিন্ন বিভাগে পৌছে দেয়। এটি প্রয়োজ্য আইন, প্রবিধান এবং নিয়ন্ত্রক কর্তৃপক্ষ কর্তৃক প্রদত্ত বিজ্ঞপ্তিগুলোর উপর স্পষ্টীকরনের জন্য বিভিন্ন ফাংশনের কর্মীদের জন্য একটি রেফারেন্স পয়েন্ট হিসেবে কাজ করে। পরিপালন নিয়োজিত দল কোম্পানী জুড়ে এর পরিপালন কাঠামোর পর্যাপ্ততা নিরীক্ষন করে। এই নিরীক্ষনের অংশ হিসেবে মূল বিষয়গুলো মূখ্য নির্বাহী কর্মকর্তার মাধ্যমে বোর্ডকে অবহিতকরনের মাধ্যমে সুপারিশ বাস্তবায়ন সক্রিয়ভাবে পর্যবেক্ষন করা হয়। বিভিন্ন সংশ্লিষ্ট বিভাগ প্রধান এর সার্টিফিকেশন এর উপর ভিত্তি করে নির্দিষ্ট সময়ে বোর্ডে উপস্থাপনের জন্য প্রধান নির্বাহী কর্মকর্তা দ্বারা স্বাক্ষরিত একটি পরিচালন সনদ উপস্থাপন করা হয়।

### নিরীক্ষকের প্রতিবেদন

কোম্পানীর পরিচালনা পর্ষদ এর ব্যবসায়িক পরিকল্পনা পর্যালোচনা করে ভবিষ্যৎতে কোম্পানী সুষ্ঠুভাবে এর ব্যবসায়িক কার্যকলাপ চালিয়ে নেয়ার জন্য পর্যাপ্ত সংস্থান রয়েছে বলে একমত পোষন করে। তদানুসারে কোম্পানী এর আর্থিক বিবরণী প্রস্তুতের ক্ষেত্রে ব্যবসায়িক চলমানতার ধারনাকে ভিত্তি হিসেবে গ্রহন করেছে।

### ঝুঁকি ব্যবস্থাপনা ও সর্তকতা

ফারহা ইসলামী লাইফ ইস্যুরেন্স কোম্পানী লিমিটেড ঝুঁকি ব্যবস্থাপনার ক্ষেত্রে রয়েছে সুনির্দিষ্ট কৌশল এবং কাঠামো যা দ্বারা বিভিন্ন ধরনের ঝুঁকি চিহ্নিতকরন, পর্যবেক্ষনের মাধ্যমে প্রশমিত করা হয়, যার ফলে একটি ঝুঁকি ব্যবস্থাপনা নীতি কার্যকর আছে। আমরা স্বীকার করি যে, ঝুঁকি ব্যবসার একটি অবিচ্ছেদ্য উপাদান এবং অংশীদারদের মূল্য নির্ধারন ঝুঁকি ব্যবস্থাপনার মাধ্যমে ঝুঁকি গ্রহন করা অতীব জরুরী। জীবন বীমা কোম্পানীগুলোকে মার্কেট ঝুঁকি, গতিবিধির ঝুঁকি, সুনামের ঝুঁকিসহ নানাবিধ ঝুঁকি মোকাবেলা করতে হয়। যথাযথভাবে এসকল ঝুঁকি মোকাবেলা করার জন্য বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ দিকনির্দেশনা ইস্যু করেছেন, যা কোম্পানী সর্বাঙ্গিকভাবে পরিপালন করছে। বিশ্বের উল্লেখযোগ্য অডিট ফার্ম প্রাইজ ওয়াটার হাউজ ও কুপার আন্তর্জাতিক মানের নিয়ম ও পদ্ধতি তৈরী করেছেন। এই উচ্চমানের নিয়মাবলী আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাকে শক্তিশালী এবং কোম্পানীর ঝুঁকিপূর্ণ ব্যবস্থাপনাকে সহজ করেছে। আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাকে আভ্যন্তরীণ নিরীক্ষা ও অন্যান্য সহযোগী ব্যবস্থার মাধ্যমে কোম্পানীর বিভিন্ন অফিস ও প্রধান কার্যালয়কে উল্লেখযোগ্যভাবে ফলপ্রসূ করা হয়েছে।

### কর্পোরেট সুশাসন

কোম্পানীর কর্পোরেট সুশাসনের কাঠামো একটি কার্যকর স্বতন্ত্র বোর্ডের উপর ভিত্তি করে গঠিত, নির্বাহী ব্যবস্থাপনা এবং বোর্ড কমিটির গঠন বোর্ডের তত্ত্বাবধান থেকে বিচ্ছিন্ন। সততা, স্বচ্ছতা, স্থায়িত্ব এবং দায়িত্বশীলতা হচ্ছে আজকের কর্পোরেট সুশাসনের মূল ভিত্তি। ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী সর্বক্ষেত্রে সঠিক কর্পোরেট সুশাসন মেনে চলতে দৃঢ় প্রতিজ্ঞ। ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স তার দৈনন্দিন কার্যক্রম পরিচালনার ক্ষেত্রে পরিচালনা পর্ষদের নির্দেশনা, আইনগত অনুশাসন এবং বিভিন্ন নিয়ন্ত্রণকারী কর্তৃপক্ষের নির্দেশনা পরিপূর্ণভাবে মেনে চলে। সাম্প্রতিক সময়ে কর্পোরেট সুশাসনের বিষয়ে বিশ্ব ব্যাপী দ্রুত সচেতনতা বৃদ্ধি পাচ্ছে, আইনের বিষয়ে সচেতনতা, নিয়মানুবর্তিতা বিশেষ করে সুশাসন পরিপালনে মূল্যায়ন এবং সুপারিশের কারণে। ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী যেহেতু বাংলাদেশের অন্যতম বৃহৎ লাইফ ইন্স্যুরেন্স কোম্পানী তাই কর্পোরেট সুশাসন নিশ্চিত করে তার সকল শেয়ারহোল্ডার এবং স্টেকহোল্ডারদের স্বার্থ সংরক্ষণে প্রতিশ্রুতিবদ্ধ। কর্পোরেট সুশাসনের রূপরেখার একটি চিত্র সূচীপত্রে “Certificate on Compliance with Conditions of Corporate Governance Guidelines” অন্তর্ভুক্ত পূর্বক উল্লেখ করা হয়েছে।

### কর্পোরেট সামাজিক দায়বদ্ধতা (CSR)

দেশের অন্যতম বৃহৎ কোম্পানী হিসেবে ফারইষ্ট ইসলামী লাইফ প্রতিষ্ঠানগ্ন থেকেই বিভিন্ন সামাজিক দায়িত্ব পালন করে আসছে। আমরা সামাজিক পরিবেশে ব্যবসা পরিচালনা করি এবং এখান থেকেই ব্যবসায়িক সাফল্য পেয়ে থাকি, বিনিময়ে সমাজকেও কিছু দিতে চাই। কোম্পানী সবসময় সমাজের কল্যাণের জন্য তার দায়বদ্ধতা স্বীকার করে এবং যখন প্রয়োজন হয় তখন এই ধরনের কার্যক্রমে অংশ নেয়। আমরা কর্পোরেট সামাজিক দায়বদ্ধতা সম্পর্কে একটি শক্তিশালী নীতি অনুসরণ করি। গ্রাহক, কর্মকর্তা-কর্মচারী, শেয়ারহোল্ডার, ব্যবসায়িক সহযোগী এবং সর্বোপরি সমাজের সবকিছুই আমাদের কর্পোরেট সামাজিক দায়বদ্ধতার আওতাভুক্ত। সমাজের সাথে আমাদের রয়েছে একটি সুন্দর বোঝাপড়া, আস্থা ও বিশ্বস্ততার সম্পর্ক। ফলশ্রুতিতে, সুশীল সমাজ ও ব্যবসায়িক প্রতিষ্ঠান হিসেবে আমাদের গুরুত্ব ও প্রয়োজনীয়তা অনুভব করছে এবং স্বীকৃতিও দিচ্ছে। প্রাকৃতিক দুর্যোগ, শিক্ষা সহায়তা, চিকিৎসা, আর্থিক সাহায্য ও চরম সংকটে সহযোগিতার মাধ্যমে কোম্পানী তার সামাজিক দায়িত্ব অব্যাহত রেখেছে। কোম্পানী ২০১৯ সালে কর্পোরেট সামাজিক দায়বদ্ধতা খাতে ১৬.৪০ মিলিয়ন টাকা ব্যয় করেছে।

### মানব সম্পদ ও প্রশিক্ষণ ব্যবস্থা

আমরা বিশ্বাস করি, মানব সম্পদ হচ্ছে কোন প্রতিষ্ঠানের সবচেয়ে বড় চালিকা শক্তি। কর্মকর্তা কর্মচারীদের উদ্ভাবনীমূলক কাজে উৎসাহ দেয়া, ধ্যান ধারণার বাইরে চিন্তা করে, গতানুগতিক প্রক্রিয়ার পরিবর্তন এবং অনুক্রমের সামর্থ্য হস্তক্ষেপ হতে বিরত থেকে অর্জিত ফলাফলের জন্য সর্বাত্মক সহযোগীতায় আমরা সচেষ্ট। কোম্পানীতে কর্মচারীদের শেখার

আগ্রহ এবং পরিবর্তনে অভিযোজিত হওয়ার জন্য সহায়ক। মানুষ হচ্ছে সাফল্যের চাবি কাঠি আর প্রযুক্তিকে কেবল ত্রুটি কিংবা অনুকরণ করা যায়। মানুষ কেবল শুধু অনুকরণই করতে পারেনা বরং সে অন্যের ধারণা, দায়িত্বশীল, উদ্বুদ্ধকরণ এবং সাংস্কৃতিক মূল্যবোধকেও অনুসরণ করে। একটি প্রতিষ্ঠানের জনবলকে বুদ্ধিদীপ্ত মূলধন হিসাবে গন্য করা হয়। কোম্পানী দালান কোঠায় বিনিয়োগ করে থাকে এবং সে বিনিয়োগ যথাযথ ভাবে পরিচালনা করে বুদ্ধিমত্তার সাথে কোম্পানীর সাফল্য এবং ধারাবাহিক সুযোগ সুবিধা অর্জন করে থাকে। আমরা সকলেই জানি যে, স্বাস্থ্যকর পরিবেশে কর্মকর্তা-কর্মচারীরা কাজকে উপভোগ করে থাকে এবং এরূপ পরিবেশে তারা কাজ করতে গর্ববোধ করে। সময়ের প্রয়োজনে এবং চাহিদা পূরণের জন্য আমরা প্রাথমিক স্তরে নতুন জনশক্তির পাশাপাশি মধ্যম এবং উচ্চ স্তরে প্রয়োজনীয় দক্ষ ও অভিজ্ঞ কর্মকর্তা নিয়োগ দান করে থাকি। এছাড়া উন্নয়ন এবং ডেস্ক কর্মকর্তাদের পেশাগত মান উন্নয়নের জন্য প্রধান কার্যালয় ও জোনাল অফিসসমূহে কোম্পানীর প্রশিক্ষণ বিভাগের মাধ্যমে নিয়মিতভাবে ব্যাপক প্রশিক্ষণের ব্যবস্থা নেয়া হয়েছে। মানব সম্পদের দক্ষতা অর্জনের জন্য আমরা আমাদের কর্মকর্তাদের বাংলাদেশ ইন্স্যুরেন্স একাডেমী, বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন এবং দেশে-বিদেশের অন্যান্য প্রশিক্ষণ প্রতিষ্ঠানে প্রেরণ করে থাকি। পাশাপাশি কোম্পানীর সার্বিক কর্মকান্ড এবং সেবার মান উন্নয়নের জন্য গবেষণা কর্মকান্ডকে গতিশীল করা হচ্ছে। সর্বোপরি আমরা আমাদের কোম্পানীর প্রতি দায়িত্বশীল, পেশাগত ক্ষেত্রে দক্ষ এবং আমাদের কর্পোরেট গ্লোগান হচ্ছে “দক্ষতাই শক্তি”।

### কর্মকর্তা-কর্মচারীদের সুযোগ-সুবিধা

কোম্পানী এর কর্মকর্তা-কর্মচারীদের কল্যাণের দিকে সর্বদা সর্বোচ্চ দৃষ্টি দিয়ে থাকে। কোম্পানীর কর্মকর্তা-কর্মচারীদের কল্যাণ বলতে বুঝায় বেতন-ভাতা ব্যতীত অন্যান্য আর্থিক সুযোগ-সুবিধা প্রদান। ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড সর্বদাই কর্মকর্তা-কর্মচারীদের কল্যাণের বিষয়কে অগ্রাধিকার দিয়ে থাকে। ইতিমধ্যে ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেডের সকল ডেস্ক ও উন্নয়ন কর্মকর্তাদের জন্য স্বীকৃত ভবিষ্যৎ তহবিল সুবিধা, গ্র্যাচুয়িটি সুবিধা এবং গ্রুপ বীমা সুবিধা প্রবর্তন করা হয়েছে। অতি সম্প্রতি কোম্পানী কর্মকর্তা ও কর্মচারীদের জন্য গৃহনির্মাণ বিনিয়োগ প্রকল্প, গাড়ী ক্রয় ঋণ সুবিধা এবং কল্যাণ তহবিল সুবিধা প্রবর্তন করেছে।

আমরা কোম্পানীকে একটি যুগোপযোগী প্রাতিষ্ঠানিক কাঠামোতে দাঁড় করাতে চেষ্টা চালিয়ে যাচ্ছি। ইতোমধ্যে কোম্পানীর একক বীমা এবং সার্বজনীন বীমার সার্বিক কার্যাবলী পুনর্বিন্যাস করে প্রশাসনিক ক্ষেত্রে গতিশীলতা বাড়াতে পদক্ষেপ নেওয়া হয়েছে। বিশ্বায়নের চ্যালেঞ্জ মোকাবেলার জন্য আমরা কোম্পানীর বিভিন্ন কর্ম কৌশলকে অফিস তথা মাঠ পর্যায়ে আধুনিক প্রযুক্তির সমন্বয়ে বিকেন্দ্রীকরণ করেছি এবং ডেস্ক ও উন্নয়ন কর্মকর্তাদের দেশে-বিদেশে প্রশিক্ষণের মাধ্যমে দক্ষ জনশক্তি হিসেবে গড়ে তুলেছি, যাতে কোম্পানীর সম্মানিত পলিসি গ্রাহকগণকে তারা দ্রুত সেবাদানে অগ্রণী ভূমিকা পালন করতে পারে।

### জাতীয় রাজস্ব অবদান

ফারইষ্ট ইসলামী লাইফ ইস্যুরেন্স কোম্পানী লিমিটেড জাতীয় রাজস্ব সংগ্রহে গুরুত্বপূর্ণ অবদান রেখে আসছে। দেশের প্রচলিত আইন অনুযায়ী কোম্পানী কর্পোরেট নাগরিক হিসেবে তার নিজস্ব আয়ের উপর কর প্রদান করে থাকে। এছাড়াও কোম্পানী নিয়মানুযায়ী সেবা কর, স্ট্যাম্প ডিউটি, মূল্য সংযোজন কর, লভ্যাংশ বন্টন কর এবং অন্যান্য শুল্ক ও কর জাতীয় কোষাগারে জমাদান করছে। ২০১৯ সালে কোম্পানী ভ্যাট, ট্যাক্স, শুল্ক ও অন্যান্য কর বাবদ ৩৪৫.৬৭ মিলিয়ন টাকা সরকারের রাজস্ব কোষাগারে জমা প্রদান করেছে।

### সাবসিডিয়ারি কোম্পানী

ফারইষ্ট ইসলামী লাইফ ইস্যুরেন্স কোম্পানী লিমিটেড, ফারইষ্ট ইসলামী সিকিউরিটিজ লিমিটেড এবং ফারইষ্ট ইসলামী প্রপার্টিজ লিমিটেড নামে দুটি সাবসিডিয়ারি কোম্পানী গঠন করেছে। ২০১২ সালে ফারইষ্ট ইসলামী সিকিউরিটিজ লিমিটেড এবং ২০১৪ ফারইষ্ট ইসলামী প্রপার্টিজ লিমিটেডের নামে রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস হতে ইনকর্পোরেশন সার্টিফিকেট লাভ করে এদের কার্যক্রম চালিয়ে যাচ্ছে।

### আইনি অবস্থা

কোম্পানীকে ২০১৯ সালে বিভিন্ন নিয়ন্ত্রক সংস্থা, আদালত বা ট্রাইবুনাল কর্তৃক কোন উল্লেখযোগ্য আদেশ প্রদান করা হয়নি যা এর চলমান পরিস্থিতির উপর প্রভাব ফেলবে অথবা ভবিষ্যতে এর কর্মের উপর প্রভাব ফেলবে।

### শেয়ারধারণ সংক্রান্ত তথ্য

আমরা নিশ্চিত করছি যে, কোম্পানীর শেয়ার ধারন এবং শেয়ার হস্তান্তর উক্ত বছরে সংবিধিবদ্ধ নিয়মানুযায়ী হয়েছে। এবছরে প্রবর্তকদের দ্বারা কোন মূলধন পাঠানো হয়নি। কোম্পানীর মোট শেয়ার সংখ্যা ৭,৪৭,৪২,৭৫১ টি। শেয়ার সংক্রান্ত বিস্তারিত তথ্য সূচীপত্রে “Shareholding Structure” বর্ণিত করা হয়েছে।

### শেয়ারহোল্ডারগণের সাথে যোগাযোগ ও সম্পর্ক

শেয়ারহোল্ডারদের স্বার্থকে আমরা সবসময় সর্বোচ্চ অগ্রাধিকার দিয়ে থাকি। কোম্পানীর শেয়ারহোল্ডারগণ শেয়ার বিভাগে এসে তাঁদের কাক্সিত তথ্য ও সেবা পেতে পারেন। কোম্পানী একটি আধুনিক ও যুগোপযোগী শেয়ার সফটওয়্যার এর মাধ্যমে শেয়ারহোল্ডারদেরকে প্রয়োজনীয় সেবা ও তথ্য প্রদানের ব্যবস্থা করেছে। জন্মলগ্ন থেকে এ প্রতিষ্ঠান কোম্পানী আইন ১৯৯৪ এর বিধি-বিধান মোতাবেক যথারীতি নিয়মিত বার্ষিক সাধারণ সভা আয়োজন করে আসছে, যার মাধ্যমে শেয়ারহোল্ডারদেরকে কোম্পানীর আর্থিক ফলাফল, অগ্রগতি, গুরুত্বপূর্ণ কার্যক্রম ও উন্নয়ন সম্পর্কে অবহিত করা হয়। সংখ্যালঘু শেয়ার হোল্ডারদের স্বার্থ প্রত্যক্ষ বা পরোক্ষভাবে সকল ধরনের প্রভাব হতে সুরক্ষিত রাখা হয়েছে এবং কার্যতভাবে তাদের অধিকার অক্ষুণ্ণ রাখা হয়েছে। ফলশ্রুতিতে শেয়ারহোল্ডারগণ কোম্পানী সম্পর্কে নানা ধরনের প্রয়োজনীয় তথ্য যথাসময়ে পেয়ে থাকেন।

### পরিচালকদের সম্মানী

কোম্পানী পরিচালনা পর্ষদের সদস্যদের আইন ও বিধি বিধান অনুযায়ী শুধু মিটিং ফি প্রদান করে থাকে। বিস্তারিত বিবরণী অত্র রিপোর্টের Annexure - 1, “Attendance of the Meeting-2019” এ বর্ণনা দেওয়া হয়েছে।

### পরিচালকদের অবসর গ্রহণ এবং নির্বাচন

কোম্পানী আইন, ১৯৯৪ এবং কোম্পানীর আর্টিক্যালস অব এসোসিয়েশনের ৯৪ অনুচ্ছেদ অনুযায়ী ২০তম বার্ষিক সাধারণ সভায় এক-তৃতীয়াংশ পরিচালক পর্যায়ক্রমে অবসর গ্রহণ করবেন এবং তারা যোগ্য হওয়া সাপেক্ষে পুনঃনির্বাচিত হতে পারবেন। স্বাধীন পরিচালক পরিচালনা পর্ষদ কর্তৃক নির্বাচিত হবেন এবং বার্ষিক সাধারণ সভায় শেয়ারহোল্ডার কর্তৃক অনুমোদিত হবেন।

### স্বতন্ত্র পরিচালক

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের প্রকাশিত প্রজ্ঞাপন অনুযায়ী পরিচালনা পর্ষদে দুই জন স্বতন্ত্র পরিচালক নিয়োগ দেয়া হয়েছে। স্বতন্ত্র পরিচালকগণ তাদের কাজে পূর্ণ স্বাধীনতা ভোগ করে থাকেন। কোম্পানীতে নিয়োগকৃত স্বতন্ত্র পরিচালকগণ নিজ নিজ পেশা ও ব্যবসার ক্ষেত্রে অত্যন্ত দক্ষ ও অভিজ্ঞ।

### প্রশংসা ও কৃতজ্ঞতা

আপনারা আমাদের প্রতি যে আস্থা রেখেছিলেন তার জন্য আমরা আপনাদের প্রতি অগাধ কৃতজ্ঞতা প্রকাশ করছি। আপনাদের অবিরাম সহায়তা কোম্পানীর প্রবৃদ্ধিতে সহায়তা করেছে। আমরা কর্মকর্তা এবং কর্মচারীদের প্রচেষ্টার সর্বদা প্রশংসা করি, যাদের প্রতিশ্রুতি এবং কঠোর পরিশ্রম আমাদের সাফল্যের মূল ভিত্তি। একই সাথে, আমরা আমাদের শেয়ারহোল্ডার, কাস্টমার, বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ (আইডিআরএ), বাংলাদেশ ইস্যুরেন্স এসোসিয়েশন (বিআইএ), বাংলাদেশ ব্যাংক, সংশ্লিষ্ট সরকারী সংস্থা, নিয়ন্ত্রক সংস্থা এবং অন্য সকল ব্যক্তি এবং প্রতিষ্ঠান আমাদের সাথে ব্যবসা কার্যক্রম যুক্ত হয়েছে তার জন্য আমরা আপনাদের সকলের নিকট কৃতজ্ঞ। ধারাবাহিকভাবে প্রদর্শিত আমাদের অগ্রাধিকার হল আমরা আপনার আস্থার প্রাপ্য। আমাদের অগ্রাধিকার হলো ধারাবাহিকভাবে আপনাদের প্রাপ্য প্রদানের মাধ্যমে আস্থা অর্জনে সর্বদা সচেষ্ট থাকা।

আল্লাহ আমাদের সকলের সহায় হোন, আমীন।

মাআসসালাম,  
পরিচালকমন্ডলীর পক্ষে,

(মোঃ নজরুল ইসলাম)

চেয়ারম্যান

০১ নভেম্বর ২০২০, ঢাকা।

## SOME MEMORABLE EVENTS



Creast handed over to Mr. Sheikh Kabir Hossain, President BIA by honorabale chief guest Mr. Shafiqur Rahman Patwari, Chairman IDRA and Mr. Nazrul Islam, Chairman Fareast Islami Life



Death claim cheque handed over by honorable Member of IDRA Dr. M. Mosharraf Hossain FCA in Bima Mela at Khulna



Inauguration of Fareast Apps, Composite Service Center & TVC by honorabale Chief Guest Mr. Shafiqur Rahman Patwari, Chairman IDRA



Honorable Chairman Mr. Md. Nazrul Islam is delivering speech in Inauguration of Fareast Apps, Composit Service Center & TVC



Mr. Shafiqur Rahman Patwari, Chairman IDRA, Mr. Sheikh Kabir Hossain, President BIA, Mr. Nazrul Islam, Chairman Fareast Islami Life with senior executives are visiting Hardware Section, IT Department



Honorable Chairman Mr. Md. Nazrul Islam is delivering speech in training program on composite service center at Fareast Tower



National Mourning Day 15 August 2019 at Dhanmondi 32



Distributing food among poor people of National Mourning Day 15 August 2019 at Fareast Tower



Honorable Chairman Mr. Md. Nazrul Islam is delivering speech in monthly Divisional Co-ordination meeting at Fareast Tower



Birthday Celebration of Honorable Prime Minister Sheikh Hasina, MP



Inauguration of Sheba Mash 2019



Honorable Chairman Mr. Md. Nazrul Islam is delivering speech in senior officer's Co-ordination meeting



19th Annual General Meeting at Fareast Tower



Honorable Chairman Mr. Md. Nazrul Islam is delivering speech in monthly Divisional Co-ordination meeting



Inauguration of Zonal Conference-2019



Board Meeting at Fareast Tower



Development Office Incharge Conference-2019



Honorable Chairman Mr. Md. Nazrul Islam is delivering speech in Development Office Incharge Conference-2019

## RISK MANAGEMENT



### Risk Management

The Company recognizes that risk is an integral element of the business and managed acceptance of risk is essential for generation of shareholder value. The Company's acceptance of risk is dependent on the return on risk-adjusted capital and consistency with its strategic objectives. Having accepted a risk, the Company may cede or hedge it where this is cost effective. In general therefore, the Company's control procedures and systems are designed to manage risk, rather than eliminate it. However, at certain times, there may also exist some risks for which the Company has no tolerance and which are actively avoided. The Company has in place a risk management framework with the following aims:

- Determining the risk profile of the Company i.e. the aggregate level of risks that the Company has undertaken in pursuit of profitable business.
- Identification, measurement, monitoring and control of risk for the purpose of protecting the interests of key stakeholders.
- Enhancing the Company's ability to identify and pursue opportunities that offer attractive risk-adjusted returns by providing transparent, accurate and timely risk information.
- Embedding risk-based decision-making in key management processes and fostering a culture of risk awareness.

"In line with its quest for implementation of Risk Management, Fareast Islami Life Insurance Company Limited (FILIC) has developed a robust Risk Management Framework. It describes the overall Risk Management methodology at Fareast Islami Life Insurance Company Limited. As a step forward in this direction, the Company has also taken up an initiative to establish a Risk Appetite Framework to integrate the risk management with strategic business objectives and define the overall risk appetite for the Company."

- Limiting the Company's exposure to adverse outcomes through risk limits.
- Ensuring compliance with regulatory requirements.
- Focusing on ensuring that it possesses the appropriate capabilities and experience in managing and transferring risks.
- Minimizing reputational risk.

### Risk Governance Framework

In line with its quest for implementation of Risk Management, our Company has developed a robust Risk Management Framework. It describes the overall Risk Management methodology at Fareast Islami Life Insurance Company Limited. As a step forward in this direction, the Company has also taken up an initiative to establish a Risk Appetite Framework to integrate the risk management with strategic business objectives and define the overall risk appetite for the Company. At Fareast Islami Life Insurance, Risk Management vertical is responsible for development & implementation of Enterprise Risk Management in a phased manner. The Board approved risk policy ('the Policy') details identification, measurement, monitoring and control standards relating to the various individual risks. The Policy covers aspects related to:

### 1. Risk identification

The Company identifies its risk exposures through a variety of techniques and processes, including:

- Stress testing of the current financial condition of the Company. Risk may be identified by reference to the statutory position of the Company.
- Product development process by way of analysis of the sensitivity of profit margins and of profit signatures to market and insurance risks. Any liquidity or operational risk arising out of the new product or modification of existing product is assessed prior to product launch.
- Business planning process by way of analysis of the sensitivity of the projected solvency and emergence of profit to market and insurance risks.
- Risk and Control Self-Assessment to identify and assess operational risks in terms of their likelihood and impact by each business unit within the Company.
- Risk due to uncorrelated/ unmatched movement in the asset and liability cash flows on existing business and risk of future premiums being invested at low interest rates.

### 2. Risk measurement

The Company uses the following approaches to measure its risk exposure:

- Risk to the Evaluation : Value at Risk of the Evolution is an appropriate measure of risk exposure for market, credit and insurance risks. The value at risk is measured by calculating the reduction in the evolution under extreme economic and noneconomic scenarios. The stresses are benchmarked to European Insurance and Occupational Pensions Authority standards as they develop, subject to appropriate adjustments for local conditions and the Company's stage of development.
- Risk to the growth of the Evaluation: In addition to the risk to the current evaluation, the Company also considers risks that impede future growth of the evaluation like insufficient new business profit growth and over-run in acquisition or renewal expenses, caused by adverse deviation of actual unit costs from planned unit costs.
- Risk to the statutory position: The Company considers the impact of market risk on its statutory position and assesses the quality of its performing a resilience test periodically on the quasi-regulatory balance sheet. The quasi-regulatory balance sheet is obtained by

marking to market the assets on the regulatory balance sheet. The liabilities are determined with reference to the market value of assets and by preserving the margins for adverse deviation in accordance with applicable regulation and professional guidance. The quasi-regulatory Balance Sheet is subjected to economic shocks and the solvency ratios and free assets under the stress scenarios are monitored.

- Key Risk Indicators and loss data for operational risk.
- Liquidity Ratio of its highly liquid assets to its near term liabilities, after allowing for any constraint on the fungibility of its assets.

### 3. Risk monitoring

The Company is committed to recognizing and managing its risks in a proactive, ongoing and positive manner. The Risk Management Policy outlines the strategy for risk management and determines the processes and identifies tools for realizing its objectives. The management reviews all the risk and present a risk report to the Board on a quarterly basis. The management may inform the Board of the key findings at its discretion. Based on the Board reports, representatives of promoter shareholders may consider the risks to their respective operations.

### 4. Risk control

Identified risks are managed by one or more of the following techniques:

- Retention (acceptance)
- Avoidance
- Transfer or
- Reduction (mitigation)

The nature of the controls implemented and the level of control exercised are based upon the :

- Potential severity of the risk
- Frequency of the risk occurring
- Cost of implementing controls relative to the significance of the risk and
- Risk Appetite

### Risk Management

The Risk Management team is responsible for development of overall risk management framework at Fareast Islami Life. The framework encompasses risk management activities integrated with the Business Objectives of Fareast Islami Life and forms the base for compliance, monitoring & reporting of those activities.



জোহা জামান কবির রশীদ এ্যান্ড কোং  
চার্টার্ড একাউন্টেন্টস  
**Zoha Zaman Kabir Rashid & Co.**  
*Chartered Accountants*

**Report to the Shareholders of Fareast Islami Life Insurance Company Limited  
on compliance of Corporate Governance Code**

We have examined the compliance with Corporate Governance of Fareast Islami Life Insurance Company Limited for the year ended 31 December 2019. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities and Commission (BSEC).

Such compliance with Corporate Governance Code is the responsibility of the Company. Our examination is limited to the review of procedures and implementation thereof as adopted by the management of the Company for ensuring the compliance with the conditions of the corporate Governance Code.

This is a security and verification and an independent audit on compliance with the conditions of Corporate Governance Code as well as the provisions of Bangladesh Secretarial Standards as adopted by Institute of Chartered Secretaries of Bangladesh 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 thereof, we report that, in our opinion:

- The Company has complied with the conditions of 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 as adopted by the Institute of Chartered Secretaries of Bangladesh as required by this Code;
- Proper books and records have been kept by the Company as required by the Companies Act 1994, laws and regulations of Bangladesh Securities and Exchange Commission and other relevant authorities; and
- The Governance of the Company is satisfactory.

**For Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

Tarek Rashid  
Partner

Dhaka  
25 November, 2020

Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.

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A member of



## COMPLIANCE REPORT

Annexure-A

### [As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.1	BOARD OF DIRECTORS:			
1(1)	Size of the Board of Directors:	✓		Board comprises of 14 members including 2 independent directors
	The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)			
1(2)	INDEPENDENT DIRECTORS:			
1(2) (a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		Two independent directors appointed as per sec. 76 of Insurance Act 2010
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	who either does not hold share in the company or holds less than one per cent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or share holder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one per cent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1(2)(b)(v)	who is not a member of TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who 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)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for the more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		
1(3)	<b>Qualification of Independent Director:</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;			One of the independent directors do not meet the qualification
1(3)(b)	Independent Director shall have following Qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			D0
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer of Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			D0
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			D0
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			D0
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			D0
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);			D0

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission,			N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Directors (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as chairperson for that particular Board meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry out look and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risk 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);	✓		No such gain/ loss occurred
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
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 that occurs between Quarterly Financial performance and Annual Financial Statements;			No significant variance during the year

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(x)	A statement of remuneration paid to the directors including independent director;	✓		
1(5)(xi)	A statement that the Financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
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 preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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 that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
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 there of shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation of the reasons if the issuer company has not declared dividend (cash or stock) for the years;			N/A
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;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Annexure-I, Page No. 98
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (alongwith name-wise details where stated below) held by :			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		Annexure-II, Page No. 99
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		"

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(c)	Executives; and	✓		Annexure-II, Page No. 99
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		"
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information of the shareholders :			
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; an	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with brief discussion of changes in the financial statements, among others, focusing on :			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	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)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;		✓	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	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 as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY :			
2(a)	Provisions relating to the compositions of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS) :			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (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;	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD or CEO, CS, CFO, HIAC of the company shall attend the meetings of the Board:	✓		
	Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that 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 or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4</b>	<b>BOARD OF DIRECTORS' COMMITTEE :</b>			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee (NRC).	✓		
<b>5</b>	<b>AUDIT COMMITTEE :</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The Company Secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director;	✓		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meeting in a financial year.	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)	<b>Role of Audit Committee</b>			
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, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
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 of adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along 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; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Right Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			N/A
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the board	✓		
5(6)(a)(ii)	<b>The Audit Committee shall immediately report to the Board on the following findings, if any :</b>			
5(6)(a)(ii)(a)	Report on conflicts of interest;			There was no reportable case of conflict of interest in 2019
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			There was no reportable case of conflict of interest in 2019
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			There was no reportable case of conflict of interest in 2019
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			There was no reportable case of conflict of interest in 2019

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(b)	<b>Reporting to the Authorities</b>			There was no such case in the 2019
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5(7)	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>6</b>	<b>NOMINATION AND REMUNERATION COMMITTEE (NRC)</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee 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)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b),	✓		
<b>6(2)</b>	<b>Constitution of the NRC</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 nonvoting 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	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		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	✓		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
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 the 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;	✓		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
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;			No such situation occurred
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.	✓		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
<b>6(5)(b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board</b>			
<b>6(5)(b)(i)</b>	<b>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:</b>			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	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)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executives position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	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.	✓		
<b>7</b>	<b>EXTERNAL OR STATUTORY AUDITORS :</b>			
<b>7(1)</b>	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:</b>			
7(1)(i)	appraisal or valuation services or fairness opinions,	✓		
7(1)(ii)	financial information systems design and implementation	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		
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 that 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.	✓		
<b>8</b>	<b>MAINTAINING A WEBSITE BY THE COMPANY:</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		<a href="https://www.fareastislamilife.com">https://www.fareastislamilife.com</a>
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 exchanges(s).	✓		
<b>9</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		The professional who will provide the certificate for the year 2020 will be placed for appointment in the forthcoming AGM
9(3)	The directors of the company shall state in accordance with the Annexure-C attached in the directors' report whether the company has complied with these conditions or not.	✓		

## Attendance of the Borad Meetings for the year-2019

Sl. #	Name of the Directors	Resignation/ Appointment	Total Meeting	Total Present
01.	Mr. Md. Nazrul Islam, Chairman, Board of Directors		10	10
02.	Prof. Dr. Iffat Jahan, Vice Chairman		10	10
03.	Al-Haj Md. Helal Miah, Chairman, Executive Committee		10	8
04.	Dr. Md. Mokaddes Hossain (Alternate, Mr. Syed Shah Alam Meerza)		10	10
05.	Ms. Ayesha Husne Jahan, Chairperson, Policy & Claims Sub Committee		10	9
06.	Ms. Nazneen Hossain, Chairperson, Purchase Sub Committee		10	10
07.	Dr. Md. Manowar Hossain (Alternate of Ms. Shaher Banu)		10	8
08.	Ms. Muslima Shireen		10	10
09.	Ms. Taslima Islam (Alternate of Ms. Fatema Begum Shuli)		8	6
10.	Fareast Securities Ltd. (Rep. Mr. Md. Ashaduzzaman)		6	6
11.	Ramisha Islam ( Alternate of Mr.Asif Iqbal)		6	4
12.	Mr. Md. Mamun Chowdhury		1	1
13.	South Green Ltd (Rep. Mr. Mohammad Sohel Arif)		10	10
14.	Bangladesh Science House (Rep. Mr. Abdul Awal)		10	5
15.	Ms. Rabeya Begum		8	8
16.	Mr. Md. Kamrul Hasan		8	4
17.	Mr. Rahim Uddaulah Chowdhury		1	1
18.	A. K. M. Monirul Islam		8	8
19.	Mr. Md. Reaj Uddin		8	8
20.	Mr. Kazi Farid Uddin Ahmed FCA		1	--
21.	Ramisha Islam (Alternate, Ms. Rabeya Begum)		2	2
22.	Mr. Md. Jahidul Islam FCA		6	3
23.	Mr. Redwan Farid Sami		8	4
24.	Fareast Securities Ltd. (Rep. Mr. Asif Iqbal)		4	4
25.	Mr. Md. Hemayet Ullah (CEO)		10	10

Sl. #	Name of the CS, CFO & HIAC	Total Meeting	Total Present
01.	Syed Abdul Aziz Company Secretary (CS)	10	10
02.	Mr. Mohammed Alamgir Kabir FCA Chief Financial Officer (CFO)	10	10
03.	Mr. Md. Kamal Hosen Howlader Head of Internal Audit & Compliance (HIAC)	10	10

The pattern of Shareholding as on 31 December 2019.

Annexure - II

- (a) Parent/ Subsidiary/ Associated Companies and other related parties: N/A  
 (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial officer, Head of Internal Control and Compliance and their spouses and minor children:

Name of Directors	Status	Quantity of Shares	Name of Spouse/Children	Quantity of Shares
Mr. Md. Nazrul Islam	Chairman	15,29,376	-	-
Al-Haj Md. Helal Miah	Director	14,94,856	-	-
Ms. Ayesha Husne Jahan	Director	14,94,856	-	-
Ms. Nazneen Hossain	Director	14,99,024	-	-
Ms. Shaher Banu	Director	21,96,751	-	-
Ms. Muslima Shireen	Director	15,11,976	-	-
Ms. Taslima Islam	Director	15,10,244	-	-
Ms. Ramisha Islam	Director	15,05,000	-	-
Fareast Securities Ltd.	Director	15,60,000	-	-
Dr. Md. Mokaddes Hossain	Director	14,99,024	-	-
South Green Ltd.	Director	15,00,000	-	-
Bangladesh Science House	Director	14,98,860	-	-
Mr. ABM Hussain Ahmed FCA	Independent Director	Nil	-	-
Mr. Redwan Farid Sami	Independent Director	Nil	-	-

Chief Executive Officer, Company Secretary, Chief Financial officer, Head of Internal Control and Compliance and their spouses and minor children:

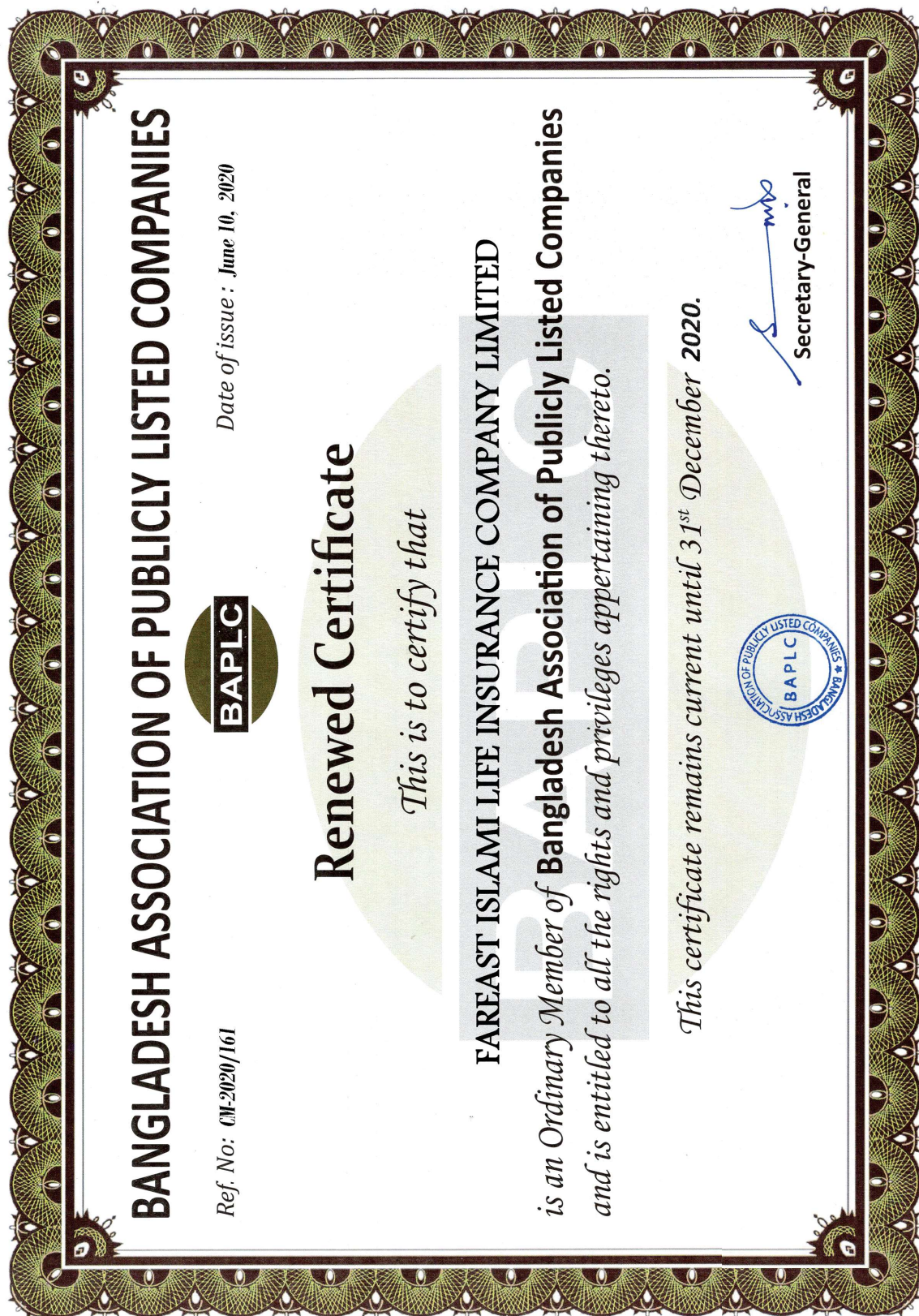
Name	Status	Quantity of Shares	Name of Spouse/Children	Quantity of Shares
Mr. Md. Hemayet Ullah	Chief Executive Officer	Nil	--	Nil
Mr. Mahamadul Hasan FCS	Company Secretary	Nil	--	Nil
Mr. Md. Alamgir Kabir FCA	Chief Financial Officer	Nil	--	Nil
Mr. Md. Kamal Hosen Howlader	Head of ICC Department	Nil	--	Nil

- (c) Executives (Top five salaried employees of the Company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Control and Compliance:

Name	Status	Quantity of Shares	Name of Spouse/Children	Quantity of Shares
Mr. Md. Abdur Rahim Bhuiyan, ABIA	Asst. Managing Director	Nil	--	Nil
Mr. Kamrul Hasan Khan	Asst. Managing Director	Nil	--	Nil
Mr. Md. Majedul Islam	Asst. Managing Director	Nil	--	Nil
Mr. Amir Mohammad Ibrahim	Senior Executive Vice President	Nil	--	Nil
Mr. Sk. Abdur Razzaque	Senior Executive Vice President	Nil	--	Nil

- (d) Shareholders holding ten percent (10%) or more voting interest in the Company : No such shareholders.

## CERTIFICATE OF BAPLC



## REPORT OF BOARD AUDIT COMMITTEE

### Composition of the Committee

In accordance with the currently accepted best practice and Corporate Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of the company appointed Audit Committee comprised of four Directors including one Independent Director. Company Secretary is working as Member Secretary of the Committee.

### Role of the Committee

The main functions of the Committee is to assist the Board of Directors to ensure that the Financial Statements reflect true and fair view of the state of affairs of the Company, to have a good monitoring system of the business operation, to maintain proper and adequate internal control system, to facilitate the smooth functioning of the Company's operations and to provide accurate, appropriate and timely information to the Board of Directors, regulatory authorities, policyholders, shareholders and other related parties. The Committee has also to ensure compliance of the requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Insurance Act & Rules, BSEC and other Regulatory Bodies' regulations.

### Committee Meetings

During the year, the Committee held four meetings in which the Committee reviewed some pertinent issues on the business operation, human resource, finance and accounts etc. The proceedings of the Committee meetings are regularly reported to the Board of Directors.

### Activities of the Committee

- Coordinated with the internal and External Auditors' and discussion on their audit findings.
- Reviewed the Financial Statements, Audit Reports and Actuarial Valuation Reports etc.
- Reviewed the internal Audit Reports of different offices of the Company conducted by the Internal Control and Compliance Department and reports prepared by the Board Audit Team.
- Reviewed the policy and guidelines formulated and recommended by the Policy & Claims Sub-Committee and the Management Committee of the Company.
- Ensured that the Financial Statements of the Company contained full disclosure and these were prepared in accordance with IAS and IFRS as adopted in Bangladesh.
- Reviewed and examined all the regulatory returns like investment Return, Actuarial Abstracts, Claims Return, Income Tax Return, Annual Return etc.
- hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- review along with the management, the annual financial statements before submission to the Board for approval;
- review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- review the adequacy of internal audit function;

- review the Management's Discussion and Analysis before disclosing in the Annual Report;
- review statement of all related party transactions submitted by the management;
- review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- 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; and

#### Committee's Summary Report

The Committee has the following observations regarding corporate and the financial affairs of the Company:

- Laws and regulations relating to insurance business and companies' internal policy and guidelines have been complied with.
- Financial Statements for the year ended 31 December 2019 contained full disclosure and those are prepared in accordance with IAS and IFRS as adopted in Bangladesh.
- Actuarial Valuation Report as on 31 December 2019 has been extracted complying with the provisions of the Insurance Act 1938 as amended in 2010 and the Insurance Rules 1958.
- Appropriate Management Information Systems (MIS) including automation of operations are in place and in effect.

- Existing risk management procedures are effective and ensure transparency of financial transactions of the Company.
- The Committee considered recommendations made by the External Auditors' and Auditors appointed by the Insurance Development and Regulatory Authority (IDRA) and Internal Auditors of the Company in their respective reports.

The findings and recommendations of the Committee were reported to the Board of Directors meeting and the Board of Directors had taken appropriate measures. The minutes of is each the meeting were circulated among the members of the Committee.

#### Good Governance

Highest standards in Corporate Good Governance and strict adherence to the requirements of Fareast Islami Life's Code of Ethics are ensured by close monitoring. Though the Code of Ethics all levels of staff have been educated and encouraged to resort to whistle blowing, when they suspect wrong doings by others.



**ABM Hussain Ahmed FCA**

Chairman  
Board Audit Committee

01 November 2020  
Dhaka

## শরী'আহ কাউন্সিল এর প্রতিবেদন

৩১ ডিসেম্বর ২০১৯ ইস্যায়ী তারিখে সমাপ্ত বছরের জন্য

بسم الله الرحمن الرحيم

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আস-সালামু 'আলাইকুম ওয়া রাহমাতুল্লাহি ওয়া বারাকাতুহু।

সমস্ত প্রশংসা আল্লাহ সুবহানাহ ওয়া তা'য়ালার জন্য যিনি এ মহাবিশ্বের একমাত্র ইলাহ। শান্তি ও করুণা বর্ষিত হোক সর্বশেষ ও ইমামুল আখিয়া মুহাম্মাদ (সা.) ও তাঁর অনুসারীদের উপর।

প্রিয় শেয়ারহোল্ডারবৃন্দ,

৩১ ডিসেম্বর ২০১৯ সমাপ্ত বছরে শরী'আহ কাউন্সিল বীমা সংক্রান্ত বিভিন্ন বিষয়ে পর্যালোচনা করে, যাতে ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেডের পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রেরিত বিষয়াবলী অন্তর্ভুক্ত ছিল। আলোচ্য বছরে বিভিন্ন বিষয়ে শর'ঈ দিকনির্দেশনা প্রদান করতে শরী'আহ কাউন্সিলের ৩ টি সভা অনুষ্ঠিত হয়। উত্থাপিত বিষয়াদি পর্যালোচনান্তে কাউন্সিল নিম্নোক্ত মতামত ও সুপারিশ প্রদান করে-

মতামত:

- ২০১৯ হিসাব বছরে কোম্পানী কর্তৃক সম্পাদিত কার্যাবলী, লেনদেন পর্যালোচনায় প্রতীয়মান হয় যে, আইনগত বাধ্যবাধকতার কারণে কিছু কিছু বিষয় ছাড়া বাকীগুলো যথাসম্ভব ইসলামী শরী'আহ'র নীতিমালা অনুযায়ী করা হয়েছে।
- কোম্পানীর পলিসিহোল্ডারগণকে প্রদত্ত বোনাস ও শেয়ারহোল্ডারগণের মধ্যে বন্টনকৃত ডিভিডেন্ড বিদ্যমান বীমা আইন, একচুয়ারি কর্তৃক নির্ধারিত নীতিমালা মেনে যথাসম্ভব শরী'আহ'র আলোকে করা হয়েছে।
- শরী'আহ'র দৃষ্টিতে সংশয়পূর্ণ আয় ও প্রচলিত ব্যাংকে স্বল্পকালীন সংরক্ষিত হিসাব থেকে প্রাপ্ত আয় কোম্পানীর আলাদা হিসাবে (সাদাকাহ ফান্ডে) কাউন্সিলের নির্দেশনা অনুযায়ী খরচ করার জন্য সংরক্ষণ করা হয়েছে।

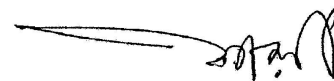
সুপারিশ:

- কর্মকর্তাদের মানোন্নয়ন ও গ্রাহকসেবা বৃদ্ধির লক্ষ্যে ইসলামী বীমা বিষয়ে সচেতনতা বাড়াতে আরও প্রশিক্ষণ, কর্মশালা, সভা, সেমিনার, সিম্পোজিয়াম ও সুধী সমাবেশের আয়োজন করা।
- বিনিয়োগের সময় শরী'আহ'র মূলনীতি অনুযায়ী ক্রয়-বিক্রয় নিশ্চিত করার জন্য শাখা পর্যায়ে কর্মকর্তাদেরকে অধিকতর সচেতন ও বিচক্ষণ হতে হবে, যাতে করে ইসলামী বীমা ব্যবস্থায় শরী'আহ বাস্তবায়নে পূর্ণতা অর্জনের সক্ষমতা লাভ করা যায়।
- মাঠ কর্মীদেরকে শরী'আহ'র নীতি অনুসরণ করে আরও সতর্কতা ও স্বচ্ছতার সাথে বীমা সংগ্রহ করার প্রতি দৃষ্টি দিতে হবে।
- গ্রাহকদের প্রাপ্য যথাসময়ে প্রদানের ব্যাপারে সচেতন থাকা।
- কর্মরত জনশক্তির জন্য শরী'আহ বিষয়ক প্রশিক্ষণের ব্যবস্থা করা।
- সকল ক্ষেত্রে শরী'আহ'র অনুসরণ আরো জোরদার করতে প্রয়োজনীয় ব্যবস্থা গ্রহণ করা।

বীমা ব্যবসায় পরিপূর্ণভাবে শরী'আহ'র মূলনীতি অনুসরণে আল্লাহ তা'য়ালার কাছে সাহায্য ও তাওফীক কামনা করছি। আমীন ॥

তারিখ: ৩১/১০/২০২০

শরী'আহ কাউন্সিল এর পক্ষে-



(অধ্যক্ষ সাইয়েদ কামালুদ্দীন জাফরী)  
চেয়ারম্যান, শরী'আহ কাউন্সিল

## RESPONSIBILITY STATEMENT OF CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

Board of Directors  
Fareast Islami Life Insurance Company Limited  
Fareast Tower (Level-18)  
35, Topkhana Road  
Dhaka-1000.

The following is provided to the Board of Directors of Fareast Islami Life Insurance Company Limited in our capacity as the persons responsible for performing the functions of Chief Executive Officer and Chief Financial Officer of Fareast Islami Life Insurance Company Limited.

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 we declared that for the financial year ended 31 December, 2019.

- i) We have reviewed the financial statements for the year 2019 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) these statements together present a 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 violation of the Insurance code of conduct.



**Md. Hemayet Ullah**  
Chief Executive Officer

01 November 2020  
Dhaka



**Md. Alamgir Kabir**  
Chief Financial Officer

## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and financial statements for the year ended 31 December 2019 in accordance with the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987, Bangladesh Financial Reporting Standards (BFRS), Corporate Governance Guidelines and other applicable laws and regulations, the Board of Directors confirm:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the financial statements together with the notes thereon have been drawn up in conformity with the companies Act. 1994, Insurance Act. 2010, Insurance Rules 1958 and Securities and Exchange Rules 1987. These statements present fairly the Company's statement of affairs, the result of its operation and cash flow ;
- (iii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iv) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (v) the directors have a reasonable expectation, after making enquiries and following a review of the Company's plan that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the Accounts.
- (vi) the Internal Control system is sound in design and effectively implemented and monitored;
- (vii) the key operating and financial data of the last five years is ref. Under the contents "Key Financial Indicators". and
- (viii) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Mahfel Huq & Co. Auditors of the Company, have examined the financial statements made available by the Board of Directors meeting and expressed their opinion.



**Md. Nazrul Islam**  
Chairman

01 November 2020  
Dhaka



## **AUDITORS' REPORT AND FINANCIAL STATEMENTS**

## Independent Auditor's Report

### To the Shareholders of The Fareast Islami Life Insurance Company Limited Report on the Audit of the Consolidated and Financial Statements

#### Qualified Opinion

We have audited the consolidated financial statements of the Fareast Islami Life Insurance Company Limited and its subsidiaries (the "Group") as well as the separate financial statements of the Fareast Islami Life Insurance Company Limited (the "Company"), which comprise the consolidated and separate balance sheets as at 31 December 2019 and the consolidated and separate life revenue accounts (Statement of profit or loss and other comprehensive income), Consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and separate financial statements of the company give a true and fair view of the consolidated and separate financial position of the Group and of the company as at 31 December 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958, Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### Basis for Qualified Opinion

##### • Investment

Included in the Investment in share and bonds under Investment in note no. 14 to the financial statements, we could not obtain sufficient and appropriate audit evidence regarding investment of BDT 4,174.7 million made in previous years.

##### • Advances, Deposits and Prepayments

Included in the Other Advances in note 17 to the financial statements and being carried forward since long an amount of BDT 951.9 million could not be verified by us due to absence of appropriate supporting evidence. Furthermore, included in the advances for Construction, Land and Land Developments in note no. 17 of the financial statements, we could not verify the purpose of advances recorded in 2018 as an adjustment to investment carried forward since long.

##### • Fixed Assets

We could not obtain sufficient and appropriate audit evidence regarding the origin of the advances made in the prior periods due to absence of necessary records to other entities namely Prime Islami Life Insurance Company Cooperative Society (PILICCS) (BDT 711.5 million) and Fareast Islami Life Insurance Company Cooperative Society (FILICCS) (BDT 1,011.4 million) currently included in the fixed assets in the note 22 of the financial statements as settlement of advances made to above entities.

##### • Employee Benefits

The company has not recognized appropriate provisions in accordance with IAS:19: Employee Benefit for the its defined employee benefit plans, as disclosed in note no. 3.11.2 to the financial statements the management has decided to recognize the obligation of benefit plans on cash basis.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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 financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements for the year 2019. 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. In addition to the matters described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter described below our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Key audit matters	How our audit addressed the key audit matters
<b>Premium Income</b>	
Premium income recognized by the company represents receipt from individual and group life policy holders. The company recognize premium as income for first year premium when it actually receives from the policy holder. Renewal outstanding premiums under the policies are recognized as income within financial period of which premiums are subsequently received. Premium income represents net premium which is gross premium less re-insurance premium.	<p>We reviewed the adequacy and operating effectiveness of key controls regarding recording, calculation and collection of premium. Additionally, we performed the following audit procedure:</p> <ul style="list-style-type: none"> <li>• Obtained related records regarding premium like ledgers and registers.</li> <li>• Obtained the premium booklet to check the accuracy of premium charged to new policies.</li> <li>• Checked controls over security stock like PR, OR etc.</li> <li>• Check the premium received with bank statement.</li> <li>• Performed cut-off in deposit premium to ensure proper recording of premium income.</li> <li>• Check details calculation and adjustment of survival benefit.</li> <li>• Check quarterly statement of reinsurance to verify that appropriate amount of premium has been deducted from the premium income.</li> </ul>

See note no. 23 of the financial statements	
Estimated Liabilities in respect of outstanding claims whether due or intimated	
<p>Outstanding claims include outstanding death claim, outstanding maturity claim and outstanding survival benefit, which is due to or intimated during the year.</p> <p>As disclosed in note no. 3.16 claims costs consists of the policy benefit amount and claim settlement cost, where applicable. Death claims are accounted for on receipt of the intimation. Annuity benefits and maturity benefits are accounted for when due. Surrenders are accounted for on receipt of consent from the insured to the quote prescribed in the policy deed provided by the company.</p>	<p>To test the valuation of the insurance contract liabilities, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• We have evaluated and tested controls around the claim intimation, handling and reserving.</li> <li>• To test the reasonableness of the company's estimation process of a sample of claims, we have compared actual claim payments in the year to the prior year claims estimate provisions.</li> <li>• Verified the validity of claims outstanding by testing on a sample basis of claims with the available supporting documents.</li> </ul>
See note no. 9 of the financial statements	

### Emphasis of Matters

We draw attention to the note no. 22.B of the financial statements which describes the recognition of fixed assets on fair value. The company has not recognized any depreciation on the revalued amount of fixed assets. Furthermore, we draw attention to note no. 14.01 of the financial statements, which describes the recoverability of interest income and principal outstanding on bonds. The company has decided not to impair the investment in bonds of Banglalion Communications and PFI Securities in accordance in light of the legal opinion. Furthermore, we draw attention to note no.3.13 to the financial statements, which describes the various investments made to related parties. The company has obtained approval of such investment in the board meeting of the company. Our opinion is not modified in these regards.

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The annual report is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the financial statements, our responsibility is to read the other information identifies 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of FILIC's investment in Shares and Bonds as at December 31, 2019 and FILIC's other advances, fixed assets and non- recognition of defined benefit plans. Accordingly, we are unable to conclude whether or not the other information is materially misstated with

respect to this matter.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these consolidated and separation 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 Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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's 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 1938 (as amended in 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, except as noted above, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, except as noted above, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- As per section 62(2) of the Insurance Act 1938 (amended in 2010), in our opinion to the best of our knowledge and belief an according to the information and explanation given to us all expenses of management wherever incurred and whether incurred directly or indirectly, except as noted above, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts of the Company;
- The information and explanations required by us, except as noted above, have been received and found satisfactory;
- As per regulation 11 of part 1 of the third schedule of the Insurance Act 1938 (amended in 2010), in our opinion and to the best of our information and as shown by its books, the company during the year under report, except as noted, has not paid any persons any commission in any form outside Bangladesh in respect of any its business re-insured abroad;
- The Consolidated and Separate Balance Sheet (Statement of Financial Position), and the Consolidated and Separate Life Revenue Accounts (Statement of Profit or Loss and Other Comprehensive Income Account), Consolidated and Separate Statement of Changes in Equity, and Consolidated and Separate Statement of Cash Flows of the Company dealt with by the report, except as noted above, are in agreement with the books of account and returns;
- The expenditure, except as noted above, was incurred for the purpose of the Company's business; and
- The company, except as noted above, has complied with relevant laws and regulations pertaining to reserves.

01 November 2020  
Dhaka

  
Md. Abu Kaiser, FCA  
For and on behalf of Mahfel Huq & Co.  
Chartered Accountants



## **CONSOLIDATED FINANCIAL STATEMENTS**

## Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

### Consolidated Balance Sheet

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>CAPITAL AND LIABILITIES</b>			
<b>SHAREHOLDERS' CAPITAL</b>	4		
<b>Authorised</b>			
10,00,00,000 Ordinary Shares of Tk.10 each		1,000,000,000	1,000,000,000
<b>Issued, Subscribed and Paid-Up Capital</b>			
74,742,751 Ordinary Shares of Tk.10 each		747,427,510	747,427,510
<b>BALANCE OF FUND &amp; ACCOUNTS</b>			
Revaluation Reserve	5	3,330,392,262	3,330,392,262
Life Insurance Fund	6.A	33,690,359,320	33,329,264,616
Welfare Fund	7	13,567,568	8,495,139
		<b>37,034,319,150</b>	<b>36,668,152,017</b>
Non-Controlling Interest	6.B	41,364,544	37,014,173
<b>LIABILITIES &amp; PROVISIONS</b>			
Amount due to other persons or bodies carrying on Insurance business	8	27,909,946	43,361,679
Estimated liabilities in respect of outstanding claims whether due or intimated	9	444,849,826	214,151,704
Loans & Advances	10	1,717,946,114	1,727,950,000
Sundry Creditors	11.A	3,281,989,285	2,942,860,271
Provision for Share Value Fluctuation Account		136,565,484	25,585,148
Premium Deposits	12	47,047,359	172,846,144
		<b>5,656,308,014</b>	<b>5,126,754,946</b>
		<b>43,479,419,218</b>	<b>42,579,348,646</b>

The annexed notes form an integral part of these financial statements

## Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

### Consolidated Balance Sheet

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>PROPERTY AND ASSETS</b>			
<b>LOANS</b>			
On Insurer's Policies within their surrender value	13	675,910,532	669,212,401
<b>INVESTMENTS</b>	14.A		
Shares & Bonds		7,543,505,975	6,865,253,779
Equity Shares in CDBL		5,711,810	5,711,810
Treasury Bond with Bangladesh Bank		4,019,244,216	3,130,086,502
Investment in DSE Membership		349,724,994	349,724,994
Investment in Marketable Securities		160,015,752	148,118,597
Employee House Building Loan Scheme		5,999,511	6,260,188
		<b>12,084,202,258</b>	<b>10,505,155,870</b>
Outstanding Premium	15	1,543,732,970	1,066,113,754
Profit, Dividend & Rent Accrued but not Due	16	639,059,394	553,882,778
Advances, Deposits and Prepayments	17.A	7,073,076,672	7,760,685,509
Sundry Debtors	18.A	146,972,141	170,430,186
<b>CASH AND BANK BALANCES</b>			
Fixed Deposit with Banks	19.A	3,421,323,054	4,135,932,474
SND & CD Account with Banks	20.A	3,675,376,539	3,642,972,030
Cash in Hand		116,803	141,105
		<b>7,096,816,396</b>	<b>7,779,045,609</b>
<b>OTHER ACCOUNTS</b>			
Stamps in Hand		3,999,937	6,503,232
Printing & Stationery in Hand		6,624,651	8,856,321
Capital Work in Progress	21	535,876,088	387,248,076
Fixed Assets (At Cost Less Depreciation)	22.A	13,673,148,180	13,672,214,910
		<b>43,479,419,218</b>	<b>42,579,348,646</b>


The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

Signed as per annexed report on even date

01 November 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

## Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

### Consolidated Life Revenue Account

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>BALANCE OF FUND AT THE BEGINNING OF THE YEAR</b>		33,329,264,616	33,462,500,966
Prior adjustment made during the year		24,078,434	-
<b>PREMIUM LESS RE-INSURANCE</b>	23		
First year premium (Individual Life)		2,193,295,576	2,239,985,986
First year premium (Sharbojonin Bima)		958,641,538	828,655,112
		<b>3,151,937,114</b>	<b>3,068,641,098</b>
Renewal premium (Individual Life)		5,738,926,410	5,854,873,446
Renewal premium (Sharbojonin Bima)		1,651,795,787	1,636,904,543
		<b>7,390,722,197</b>	<b>7,491,777,989</b>
Group Insurance premium		17,751,848	27,371,451
<b>Gross premium</b>		<b>10,560,411,159</b>	<b>10,587,790,538</b>
Less: Re-Insurance premium		20,774,601	27,497,406
<b>Net premium</b>		<b>10,539,636,558</b>	<b>10,560,293,132</b>
<b>Profit, Dividend and Rent</b>	24.A	797,789,295	983,903,732
<b>Other Income</b>	25	4,853,389	33,187,426
		<b>44,695,622,292</b>	<b>45,039,885,256</b>

First year premiums, where, the maximum premiums paying period is		
Single	739,728,639	165,084,746
Two years	-	-
Three years	-	-
Four years	-	-
Five years	13,001,371	19,260,182
Six years	6,469,298	6,612,735
Seven years	521,270	696,220
Eight years	1,551,092	1,218,634
Nine years	98,589	100,848
Ten years	688,139,071	1,165,736,863
Eleven years	1,725,799	1,310,082
Twelve years or over	1,700,701,985	1,708,620,788
(Including throughout life)	<b>3,151,937,114</b>	<b>3,068,641,098</b>

## Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

### Consolidated Life Revenue Account

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>CLAIMS UNDER POLICIES (INCLUDING PROVISION FOR CLAIMS DUE OR INTIMATED) LESS RE-INSURANCE</b>			
By Death		110,276,335	114,899,643
By Maturity		5,940,371,498	6,469,807,456
By Survival		1,009,789,037	840,834,119
By Surrender		106,995,525	128,084,303
		<b>7,167,432,395</b>	<b>7,553,625,521</b>
<b>EXPENSES OF MANAGEMENT</b>			
<b>Commission</b>			
(a) Commission to Insurance Agents (less that on Re-Insurance)		1,320,688,461	1,421,182,596
(b) Allowances and Commission		617,602,258	713,711,213
(other than commission including in Sub-Item (a) above)		<b>1,938,290,719</b>	<b>2,134,893,809</b>
Salaries etc. (other than to agents and those contained in the allowances and commission)	26	871,007,852	914,097,002
Travelling & Conveyance	27	19,697,649	24,419,519
Shariah Meeting Fees		483,000	176,000
Meeting Fees		4,599,722	4,613,332
Auditor's Fees		384,656	287,500
Actuarial Fees		1,510,000	1,711,765
Medical Expenses		933,269	1,096,901
Legal & Professional Fees	28	5,697,023	6,286,867
Registration & Renewal Fees		9,840,206	-
Advertisement & Publicity		18,066,981	18,611,351
Printing & Stationery	29.A	14,775,250	16,875,291
Policy Stamp		31,131,075	29,103,765
Revenue Stamp		3,556,442	4,988,425
Postage & Courier Bills		3,881,778	4,134,701
Telephone, Internet & Fax Bills	30	6,272,243	9,028,349
Training & Recruitment Expenses		3,677,153	1,583,449
Meeting Expenses		495,548	352,498
Development Expenses		84,953,007	114,155,185
Office Rent	31	102,663,391	111,521,065
Office Expenses	32	25,982,090	12,962,996
Repairs & Maintenance		23,476,423	32,091,405
Gas, Water & Electricity Charges	33	27,161,073	29,100,636
Car Fuel	34	37,842,233	43,317,158
Car Registration & Renewal Fees		1,051,540	2,558,408

## Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

### Consolidated Life Revenue Account


As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
Bank Charges		12,650,920	10,729,444
Car Repairs & Maintenance	35	4,026,432	17,504,640
Car Insurance Expenses		15,242	5,836,058
Newspaper & Periodicals	36	81,601	885,961
Entertainment	37	4,350,615	4,673,401
AGM Expenses		751,115	428,170
Mobile Telephone Bills		5,886,271	7,998,775
Fees, Subscription and Donation	38	23,628,260	6,126,918
Duty & Taxes		3,519,854	8,161,856
Trade Licence		278,452	329,538
Cleaning & Washing		7,204,469	6,623,817
Insurance Premium		8,159,805	10,471,364
Software Expenses		114,500	190,000
Depreciation on Fixed Assets		171,747,320	189,407,862
Other Management Expenses	39	14,223,581	9,784,965
		<b>1,555,778,041</b>	<b>1,662,226,337</b>
<b>OTHER EXPENSES</b>			
Income Tax	40	188,972,266	171,402,770
Finance Charges for Leased Liability as per IFRS 16		953,678	-
		<b>189,925,944</b>	<b>171,402,770</b>
		<b>3,683,994,705</b>	<b>3,968,522,916</b>
<b>DIVIDEND</b>			
Cash Dividend		149,485,502	186,856,878
		<b>149,485,502</b>	<b>186,856,878</b>
		<b>3,883,480,207</b>	<b>4,155,379,794</b>
<b>BALANCE OF FUND AT THE END OF THE YEAR</b>		<b>33,694,709,691</b>	<b>33,330,879,941</b>
<b>Attributable to:</b>		<b>44,695,622,292</b>	<b>45,039,885,256</b>
Balance of Fund at the end of the year as shown in the Balance sheet		33,690,359,320	33,329,264,616
Non-controlling interest		4,350,371	1,615,325
		<b>33,694,709,691</b>	<b>33,330,879,941</b>

The annexed notes form an integral part of these financial statements

  
**Md. Hemayet Ullah**  
 Chief Executive Officer

  
**Ms. Nazneen Hossain**  
 Director

  
**Al-Haj Md. Helal Miah**  
 Director

  
**Md. Nazrul Islam**  
 Chairman

Signed as per annexed report on even date

01 November 2020  
 Dhaka

  
**Mahfel Huq & Co.**  
 Chartered Accountants

# Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

## Consolidated Statement of Life Insurance Fund

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>A. ASSETS</b>			
Loans on Insurer's policies within their surrender value	13	675,910,532	669,212,401
Investment	14.A	12,084,202,258	10,505,155,870
Outstanding premium	15	1,543,732,970	1,066,113,754
Profit, Dividend & Rent accrued but not due	16	639,059,394	553,882,778
Advances, Deposits & Prepayments	17.A	7,073,076,672	7,760,685,509
Sundry Debtors	18.A	146,972,141	170,430,186
Cash & Bank Balances		7,096,816,396	7,779,045,609
Stamp in Hand		3,999,937	6,503,232
Printing & Stationery in Hand		6,624,651	8,856,321
Capital Work in Progress	21	535,876,088	387,248,076
Fixed Assets (at cost less depreciation)	22.A	13,673,148,180	13,672,214,910
		<b>43,479,419,218</b>	<b>42,579,348,646</b>
<b>B. LIABILITIES</b>			
Revaluation Reserve	5	3,330,392,262	3,330,392,262
Welfare Fund	7	13,567,568	8,495,139
Amount due to other persons or bodies carrying on insurance business	8	27,909,946	43,361,679
Estimated Liabilities in respect of outstanding claims whether due or intimated	9	444,849,826	214,151,704
Loans & Advances	10	1,717,946,114	1,727,950,000
Sundry Creditors	11.A	3,281,989,285	2,942,860,271
Provision for Share Value Fluctuation Account		136,565,484	25,585,148
Premium Deposits	12	47,047,359	172,846,144
		<b>9,000,267,844</b>	<b>8,465,642,347</b>
<b>C. Gross Fund (A - B)</b>		<b>34,479,151,374</b>	<b>34,113,706,299</b>
<b>D. Shareholders' Capital (Paid-up Capital)</b>		<b>747,427,510</b>	<b>747,427,510</b>
Non-controlling Interest	6.B	41,364,544	37,014,173
<b>E. Life Insurance Fund as at 31 December (C - D)</b>		<b>33,690,359,320</b>	<b>33,329,264,616</b>

The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

Signed as per annexed report on even date

01 November 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

# Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

## Consolidated FORM- A A

### Classified Summary of the Assets in Bangladesh

As at 31 December 2019

Sl. No.	Class of Assets	Book Value	Market Value	Remarks
		Taka	Taka	
1	Bangladesh Government Securities (Pratirakkha Sanchaya Patra-PSP)	-	-	
2	National Investment Bond (NIB)	-	-	
3	Treasury Bond with Bangladesh Bank	4,019,244,216	4,019,244,216	At Cost
4	Other Ordinary Shares of Concerns in Bangladesh	5,711,810	5,711,810	At Cost
5	Loans on the Company's Policies effected in Bangladesh within their surrender value	675,910,532	675,910,532	Realisable Value
6	Shares and Bonds Listed on Stock Exchanges	7,703,521,727	7,566,956,243	Fair value
7	Investment In DSE Membership	349,724,994	349,724,994	At Cost
8	Loans on Personal Security (domiciled & resident in Bangladesh)			
9	Other Loans granted in Bangladesh (Land & House Property in Bangladesh)	5,999,511	5,999,511	At Cost
10	Cash on Fixed Deposit in Bank	3,421,323,054	3,421,323,054	Realisable Value
11	Cash in Hand and on Current & STD. A/C. in Banks	3,675,493,342	3,675,493,342	Realisable Value
12	<b>Other Assets</b>			
	a. Agents Balances			
	b. Outstanding Premium	1,543,732,970	1,543,732,970	Realisable Value
	c. Profit, dividend and rent either outstanding or accrued but not due	639,059,394	639,059,394	Realisable Value
	d. Advances, Deposits & Prepayments	7,073,076,672	7,073,076,672	Realisable Value
	e. Stamps, Forms and Stationery in hand	10,624,588	10,624,588	At Cost
	f. Sundry Debtors	146,972,141	146,972,141	Realisable Value
	g. Capital Work in Progress	535,876,088	535,876,088	At Cost
	h. Fixed Assets ( At cost less depreciation )	13,673,148,180	13,673,148,180	Written Down Value
		<b>43,479,419,218</b>	<b>43,342,853,735</b>	

The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

Signed as per annexed report on even date

01 November 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

## Fareast Islami Life Insurance Co. Ltd. and its subsidiaries

### Consolidated Cash Flow Statement


For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>A. Cash Flows from operating Activities</b>			
Collection from premium		9,936,218,557	10,470,985,746
Payment for Claims		(6,936,734,273)	(7,812,194,116)
Payment for Management Expenses and Others		(2,194,080,382)	(2,810,452,423)
Income Tax Paid		(67,606,508)	(240,074,767)
<b>Net Cash flows from/ used in Operating Activities</b>		<b>737,797,394</b>	<b>(391,735,560)</b>
<b>B. Cash Flows from Investing Activities</b>			
Purchase of Fixed Assets		(173,333,492)	(5,800,491,465)
Capital Work in Progress		(148,628,012)	(133,207,734)
Disposal of Fixed Assets		652,901	48,314,486
Investment and Other income received		685,731,655	1,160,324,904
Investment made during the year		(1,634,964,157)	(2,956,947,927)
<b>Net Cash used for Investing Activities</b>		<b>(1,270,541,105)</b>	<b>(7,682,007,736)</b>
<b>C. Cash Flows from Financing Activities</b>			
Share Capital		-	-
Dividend Paid		(149,485,502)	(194,856,878)
<b>Net Cash used in Financing Activities</b>		<b>(149,485,502)</b>	<b>(194,856,878)</b>
<b>D. Net Increase/Decrease in cash and cash equivalents (A+B+C)</b>		<b>(682,229,213)</b>	<b>(8,268,600,174)</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>		<b>7,779,045,609</b>	<b>16,047,645,783</b>
<b>F. Cash and Cash Equivalents at the end of the year</b>		<b>7,096,816,396</b>	<b>7,779,045,609</b>

The annexed notes form an integral part of these financial statements

  
**Md. Hemayet Ullah**  
 Chief Executive Officer

  
**Ms. Nazneen Hossain**  
 Director

  
**Al-Haj Md. Helal Miah**  
 Director

  
**Md. Nazrul Islam**  
 Chairman

01 November 2020  
 Dhaka

**Fareast Islami Life Insurance Co. Ltd. and its subsidiaries**  
**Consolidated Statement of Changes in Shareholders' Equity**

For the year ended 31 December 2019


Particular	Share Capital	Share Premium	General Reserve	Reserve For Exceptional Losses	Retained Earnings	Non Controlling Interest	Total
Equity as on 01 January 2019	747,427,510	-	-	-	-	37,014,173	784,441,683
Addition during the year	-	-	-	-	-	4,350,371	4,350,371
<b>Equity as on 31 December 2019</b>	<b>747,427,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,364,544</b>	<b>788,792,054</b>

Equity as on 01 January 2018	747,427,510	-	-	-	-	50,398,848	797,826,358
Addition during the year	-	-	-	-	-	1,615,325	1,615,325
Shares transferred during the year	-	-	-	-	-	(15,000,000)	(15,000,000)
<b>Equity as on 31 December 2018</b>	<b>747,427,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,014,173</b>	<b>784,441,683</b>

The annexed notes form an integral part of these financial statements

  
**Md. Hemayet Ullah**  
 Chief Executive Officer

  
**Ms. Nazneen Hossain**  
 Director

  
**Al-Haj Md. Helal Miah**  
 Director

  
**Md. Nazrul Islam**  
 Chairman

01 November 2020  
 Dhaka



**FINANCIAL STATEMENTS OF  
FAREAST ISLAMI LIFE INSURANCE CO. LTD**

**Fareast Islami Life Insurance Co. Ltd.****Balance Sheet**

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>CAPITAL AND LIABILITIES</b>			
<b>SHAREHOLDERS' CAPITAL</b>	4		
<b>Authorised Capital</b>			
10,00,00,000 Ordinary Shares of Tk.10 each		1,000,000,000	1,000,000,000
<b>Issued, Subscribed and Paid-up Capital</b>			
74,742,751 Ordinary Shares of Tk.10 each		747,427,510	747,427,510
<b>BALANCE OF FUND &amp; ACCOUNTS</b>			
Revaluation Reserve	5	3,330,392,262	3,330,392,262
Life Insurance Fund	6	33,726,043,777	33,388,110,960
Welfare Fund	7	13,567,568	8,495,139
		<b>37,070,003,607</b>	<b>36,726,998,361</b>
<b>LIABILITIES &amp; PROVISIONS</b>			
Amount due to other persons or bodies carrying on Insurance business	8	27,909,946	43,361,679
Estimated liabilities in respect of outstanding claims whether due or intimated	9	444,849,826	214,151,704
Loans & Advances	10	1,717,946,114	1,727,950,000
Sundry Creditors	11	3,090,269,509	2,748,039,268
Provision for Share Value Fluctuation Account		136,565,484	25,585,148
Premium Deposits	12	47,047,359	172,846,144
		<b>5,464,588,238</b>	<b>4,931,933,943</b>
		<b>43,282,019,355</b>	<b>42,406,359,814</b>

The annexed notes form an integral part of these financial statements

## Fareast Islami Life Insurance Co. Ltd.

### Balance Sheet

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>PROPERTY AND ASSETS</b>			
<b>LOANS</b>			
On Insurer's Policies within their surrender value	13	675,910,532	669,212,401
<b>INVESTMENTS</b>	14		
Shares & Bonds		7,543,505,975	6,865,253,779
Equity Shares in CDBL		5,711,810	5,711,810
Treasury Bond with Bangladesh Bank		4,019,244,216	3,130,086,502
Fareast Islami Securities Ltd (Subsidiary)		497,500,000	497,500,000
Fareast Islami Properties Ltd (Subsidiary)		72,000,000	72,000,000
Employee House Building Loan Scheme		5,999,511	6,260,188
		<b>12,143,961,512</b>	<b>10,576,812,279</b>
Outstanding Premium	15	1,543,732,970	1,066,113,754
Profit, Dividend and Rent Accrued but not Due	16	639,059,394	553,882,778
Advances, Deposits and Prepayments	17	7,074,130,087	7,764,255,086
Sundry Debtors	18	86,795,261	105,373,879
<b>CASH AND BANK BALANCES</b>			
Fixed Deposit with Banks	19	3,312,147,907	4,043,910,566
SND & CD Account with Banks	20	3,592,102,629	3,558,212,871
Cash in Hand		107,904	112,508
		<b>6,904,358,440</b>	<b>7,602,235,945</b>
<b>OTHER ACCOUNTS</b>			
Stamps in Hand		3,999,937	6,503,232
Printing & Stationery in Hand		6,624,651	8,856,321
Capital Work in Progress	21	535,876,088	387,248,076
Fixed Assets (At cost less depreciation)	22	13,667,570,483	13,665,866,063
		<b>43,282,019,355</b>	<b>42,406,359,814</b>

The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

Signed as per annexed report on even date

01 November 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Life Insurance Co. Ltd.****Life Revenue Account**

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>BALANCE OF FUND AT THE BEGINNING OF THE YEAR</b>		<b>33,388,110,960</b>	<b>33,447,462,417</b>
Prior adjustment made during the year		24,078,434	-
<b>PREMIUM LESS RE-INSURANCE</b>	23		
First year premium (Individual Life)		2,193,295,576	2,239,985,986
First year premium (Sharbojonin Bima)		958,641,538	828,655,112
		<b>3,151,937,114</b>	<b>3,068,641,098</b>
Renewal premium (Individual Life)		5,738,926,410	5,854,873,446
Renewal premium (Sharbojonin Bima)		1,651,795,787	1,636,904,543
		<b>7,390,722,197</b>	<b>7,491,777,989</b>
Group Insurance premium		17,751,848	27,371,451
<b>Gross premium</b>		<b>10,560,411,159</b>	<b>10,587,790,538</b>
Less: Re-Insurance premium		20,774,601	27,497,406
<b>Net premium</b>		<b>10,539,636,558</b>	<b>10,560,293,132</b>
<b>Profit, Dividend and Rent</b>	24	720,312,844	1,022,643,949
<b>Other Income</b>	25	4,853,389	33,187,426
		<b>44,676,992,185</b>	<b>45,063,586,924</b>

First year premiums, where, the maximum premiums paying period is		
Single	739,728,639	165,084,746
Two years	-	-
Three years	-	-
Four years	-	-
Five years	13,001,371	19,260,182
Six years	6,469,298	6,612,735
Seven years	521,270	696,220
Eight years	1,551,092	1,218,634
Nine years	98,589	100,848
Ten years	688,139,071	1,165,736,863
Eleven years	1,725,799	1,310,082
Twelve years or over	1,700,701,985	1,708,620,788
(Including throughout life)	<b>3,151,937,114</b>	<b>3,068,641,098</b>

## Fareast Islami Life Insurance Co. Ltd.

### Life Revenue Account

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>CLAIMS UNDER POLICIES (INCLUDING PROVISION FOR CLAIMS DUE OR INTIMATED) LESS RE-INSURANCE</b>			
By Death		110,276,335	114,899,643
By Maturity		5,940,371,498	6,469,807,456
By Survival		1,009,789,037	840,834,119
By Surrender		106,995,525	128,084,303
		<b>7,167,432,395</b>	<b>7,553,625,521</b>
<b>EXPENSES OF MANAGEMENT</b>			
<b>Commission</b>			
(a) Commission to Insurance Agents (less that on Re-Insurance)		1,320,688,461	1,421,182,596
(b) Allowances and Commission		617,602,258	713,711,213
(other than commission including in Sub-Item (a) above)		<b>1,938,290,719</b>	<b>2,134,893,809</b>
Salaries etc. (other than to agents and those contained in the allowances and commission)		858,536,202	903,638,650
Travelling & Conveyance		19,627,244	24,354,807
Shariah Meeting Fees		483,000	176,000
Meeting Fees		4,599,722	4,613,332
Auditor's Fees		384,656	287,500
Actuarial Fees		1,510,000	1,711,765
Medical Expenses		933,269	1,096,901
Legal & Professional Fees		3,784,737	4,462,544
Registration & Renewal Fees		9,840,206	-
Advertisement & Publicity		18,066,981	18,611,351
Printing & Stationery	29	14,451,228	16,363,225
Policy Stamp		31,131,075	29,103,765
Revenue Stamp		3,556,442	4,988,425
Postage & Courier Bills		3,881,778	4,134,701
Telephone, Internet & Fax Bills		5,897,182	8,634,498
Training & Recruitment Expenses		3,665,953	1,571,749
Meeting Expenses		495,548	352,498
Development Expenses		84,783,007	114,112,637
Office Rent		102,218,319	109,628,957
Office Expenses		25,743,300	12,728,451
Repairs & Maintenance		23,290,423	31,905,405
Gas, Water & Electricity Charges		26,832,384	28,773,461
Car Fuel		37,726,523	43,195,626
Car Registration & Renewal Fees		1,051,540	2,558,408

**Fareast Islami Life Insurance Co. Ltd.****Life Revenue Account**

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
Bank Charges		12,650,920	10,729,444
Car Repairs & Maintenance		3,963,022	17,392,176
Car Insurance Expenses		529	5,784,084
Newspaper & Periodicals		50,771	855,596
Entertainment		4,221,544	4,273,556
AGM Expenses		731,115	408,170
Mobile Telephone Bills		5,886,271	7,998,775
Fees, Subscription and Donation	38	23,628,260	6,126,918
Duty & Taxes		3,519,854	8,161,856
Trade Licence		247,222	264,288
Cleaning & Washing		7,144,469	6,563,817
Insurance Premium		8,159,805	10,471,364
Software Expenses		20,000	-
Depreciation on Fixed Assets		170,913,220	188,454,367
		<b>1,523,627,721</b>	<b>1,634,489,067</b>
<b>OTHER EXPENSES</b>			
Income Tax		171,158,393	165,610,689
Finance Charge for Lease Liability as per IFRS 16		953,678	-
		<b>172,112,071</b>	<b>165,610,689</b>
		<b>3,634,030,511</b>	<b>3,934,993,565</b>
<b>DIVIDEND</b>			
Cash Dividend		149,485,502	186,856,878
		<b>149,485,502</b>	<b>186,856,878</b>
		<b>3,783,516,013</b>	<b>4,121,850,443</b>
<b>BALANCE OF FUND AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET</b>		<b>33,726,043,777</b>	<b>33,388,110,960</b>
		<b>44,676,992,185</b>	<b>45,063,586,924</b>

The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

Signed as per annexed report on even date

01 November 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Life Insurance Co. Ltd.**  
**Statement of Life Insurance Fund**

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>A. ASSETS</b>			
Loans on Insurer's policies within their surrender value	13	675,910,532	669,212,401
Investment	14	12,143,961,512	10,576,812,279
Outstanding premium	15	1,543,732,970	1,066,113,754
Profit, Dividend & Rent accrued but not due	16	639,059,394	553,882,778
Advances, Deposits & Prepayments	17	7,074,130,087	7,764,255,086
Sundry Debtors	18	86,795,261	105,373,879
Cash & Bank Balances		6,904,358,440	7,602,235,945
Stamp in Hand		3,999,937	6,503,232
Printing & Stationery in Hand		6,624,651	8,856,321
Capital Work in Progress	21	535,876,088	387,248,076
Fixed Assets (at cost less depreciation)	22	13,667,570,483	13,665,866,063
		<b>43,282,019,355</b>	<b>42,406,359,814</b>
<b>B. LIABILITIES</b>			
Revaluation Reserve	5	3,330,392,262	3,330,392,262
Welfare Fund	7	13,567,568	8,495,139
Amount due to other persons or bodies carrying on insurance business	8	27,909,946	43,361,679
Estimated Liabilities in respect of outstanding claims whether due or intimated	9	444,849,826	214,151,704
Loans & Advances	10	1,717,946,114	1,727,950,000
Sundry Creditors	11	3,090,269,509	2,748,039,268
Provision for Share Value Fluctuation Account		136,565,484	25,585,148
Premium Deposits	12	47,047,359	172,846,144
		<b>8,808,548,068</b>	<b>8,270,821,344</b>
<b>C. Gross Fund (A - B)</b>		<b>34,473,471,287</b>	<b>34,135,538,470</b>
<b>D. Shareholders' Capital (Paid-up Capital)</b>		<b>747,427,510</b>	<b>747,427,510</b>
<b>E. Life Insurance Fund as at 31 December (C - D)</b>		<b>33,726,043,777</b>	<b>33,388,110,960</b>

The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

Signed as per annexed report on even date

01 November 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Life Insurance Co. Ltd.****FORM- A A****Classified Summary of the Assets in Bangladesh**

As at 31 December 2019

Sl. No.	Class of Assets	Book Value	Market Value	Remarks
		Taka	Taka	
1	Bangladesh Government Securities (Pratirakkha Sanchaya Patra-PSP)	-	-	
2	National Investment Bond (NIB)	-	-	
3	Treasury Bond with Bangladesh Bank	4,019,244,216	4,019,244,216	At Cost
4	Other Ordinary Shares of Concerns in Bangladesh	5,711,810	5,711,810	At Cost
5	Loans on the Company's Policies effected in Bangladesh within their surrender value	675,910,532	675,910,532	Realisable Value
6	Shares & Bonds Listed on Stock Exchanges	7,543,505,975	7,406,940,491	Fair value
7	Fareast Islami Securities Ltd.(Subsidiary)	497,500,000	497,500,000	At Cost
8	Fareast Islami Properties Ltd.	72,000,000	72,000,000	At Cost
9	Loans on Personal Security (domiciled & resident in Bangladesh)	-	-	
10	Other Loans granted in Bangladesh (Land & House Property in Bangladesh)	5,999,511	5,999,511	At Cost
11	Cash on Fixed Deposit in Bank	3,312,147,907	3,312,147,907	Realisable Value
12	Cash in Hand and on Current & STD. A/C. in Banks	3,592,210,533	3,592,210,533	Realisable Value
	<b>Other Assets</b>			
	a. Agents Balances			
	b. Outstanding Premium	1,543,732,970	1,543,732,970	Realisable Value
	c. Profit, dividend and rent either outstanding or accrued but not due	639,059,394	639,059,394	Realisable Value
	d. Advances, Deposits & Prepayments	7,074,130,087	7,074,130,087	Realisable Value
	e. Stamps, Forms and Stationery in hand	10,624,588	10,624,588	At Cost
	f. Sundry Debtors	86,795,261	86,795,261	Realisable Value
	g. Capital Work in Progress	535,876,088	535,876,088	At Cost
	h. Fixed Assets ( At cost less depreciation )	13,667,570,483	13,667,570,483	Written Down Value
		<b>43,282,019,355</b>	<b>43,145,453,871</b>	

The annexed notes form an integral part of these financial statements

  
**Md. Hemayet Ullah**  
 Chief Executive Officer

  
**Ms. Nazneen Hossain**  
 Director

  
**Al-Haj Md. Helal Miah**  
 Director

  
**Md. Nazrul Islam**  
 Chairman

Signed as per annexed report on even date

01 November 2020  
 Dhaka

  
**Mahfel Huq & Co.**  
 Chartered Accountants

**Fareast Islami Life Insurance Co. Ltd.**  
**Cash Flow Statement**


For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>A. Cash Flows from operating Activities</b>			
Collection from premium		9,936,218,557	10,470,985,746
Payment for Claims		(6,936,734,273)	(7,812,194,116)
Payment for Management Expenses and Others		(2,223,771,812)	(2,884,816,015)
Income Tax Paid		(58,997,189)	(234,565,279)
<b>Net Cash flows from/ used in Operating Activities</b>	<b>41</b>	<b>716,715,283</b>	<b>(460,589,664)</b>
<b>B. Cash Flows from Investing Activities</b>			
Purchase of Fixed Assets		(173,270,542)	(5,800,428,713)
Capital Work in Progress		(148,628,012)	(133,207,734)
Disposal of Fixed Assets		652,901	48,314,486
Investment and Other income received		639,989,617	1,140,436,962
Investment made during the year		(1,583,851,250)	(2,894,989,730)
<b>Net Cash used for Investing Activities</b>		<b>(1,265,107,286)</b>	<b>(7,639,874,729)</b>
<b>C. Cash Flows from Financing Activities</b>			
Share Capital		-	-
Dividend Paid		(149,485,502)	(186,856,878)
<b>Net Cash from/used in Financing Activities</b>		<b>(149,485,502)</b>	<b>(186,856,878)</b>
<b>D. Net Increase/Decrease in cash and cash equivalents (A+B+C)</b>		<b>(697,877,505)</b>	<b>(8,287,321,271)</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>		<b>7,602,235,945</b>	<b>15,889,557,216</b>
<b>F. Cash and Cash Equivalents at the end of the year</b>		<b>6,904,358,440</b>	<b>7,602,235,945</b>

The annexed notes form an integral part of these financial statements

  
**Md. Hemayet Ullah**  
 Chief Executive Officer

  
**Ms. Nazneen Hossain**  
 Director

  
**Al-Haj Md. Helal Miah**  
 Director

  
**Md. Nazrul Islam**  
 Chairman

01 November 2020  
 Dhaka

## Fareast Islami Life Insurance Co. Ltd.

### Statement of Changes in Shareholders' Equity

For the year ended 31 December 2019

Particulars	Share Capital	Share Premium	General Reserve	Reserve For Exceptional Losses	Retained Earnings	Total
Equity as on 01 January 2019	747,427,510	-	-	-	-	747,427,510
Addition during the year (Bonus share)	-	-	-	-	-	-
<b>Equity as on 31 December 2019</b>	<b>747,427,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,427,510</b>

Equity as on 01 January 2018	747,427,510		-	-	-	747,427,510
Addition during the year (Bonus share)	-	-	-	-	-	-
<b>Equity as on 31 December 2018</b>	<b>747,427,510</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>747,427,510</b>

The annexed notes form an integral part of these financial statements



**Md. Hemayet Ullah**  
Chief Executive Officer



**Ms. Nazneen Hossain**  
Director



**Al-Haj Md. Helal Miah**  
Director



**Md. Nazrul Islam**  
Chairman

01 November 2020  
Dhaka



## **NOTES TO THE FINANCIAL STATEMENTS**

## **Fareast Islami Life Insurance Co. Ltd.**

### **Notes to the Financial Statements**

For the year ended 31 December 2019

#### **1.00 LEGAL FORM AND STATUS OF THE COMPANY**

Fareast Islami Life Insurance Company Limited established on 29 May 2000 and registered with the Registrar of Joint Stock Companies and Firms with the issuance of a incorporation Certificate no. C-40381(2349)/2000 dated 29 May 2000 as a Public Limited Company under the Companies Act 1994 and registered with the Department of Insurance on 30 May 2000 under Insurance Act 1938 as amended 2010. The company started issuance of shares to the public in 2005 and got listed in both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchanges Ltd.

#### **2.00 NATURE OF BUSINESS**

Fareast Islami Life Insurance Company Limited is engaged in Ekok Bima, Group Insurance (GI) and non-traditional Micro Insurance business under the name of Sharbojonin Bima. The Company is a Publicly Traded Company and its shares are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

##### **Address of registered office and place of business of the company**

The registered office of the Company is situated at Fareast Tower, 35 Topkhana Road, Dhaka - 1000.

##### **Subsidiary Companies**

Fareast Islami life Insurance Company Limited is a parent company of two subsidiary companies namely Fareast Islami Securities Limited and Fareast Islami Properties Limited details of which are given below:

##### **Fareast Islami Securities Ltd.**

In pursuant to the permission from IDRA, the company (Parent) formed a wholly owned (99.50%) public limited company. The main objective of the company is to act as a member of Stock Exchanges, and to carry on business of brokers, stocks, shares, securities and provide margin loan to the investors under the present rules and regulations.

##### **Fareast Islami Properties Ltd.**

In pursuant to the permission from IDRA, the company (Parent) formed a wholly owned (72.00%) public limited company. The main objective of the company is to acquire by purchase, lease, and settlement or otherwise any land from any person and to develop the same for the residential, industrial, commercial and housing person.

#### **3.00 SIGNIFICANT ACCOUNTING POLICIES**

##### **3.01 Basis of Consolidation**

The financial statements of the company and its subsidiary have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10: 'Consolidated Financial Statements'. The consolidation of the financial statements has been prepared by using uniform accounting policies and after eliminating all material intra group balances, income and expenses arising from intra-group transactions. The total revenue of the company and its subsidiaries are shown in the consolidated Life Revenue Account with the proportion of Fund after taxation pertaining to minority shareholders being deducted as 'Non-controlling Interest'. All assets and liabilities of the company and of its subsidiaries are shown in the consolidated balance sheet. The interest of minority shareholders of the subsidiaries are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

##### **3.02 Components of the Financial Statements**

The Financial Statements include the following components:

- i) Balance Sheet

- ii) Life Revenue Account
- iii) Statement of Cash Flows,
- iv) Statement of Changes in Shareholders' Equity
- v) Statement of Life Insurance Fund
- vi) Classification of the Assets (Form AA); and
- vii) Accounting Policies and Explanatory Notes

### 3.03 Basis of Presentation and Statement of Compliance

The financial statements have been prepared on accrual basis of accounting, under Historical Cost Convention as a Going Concern (IAS-1) since there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future. The management do not see any issue with respect to going concern due to recent Pandemic COVID-19.

The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the Financial Statements:

- a. Accrual unless stated otherwise
- b. Historical cost convention
- c. The Insurance Act 2010
- d. The Insurance Act 1938
- e. The Insurance Rule 1958
- f. The Companies Act 1994
- g. The Bangladesh Securities and Exchange Rules 1987
- h. The Income Tax Ordinance 1984
- i. The Listing Regulations of Dhaka and Chittagong Stock Exchanges
- j. The International Accounting Standards (IAS)
- k. Any other applicable legislation

Where the requirements of the Companies Act 1994, the Insurance Act 1938 & 2010 and the Bangladesh Securities and Exchange Rules 1987 differ with the requirements of these standards, the requirements of the Companies Act 1994, the Insurance Act 1938 & 2010 and the Bangladesh Securities and Exchange rules 1987 take precedence.

### 3.04 Revenue recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided IFRS 15: "Revenue" in compliance with IFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is as given under:

#### a) Premium Income

The income from premium is comprised of the total amount of premium earned on various classes of life insurance business during the year, the gross amount of premium earned against various policies, the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company. While preparing the final statement of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims have been given effect to the accounts at the end of the year.

Commission received on reinsurance ceded is recognized as income, and net off against commission paid, in the period in which reinsurance premium is ceded. Profit commission on reinsurance ceded is recognized as income, and net off against reinsurance premium, in the period in which reinsurance premium is ceded.

**b) Investment Income**

Profit on different investments is recognized on accrual basis as per IFRS-15 "Revenue". Portfolio gain on investments in shares is recognized as income and credited to investment income in the life revenue account as per IFRS- 9 "**Financial Instrument: Recognition**". Capital gain is recognized when it is realized and recognized as income and credited to investment income in the life revenue account as per IFRS-9 "**Financial Instrument: Recognition**".

**c) Interest, Dividends and Rent income**

Interest income is recognized on accrual basis (except project loan) unless otherwise stated. Interest income on bank deposits (FDRs) is recognized on accrual basis (time proportion basis). Income on Government securities is recognized on Coupon Rate basis for the number of days these are held.

Dividend income has been accounted for only when the right to receive the dividend is established.

Rental income is recognized on accrual basis, except for the cases that are under litigation.

**3.05 Investment**

Investments are made and accounted in accordance with the provisions of the Insurance Act/ Rules and the circulars/notifications issued by the IDRA from time to time.

**Held to Maturity**

Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'.

i) Bangladesh Govt. Treasury Bond (BGTB), Statutory Deposit with Bangladesh Bank (BGTB) have been valued at cost.

The company has appealed to the Government authorities through Bangladesh Insurance Association and Insurance Development & Regulatory Authority to lower the prescribed investment amount in treasury bond due to varying earning rate of interest from Govt. treasury bond and for profit on Islami bond and the matter is under consideration by the government to raise the profit rate for Islami bond to pave the way for all Islami life Insurance Companies operating in the business market in the interest to the policy holders of the insurance.

Investment in stocks, shares and other securities are recognized in the financial statements at cost considering long term investment and these are revalued at regular interval. Increases or decreases in the value of investment are recognized in the financial statement as per IFRS-9 "Financial instruments". Increases or decreases in the value of investment in listed shares are recognized in the financial statement considering the average movement of market price as the capital market of Bangladesh. Decreases in the market value on stocks and shares are recognized in the Life Revenue Account as per IFRS-9 "Financial Instruments".

**3.06 Fixed Assets****a) Valuation of Fixed Assets**

All fixed assets are stated at cost less accumulated depreciation as per IAS 16: "Property, Plant and Equipment" valued under cost model. The cost of acquisition of an asset comprise of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

**b) Recognition of Fixed Assets**

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the items can be measured

reliably. Normal expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

During the period the company acquired fixed assets with an aggregate cost of Tk 173,270,542 of which Tk 32,011,634 was acquired by finance lease. Payments of Tk 141,258,908 was made to purchase furniture and equipment.

### c) Depreciation on Fixed Assets

Depreciation is charged on Fixed assets has been calculated on all assets using diminishing balance method in accordance with IAS-16 "Property, Plant and Equipment " at varying rates depending on the class of assets. Depreciation is charged in additions of fixed assets when it is available for use. Methods and Rates of depreciation are consistently applied in relation to previous year and depreciation rates are as follows:

Category of Assets	Rate of Depreciation
Furniture & Fixtures	10%
Office Decoration	10%
Office Equipment	15%
Vehicles	20%
Electric Installation	15%
Telephone Installation	15%
Software & Software Development	25%
Electric Sub-Station	15%
Generator	20%
Building	5%
Air Conditioner	15%
Lift	15%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognized in the Life Revenue Account.

### d) Impairment of Assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with IAS 36: "Impairment of Assets" considering the current economic situations. Management concludes that there is no such indication in existence.

## 3.07 Taxation

IAS 12: "Income Taxes" and Income Tax ordinance 1984 have been used for the calculation of deferred tax and current tax expense respectively.

### Current tax expense

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus as reported in the life revenue account because it excludes items of income or expenses that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax has been calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Refund has been created/assessed in the following Income Years

Income Year	Refund Assessed
2002	3,02,149
2004	34,39,263
2005	61,19,358

Assessment of Income Tax for the Income Years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 has not yet been finalized. Above refund amount are subject to adjustment with the finally assessed tax amount, if any, for the Income Year 2019 and coming years.

### Deferred tax

Income Tax assessment of the company is made as per 4th schedule of Income Tax ordinance 1984. As per 4th schedule of the Income Tax Ordinance Deputy Commissioner of Taxes considered Actuarial Valuation Report for making assessment. In the past records of assessment order Tax Authority has not allowed depreciation as per 3rd schedule of the Income Tax Ordinance 1984. As such there arises no temporary difference of taxable fixed assets. In the absence of temporary difference no financial effect has been given in the Financial Statements for the year 2019 for deferred tax provision.

## 3.08 Financial Instruments

### Derivative:

According to IFRS 7: "**Financial Instruments: Disclosures**", the company was not a party to any derivative contract (financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

### Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IFRS 9 "**Financial Instruments: Recognition and Measurement**".

## 3.09 Commission

Commission to Insurance Agents (Less that received on Re-insurance) represents First Year Commission, Renewal Commission and Group Commission. Allowance and Commission (Other than Commission to Insurance Agents less that on Re-insurance) represent Field Officers Salary and Allowances including Incentive Bonus.

## 3.10 Statement of Cash Flows

Cash Flow Statement is prepared in accordance with IAS-7 and Cash Flow from operating activities has been presented under direct method as outlined in the Bangladesh Securities and Exchange Rules 1987.

Cash in hand and Cash at bank have been considered as the Cash and Cash equivalents for the preparation of the Statement, which were held and available for use by the Company without any restriction.

## 3.11 Employees' Benefit

Fareast Islami Life Insurance Co. Ltd offers a number of benefit plans, which includes Contributory Provident Fund, Gratuity and also Festival Bonus, which have been accounted for in accordance with the applicable provision of IAS-19, "**Employee Benefit**". Bases of enumerating the above benefits schemes operated by the company are outlined below:

### 3.11.1 Contributory Provident Fund

The Company operates a contributory provident fund for its permanent employees. The fund is administered separately by a Board of Trustees and is funded by equal contribution from the Company and the Employees. This fund is invested separately.

### 3.11.2 Gratuity

Employees of the company, who served the company for three years or above is entitled to get gratuity benefit at rates determined by the service rules of the fund. Presently the Gratuity is being paid at the time of the final settlement of the respective employees.

In respect of Defined Benefit Plans FILIC (Fareast Islami Life Insurance Co. Ltd.) pay its employee Gratuity as post-employment benefits as per service rule. The plan is unfunded though no provision recognises as allowable expenditure by the NBR. The entity only booked the amount that directly paid to the employee as a post-employment benefit. The amount also considers as allowable expenditure by the NBR.

### 3.12 Provision for liabilities

According to IAS-37: **"Provision, Contingent Liabilities and Contingent Assets"** the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

### 3.13 Related party transactions

The related party is the party who has the significant power in the management process and cast significant power in the company's affairs and the management duly identified the party is related to the company and discloses the transactions of the related party as per IAS 24: "Related party Disclosures".

There were few transactions made in the previous years referred to as related parties transactions under IAS 24 as adopted by ICAB. These transactions has been approved by the Board of Directors. Subsequently, those persons do not qualify as related parties. Besides, those business transactions were still lying with the entity. The related party transaction has been disclosed in annexure-C.

### 3.14 Risk Minimisation Strategies

#### **Risk and uncertainties for use of estimates in preparation of Financial Statements**

Preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expense during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as long-term contracts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

#### **Insurance Risk**

Insurance underwriting risk is the risk that the Company will suffer losses due to economic situation or the rate of occurrence of an incident contrary to the forecast made at the time of setting up of the premium rate. The risk underwritten, i.e., the risk of death and critical illness may vary from division to division. The underwriting risk arises from death and sometimes due to permanent disability and critical illness. The Company may get exposed to poor risk due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims or poor persistency. The Company faces the risk of under pricing particularly due to nature of long-term contract. In addition to this, due to poor persistency, the Company would be unable to recover expenses of policy acquisition. The Company manages these risks through its underwriting, re-insurance, claims handling policy and

other related control mechanisms. The company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. The company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. Underwriting procedures have been enhanced and rules have been structured to enable the Company to strike a balance between mitigating risk, ensuring control and providing better service. This puts a check on anti-selection. The Company seeks to reduce its risk exposure by reinsuring certain levels of risk with renowned re-insurance Trust-Re.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining healthy balance of cash and cash equivalent and readily market securities.

### **Interest rate risk**

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company limits interest risk by monitoring changes in interest rates in the money market and by diversifying into various institutions (issuers' of securities).

### **Market risk (investment pattern)**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investment.

The Company continues to adopt a prudent policy in respect of investments. The fund of the Company has been invested as per provision of the Insurance Act. The investments are mainly in Govt. securities, Fixed Deposits Receipts (FDR's) with various commercial banks and financial institutions having acceptable performance parameters and ratings and equity shares in listed companies having good and positive fundamental and technical attributes.

The Company also limits market risk maintaining a diversified profile and by continuous monitoring of developments in Govt. securities (treasury bills) equity and term finance certificates markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

### **Credit risk**

Credit Risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Major credit risk is in reinsurance receivables, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure/ CAMELS rating and assessing credit worthiness of counter parties.

## **3.15 Responsibility for preparation and presentation of financial statements**

The Board of Directors and Management is responsible for the preparation and presentation of Financial Statement under section 183 of the Companies Act, 1994, BSEC guideline and as per the provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standards Committee (IASC) as adopted by the Institute of the Chartered Accountants of Bangladesh (ICAB).

### 3.16 Claims

Survival Benefit claims and Annuities are accounted for when due for payment. Death claims and all other claims are accounted for when intimated. Provision for outstanding death claims has been made based on the intimation of the death claims received up to 31 December 2019.

### 3.17 Implementation relevant assumptions and disclosures of IFRS 16

IFRS 16: "Leases" has come into force on 01 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The FILICL applied IFRS 16 using the modified retrospective approach where the Company measured the lease liability at the present value of the remaining lease payments, discounted it using the Company's incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease by lease basis.

#### Right-of-use assets

The Company recognize right of use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight line basis over the lease term. The Right-of-use assets are presented under property, plant and equipment.

#### Lease Liabilities

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term using the incremental borrowing rate at the date of initial application. Lease liabilities is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments. Advances paid in connection with the lease agreement is considered as on the installment of lease payments. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic amount of interest over the lease period.

### 3.18 Reporting period

Financial Statements of the Company cover one financial year from 01 January 2019 to 31 December 2019.

### 3.19 Reporting currency

The figures in the Financial Statement represent Bangladesh Currency (Taka). Figures have been rounded off to the nearest Taka.

### 3.20 Comparative Figures

Comparative information has been disclosed in respect of the year 2019 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

The entity changes the presentation or classification of items in its financial statements according to necessity; it shall reclassify the comparative amounts also. During the year the reclassification considers in the line items of revenue account under expenses of management. The reclassification took place to get a clear idea to compare the specific line items of the revenue account.

**4.00 SHAREHOLDERS' CAPITAL****Authorised Capital**

100,000,000 Ordinary Shares of Tk. 10 each

**Issued, Subscribed and Paid-up Capital**

74,742,751 ordinary share of Tk. 10 each fully paid up.

**Category of Shareholders** **Share holding(%)**

Sponsor	32.69
General Public	67.31

Amount in Taka	
2019	2018
1,000,000,000	1,000,000,000
747,427,510	747,427,510
244,348,260	271,524,090
503,079,250	475,903,420
747,427,510	747,427,510

**4.01 Distribution Schedule of Paid-up Capital**

As per listing rules of the Stock Exchange, a distribution schedule of each class of equity shares and the number of shareholders and percentage as on 31 December 2019 is given below

A	Category of Share Holders	No. of Share Holders	Quantity of Shares	Share Holding %
	Sponsors & Shareholders	22	24,434,826	32.69
	Foreigners	4	2,681,423	3.59
	General Public	7,071	16,561,178	22.16
	Institutions	165	31,065,324	41.56
	<b>Total</b>	<b>7,262</b>	<b>74,742,751</b>	<b>100.00</b>
B	Share Holding Range	No. of Share Holders	Quantity of Shares	Share Holding %
	001 - 500	4,337	651,531	0.87
	501 - 5000	2,344	3,827,574	5.12
	5001 - 10000	241	1,675,133	2.24
	10001 - 20000	125	1,735,515	2.32
	20001 - 30000	40	1,002,808	1.34
	30001 - 40000	30	1,070,481	1.43
	40001 - 50000	14	626,624	0.84
	50001 - 100000	43	3,067,596	4.11
	100001 - 1000000	66	21,279,461	28.47
	1000001 and above	22	39,806,028	53.26
	<b>Total</b>	<b>7,262</b>	<b>74,742,751</b>	<b>100.00</b>

**5.00 REVALUATION RESERVE**

3,330,392,262	3,330,392,262
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The above amount represents the balance of Revaluation Reserve which has been created with the increased amount of revaluation of Asset.

**6.00 LIFE INSURANCE FUND**

33,726,043,777	33,388,110,960
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This consists of the accumulated balance of revenue surplus upto 31 December 2019.

Balance as on January 01, 2019

Add: Increase/ (Decrease) in Life Revenue Account during the year

33,388,110,960	33,447,462,417
337,932,817	(59,351,457)
33,726,043,777	33,388,110,960

		Amount in Taka	
		2019	2018
<b>6.A LIFE INSURANCE FUND</b>		<b>33,690,359,320</b>	<b>33,329,264,616</b>
Fareast Islami Life Insurance Co. Ltd		33,726,043,777	33,388,110,960
Fareast Islami Securities Ltd		(58,573,389)	(70,705,376)
Fareast Islami Properties Ltd		22,888,932	11,859,032
		<b>33,690,359,320</b>	<b>33,329,264,616</b>
<b>6.B NON CONTROLLING INTEREST</b>		<b>41,364,544</b>	<b>37,014,173</b>
Fareast Islami Securities Ltd		2,222,574	2,161,609
Fareast Islami Properties Ltd		39,141,970	34,852,564
		<b>41,364,544</b>	<b>37,014,173</b>
		<b>13,567,568</b>	<b>8,495,139</b>
<b>7.00 WELFARE FUND</b>			
As an Islami Shariah based Company the Bank Interest has not been included with the Revenue Income. Thus the Interest is recognized in a separate account as Welfare Fund excepting statutory deposit on investment with Bangladesh Bank.			
<b>8.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS</b>		<b>27,909,946</b>	<b>43,361,679</b>
The amount represents the balance due to Trust Re, Manama, Bahrain on account of share of re-insurance commission and share of claim after adjustment of re-insurance premium due to them. The balance of Trust Re has been accounted for the year ended 31 December 2019.			
Balance break-up is as under			
Opening Balance as on January 01, 2019		43,361,679	23,390,572
Add: Provision for premium on Re-insurance ceded		20,774,601	27,497,406
		<b>64,136,280</b>	<b>50,887,978</b>
Less: Received/ Adjust against Re-Insurance Commission		4,653,220	5,026,299
		<b>59,483,060</b>	<b>45,861,679</b>
Less: Re-Insurance Premium Paid		-	-
		<b>59,483,060</b>	<b>45,861,679</b>
Less: Adjustment against Re-Insurance Claim		7,494,680	2,500,000
		<b>51,988,380</b>	<b>43,361,679</b>
Less: Prior adjustment made during the year		24,078,434	-
		<b>27,909,946</b>	<b>43,361,679</b>
<b>9.00 ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED</b>		<b>444,849,826</b>	<b>214,151,704</b>
<b>a) Death Claim</b>		<b>14,060,578</b>	<b>20,042,420</b>
Opening Balance as on January 01, 2019		20,042,420	31,303,743
Add: Claim intimated during the year		155,629,809	103,264,752
		<b>175,672,229</b>	<b>134,568,495</b>
Less: Paid/Adjust during the year		154,116,971	112,026,075
		<b>21,555,258</b>	<b>22,542,420</b>
Less: Re-insurance claim received		7,494,680	2,500,000
		<b>14,060,578</b>	<b>20,042,420</b>
<b>b) Surrender Claim</b>		<b>13,925,695</b>	<b>2,073,737</b>
Opening Balance as on January 01, 2019		2,073,737	218,359
Add: Intimated during the year		26,426,539	13,873,912
		<b>28,500,276</b>	<b>14,092,271</b>
Less: Paid/Adjust during the year		14,574,581	12,018,534
		<b>13,925,695</b>	<b>2,073,737</b>

		Amount in Taka	
		2019	2018
<b>c) Maturity Claim</b>		<b>387,013,000</b>	<b>180,365,576</b>
	Opening Balance as on January 01, 2019	180,365,576	411,830,598
	Add: Intimated during the year	8,845,865,792	6,149,810,860
		<b>9,026,231,368</b>	<b>6,561,641,458</b>
	Less: Paid/Adjust during the year	8,639,218,368	6,381,275,882
		<b>387,013,000</b>	<b>180,365,576</b>
<b>d) Survival Benefit</b>		<b>29,850,553</b>	<b>11,669,971</b>
<b>Total (a+b+c+d)</b>		<b>444,849,826</b>	<b>214,151,704</b>
<b>10.00 LOANS &amp; ADVANCES</b>		<b>1,717,946,114</b>	<b>1,727,950,000</b>
	The make up of the above amount is given here under		
<b>10.01 Banks (Quard)</b>			
	Islami Bank Bangladesh Ltd	1,623,664,691	1,623,100,000
		<b>1,623,664,691</b>	<b>1,623,100,000</b>
<b>10.02 Others</b>			
	FILIC Employee's Providend Fund Trustee Board	94,281,423	104,850,000
		<b>94,281,423</b>	<b>104,850,000</b>
<b>11.00 SUNDRY CREDITORS</b>		<b>3,090,269,509</b>	<b>2,748,039,268</b>
	Printing Bills	522,022	1,840,418
	Office Rent	6,140,389	4,292,028
	Telephone Bills	359,919	492,170
	Commission (Sub Note-11.01)	337,686,805	302,785,902
	Electric Bills	3,038,552	2,877,097
	Audit Fees	391,250	391,250
	Salary (Desk)	30,091,021	37,847,437
	Car Fuel	4,972,300	180,586
	Advertisement & Publicity	491,947	443,100
	Tax at Source	227,130,312	202,621,960
	VAT at Source	16,781,574	21,021,792
	Car Repairs & Maintenance	289,540	257,384
	Company's Registration & Renewal Fees	12,144,473	14,480,227
	Entertainment	214,723	236,483
	Certificate & Licence Fees	194,435,250	179,648,124
	Mobile Telephone Bills	540,890	203,512
	Repairs & Maintenance	6,993,046	3,779,240
	Actuarial Fees	1,380,000	1,250,000
	Security Deposit (Sub Note-11.02)	386,150,126	284,459,079
	Wasa Bills	177,891	9,320
	Gas Bills	34,287	2,700
	Postage & Courier Bills	1,078,482	967,508
	Travelling & Conveyance	3,200,851	2,901,375
	Unclaimed Dividend (Sub note 11.03)	483,011	483,011

	Amount in Taka	
	2019	2018
Development Expenditure	5,868,611	78,566,201
Medical Expenses	302,117	165,874
Meeting Fees	-	535,554
Fareast Welfare Foundation (Sub Note-11.04)	496,288	496,288
Newspaper & Periodicals	4,700	4,660
Provision for Income Tax	1,759,353,376	1,588,194,983
Cleaning & Washing	563,080	-
Training & Recruitment Expenses	358,720	258,450
Legal & Professional Fees	8,600	-
Unidentified Deposit	37,493,591	2,836,127
Unrealised Profit	13,279,541	13,279,541
Advance Rental Income Received	13,878,000	-
Others	588,794	229,887
Leased Liability as per IFRS 16	23,345,430	-
	<b>3,090,269,509</b>	<b>2,748,039,268</b>

**11.01 Commission Payable**

	<b>337,686,805</b>	<b>302,785,902</b>
Agent Commission	158,856,855	179,886,182
OR Commission	15,095,669	21,461,195
SOR Commission	163,734,281	101,438,525
	<b>337,686,805</b>	<b>302,785,902</b>

The Commission expenses of the closing month i.e. December 2019 had been paid in the following months i.e. January 2020 and onward. Commission is directly related with the business and it is common phenomena that December closing has had a happy business procurement to achieve some prizes in the contest and to qualify for some fringe benefits allowable as per Insurance Act, 2010. Because of this business earning along with commission in the month of December is increasing year to year. That is why provision in the head of commission has increased.

**OR Commission and SOR Commission** - OR Commission and SOR Commission represent Over-riding Commission and Senior-employee's Over-riding Commission. OR Commissions are usually paid among the employer of agents (FA) such as Unit Manager (UM) and Branch Manager (BM). SOR Commissions are usually paid among the Branch Co-ordinator (BC) and above ranked employer of agents (FA). These are being done in line with the provision of the Insurance Act, 2010.

**11.02 Security Deposit**

<b>386,150,126</b>	<b>284,459,079</b>
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Security Deposit has been increased due to amount deducted from the construction bills, amount received from the suppliers and amount received from the newly recruited employees.

**11.03 Unclaimed Dividend**

<b>483,011</b>	<b>483,011</b>
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This represents dividend warrant issued against dividend for the year 2005-2008 which were not encashed within 31 December 2019.

The break-up of the amount is as follows

Amount in Taka		
	2019	2018
Year	2019	2018
2005	49,953	49,953
2006	363,154	363,154
2008	69,904	69,904
<b>Total</b>	<b>483,011</b>	<b>483,011</b>

**11.04 Fareast Welfare Foundation****496,288****496,288**

Fareast Welfare Foundation has been established in the year 2007 with some benevolent mission and vision to extend help to poor, victimized, affected and have-nots class of people of the society which is a compliance of Corporate Social Responsibility (CSR) of the Company.

**11.A SUNDRY CREDITORS**

Fareast Islami Life Insurance Co. Ltd  
 Fareast Islami Securities Ltd  
 Fareast Islami Properties Ltd

Less: Inter company transaction

<b>3,281,989,285</b>	<b>2,942,860,271</b>
3,090,269,509	2,748,039,268
188,204,623	138,992,299
24,540,285	64,384,038
<b>3,303,014,417</b>	<b>2,951,415,605</b>
21,025,132	8,555,334
<b>3,281,989,285</b>	<b>2,942,860,271</b>

**12.00 PREMIUM DEPOSITS**

First Year Premium  
 Renewal Premium

<b>47,047,359</b>	<b>172,846,144</b>
32,426,959	158,078,245
14,620,400	14,767,899
<b>47,047,359</b>	<b>172,846,144</b>

This has been projected on the basis of premium collection less amount recognized as premium (Revenue) income in 2019.

**13.00 LOAN ON POLICY****675,910,532****669,212,401**

This balance represents the amount sanctioned to policy holders against policies within their surrender value as per provision of the Insurance Act, 2010.

**14.00 INVESTMENTS****12,143,961,512****10,576,812,279****14.01 Shares & Bonds**

Shares and Bonds of various Companies.

Investment in shares has been recognised at cost in compliance with the requirements of Insurance Act 1938. In compliance with IDRA circular no. 04/2012 Dated 11 June 2012. Provision for Share Value Fluctuation Account has been maintained for the decrease in market value of the shares and also the relevant impairment has been charged in the life revenue accounts. Fair value shall be achieved upon deduction of the provision for Share Value Fluctuation Account from the list of Investment.

**7,543,505,975****6,865,253,779**

		Amount in Taka	
		2019	2018
<p>The related investment balance of musharakah and bond other than the securities duly realise through the concerned department from the investee in respect of principal and profit. During the process, if any ambiguity arises to recover the respective amount related action be taken with the concern of the Board of Directors. Subsequently, in some cases, legal action is taken to accelerate the recovery process of the related investment considering the following manners:</p> <p>i) seek a legal opinion from the Company's panel lawyer ;</p> <p>ii) served the legal notice to the concerned institution/persons ;</p> <p>iii) legal suit against the defaulted institution/persons;</p>			
<b>14.02 Equity Shares in CDBL</b>		<b>5,711,810</b>	<b>5,711,810</b>
The amount is invested in Central Depository of Bangladesh Ltd. as Equity Shares.			
<b>14.03 Treasury Bond with Bangladesh Bank</b>		<b>4,019,244,216</b>	<b>3,130,086,502</b>
The Company has invested the amount in accordance with section 41 of Insurance Act 2010 with Bangladesh Bank.			
<b>14.04 Fareast Islami Securities Ltd</b>		<b>497,500,000</b>	<b>497,500,000</b>
Fareast Islami Life Insurance Co. Ltd. Holds 49,750,000 shares (99.50% out of 50,000,000 shares) @ Tk. 10 each against the paid-up capital of the subsidiary company.			
<b>14.05 Fareast Islami Properties Ltd</b>		<b>72,000,000</b>	<b>72,000,000</b>
Fareast Islami Life Insurance Co. Ltd. Holds 7,200,000 shares (72% out of 10,000,000 shares) @ Tk. 10 each against the paid-up capital of the subsidiary company.			
<b>14.06 Employee House Building Loan Scheme</b>		<b>5,999,511</b>	<b>6,260,188</b>
<b>14.A INVESTMENTS</b>		<b>12,084,202,258</b>	<b>10,505,155,870</b>
Fareast Islami Life Insurance Co. Ltd		12,143,961,512	10,576,812,279
Fareast Islami Securities Ltd		465,680,238	438,623,606
Fareast Islami Properties Ltd.		44,060,508	59,219,985
		<b>12,653,702,258</b>	<b>11,074,655,870</b>
Less: Inter company transaction		569,500,000	569,500,000
		<b>12,084,202,258</b>	<b>10,505,155,870</b>
<b>15.00 OUTSTANDING PREMIUM</b>		<b>1,543,732,970</b>	<b>1,066,113,754</b>
Balance as on January 01, 2019		1,066,113,754	913,255,250
Less : Realised & adjusted during the year		1,066,113,754	913,255,250
		-	-
Add : Outstanding premium for the year 2019		1,543,732,970	1,066,113,754
<b>Balance as on Decemebr 31, 2019</b>		<b>1,543,732,970</b>	<b>1,066,113,754</b>
Break down of the above is as under			
First year		-	-
Renewal		1,543,732,970	1,066,113,754
		<b>1,543,732,970</b>	<b>1,066,113,754</b>

**16.00 ACCRUED PROFIT**

Islami Bank Bangladesh Ltd
Shahjalal Islami Bank Ltd
Exim Bank of Bangladesh Ltd
Social Islami Bank Ltd
First Security Islami Bank Ltd
Union Bank Ltd
Al-Arafa Islami Bank Ltd.
Tresury Bond with Bangladesh Bank
Leasing & Finance Companies
Policy Investment

Amount in Taka	
2019	2018
<b>639,059,394</b>	<b>553,882,778</b>
2,546,183	4,206,597
1,300,047	2,693,041
434,589	949,557
670,514	991,417
2,551,689	3,155,335
19,003,496	33,310,292
387,464	312,116
85,586,200	71,145,914
102,687,926	94,943,487
423,891,286	342,175,022
<b>639,059,394</b>	<b>553,882,778</b>

**17.00 ADVANCES, DEPOSITS AND PREPAYMENTS**

Advance for Office Rent
Advance for TA/DA
Advance to Employees
Branch Revolving Fund (Sub Note 17.01)
Other Advances (Sub Note 17.02)
Advance Income Tax (Sub Note 17.03)
Advance against Furniture
Security Deposit
Mobilization advance for Building project
Advance for Constuction, Land & Land Development (Sub Note 17.04)
Fareast Islami Securities Ltd.
Fareast Islami Properties Ltd.
Car Hire Purchase Scheme (Sub Note 17.05)

<b>7,074,130,087</b>	<b>7,764,255,086</b>
11,935,071	16,993,838
694,417	694,417
3,195,078	5,927,780
124,686,002	87,321,307
1,280,666,352	1,278,846,842
1,628,929,732	1,569,932,543
306,456	306,456
57,380	57,380
23,593,446	23,593,446
3,889,320,267	4,618,644,628
8,555,334	8,555,334
-	30,230
102,190,552	153,350,885
<b>7,074,130,087</b>	<b>7,764,255,086</b>

**17.01 Branch Revolving Fund**

Opening Balance as on 01.01.2019
Add: Addition during the year
Less: Adjustment during the year
Closing Balance as on 31.12.2019

87,321,307	48,679,380
40,109,738	38,760,000
<b>127,431,045</b>	<b>87,439,380</b>
2,745,043	118,073
<b>124,686,002</b>	<b>87,321,307</b>

**17.02 Other Advances**

Opening Balance as on 01.01.2019
Add: Addition during the year
Less: Adjustment during the year
Closing Balance as on 31.12.2019

1,278,846,842	333,528,325
68,346,651	984,898,539
<b>1,347,193,493</b>	<b>1,318,426,864</b>
66,527,141	39,580,022
<b>1,280,666,352</b>	<b>1,278,846,842</b>

	Amount in Taka	
	2019	2018
<b>17.03 Advance Income Tax</b>		
Opening Balance as on 01.01.2019	1,569,932,543	1,335,367,264
Add: Addition during the year	58,997,189	234,565,279
	<b>1,628,929,732</b>	<b>1,569,932,543</b>
Less: Adjustment during the year	-	-
Closing Balance as on 31.12.2019	<b>1,628,929,732</b>	<b>1,569,932,543</b>
<b>17.04 Advance for Constuction, Land &amp; Land Development</b>		
Opening Balance as on 01.01.2019	4,618,644,628	718,887,918
Add: Addition during the year	-	4,572,979,000
	<b>4,618,644,628</b>	<b>5,291,866,918</b>
Less: Adjustment during the year	729,324,361	673,222,290
Closing Balance as on 31.12.2019	<b>3,889,320,267</b>	<b>4,618,644,628</b>
<b>17.05 Car Hire Purchase Scheme</b>		
Opening Balance as on 01.01.2019	153,350,885	108,787,781
Add: Addition during the year	29,477,907	110,291,502
	<b>182,828,792</b>	<b>219,079,283</b>
Less: Adjustment during the year	80,638,240	65,728,398
Closing Balance as on 31.12.2019	<b>102,190,552</b>	<b>153,350,885</b>
<b>17.A ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	<b>7,073,076,672</b>	<b>7,760,685,509</b>
Fareast Islami Life Insurance Co. Ltd	7,074,130,087	7,764,255,086
Fareast Islami Securities Ltd	5,491,630	4,111,325
Fareast Islami Properties Ltd	2,010,289	874,432
	<b>7,081,632,006</b>	<b>7,769,240,843</b>
Less: inter Company transaction	8,555,334	8,555,334
	<b>7,073,076,672</b>	<b>7,760,685,509</b>
<b>18.00 SUNDRY DEBTORS</b>	<b>86,795,261</b>	<b>105,373,879</b>
Advance Against Mobile Telephone	50,991	50,991
Advance Against Motor Cycle	3,260,526	2,504,854
Receivables against Calender	103,465	103,465
Other Receivables	83,380,279	102,714,569
	<b>86,795,261</b>	<b>105,373,879</b>
<b>18.01 Other Receivables</b>		
Opening Balance as on 01.01.2019	102,714,569	52,196,973
Add: Addition during the year	811,821,274	805,286,007
	<b>914,535,843</b>	<b>857,482,980</b>
Less: Adjustment during the year	831,155,567	754,768,411
Closing Balance as on 31.12.2019	<b>83,380,276</b>	<b>102,714,569</b>

**18.A SUNDRY DEBTORS**

Fareast Islami Life Insurance Co. Ltd  
Fareast Islami Securities Ltd

Less: Inter Company transaction

Amount in Taka	
2019	2018
146,972,141	170,430,186
86,795,261	105,373,879
72,646,678	65,056,307
159,441,939	170,430,186
12,469,798	-
146,972,141	170,430,186

**19.00 FIXED DEPOSIT WITH BANK****a) MTDR AGAINST GENERAL FUND**

Islami Bank Bangladesh Ltd  
Exim Bank of Bangladesh Ltd  
Shahjalal Islami Bank Ltd  
Al-Arafa Islami Bank Ltd.  
Social Islami Bank Ltd  
First Security Islami Bank Ltd  
Union Bank Ltd  
Leasing & Finance Companies

3,312,147,907	4,043,910,566
1,813,576,159	1,800,238,576
59,653,294	78,084,611
47,155,617	137,034,299
33,144,937	20,770,986
5,356,918	141,191,977
231,283,760	252,736,161
750,116,620	1,198,062,768
173,484,935	170,183,282
3,113,772,240	3,798,302,660

**b) MTDR AGAINST TABARRU FUND**

Islami Bank Bangladesh Ltd  
Social Islami Bank Ltd  
Union Bank Ltd

70,783,514	70,440,314
52,592,151	52,429,151
75,000,002	122,738,441
198,375,667	245,607,906
3,312,147,907	4,043,910,566

**19.A FIXED DEPOSIT WITH BANK**

Fareast Islami Life Insurance Co. Ltd  
Fareast Islami Properties Ltd

3,421,323,054	4,135,932,474
3,312,147,907	4,043,910,566
109,175,147	92,021,908
3,421,323,054	4,135,932,474

**20.00 SND & CD ACCOUNTS WITH BANKS**

The said bank balance consisting of 1044 number of SND and 335 number of CD Bank Accounts maintained with different banks throughout the country.

3,592,102,629	3,558,212,871
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**20.A SND and CD ACCOUNTS WITH BANKS**

Fareast Islami Life Insurance co. Ltd.  
Fareast Islami Securities Ltd.  
Fareast Islami Properties Ltd.

3,675,376,539	3,642,972,030
3,592,102,629	3,558,212,871
79,948,668	53,779,851
3,325,242	30,979,308
3,675,376,539	3,642,972,030

		Amount in Taka	
		2019	2018
<b>21.00 CAPITAL WORK IN PROGRESS</b>			
The above amount consists in respect of the following			
Fareast Tower at Rajshai			
Opening Balance as on 01.01.2019		387,248,076	254,040,342
Add: Addition during the year		148,628,012	133,207,734
		<b>535,876,088</b>	<b>387,248,076</b>
Less: Adjustment during the year		-	-
Closing Balance as on 31.12.2019		<b>535,876,088</b>	<b>387,248,076</b>
<b>22.00 FIXED ASSETS</b>			
<b>Cost (A)</b>		<b>13,667,570,483</b>	<b>13,665,866,063</b>
Opening Balance		14,673,161,687	13,268,264,612
Add: Addition during the year		173,270,542	1,646,946,661
		<b>14,846,432,229</b>	<b>14,915,211,273</b>
Less: Adjustment during the year		5,919,028	242,049,586
<b>Closing Balance</b>		<b>14,840,513,201</b>	<b>14,673,161,687</b>
<b>Accumulated Depreciation (B)</b>			
Opening Balance		1,007,295,617	1,012,576,350
Add: Addition during the year		170,913,221	188,454,367
		<b>1,178,208,838</b>	<b>1,201,030,717</b>
Less: Adjustment during the year		5,266,127	193,735,100
<b>Closing Balance</b>		<b>1,172,942,711</b>	<b>1,007,295,617</b>
<b>Written Down Value as at December 31, 2019 (A-B)</b>		<b>13,667,570,483</b>	<b>13,665,866,063</b>
<b>22.A FIXED ASSETS</b>		<b>13,673,148,180</b>	<b>13,672,214,910</b>
Fareast Islami Life Insurance co. Ltd.		13,667,570,483	13,665,866,063
Fareast Islami Securities Ltd.		5,577,697	6,348,847
		<b>13,673,148,180</b>	<b>13,672,214,910</b>
<b>22.B BUILDING AT TOPKHANA ROAD, DHAKA</b>			

The Management of the company has re-valued the assets of the company namely Fareast Tower located at 35, Topkhana Road, Dhaka by a valuar namely Baltic Control (BD) Ltd. in the year 2011 under IAS-16. The result of the re-valuation has increased, the cost of building by taka 3,330,392,262 which had been properly incorporate in the financial statements.

IAS 16 allows entities the choice of two valuation models for PPE – the cost model or the revaluation model. Each model needs to be applied consistently to all PPE of the same 'class'. A class of assets is a grouping of assets that have a similar nature or function within the business. In that case, the Co. uses the Cost model due to the fair value can't be measured reliably. The said revaluation (BDT 3,330.39 million) has not performed considering the revaluation model. Subsequently, no depreciation has charged on the revalued asset till 31 Dec 2019 from the year of the revaluation report (i.e. 31 December 2011). No future economic benefit derived from the revalued amount of the said asset and subsequently no market value determined on the said assets. In that case, the revaluation value of the PPE needs reverse to keep the record under cost model. The initial entry made related to the specific issue is increased the amount of PPE and Revaluation Reserve for the assets.

		Amount in Taka	
		2019	2018
<b>23.00 PREMIUM INCOME</b>		<b>10,539,636,558</b>	<b>10,560,293,132</b>
Class of Premium	Gross Premium	R/I Premium	Net Premium
First year premium (Individual Life)	2,193,295,576	20,774,601	2,172,520,975
First year premium (Sharbojonin Bima)	958,641,538	-	958,641,538
Renewal premium (Individual Life)	5,738,926,410	-	5,738,926,410
Renewal premium (Sharbojonin Bima)	1,651,795,787	-	1,651,795,787
Group Insurance Premium	17,751,848	-	17,751,848
<b>Total 2019</b>	<b>10,560,411,159</b>	<b>20,774,601</b>	<b>10,539,636,558</b>
<b>Total 2018</b>	<b>10,587,790,538</b>	<b>27,497,406</b>	<b>10,560,293,132</b>
<b>24.00 PROFIT, DIVIDEND AND RENT</b>		<b>720,312,844</b>	<b>1,022,643,949</b>
Profit on MTDR		603,956,888	898,352,776
Bank Profit		3,827,191	4,743,779
Profit on Shares		(42,078,544)	(45,729,280)
Dividend		16,072,753	19,680,976
Profit on Motor Cycle Investment		103,339	153,504
Profit on Policy Investment		124,111,387	138,006,126
Rental Income		14,319,830	7,436,068
		<b>720,312,844</b>	<b>1,022,643,949</b>
<b>24.A PROFIT, DIVIDEND AND RENT</b>		<b>797,789,295</b>	<b>983,903,732</b>
Fareast Islami Life Insurance Co. Ltd		720,312,844	1,022,643,949
Fareast Islami Securities Ltd		52,829,525	(52,394,835)
Fareast Islami Properties Ltd		26,026,926	13,654,618
		<b>799,169,295</b>	<b>983,903,732</b>
Less: Inter Company transaction		1,380,000	-
		<b>797,789,295</b>	<b>983,903,732</b>
<b>25.00 OTHER INCOME</b>		<b>4,853,389</b>	<b>33,187,426</b>
Miscellaneous Income		3,459,012	3,519,659
Profit on sale of old car		1,394,377	29,667,767
		<b>4,853,389</b>	<b>33,187,426</b>
<b>26.00 SALARIES ETC.</b>		<b>871,007,852</b>	<b>914,097,002</b>
Fareast Islami Life Insurance Co. Ltd		858,536,202	903,638,650
Fareast Islami Securities Ltd		10,919,100	8,905,802
Fareast Islami Properties Ltd.		1,552,550	1,552,550
		<b>871,007,852</b>	<b>914,097,002</b>

		Amount in Taka	
		2019	2018
<b>27.00 TRAVELLING &amp; CONVEYANCE</b>		<b>19,697,649</b>	<b>24,419,519</b>
Fareast Islami Life Insurance Co. Ltd		19,627,244	24,354,807
Fareast Islami Securities Ltd		56,005	50,312
Fareast Islami Properties Ltd.		14,400	14,400
		<b>19,697,649</b>	<b>24,419,519</b>
<b>28.00 LEGAL &amp; PROFESSIONAL FEES</b>		<b>5,697,023</b>	<b>6,286,867</b>
Fareast Islami Life Insurance Co. Ltd		3,784,737	4,462,544
Fareast Islami Securities Ltd		1,877,786	1,789,823
Fareast Islami Properties Ltd		34,500	34,500
		<b>5,697,023</b>	<b>6,286,867</b>
<b>29.00 PRINTING &amp; STATIONERY</b>		<b>14,451,228</b>	<b>16,363,225</b>
Printing & Stationery expenses had been incurred due to business expansion and introduction of some new products in the year 2019. Some other printing items, which were printed for a long time use, were stock out in this year and printed again for a long period.			
<b>29.A PRINTING &amp; STATIONERY</b>		<b>14,775,250</b>	<b>16,875,291</b>
Fareast Islami Life Insurance Co. Ltd		14,451,228	16,363,225
Fareast Islami Securities Ltd		115,115	303,159
Fareast Islami Properties Ltd.		208,907	208,907
		<b>14,775,250</b>	<b>16,875,291</b>
<b>30.00 TELEPHONE, INTERNET &amp; FAX BILLS</b>		<b>6,272,243</b>	<b>9,028,349</b>
Fareast Islami Life Insurance Co. Ltd		5,897,182	8,634,498
Fareast Islami Securities Ltd		360,201	378,991
Fareast Islami Properties Ltd.		14,860	14,860
		<b>6,272,243</b>	<b>9,028,349</b>
<b>31.00 OFFICE RENT</b>		<b>102,663,391</b>	<b>111,521,065</b>
Fareast Islami Life Insurance Co. Ltd		102,218,319	109,628,957
Fareast Islami Securities Ltd		445,072	512,108
Fareast Islami Properties Ltd.		1,380,000	1,380,000
		<b>104,043,391</b>	<b>111,521,065</b>
Less: Inter Company transaction		1,380,000	-
		<b>102,663,391</b>	<b>111,521,065</b>
<b>32.00 OFFICE EXPENSES</b>		<b>25,982,090</b>	<b>12,962,996</b>
Fareast Islami Life Insurance Co. Ltd		25,743,300	12,728,451
Fareast Islami Securities Ltd		33,670	29,425
Fareast Islami Properties Ltd.		205,120	205,120
		<b>25,982,090</b>	<b>12,962,996</b>

		Amount in Taka	
		2019	2018
<b>33.00 GAS, WATER &amp; ELECTRICITY CHARGES</b>		<b>27,161,073</b>	<b>29,100,636</b>
Fareast Islami Life Insurance Co. Ltd		26,832,384	28,773,461
Fareast Islami Securities Ltd		28,689	27,175
Fareast Islami Properties Ltd.		300,000	300,000
		<b>27,161,073</b>	<b>29,100,636</b>
<b>34.00 CAR FUEL</b>		<b>37,842,233</b>	<b>43,317,158</b>
Fareast Islami Life Insurance Co. Ltd		37,726,523	43,195,626
Fareast Islami Securities Ltd		115,710	121,532
		<b>37,842,233</b>	<b>43,317,158</b>
<b>35.00 CAR REPAIRS &amp; MAINTENANCE</b>		<b>4,026,432</b>	<b>17,504,640</b>
Fareast Islami Life Insurance Co. Ltd		3,963,022	17,392,176
Fareast Islami Securities Ltd		63,410	112,464
		<b>4,026,432</b>	<b>17,504,640</b>
<b>36.00 NEWSPAPER &amp; PERIODICALS</b>		<b>81,601</b>	<b>885,961</b>
Fareast Islami Life Insurance Co. Ltd		50,771	855,596
Fareast Islami Securities Ltd		5,330	4,865
Fareast Islami Properties Ltd.		25,500	25,500
		<b>81,601</b>	<b>885,961</b>
<b>37.00 ENTERTAINMENT</b>		<b>4,350,615</b>	<b>4,673,401</b>
Fareast Islami Life Insurance Co. Ltd		4,221,544	4,273,556
Fareast Islami Securities Ltd		105,071	375,845
Fareast Islami Properties Ltd.		24,000	24,000
		<b>4,350,615</b>	<b>4,673,401</b>
<b>38.00 FEES, SUBSCRIPTION AND DONATION</b>		<b>23,628,260</b>	<b>6,126,918</b>
Fees, Subscription and Donation expenses have been increased substantially due to some Social Welfare expenditure such as relief distribution among the flood victims which were major and unique types of donation due to disaster in the year 2019.			
<b>39.00 MISCELLANEOUS EXPENSES</b>		<b>14,223,581</b>	<b>9,784,965</b>
Fareast Islami Securities Ltd		10,702,082	9,340,947
Fareast Islami Properties Ltd		3,521,499	444,018
		<b>14,223,581</b>	<b>9,784,965</b>
<b>40.00 INCOME TAX</b>		<b>188,972,266</b>	<b>171,402,770</b>
Fareast Islami Life Insurance Co. Ltd		171,158,393	165,610,689
Fareast Islami Securities Ltd		14,653,589	3,810,249
Fareast Islami Properties Ltd		3,160,284	1,981,832
		<b>188,972,266</b>	<b>171,402,770</b>

Amount in Taka			
		2019	2018
<b>41.00 CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Addition of Life Fund</b>	<b>337,932,817</b>	<b>(59,351,457)</b>	
Adjustment for:			
Depreciation of Fixed Assets	170,913,220	188,454,367	
Dividend	149,485,502	186,856,878	
Salary Adjust with Insallment of Car Hire Purchase Scheme	80,638,240	65,728,398	
Finance Charge for Leased Liability IFRS 16	953,678	-	
Profit on sale of Fixed Assets	(1,394,377)	(29,667,767)	
Profit, Dividend & Rents received	(720,312,844)	(1,022,643,949)	
	<b>18,216,236</b>	<b>(670,623,530)</b>	
<b>Cash Generated from Operations before Increase/Decrease of Assets or Liabilities</b>			
Add/Less:			
(Increase)/Decrease in Outstanding Premium	(477,619,216)	(152,858,504)	
(Increase)/Decrease in Advances, Deposits & Prepayments	716,054,406	416,120,792	
(Increase)/Decrease in Sundry Debtors	18,578,618	(50,645,509)	
(Increase)/Decrease of Inventories	4,734,965	(1,640,780)	
Increase/(Decrease) of Welfare Fund	5,072,429	(2,940,136)	
Increase/(Decrease) of Amount due to others persons bodies carrying on insurance Business	(15,451,733)	19,971,107	
Increase/(Decrease) of Outstanding Claims	230,698,122	(258,568,595)	
Increase/(Decrease) of Sundry Creditors	342,230,241	177,044,373	
Increase/(Decrease) of Premium Deposits	(125,798,785)	63,551,118	
	<b>716,715,283</b>	<b>(460,589,664)</b>	

**42.00 SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE - DIVIDEND**

Under IAS 10: Events after the reporting period, dividend declared after the reporting period should not be classified as a liability at the reporting period as the proposed dividend does not represent a present obligation under IAS 37: Provisions, Contingent Liabilities and Contingent Assets. Hence subsequent to the Statement of Financial position date, the Board of Directors in their meeting held on 01 November 2020 recommended 10% cash dividend (Total dividend of Tk 747.43 lakh) existing share held at record date for the year 31 December 2019. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

The COVID-19 outbreak has developed rapidly in 2020 starting from late December 2019, with a significant number of infections across the world. Measures taken by the government to contain the virus have affected economic activities of the Country and its businesses in various significant ways. As the company needs to scale down its operations on the instructions from the govt. The Company has affected in several ways in COVID-19 pandemic. The management is constantly assessing the impacts of COVID-19 on the business. As the pandemic has not reached its peak in Bangladesh so its hardly can be predicted the actual impact of the pandemic.

**43.00 IMPACT OF INFLATION AND CHANGING PRICES**

Financial Institutions are affected differently by inflation than are industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring income yields through adjustments of maturities and profit rates of assets and liabilities.

Financial Statements presented herein have been prepared in accordance with International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), which required the measurement of the financial position and operating results in terms of historical costs without considering the changes in the relative purchasing power of money over the time due to inflation.

**44.00 PUBLICATION OF THE QUARTERLY & HALF YEARLY FINANCIAL STATEMENTS**

Quarterly and Half-yearly Financial Statements are being published by the Fareast Islami Life Insurance Company Limited according to the Security and Exchanges Commission's instruction.

**45.00 DATE OF AUTHORIZATION**

The Board of Directors of Fareast Islami Life Insurance Co. Ltd. approved this Financial Statements on 01 November 2020.

**46.00 CAPITAL EXPENDITURE COMMITMENT**

There is no capital expenditure contract that has been made during the year except the amount paid as advance for Construction, Land & Land Development and Mobilization advance for building project work shown in the Note # 17.

**47.00 CONTINGENT LIABILITY**

Contingent Liabilities are those which arise due to the past event which shall be settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per IAS-37 "Provision and Contingent Assets and Liabilities". In the years under review there is no such contingent liabilities as well as no commitment is made, to be settled in the future.

**48.00 COMPANIES ACT 1994, SCHEDULE XI PART-II [NOTE 3(P) (VI) 5]**

- i) Number of employees drawing salary above Tk. 3,000 per month  
ii) Number of employees drawing salary below Tk. 3,000 per month

Amount in Taka	
2019	2018
2,529	4,129
Nil	Nil

**49.00 PAYMENTS/PERQUISITES TO DIRECTORS/OFFICERS**

**49.01** The aggregate amounts paid/provided during the year in respect of Directors and Officers of the Company as defined in the Bangladesh Securities and Exchange Rules, 1987 are disclosed below

	Amount in Taka		Amount in Taka	
	2019		2018	
	Directors	Officers	Directors	Officers
Board Meeting Fee	1,888,722	-	2,366,332	-
Basic Salary	-	342,758,216	-	397,477,171
Provident Fund Contribution	-	30,219,125	-	34,838,655
House Rent	-	202,505,991	-	216,723,045
Other Allowances	-	283,052,870	-	254,599,779
	<b>1,888,722</b>	<b>858,536,202</b>	<b>2,366,332</b>	<b>903,638,650</b>

**49.02** Money was not spent by the Company for compensating any member of the Board for special services rendered except as stated above.

Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

The Financial Reporting Act, 2015 (FRA), was enacted in the year 2015. The Financial Reporting Council (FRC) under the FRA was constituted in 2017, but the Financial Reporting Standards (FRS) under this council are yet to be issued for public interest entities.

As FRS is yet to be issued by FRC, as per the provisions of FRA (Section-69), Consolidated and Separate financial statements of the Group and the company respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

**50.00 KEY MANAGEMENT PERSONNEL COMPENSATION**

During the year, the amount of compensation paid to key Management Personnel is as under (as para 17 of IAS 24).

- a) Short term employee benefits  
b) Post-employment benefits  
c) Other long- term benefits  
d) Termination benefits and  
e) Share-based payment

30,487,800	31,035,240
523,700	434,900
-	-
-	-
-	-
<b>31,011,500</b>	<b>31,470,140</b>

## Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Date	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	N/A
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Separate Financial Statements	27	N/A
Investment in Associates	28	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments : Presentation	32	Applied
Earnings per Shares	33	N/A
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Investment Property	40	Applied
Agriculture	41	N/A
Name of the IFRS	IFRS No.	Status
First Time Adoption of IFRS	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	Applied
Non-Current Assets Held For Sale And Discontinued Operations	5	N/A
Exploration For And Evaluation Of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied
Operating Segments	8	N/A
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure Of Interest In Other Entities	12	Applied
Fair Value Measurement	13	Applied
Regularity Deferral Accounts	14	N/A
Revenue From Contracts With Customers	15	N/A
Leases	16	Applied

# Fareast Islami Life Insurance Co. Ltd.

## Schedule of Fixed Assets

As at December 31, 2019

Annexure - A

Name of Assets	Cost			Rate of Dep.	Depreciation			Written Down Value as at Dec. 31, 2019
	Balance as at Jan. 01, 2019	Addition during the year	Adjustment		Balance as at Dec. 31, 2019	Charged during the year	Adjustment	
A) Cost:								
Land & Land Development	8,581,523,437	5,035,399	-	0%	-	-	-	8,586,558,836
Furniture & Fixture	357,218,255	1,991,537	-	10%	145,220,410	21,317,003	-	192,672,379
Office Decoration	351,674,789	14,502,436	-	10%	124,608,875	23,037,839	-	218,530,511
Office Equipment	336,960,237	103,356,428	-	15%	126,904,455	38,203,769	-	275,208,441
Motor Vehicles	101,061,656	3,558,000	5,919,028	20%	52,073,190	9,937,653	5,266,127	41,955,905
Electric Installation	24,440,627	860,395	-	15%	13,940,188	1,667,397	-	9,693,437
Telephone Installation	24,750,424	658,910	-	15%	15,669,542	1,412,484	-	8,327,308
Software	600,328	-	-	25%	543,197	14,283	-	42,848
Electric Sub Station	90,855,966	-	-	15%	52,924,841	5,689,669	-	32,241,456
Generator	28,199,693	1,328,820	-	20%	19,081,277	1,845,830	-	8,601,406
Building	1,184,787,628	2,737,390	-	5%	308,610,631	43,885,036	-	835,029,351
Air Conditioner	173,363,211	7,229,593	-	15%	103,863,229	10,515,367	-	66,214,208
Lift	87,333,174	-	-	15%	43,855,780	6,521,609	-	36,955,785
Sub-Total	11,342,769,425	141,258,908	5,919,028		1,007,295,617	164,047,939	5,266,127	10,312,031,869
B) Revaluation:								
Building	3,330,392,262	-	-		-	-	-	3,330,392,262
Sub-Total	3,330,392,262	-	-		-	-	-	3,330,392,262
C) Right-of-Use Assets:								
Grand Total (A+B)	14,673,161,687	173,270,542	5,919,028	-	1,007,295,617	170,913,221	5,266,127	13,667,570,483

# Fareast Islami Life Insurance Co. Ltd.

## Schedule of Fixed Assets

As at December 31, 2018

Annexure- B

Name of Assets	Cost			Rate of Dep.	Depreciation			Written Down Value as at Dec. 31, 2018
	Balance as at Jan. 01, 2018	Addition during the year	Adjustment		Balance as at Dec. 31, 2018	Charged during the year	Adjustment	
A) Cost:								
Land & Land Development	6,736,660,355	1,844,863,082	-	0%	8,581,523,437	-	-	8,581,523,437
Furniture & Fixture	350,742,535	6,475,720	-	10%	357,218,255	23,325,095	-	211,997,845
Office Decoration	350,870,985	803,804	-	10%	351,674,789	25,183,106	-	227,065,914
Office Equipment	292,038,811	44,921,426	-	15%	336,960,237	30,824,120	-	210,055,782
Motor Vehicles	343,111,242	-	242,049,586	20%	101,061,656	12,247,116	193,735,100	48,988,459
Electric Installation	24,098,203	342,424	-	15%	24,440,627	1,830,242	-	10,500,439
Telephone Installation	24,317,966	432,458	-	15%	24,750,424	1,564,734	-	9,080,882
Software	600,328	-	-	25%	600,328	19,044	-	57,131
Electric Sub Station	90,855,966	-	-	15%	90,855,966	6,693,728	-	37,931,125
Generator	28,053,553	146,140	-	20%	28,199,693	2,255,296	-	9,118,416
Building	1,049,246,613	135,541,015	-	5%	1,184,787,628	64,574,703	-	876,176,997
Air Conditioner	172,694,543	668,668	-	15%	173,363,211	12,264,702	-	69,499,982
Lift	87,333,174	-	-	15%	87,333,174	7,672,481	-	43,477,394
Sub-Total	9,550,624,274	2,034,194,737	242,049,586		11,342,769,425	188,454,367	193,735,100	10,335,473,801

### B) Revaluation:

Building	3,330,392,262	-	-		3,330,392,262	-	-	3,330,392,262
Sub-Total	3,330,392,262	-	-		3,330,392,262	-	-	3,330,392,262
Grand Total (A+B)	12,881,016,536	2,034,194,737	242,049,586		14,673,161,687	188,454,367	193,735,100	13,665,866,063

**Fareast Islami Life Insurance Co. Ltd.**  
**Statement Of Related Party Transactions**

As at 31 December 2019

Annexure- C

**Related Party/(ies) Transactions**

SI No.	Name of the Related Parties	Relationship with FILICL	Nature of Transactions	Balance at the end of year (Taka)
1	Fareast Islami Securities Limited	Subsidiary	Investment	583,186,706
			Inter transfer	8,555,334
2	Fareast Islami Properties Limited	Subsidiary	Investment	72,000,000
			Inter transfer	12,469,798
3	Primeasia University	Third party	Investment	1,046,308,756
4	Meghna Bank Limited	Third party	Premium Collection A/c	35,605,239
5	FILICL Emoloyee's Provident Fund	Provident Fund	Loan received	(94,281,423)


**Fareast Islami Life Insurance Co. Ltd.**  
**DIRECTORS' CERTIFICATE**  
**UNDER THE INSURANCE ACT 2010**

As per Regulations contained in the First Schedule of the Insurance Act, 2010, As per section 62 (2) of the said act, we certify that

1. The value of investment in shares and debentures has been taken at cost.
2. The value of all assets as shown in the balance Sheet and as classified on Form "AA" annexed have duly reviewed as at 31 December 2019;
3. All expenses of management in respect of Life Insurance Business transacted by the Company in Bangladesh has been fully Charged to the Life Revenue Account as expenses.

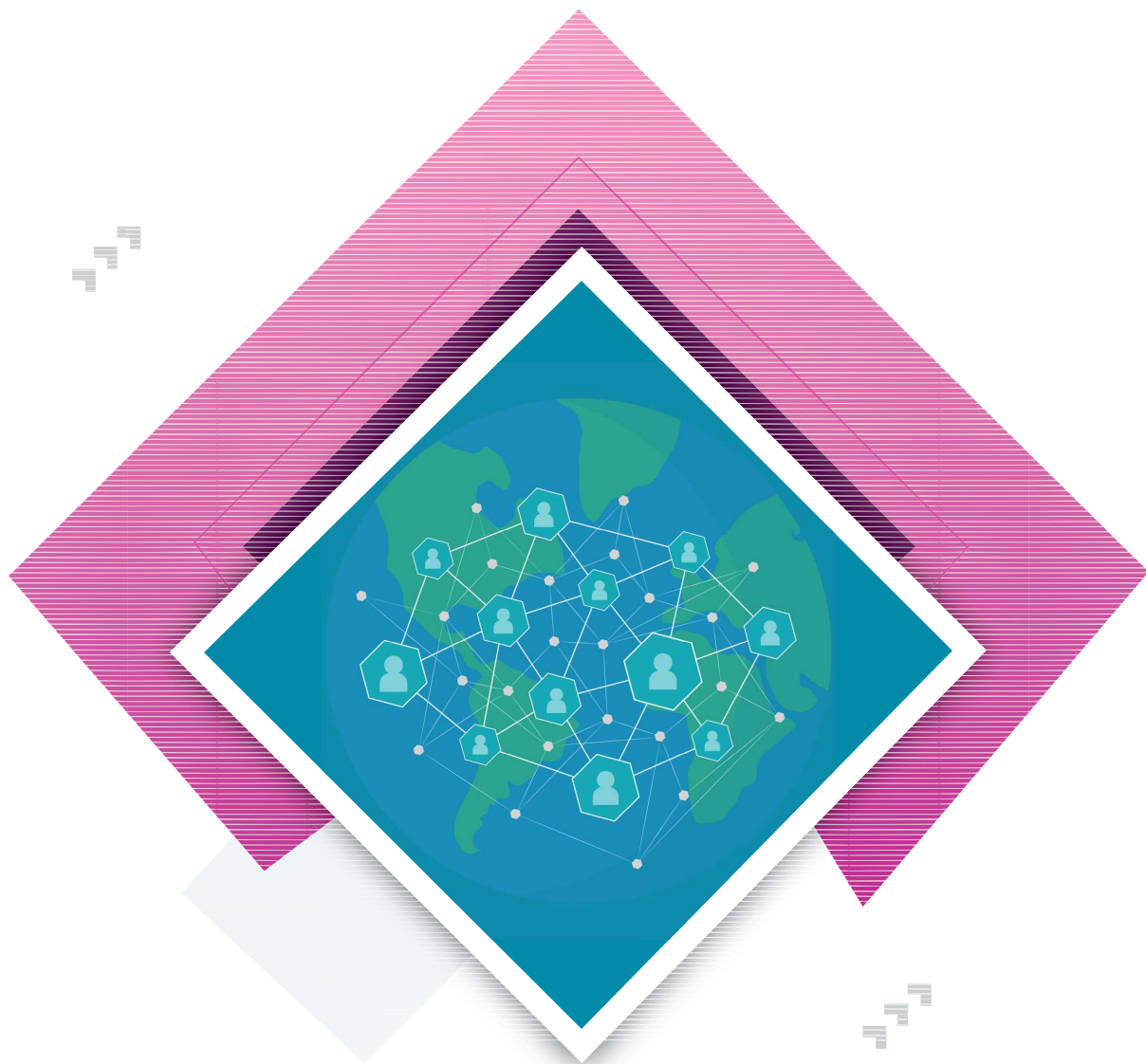
  
**Md. Hemayet Ullah**  
 Chief Executive Officer

  
**Ms. Nazneen Hossain**  
 Director

  
**Al-Haj Md. Helal Miah**  
 Director

  
**Md. Nazrul Islam**  
 Chairman

01 November 2020  
 Dhaka



**AUDITORS REPORT AND FINANCIAL  
STATEMENTS OF SUBSIDIARY COMPANIES**

## Independent Auditor's Report to the Shareholders of Fareast Islami Securities Limited

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Fareast Islami Securities Limited, which comprise the Statement of Financial Position as at 31 December 2019 and the Statement of Profit or Loss and Other Comprehensive Income, 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 true and fair view, in all material respects, of the financial position of the Company as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Companies Act, 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgement and maintain professional

skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and The Securities and Exchange Rules, 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

08 June 2020  
Dhaka



**Md. Abu Kaiser, FCA**  
**Mahfel Huq & Co.**  
Chartered Accountants

# Fareast Islami Securities Limited

## Statement of Financial Position

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>416,995,080</b>	<b>391,625,341</b>
Property Plant & Equipment	3	5,577,697	6,348,847
Investment in DSE	4	349,724,994	349,724,994
Investment in Marketable Securities	5	61,692,389	35,551,500
		<b>212,358,730</b>	<b>176,323,192</b>
<b>Current Assets</b>			
Investment in Marketable Securities	6	54,262,855	53,347,112
Advances, Deposits & Prepayments	7	5,491,630	4,111,325
Receivable Renewal Fee	8	541,600	541,600
Accounts Receivables	9	72,105,078	64,514,707
Cash & Cash Equivalents	10	79,957,567	53,808,448
		<b>629,353,810</b>	<b>567,948,533</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>		<b>441,149,186</b>	<b>428,956,234</b>
Share Capital	11	500,000,000	500,000,000
Retained Earnings		(58,850,814)	(71,043,766)
		<b>188,204,623</b>	<b>138,992,299</b>
<b>Current Liabilities</b>			
Current A/C with FILIC	12	8,555,334	8,555,334
Short term loan	13	80,000,000	75,000,000
Trade and other payables	14	75,010,273	44,655,701
Liabilities for Expenses	15	10,244,755	6,969,266
Provision for Tax	16	14,394,261	3,811,998
		<b>629,353,810</b>	<b>567,948,533</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

08 June 2020  
Dhaka



**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Securities Limited****Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>Operating Income</b>	17	23,697,471	21,630,599
<b>Operating expenses</b>		(18,190,144)	(18,154,274)
CDBL & DSE Expense	18	1,725,286	1,581,963
Administrative Expenses	19	16,464,858	16,572,311
<b>Profit from Operations</b>		5,507,327	3,476,325
Financial Expenses	20	(7,792,840)	(5,098,110)
Other Income	21	29,132,054	(66,025,434)
<b>Profit before Tax</b>		26,846,541	(67,647,219)
Income Tax Expense	16	(14,653,589)	(3,810,249)
Net profit for the year		12,192,952	(71,457,468)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		12,192,952	(71,457,468)
<b>Earnings Per Share</b>		0.24	(1.43)

Annexed notes form an integral part of these financial statements.



Chairman



Director

08 June 2020  
Dhaka

**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Securities Limited****Statement of Changes in Shareholders' Equity**

For the year ended 31 December 2019

Particulars	Share Capital	Retained Earnings	Total
As on 01 January 2018	500,000,000	8,413,702	508,413,702
Profit /(loss) after tax for the year	-	(71,457,468)	(71,457,468)
Dividend (2017)	-	(8,000,000)	(8,000,000)
As on 1st January 2019	500,000,000	(71,043,766)	428,956,234
Profit /(loss) after tax for the year	-	12,192,952	12,192,952
<b>As on 31 December 2019</b>	<b>500,000,000</b>	<b>(58,850,814)</b>	<b>441,149,186</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

08 June 2020  
Dhaka**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Securities Limited****Statement of Cash Flow**

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>A. Cash Flows from Operating Activities</b>			
Operating Income		23,697,471	21,630,599
Paid for Operating Expense		(15,899,333)	(13,214,730)
Income From Investment in Marketable Securities		12,785,573	7,261,745
Dividend Income		10,324,235	8,103,008
Paid for Financial Charge and Expense		(6,596,538)	(6,230,712)
Income Tax paid		(5,491,630)	(4,381,833)
<b>Net cash flow from operating activities</b>		<b>18,819,778</b>	<b>13,168,077</b>
<b>B. Cash Flows from Investing Activities</b>			
Acquisition of Property, Plant & Equipment		(62,950)	(62,752)
Selling DSE Shares to Strategic investor		-	37,879,317
Loan Against Share Account		(14,767,309)	(10,243,873)
Investment in Share		(27,112,907)	(56,738,212)
Bank Interest Income		3,034,893	1,887,185
<b>Net cash used in investing Activities</b>		<b>(38,908,273)</b>	<b>(27,278,335)</b>
<b>C. Cash Flows from Financing Activities</b>			
Short Term loan		5,000,000	20,000,000
Dividend Paid		-	(8,000,000)
Pay to clients		41,237,614	13,318,353
<b>Net Cash Generated from Financing Activities</b>		<b>46,237,614</b>	<b>25,318,353</b>
<b>Change in cash and cash equivalents (A+B+C)</b>		<b>26,149,119</b>	<b>11,208,095</b>
<b>Cash &amp; cash equivalents at the Beginning of the year</b>		<b>53,808,448</b>	<b>42,600,353</b>
<b>Cash and cash equivalents for the year ended</b>		<b>79,957,567</b>	<b>53,808,448</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

08 June 2020  
Dhaka

**Mahfel Huq & Co.**  
Chartered Accountants

## **Fareast Islami Securities Limited**

### **Notes to the Financial Statements**

For the year ended 31 December 2019

#### **1.00 About the entity**

##### **1.01 Domicile, legal form, country of incorporation and status of the company**

Fareast Islami Securities Limited ("the company") was incorporated in Bangladesh as a public company limited by shares on 06 March 2012 under the Companies Act, 1994 vide incorporation no. C-99900/12 dated 06 March 2012.

##### **1.02 Address of registered office and place of business of the company**

The registered office of the company is at Fareast Tower, 35 Topkhana Road, Dhaka-1000, Bangladesh. Company's principal office is also situated at the same address and at present, the company has no branch office in Bangladesh or abroad.

##### **1.03 Objective of the company**

The main objective of the company is to act as a security company under the license from Securities & Exchange Commission. Besides, the company shall provide margin loan to the investors under the present rules and regulations.

##### **1.04 Principal activities of the company**

The company is assigned primarily to cater to the service to the institutions and investors for trading of securities with the stock exchange of Bangladesh under the securities & Exchange Commission (stock dealer stock broker & authorized representative) Rules 2000.

#### **2.00 Significant Accounting Policy for Presentation of Financial Statements**

The specific accounting policies selected and applied by the company for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements have been consistently applied throughout the period.

##### **2.01 Corporate Financial Statements**

This comprises of the following;

- a. Statement of Financial Position as at 31 December 2019;
- b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019;
- c. Statement of Cash Flows for the year ended 31 December 2019;
- d. Statement of Changes in Equity for the year ended 31 December 2019; and
- e. Notes to the Financial Statements.

These financial statements have been prepared under historical cost convention and in accordance with requirements of the Companies Act 1994 and the International Accounting Standards (IASs) and disclosures recommended by those standards as applicable to this company. The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approve and authorize for issue of this financial statements. The preparation of these financial statements in conformity with the International Accounting Standards (IAS) requires Board of Directors to make estimates assumptions that affect the reported amount of revenues and expenses, assets and liabilities at the date of reporting period.

Due to the inherent uncertainty involved in making estimates actual results could differ from those estimates.

## 2.02 Fundamental Accounting Concepts / Assumption

The financial statements have been prepared under historical cost convention on going concern concept and as per International Accounting Standards (IAS) under accrual IAS and other conventions as required by IAS 1 and IFRS for fair presentation of financial statements.

## 2.03 Compliance with IAS and IFRS

The financial statements have been prepared in compliance with requirement of IAS and IFRS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The followings IAS and IFRS have been applied:

- IAS -1 Presentation of Financial Statements
- IAS -7 Statement of Cash flow
- IAS -10 Events after the Reporting period
- IAS -12 Income Taxes
- IAS -16 Property, Plant & Equipment
- IAS -24 Related Party Disclosure
- IAS -39 Financial Instrument ; Recognition and Measurement
- IAS -33 Earnings per share
- IAS -37 Provisions, Contingent Liabilities and Contingent Assets
- IAS-38 Intangible Asset
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- IFRS 7 Financial Instruments: Disclosures

## 2.04 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reason the directors continue to adopt going concern assumption in preparing the Financial Statements.

## 2.05 Recognition of Property, Plant and Equipments

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS-16: Property, Plant and Equipment. On retirement or otherwise disposal of fixed assets, the cost of accumulated depreciation are eliminated and any gain or loss for such disposal is reflected in the statement of comprehensive income which is determined with reference to the carrying amount of the assets and the net sales proceeds.

## 2.06 Depreciation of Property, Plant and Equipment

Depreciation on Property, Plant and Equipment other than land and land development has been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Items of Property, Plant and Equipment	Rate %
Air Conditioner	15%
Computer Hardware	15%
Furniture & Fixture	15%
Office Equipments	15%
Renovation	15%
Motor vehicles	10%
Server	15%
Web Design & Development	10%
Software	10%

**2.07 Compliance with local Laws and Rules**

The Financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local Laws and Rules.

**2.08 Cash and cash equivalents**

According to International Accounting Standard-7 "Statement of Cash flows" cash comprises cash in hand and demand deposits and cash equivalents which are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changer in value. International Accounting Standard-1 "Presentation of Financial Statements" provides that the cash and cash equivalents are not restricted in use. Considering the provisions of International Accounting Standard-7 and International Accounting Standard-1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

**2.09 Taxation**

Current Tax

Provision for income tax has been made according to the Income Tax Ordinance 1984.

Deferred Tax

The company did not recognize deferred tax during the year.

**2.10 Earnings per share**

The company calculates earnings per share in accordance with Bangladesh Accounting Standard-33 "Earnings per share" to be shown on the face of the profit or loss account.

**2.11 Statement of Cash flow**

Statement of Cash flows is prepared principally in accordance with International Accounting Standard-7 "Statement of Cash flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987 and by considering the provision of Paragraph-19 of International Accounting Standard-7 which provides that "Enterprises are encouraged to report cash flows from operating activities using the direct method".

**2.12 Investment in Stock Exchange for Membership**

In accordance with Section 8 of the Exchanges Demutualization Act, 2013, stock exchange's membership has been converted into shares through the issuance of two completely de linked assets to the former members in the Exchange, namely Fully Paid up Shares and TREC (Trading Right Entitlement Certificate). Exchange has the authority to issue TREC as per the Exchange Demutualization Act, 2013. Such TREC will be totally separated from the ownership of the Exchange as per law and there is no obligation for the TREC holders to be or remain shareholder of the Exchange.

**2.13 Reporting currency and level of precision**

The Figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest taka.

**2.14 Reporting Period**

Financial statements of the company cover a calendar year from 01 January 2018 to 31 December 2019.

**2.15 General**

Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

**3.00 Property, Plant & Equipment****Cost**

Opening balance

Addition during the year

**Closing balance****Depreciation**

Opening balance

Add: Charge during the year

**Closing balance****Carrying Amount/Written Down Value**

Amount in Taka	
2019	2018
5,577,697	6,348,847
10,500,084	10,437,332
62,950	62,752
10,563,034	10,500,084
4,151,237	3,197,743
834,100	953,494
4,985,337	4,151,237
5,577,697	6,348,847

Details of Property, Plant and Equipment have been given in Annexure "A"

**4.00 Investment in DSE at Cost****349,724,994****349,724,994**

Total cost of acquisition of Membership of DSE (Including DSE Shares and TREC License) was Taka 46,63,00,000/ (Forty Six Crore Sixty Three Lac) only. Fareast Islami Securities Limited achieved 72,15,106 shares from DSE against the membership under demutualization scheme of the Dhaka Stock Exchange.

In the year 2018, 25% of such DSE Shares (18,03,777 shares from Total Shares 72,15,106) has been sold by DSE to Strategic Investor and the remaining shares are as follows:

Particulars	Cost Per Share	Number of Shares	Total Cost
Shares allotted by DSE (FV 10 each) under Demutualization Scheme	64.6283	7,215,106	466,300,000
Less: Sold 25% share in the year 2018 to the strategic investor		(1,803,777)	
Remaining Shares with value		<b>5,411,329</b>	<b>349,724,994</b>

**5.00 Investment in Marketable Securities****61,692,389****35,551,500**

This amount represents the investment in Marketable Securities of listed companies in Dhaka Stock Exchange. Detail list of such investment is provided in Annexure "B"

**6.00 Investment in Marketable Securities****54,262,855****53,347,112**

This amount represents the investment in Marketable Securities of listed companies in Dhaka Stock Exchange through our Dealer Account and the price is shown as market value as per IAS 39 and IFRS 9. Detail list of such investment is provided in Annexure "C"

**7.00 Investment in Marketable Securities****5,491,630****4,111,325**

Advance Income Tax

Note - 7.01

Advance Against Salary

5,491,630

4,071,325

-

40,000

**5,491,630****4,111,325**

		Amount in Taka	
		2019	2018
<b>7.01 Advance Income Tax</b>		<b>5,491,630</b>	<b>4,071,325</b>
The amount was deducted as TDS (Tax Deducted at Source) and as follows:			
Balance of Previous Year		4,071,325	5,008,591
Add: Paid current year	Note 7.02	5,491,630	4,071,325
Less: Adjustment		(4,071,325)	(5,008,591)
		<b>5,491,630</b>	<b>4,071,325</b>
<b>7.02 Paid current year advance tax</b>			
Tax at source - DSE		2,695,037	2,189,647
Tax at source - Dividend income		2,064,847	1,620,601
Tax at source - Bank interest		303,922	189,188
Tax at source -Vehicle		21,889	21,889
Advance Tax		405,935	50,000
		<b>5,491,630</b>	<b>4,071,325</b>
<b>8.00 Receivable Renewal fee</b>		<b>541,600</b>	<b>541,600</b>
Opening Balance		541,600	541,600
Received during the period		-	-
		<b>541,600</b>	<b>541,600</b>
<b>9.00 Accounts Receivables</b>		<b>72,105,078</b>	<b>64,514,707</b>
Receivables from Margin Clients		66,490,174	51,722,865
Receivable form DSE	Note: 9.01	5,614,904	12,791,842
		<b>72,105,078</b>	<b>64,514,707</b>
<b>9.01 Receivable from DSE</b>			
Receivables from Margin Clients		5,498,441	5,428,581
Receivable from DSE_CNS (Dealer)		116,463	7,363,261
		<b>5,614,904</b>	<b>12,791,842</b>
<b>10.00 Cash &amp; Cash Equivalents</b>		<b>79,957,567</b>	<b>53,808,448</b>
Al-Arafah Islami Bank Ltd. (Customer A/C: 0151220003972)		72,404,262	37,687,225
Al-Arafah Islami Bank Ltd. (Dealer A/C: 0021220004923)		2,951,731	6,884,480
Al-Arafah Islami Bank Ltd. (IPO A/C: 0021220005226) Note:10.01		58,334	39,284
Al-Arafah Islami Bank (Strategic A/C No.151220004444)		64,193	2,936,944
Prime Bank Ltd. (A/C: 10831010021547)		4,171,525	5,945,092
First Security Islami Bank Ltd. (A/C: 017613100000008)		298,623	286,826
Petty Cash		4,847	26,537
Cash at Hand Extension Office		4,052	2,060
		<b>79,957,567</b>	<b>53,808,448</b>
<b>10.01 Balance of IPO Account Explanation</b>			
We maintain an account for IPO purpose only in Al-Arafat Islamic Bank Ltd. (A/C: 0021220005226), the opening figure is the cumulative balance of bank Interest income and the breakup during the year 2019 is as follows:			
<b>Opening Bank Balance of the IPO Account</b>			<b>39,284</b>
Add:			
Provisional Profit		24,965	
Less: Tax Deducted at source		(2,495)	22,470
Less:			
Service Charge		800	
VAT on Service Charge		120	
Excise Duty		2,500	(3,420)
<b>Closing Bank Balance of the IPO Account</b>			<b>58,334</b>

**11.00 Share capital****Authorized capital**

The Authorized share capital of the company is Tk. 1,250,000,000 only divided by 125,000,000 ordinary shares of Tk. 10 each.

**Paid-up capital**

50,000,000 ordinary shares of Tk. 10 each.

**Composition of shareholding is as follows**

Hoolding of shares	Number of holders	No of holdings	% of holding
1 to 1,000,000	5	250,000	0.5
10,00,001 to 50,000,000	1	49,750,000	99.5
Total	6	50,000,000	100

**12.00 Current A/C with FILIC**

This represents amount taken from Fareast Islami Life Insurance Company Ltd. during the incorporation of the company.

**13.00 Short Term Loan (From FILC)**

Opening Balance  
Received during the year  
Closing Balance

**14.00 Accounts Payables**

This amount is arrived at as follows:

Payable to BO Holders

Dividend Payable

Provision for Negative Equity

Payable to DSE

**15.00 Liabilities for Expenses**

This amount is arrived at as follows:

Audit fee

Accrued Interest

Brokerage Commission

CDBL Charge

Office Rent

Office Supplies & Others

Vehicle Insurance

Printing & Postage

Networking & Software Maintenance

Trade License Renewal Fee

Utility Bill

Note - 15.01

		Amount in Taka	
		2019	2018
<b>15.01 Opening Balance</b>		6,386,850	7,519,452
Addition During the period		7,734,384	5,033,151
Payment made		(6,538,082)	(6,165,753)
Closing Balance		<b>7,583,152</b>	<b>6,386,850</b>
<b>16.00 Provision for Tax</b>		<b>14,394,261</b>	<b>3,811,998</b>
This is made up as follows:			
Opening Balance		3,811,998	5,320,848
Add: Current year's provision		14,653,589	3,810,249
Less: Paid/Adjustment during the year		(4,071,325)	(5,319,099)
		<b>14,394,261</b>	<b>3,811,998</b>
<b>17.00 Operating Income</b>		<b>23,697,471</b>	<b>21,630,599</b>
This is made up as follows:			
Interest Income from margin loan		6,445,989	7,843,427
BO Income	Note-17.01	411,500	472,500
Brokerage Commission		16,839,982	13,314,672
		<b>23,697,471</b>	<b>21,630,599</b>
<b>17.01 BO Income</b>		<b>411,500</b>	<b>472,500</b>
This is made up as follows:			
Income from BO Annual Fee		377,000	326,000
Income from BO Opening Fee		34,500	146,500
		<b>411,500</b>	<b>472,500</b>
<b>18.00 CDBL &amp; DSE Expenses</b>		<b>1,725,286</b>	<b>1,581,963</b>
This is made up as follows:			
CDBL Expense	Note-18.01	27,889	93,670
DSE Expense	Note-18.02	1,697,397	1,488,293
		<b>1,725,286</b>	<b>1,581,963</b>
<b>18.01 CDBL Expense</b>			
CDBL Charges		23,289	89,070
CDBL/DP License Renewal Fee		4,600	4,600
		<b>27,889</b>	<b>93,670</b>
<b>18.02 DSE Expense</b>			
Laga DSE		1,347,517	1,094,823
Training Fee		21,000	15,000
BO Maintenance Fee		261,250	227,850
BO A/C Opening Fee		36,400	120,400
TREC License Renewal Fee		31,230	30,220
		<b>1,697,397</b>	<b>1,488,293</b>

**19.00 Administrative Expenses**

This is made up as follows:

	Amount in Taka	
	2019	2018
	<b>16,464,858</b>	<b>16,572,311</b>
Authorised Rep. Training Fee	11,200	11,700
Brokerage Commission Expense	327,971	101,623
Business Promotion	170,000	42,548
Conveyance	56,005	50,312
Depreciation	834,100	953,494
Honorarium & Remuneration	25,000	45,752
Festival & Other Bonus	1,178,213	863,974
Fuel Bill	115,710	121,532
Internet Bill	195,298	221,678
Legal & Professional Fees (Audit Fee)	50,000	60,000
Member Subscription	12,500	12,500
Office Supplies & Others	105,071	375,845
Mobile Bill	154,249	146,737
Networking Expenses	131,271	133,436
Provision for Negative Equity	2,400,000	1,200,000
Newspaper	5,330	4,865
Office Rent	445,072	512,108
Office Stationery	87,465	78,746
Car Expenses	63,410	112,464
Overtime	33,670	29,425
Printing & Postage	27,650	224,413
Preliminary Expense (Amortization)	-	2,757,778
Registration Fee (IPO Bidding)	12,000	43,000
Revenue & Non Judicial Stamp	1,500	2,360
Salary & Other Allowances	9,715,887	7,996,076
Software Maintenance	94,500	190,000
Stock Broker & Dealer Renewal Fee	20,000	20,000
TC Renewal Fee	56,500	70,000
Telephone	10,654	10,576
Trade License Renewal	31,230	50,220
TWS Charge	50,000	50,000
Vehicle Insurance	14,713	51,974
Utility Bill	28,689	27,175

**16,464,858****16,572,311**

**20.00 Financial Expenses:**

This is made up as follows:

Excise Duty  
Bank Charges and Commission  
Financial Charge

Amount in Taka	
2019	2018
7,792,840	5,098,110
54,000	49,150
4,456	15,809
7,734,384	5,033,151
7,792,840	5,098,110

**21.00 Other Income / (Loss)**

This is made up as follows:

Income from Interest from Bank Account  
Income from Gain in Share  
Loss by selling DSE Shares Note:21.01  
Income from Dividend

29,132,054	(66,025,434)
3,034,893	1,887,185
15,772,926	2,680,056
-	(78,695,683)
10,324,235	8,103,008
29,132,054	(66,025,434)

The amount of interest was received from Prime Bank, Al-Arafah Bank and First security Islami Bank Ltd.

**21.00 Loss by Selling 25 % DSE Shares to strategic investor**

-	(78,695,683)
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25% of DSE Shares (18,03,777 shares from Total Shares 72,15,106) has been sold by DSE to Strategic Investor at Taka 21/- per share and as a result loss arises as follows:

Particulars	No. of Shares	Price Per Share	Amount (Tk.)
Cost of acquisition of 25% Share	1,803,777	64.6283	116,575,000
Sold 25% shares to strategic investor	1,803,777	21.00	37,879,317
Loss by selling 25% of DSE Shares (18,03,777 shares from total 72,15,106 shares)			(78,695,683)

**22.00 Events after the reporting period**

There was no adjustable post Balance Sheet event of such importance, non-disclosure of which may affect the ability of the users of the financial statements to make proper evaluations and decisions.

**23.00 Earnings per share**

This has been calculated in compliance with the requirements of IAS 33 "Earnings Per share" dividing basic earning by average number of shares outstanding at the end of the period.

**Fareast Islami Securities Limited**  
**Property, Plant & Equipment**  
For the year ended 31 December 2019

**Annexure-"A"**

Particulars	Cost				Rate of Dept.	Depreciation			Written down Value as at 31 December 2019
	Balance as at 01 January 2019	Addition	Disposal / Adjustment during the period	Balance as at 31 December 2019		Charged During the period	Disposal / Adjustment during the period	Balance as at 31 December 2019	
Air Conditioner	556,000	-	-	556,000	15%	43,535	-	309,300	246,700
Computer hardware	1,165,492	36,950	-	1,202,442	15%	109,236	-	583,436	619,006
Furniture & Fixture	572,750	-	-	572,750	15%	273,771	-	318,618	254,132
Motor Vehicle	1,773,263	-	-	1,773,263	10%	480,554	-	609,825	1,163,438
Office equipment	522,768	26,000	-	548,768	15%	213,535	-	263,820	284,948
Renovation	2,689,574	-	-	2,689,574	15%	1,285,599	-	1,496,195	1,193,379
Server	1,305,499	-	-	1,305,499	15%	503,759	-	624,020	681,479
Software	1,886,000	-	-	1,886,000	10%	648,595	-	772,336	1,113,664
Web Design & Development	28,738	-	-	28,738	10%	5,460	-	7,788	20,950
Balance on 31 December 2019	10,500,084	62,950	-	10,563,034		4,151,237	-	4,985,337	5,577,697
Balance on 31 December 2018	10,437,332	62,752	-	10,500,084		3,197,743	-	4,151,237	6,348,847

**Fareast Islami Securities Limited**  
**Investment in Marketable Securities**

As on 31 December 2019

Annexure-"B"

SI No.	Company Name	Quantity	Total Cost	Market Value
1	ADVENT	24,000	631,379	537,600
2	ASIAINS	40,000	1,105,043	1,004,000
3	BDFINANCE	33,000	565,999	330,000
4	BNICL	55,015	1,368,368	1,386,378
5	DHAKABANK	21,000	350,000	252,000
6	DSSL	66,000	1,107,999	732,600
7	EASTERNINS	25,822	1,177,229	1,001,893
8	FIRSTSBANK	100,000	1,107,600	970,000
9	FORTUNE	33,400	907,100	768,200
10	NAVANACNG	17,000	832,218	584,800
11	PARAMOUNT	80,000	2,877,629	3,272,000
12	PIONEERINS	30,000	1,027,934	1,026,000
13	PREMIERBAN	189,056	2,526,119	2,363,200
14	PRIMEINSUR	1,770,000	22,243,627	46,020,000
15	RANFOUNDRY	3,000	488,970	359,700
16	UNITEDFIN	62,660	1,317,760	1,084,018
<b>Total</b>			<b>39,634,974</b>	<b>61,692,389</b>

## Fareast Islami Securities Limited

### Investment in Marketable Securities

As on 31 December 2019

Annexure-"C"

SI No.	Company Name	Quantity	Total Cost	Market Value
1	ADVENT-A	113,304	3,046,311	2,538,010
2	AGRANINS-B	58,000	1,759,584	1,508,000
3	ALIF-A	151,200	1,457,500	1,043,280
4	APOLOISPAT-Z	70,000	1,380,606	273,000
5	BARKAPOWER-A	95,700	3,451,107	2,172,390
6	BDFINANCE-A	157,000	2,285,809	1,570,000
7	BNICL-A	40,000	986,400	1,008,000
8	BPML-A	14,000	1,483,580	644,000
9	COPPERTECH-A	4,978	47,409	116,983
10	DESCO-A	40,000	2,076,356	1,480,000
11	DHAKABANK-A	147,000	2,689,750	1,764,000
12	DSSL-A	66,000	1,157,923	732,600
13	ESQUIRENT-A	140,633	6,191,138	3,979,914
14	EXIMBANK-A	140,000	2,089,352	1,414,000
15	FARCHEM-A	99,000	1,495,616	811,800
16	FAREASTLIF-A	9,838	590,981	487,965
17	FIRSTSBANK-A	130,000	1,386,732	1,261,000
18	FORTUNE-A	100,000	2,710,000	2,300,000
19	IBP-A	74,500	1,579,000	1,363,350
20	IFADAUTOS-A	24,600	2,844,606	1,136,520
21	INTRACO-A	58,777	1,161,338	799,367
22	ISLAMIBANK-A	70,000	2,598,824	1,337,000
23	KPCL-A	30,000	1,838,903	1,401,000
24	MALEKSPIN-A	90,576	1,669,182	1,086,912
25	MEGHNALIFE-A	6,500	547,714	336,050
26	MIRACLEIND-B	42,626	1,444,358	997,448
27	NEWLINE-A	4,282	64,559	63,373
28	NFML-B	70,550	759,053	634,950
29	NURANI-A	65,521	919,948	550,376
30	ONEBANKLTD-A	69,300	1,400,010	713,790
31	PARAMOUNT-B	32,000	1,226,495	1,308,800
32	PDL-A	62,700	917,070	614,460
33	PREMIERBAN-A	90,000	1,155,160	1,125,000
34	PROVATIINS-A	36,000	1,111,577	993,600
35	PURABIGEN-A	30,000	557,870	522,000
36	RAKCERAMIC-A	30,000	1,301,495	861,000
37	RANFOUNDRY-A	7,200	1,112,770	863,280
38	REGENTTEX-B	78,750	1,166,250	724,500
39	RUNNERAUTO-A	7,663	573,375	455,948
40	SEAPEARL-B	2,051	18,649	84,706
41	SHASHADNIM-A	42,000	2,295,025	1,037,400
42	SILCOPHL-A	11,671	205,747	353,633
43	TITASGAS-A	70,000	3,885,330	2,163,000
44	UNITEDFIN-A	20,000	387,217	346,000
45	WMSHIPYARD-A	186,250	3,498,821	2,086,000
46	ABBANK-Z	75,000	1,660,781	592,500
47	ADNTEL-N	18,952	568,560	-
48	APEXTANRY-A	18,952	1,891,171	1,460,000
49	DSE-EXCH-A	12,500	-	-
50	ETL-A	2,886,042	1,053,500	739,200
51	GBBPOWER-A	77,000	2,388,026	1,610,000
52	GENNEXT-Z	115,000	1,623,377	499,500
53	ZAHINTEX-Z	185,000	1,496,799	297,250
<b>Total</b>			<b>83,208,714</b>	<b>54,262,855</b>

## Independent Auditor's Report to the Shareholders of Fareast Islami Properties Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Fareast Islami Properties Limited which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### 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 ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Place : Dhaka  
Date : 08 June, 2020



**Md. Abu Kaiser, FCA**  
**Mahfel Huq & Co.**  
Chartered Accountants

## Fareast Islami Properties Limited

### Statement of Financial Position

As at 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>ASSETS:</b>			
<b>Current Assets</b>			
Investment	4	153,235,655	151,241,893
Advance Income Tax	5	2,010,289	874,432
Cash & Cash Equivalents	6	3,325,242	30,979,308
<b>Total Assets</b>		<b>158,571,186</b>	<b>183,095,633</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders equity</b>		<b>142,836,374</b>	<b>123,057,734</b>
Share Capital	7	100,000,000	100,000,000
AFS Reserve (Unrealised gain)		8,805,473	4,346,139
Retained Earnings		34,030,901	18,711,595
<b>Liabilities</b>		<b>15,734,812</b>	<b>60,037,899</b>
Provision, Accruals & payable	8	15,734,812	6,037,899
Quard	9	-	54,000,000
<b>Total Equity and Liabilities</b>		<b>158,571,186</b>	<b>183,095,633</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka  
Date : 08 June, 2020

  
**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Properties Limited****Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>Income:</b>			
Income form Financial Activities	10	15,626,000	8,744,319
Profit on Share (Realise Capital Gain)	11	10,400,926	4,910,299
<b>Total Income</b>		<b>26,026,926</b>	<b>13,654,618</b>
<b>Expenses :</b>			
Administrative Expenses	12	(4,097,804)	(4,387,060)
Financial Expenses	13	(3,449,532)	(97,825)
<b>Total Expenses</b>		<b>(7,547,336)</b>	<b>(4,484,885)</b>
<b>Profit/ (Loss) Before Tax</b>		<b>18,479,590</b>	<b>9,169,733</b>
<b>Income Tax expenses</b>		<b>(3,160,284)</b>	<b>(1,981,832)</b>
<b>Profit/(Loss) for the year</b>		<b>15,319,306</b>	<b>7,187,901</b>
<b>Earnings Per Share</b>		<b>1.53</b>	<b>0.72</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka  
Date : 08 June, 2020

  
**Mahfel Huq & Co.**  
Chartered Accountants

## Fareast Islami Properties Limited

### Statement of Changes in Shareholders' Equity

For the year ended 31 December 2019

Particulars	Share Capital	Retained Earnings	AFS Reserve (Unrealised gain)	Total (Taka)
As on 01 January 2019	100,000,000	18,711,595	4,346,139	123,057,734
Profit /(loss) after tax as at 31 Dec, 2019	-	15,319,306	-	15,319,306
Unrealised gain	-	-	4,459,334	4,459,334
<b>For the year ended 31 December 2019</b>	<b>100,000,000</b>	<b>34,030,901</b>	<b>8,805,473</b>	<b>142,836,374</b>
As on 01 January 2018	100,000,000	11,523,694	-	111,523,694
Profit /(loss) after tax as at 31 Dec, 2018	-	7,187,901	-	7,187,901
Adjustment	-	-	-	-
Unrealised gain	-	-	4,346,139	4,346,139
<b>For the year ended 31 December 2018</b>	<b>100,000,000</b>	<b>18,711,595</b>	<b>4,346,139</b>	<b>123,057,734</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka  
Date : 08 June, 2020



**Mahfel Huq & Co.**  
Chartered Accountants

**Fareast Islami Properties Limited****Statement of Cash Flows**

For the year ended 31 December 2019

PARTICULARS	Notes	Amount in Taka	
		2019	2018
<b>A. Cash Flows from Operating Activities</b>			
Cash out flow for business operation		(3,536,262)	(4,140,115)
Income tax paid		(3,117,689)	(1,127,655)
<b>Net Cash from Operating Activities</b>		<b>(6,653,951)</b>	<b>(5,267,770)</b>
<b>B. Cash Flows from Investing Activities</b>			
Investment in FDR		(17,153,239)	21,711,488
Investment in Share		30,000,000	(59,219,985)
Investment & other Income received		19,597,337	18,000,757
<b>Net cash Generated from investing Activities</b>		<b>32,444,098</b>	<b>(19,507,740)</b>
<b>C. Cash Flows from Financing activities</b>			
Quard against FDR's		(54,000,000)	54,000,000
Loan & advance		555,787	-
<b>Net Cash Used in Financing Activities</b>		<b>(53,444,213)</b>	<b>54,000,000</b>
<b>Change in Cash and Cash equivalents (A+B+C)</b>		<b>(27,654,066)</b>	<b>29,224,490</b>
<b>Cash &amp; Cash Equivalents as at 01 January 2019</b>		<b>30,979,308</b>	<b>1,754,818</b>
<b>Cash &amp; Cash Equivalents as at 01 December 2019</b>		<b>3,325,242</b>	<b>30,979,308</b>

Annexed notes form an integral part of these financial statements.



Chairman



Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka  
Date : 08 June, 2020

  
**Mahfel Huq & Co.**  
Chartered Accountants

## Fareast Islami Properties Limited

### Notes to the Financial Statements

As at and for the year ended 31 December 2019

#### 1.00 About the entity

##### 1.01 Domicile, legal form, country of incorporation and status of the company

Fareast Islami Properties Limited ("the company") was incorporated in Bangladesh as a public company limited by shares on June 24, 2014 under the Companies Act, 1994 vide incorporation no. C-116756/14 dated June 24, 2014.

##### 1.02 Address of registered office and place of business of the company

The registered office of the company is at Fareast Tower, 35 Topkhana Road, Palton, Dhaka-1000, Bangladesh. Company's principal office is also situated at the same address and at present, the company has no branch office in Bangladesh or abroad.

##### 1.03 Objective of the company

The main objective of the company is to acquire by purchase, lease, settlement or otherwise any land from any person and to develop the same for the residential, industrial, commercial and housing purposes.

##### 1.04 Principal activities of the company

The company is primarily assigned to construction of building on any land acquired by it and to sale of the constructed building for residential, industrial, commercial and housing purposes.

#### 2.00 Significant Accounting Policy for Presentation of Financial Statements

The specific accounting policies selected and applied by the company for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements have been consistently applied through out the period.

##### 2.01 Corporate Financial Statements

This Comprises of the following

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Shareholders' Equity;
- d) Statement of Cash Flows; and
- e) Notes to the Financial Statements;

These financial statements have been prepared under historical cost convention and in accordance with requirements of the Companies Act 1994 and the International Accounting Standards (IASs) and disclosures recommended by those standards as applicable to this company. The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approve and authorize for issue of this financial statements. The preparation of these financial statements in conformity with the International Accounting Standards requires Board of Directors to make estimates assumptions that affect the reported amount of revenues and expenses, assets and liabilities at the date of reporting period.

Due to the inherent uncertainty involved in making estimates actual results could differ from those estimates.

**2.02 Fundamental Accounting Concepts / Assumption**

The financial statements have been prepared under historical cost convention on going concern concept and as per International Accounting Standards under accrual basis and other conventions as required by IAS 1 and IFRS for fair presentation of financial statements.

**2.03 Compliance with IAS**

The following IAS has been complied with by the management of the company for presentation of the Financial Statements

IAS -1 Presentation of Financial Statements

IAS -7 Statement of Cash Flows

IAS -10 Events after Reporting Period

IAS -12 Income Taxes

IAS -24 Related Party Disclosure

IAS -25 Investment

IAS -33 Earnings per share

IAS -37 Provisions, Contingent Liabilities and Contingent Assets

IFRS-9 Financial Instrument

IFRS-15 Revenue from Contracts with Customer

The related IFRS have also been complied in preparation of these financial statements.

**2.04 Compliance with local Laws and Rules**

The Financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local Laws and Regulations.

**2.05 Cash and cash equivalents**

According to International Accounting Standard-7 "Cash Flow Statements" cash comprises cash in hand and demand deposits and cash equivalents which are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changer in value. International Accounting Standard-1 "Presentation of Financial Statements" provides that the cash and cash equivalents are not restricted in use. Considering the provisions of International Accounting Standard-7 and International Accounting Standard-1, cash in hand and bank balances have been considered as cash and cash equivalents.

**2.06 Taxation****a) Current Tax**

Provision for income tax has been made according to the Income Tax Ordinance 1984.

**b) Deferred Tax**

The company did not recognize deferred tax during the year.

**2.07 Earnings per share**

The company calculates earnings per share in accordance with International Accounting Standard-IAS 33 "Earnings per share" to be shown on the face of the profit and loss account.

**2.08 Statement of Cash flows**

Statement of Cash Flows has been prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

## 2.09 Reporting currency and level of precision

The Figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest taka.

## 2.10 Comparative Figures

Previous year's figures have been restated and rearranged whenever considered necessary to ensure comparability with the current year's presentation.

## 3.00 Reporting Period

Financial statements of the company cover one year from 1st January 2019 to 31 December 2019.

## 4.00 Investment

### 4.01 Investment in FDR'S

	2019 Taka	2018 Taka
	153,235,655	151,241,893
NCC Bank Banani Branch	10,365,224	64,021,908
Fareast Finance, Gulshan Br.	30,748,000	28,000,000
Megna Bank, Motijheel Br.	32,058,865	-
Shahajalal Islami Bank, Dhaka Main Br.	10,000,000	-
Islami Finance & Investment, Principal Br.	10,409,508	-
Islami Finance & Investment, Noyabazar Br.	5,000,000	-
Social Islami Bank, Gulshan Br.	10,593,550	-
	<b>109,175,147</b>	<b>92,021,908</b>

### 4.02 Investment in share

	44,060,508	59,219,985
Fareast Islami Securities Ltd.	44,060,508	59,219,985

## 5.00 Advance Income Tax

	2,010,289	874,432
Opening Balance	874,432	731,101
Add: Paid during the year	2,010,289	874,432
Less: Adjustment	(874,432)	(731,101)
	<b>2,010,289</b>	<b>874,432</b>

The amount was deducted by the entity's banks from interest income as TDS.

## 6.00 Cash & Cash Equivalents

	3,325,242	30,979,308
Prime Bank Ltd. (Comp A/C: 10831080035027)	2,771,455	30,979,308
Shahajalal Islami Bank(A/C No.13100001642)	550,555	-
Shahajalal Islami Bank(A/C No.1310000821)	3,232	-
	<b>3,325,242</b>	<b>30,979,308</b>

		Amount in Taka	
		2019	2018
<b>7.00 Share capital</b>			
<b>7.01 Authorised Share Capital</b>		<b>500,000,000</b>	<b>500,000,000</b>
The Authorized share capital of the company is TK. 50,00,00,000 dividend by 5,00,00,000 ordinary shares of TK. 10 each.			
<b>7.02 Issued, Subscribed &amp; Paid-Up Capital</b>		<b>100,000,000</b>	<b>100,000,000</b>
1,00,00,000 ordinary shares of TK. 10 each.			
<b>Composition of shareholders by Shares holding:</b>			
During the year Fareast Islami Life Insurance Co Ltd took over 7,00,000 shares from sponsor of Mr. Waheed Murad Jamil by transferred from Registrar of Joint Stock Companies and Firms.			
<b>8.00 Provision ,Accruals &amp; Payable:</b>		<b>15,734,812</b>	<b>6,037,899</b>
<b>8.01 Provision &amp; Accruals:</b>			
Income Tax Provision	3,160,284	1,981,832	
Trade License	30,230	30,230	
Audit fee	34,500	34,500	
RJSC Expenses	40,000	20,000	
	<b>3,265,014</b>	<b>2,066,562</b>	
<b>8.02 Payable:</b>		<b>12,469,798</b>	<b>3,971,337</b>
Payable to Fareast Islami Life Insurance Co. Ltd. for the follwing expenses			
Salary & Allowances	4,657,650	1,552,550	
Office Hire Cost	4,140,000	1,380,000	
Office Expenses	615,360	205,120	
Utility Charges	900,000	300,000	
Entertainment	72,000	24,000	
Printing & Stationery	626,721	208,907	
Cleaning & Washing	180,000	60,000	
Conveyance	43,200	14,400	
Telephone & Fax	44,580	14,860	
Newspaper & periodicals	76,500	25,500	
Repair & Maintenance	558,000	186,000	
Loan & Advance	555,787	-	
	<b>12,469,798</b>	<b>3,971,337</b>	

			Amount in Taka	
			2019	2018
<b>9.00 Quard</b>			-	54,000,000
NCC Bank Banani Br.			-	54,000,000
			-	54,000,000
<b>10.00 Income from Financial Activities</b>			15,626,000	8,744,319
This amount is arrived at as follows:				
Interest on Bank Deposit -C/A	Note-10.01		172,977	141,261
Profit from investment in FDR	Note-10.02		11,410,030	8,603,058
Dividend Income	Note-10.03		4,042,993	-
			15,626,000	8,744,319
<b>11.01 Interest on Bank Deposit -C/A</b>			172,977	141,261
This amount was received as interest from Prime Bank Ltd.			172,977	141,261
			172,977	141,261
<b>10.02 Interest from investment in FDR</b>			11,410,030	8,603,058
This is made-up as follows:				
Midland bank - Gulshan Branch			-	1,562,489
NCC Bank,Banani Br.			4,377,844	7,040,569
Fareast Finance,Gulshan Br.			3,080,000	-
BD Finance			25,000	-
SJIBL,Dhaka Main Br.			437,500	-
IIDFC			33,333	-
Megna Bank,Motijheel Br.			2,300,961	-
SIBL,Gulshan Br.			659,500	-
Islami Finance,Principal Br.			495,892	-
			11,410,030	8,603,058
<b>10.03 Dividend Income</b>			4,042,993	-
Dividend from Share			4,042,993	-
			4,042,993	-
<b>11.00 Profit on Share(Capital Gain)</b>			14,860,260	9,256,438
This is made-up as follows:				
Realised gain			10,400,926	4,910,299
Unrealise gain			4,459,334	4,346,139
			14,860,260	9,256,438

		Amount in Taka	
		2019	2018
<b>12.00 Administrative Expenses:</b>		<b>4,097,804</b>	<b>4,387,060</b>
This is made as follows:			
Audit fee	34,500	34,500	
Office expenses	207,120	205,120	
Preliminary Exp. Written off	-	300,000	
Salary & Allowances	1,552,550	1,552,550	
Office Hire Cost	1,380,000	1,380,000	
Utility Charges	300,000	300,000	
Entertainment	24,000	24,000	
Printing & Stationery	208,907	208,907	
Cleaning & Washing	60,000	60,000	
Conveyance	14,400	14,400	
Telephone & Fax	14,860	14,860	
Newspaper & periodicals	25,500	25,500	
Repair & Maintenance	186,000	186,000	
AGM/RJSC Expenses	20,000	20,000	
License & Fees	69,967	61,223	
	<b>4,097,804</b>	<b>4,387,060</b>	
<b>13.00 Financial Expenses:</b>		<b>3,449,532</b>	<b>97,825</b>
This is made as follows:			
Excise Duty	200,000	62,500	
Bank Charges and Commission	2,410	1,763	
Interest paid (Quard, NCC Bank Banani Br.)	3,247,122	33,562	
	<b>3,449,532</b>	<b>97,825</b>	

#### 14.00 Events after the reporting period

There was no adjustable post Balance Sheet event of such importance, non-disclosure of which may affect the ability of the users of the financial statements to make proper evaluations and decisions.

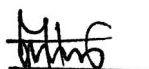
## ACKNOWLEDGEMENT

We have the pleasure in presenting to you the Annual Report 2019 of Fareast Islami Life Insurance Company Limited. A Company's performance, achievements and corporate governance scenario are virtually reflected in its Annual Report. Apart from being an art, ability to write and edit annual report is a professional proficiency. We are proud to say that the Annual Report 2019 has been prepared under the prudent guidance of the honorable Chairman, Directors and Chief Executive Officer of the Company.

Annual Report 2019 has been extensively prepared, composed and compiled with participation from various Departments of the Company. Thanks and regards to all of them for their relentless efforts.

It is our firm confidence that stakeholders shall find a lot of important information about Fareast Islami Life Insurance Company Limited from this Annual Report.

With best regards,



**(Mahamudhul Hasan FCS)**  
Company Secretary

01 November 2020  
Dhaka

## DIVISIONAL INCHARGES (EKOK)

Mr. Md. Ashrafuzzaman  
Senior Executive Vice President (Dev.)  
Mymensingh Divisional Office  
Mojlish Mansion (2nd floor), 51 Thanaghat,  
Jubli Road, Mymensingh

Mr. Syed Abdul Matin  
Senior Executive Vice President (Dev.)  
Rangpur Divisional Office  
New Jamal Market (3rd floor), Station Road  
Rangpur Sadar, Rangpur-5400

Mr. Muhammad Abdul Mannan Mia  
Executive Vice President (Dev.)  
Noakhali Divisional Office  
Nodi Bangla Tower (4th floor), Stadium Para  
Main Road, Maizdee, Noakhali

Mr. Mohammad Ibrahim  
Executive Vice President (Dev.)  
Dhaka Divisional Office  
Rahmat Tower (2nd floor),  
19, Dilkusha, Dhaka-1000

Mr. Md. Motiur Rahman  
Executive Vice President (Dev.)  
Cumilla Divisional Office  
Nahar Plaza (2nd floor)  
67/58, Nazrul Islam Avenue  
Kandirpar, Cumilla

Mr. Muhammad Hefzur Rahman  
Executive Vice President (Dev.)  
Sylhet Divisional Office  
Fareast Tower (1st floor), Mohona-01,  
Sunamganj Road, Pathantula, Sylhet

Mr. H.M. Nurul Kabir Touhidi  
Executive Vice President (Dev.)  
Narayanganj Divisional Office  
Shohitun Nesa Tower (2nd floor)  
101, B.B Road, Ukil Para, Narayanganj

Mr. Md. Mostafa Zaman Hamidi  
Joint Executive Vice President (Dev.)  
Khulna Divisional Office  
Ali Bhaban (2nd Floor),  
A/7, Majid Sharoni, Sonadanga, Khulna

Mr. Md. Rafiqul Islam  
Joint Executive Vice President (Dev.)  
Faridpur Divisional Office  
Faridpur Tower (3rd floor), Mujib Road  
Niltuli, Faridpur

Mr. M Khurshadul Alam Chowdhury  
Joint Executive Vice President (Dev.)  
Chattogram Divisional Office  
BM Height (7th floor)  
318, Sheikh Mujib Road,  
Agrabad, Chattogram

Mr. Md. Abdul Halim  
Senior Vice President (Dev.)  
Rajshahi Divisional Office  
Bitu Tower (3rd floor)  
Borogola, Bogura

Mr. Aminul Hoque  
Joint Senior Vice President (Dev.)  
Barishal Divisional Office  
109, Sadar Road, (2nd floor) Barishal

Mr. GM Imam Hossain Emon  
Senior Vice President (Dev.)  
Overseas Divisional Office  
Fareast Tower 02 (Level-3)  
35 Topkhana Road, Dhaka-1000

## DIVISIONAL INCHARGES (SHARBOJONIN)

Mr. Md. Harunur Rashid Faruquee  
Senior Executive Vice President (Dev.)  
Chattogram Divisional Office  
B.M Heights (7th floor) 318 Sheikh Mujib Road  
Agrabad, Chattogram

Mr. A B M Khairul Islam  
Joint Executive Vice President (Dev.)  
Noakhali Divisional Office  
Nodi Bangla Tower (4th floor), Stadium Para,  
Main Road, Maizdee, Noakhali

Mr. Muhammad Munirul Islam  
Joint Executive Vice President (Dev.)  
Mymensingh Divisional Office  
Mojlish Mansion (3rd floor)  
51, Thanaghat Jubli, Road  
Mymensingh

Mr. Muhammad Mozammel Hoq  
Joint Executive Vice President (Dev.)  
Cumilla Divisional Office  
Nahar Plaza (2nd Floor), 67/58 Kazi Nazrul  
Islam Avenue, Kandırpar, Cumilla

Mr. Sk. Abdur Rashid  
Joint Executive Vice President (Dev.)  
Khulna Divisional Office  
Ali Bhaban (2nd Floor)  
A/7, Majid Sharoni  
Sonadanga, Khulna

Mr. Md. Anwar Hossain  
Joint Executive Vice President (Dev.)  
Faridpur Divisional Office  
Faridpur Tower (3rd floor), Mujib Road  
Niltuli, Faridpur

Mr. Md. Abdul Mobin  
Joint Executive Vice President (Dev.)  
Dhaka Divisional Office  
Fareast Tower 02 (3rd floor)  
36 Topkhana Road, Dhaka-1000

Mr. Mohammad Amran  
Joint Senior Vice President (Dev.)  
Barishal Divisional Office  
109, Sadar Road (3rd floor)  
Barishal

Mr. Md. Afsarul Islam  
Joint Senior Vice President (Dev.)  
Rajshahi Divisional Office  
Bitu Tower (3rd floor)  
Borogola, Bogura

Mr. Mohammad Hamidur Rahman  
Senior Vice President (Dev.)  
Narayanganj Divisional Office  
West Side of Narayanganj Centre  
Eadgaon (1st floor) Fatullah, Narayanganj

Mr. Syed Abdul Awal  
Senior Vice President (Dev.)  
Rangpur Divisional Office  
New Jamal Market (3rd floor), Station Road  
Rangpur Sadar, Rangpur-5400

Mr. Md. Mojibul Mowla  
Senior Vice President (Dev.)  
Sylhet Divisional Office  
Fareast Tower (2nd floor), Mohona-01,  
Sunamganj Road, Pathantula, Sylhet





## Fareast Islami Life Insurance Co. Ltd.

Fareast Tower (Level-18), 35 Topkhana Road, Dhaka-1000.

### Proxy Form

I/ We .....  
of ..... being a  
shareholder(s) of Fareast Islami Life Insurance Company Limited and entitled to vote hereby appoint Mr./ Ms.

or (Failing him/ her) Mr./ Ms. ....  
as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the 20<sup>th</sup> Annual General Meeting of the  
Company to be held on 15 December 2020, Tuesday at 10.30 AM Virtually (using digital Platform) and adjournment  
thereof.

As witness my/ our hand this ..... Day of ..... 2020.

Signature of Proxy  
BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Dated .....

Witness

Signature .....

Name .....

Address .....

#### Note

A member entitled to attend and vote in the AGM may appoint a Proxy (such proxy shall be a member of the company) to attend and vote on his/her behalf. The Proxy Form, duly stamped must be deposited at the Head office of the Company, not later than 48 (Forty Eight) hours before the time fixed for the meeting.

Revenue  
Stamp of  
Tk. 20.00

Signature of Shareholder  
BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Dated

No. of Share .....

Authorized Signature  
Fareast Islami Life Insurance Co. Ltd.

Signature Verified



## Fareast Islami Life Insurance Co. Ltd.

### Shareholder's Attendance Slip

I/ We hereby record my/ our attendance at the 20<sup>th</sup> Annual General Meeting of the Company to be held on  
15 December 2020, Tuesday at 10.30 AM Virtually (using digital Platform)

Name of the Shareholder(s)/ Proxy .....

BO ID No. 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of Shares held .....

Signature of Shareholder(s) / Proxy

Note : Please complete this Attendance Slip and deposit at the registration counter on the day of the Meeting.



**CORPORATE HEAD OFFICE**

Fareast Tower, 35 Topkhana Road, Dhaka-1000, Bangladesh

✉ [info@fareastislamilife.com](mailto:info@fareastislamilife.com) ☎ 09613000123, 02 9568120