

# ANNUAL REPORT 2020



**Fareast Islami Life  
Insurance Company Ltd.**

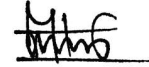
## Notice of the 21<sup>st</sup> Annual General Meeting

Notice is hereby given that 21<sup>st</sup> Annual General Meeting of Fareast Islami Life Insurance Company Limited will be held on 22 December 2021, Wednesday at 11.00 a.m Virtually (using digital Platform) to transact the following businesses:

### Agenda

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 December, 2020 together with the reports of Directors' and Auditor's thereon.
2. To declare Dividend for the year ended 31 December, 2020 as recommended by the Board of Directors.
3. To appoint Statutory Auditors' for the year 2021 and fix their remuneration.
4. To appoint Corporate Governance Compliance Auditors for the year 2021 and fix their remuneration.
5. To confirm the appointment of the Independent Directors.

By Order of the Board of Directors



(Mahamudhul Hasan FCS)  
Company Secretary

29 November 2021  
Dhaka

### Notes :

- ❖ Members whose names appeared in the Members'/Depository Register on Record Date i.e. 21 November 2021 will be eligible to attend/ participate and vote in the Annual General Meeting through Digital Platform.
- ❖ A Member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his/her instead. Scan copy of the proxy form, duly filled, signed and stamped with Tk. 20/- must be communicated through e-mail to fareast123share@gmail.com not later than 48 hours before the meeting.
- ❖ The AGM Notice Link for Joining in the Audio-Visual meeting (Digital Platform) and detail login process will be mailed to the respective Members' e-mail address available with us.
- ❖ Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20. 2018, soft copy (PDF) of the Annual Report 2020 will be sent to the members' respective e-mail addresses as available with us. The Annual Report 2020 will be available in the Company's website at [www.fareastislamilife.com](http://www.fareastislamilife.com).
- ❖ Members whose e-mail addresses updated/changed subsequently, are requested to e-mail us at fareast123share@gmail.com referring their full name, BO ID and e-mail address to get the digital platform meeting invitation.
- ❖ For logging to the system, the members need to put their 16-digit BO ID Number and other credentials as proof of their identity while visiting the AGM Link: <https://tinyurl.com/filiclagm2021> which will be available in the Company's website at [www.fareastislamilife.com](http://www.fareastislamilife.com). The members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. The full login/participation process to the Digital Platform meeting will also be available in the Company's website at [www.fareastislamilife.com](http://www.fareastislamilife.com).
- ❖ The members are encouraged to login to the system prior to the meeting at 11.00 a.m. The members may Contact Mobile No. 01730303032, 01730052678, 01787652767 for any IT related guidelines in accessing the virtual meeting.

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## Vision

To become the best and premier islami life insurance company 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.

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 2020 total number of shareholders were 7,043. 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 3,368 million as on 31 December 2020.

At the end of 2020 the company had 2,581 permanent employees and more than 2,08,400 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 qualified and professional degree holders. They have been trained at home and abroad.

Total assets of the company as at 31 December 2020 stood at taka 42,306 million and life fund taka 24,746 million. The company invested its fund in various banks and financial companies.

## 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

### Board of Directors

#### Chairman

Dr. Md. Rahmat Ullah  
Independent Director

#### Independent Directors

Mohammad Sanaullah FCS  
Dr. Md. Rafiqul Islam  
Md. Mofazzal Hossain, ndc  
Colonel Gazi Md. Khalid Hossain, psc (Retd.)  
Snehasish Barua, FCA  
Mozammel Haque  
Suzadur Rahman  
Md. Zikrul Hoque

#### Chief Executive Officer (cc)

Mohammed Alamgir Kabir FCA, FLMI, ARA

#### Company Secretary

Mahamudhul Hasan FCS

#### Consultants

Md. Ali Hossain, Chief Consultant  
Ekramul Ameen FCA, Senior Consultant

#### Audit Committee

Mohammad Sanaullah FCS (Chairman)  
Dr. Md. Rafiqul Islam  
Snehasish Barua, FCA  
Suzadur Rahman  
Mahamudhul Hasan FCS (Secretary)

#### Nomination & Remuneration Committee

Md. Mofazzal Hossain, ndc (Chairman)  
Mohammad Sanaullah FCS  
Colonel Gazi Md. Khalid Hossain, psc (Retd.)  
Md. Zikrul Hoque  
Mahamudhul Hasan FCS (Secretary)

#### Executive Committee

Md. Mofazzal Hossain, ndc (Chairman)  
Dr. Md. Rafiqul Islam  
Colonel Gazi Md. Khalid Hossain, psc (Retd.)  
Snehasish Barua, FCA  
Mozammel Haque  
Suzadur Rahman  
Md. Zikrul Hoque

#### Policy & Claims Committee

Dr. Md. Rafiqul Islam (Chairman)  
Colonel Gazi Md. Khalid Hossain, psc (Retd.)  
Snehasish Barua, FCA  
Suzadur Rahman  
Md. Zikrul Hoque

### Shariah Council

Principal Saiyyed Kamaluddin Zafree (Chairman)  
Mufti Sayeed Ahmad Mozaddedi  
Dr. Miah Mohammad Ayub  
Prof. Mohammad Muzahidul Islam  
Prof. Dr. A N M Rafiqur Rahman  
Prof. A Q M Abdul Hakim  
Shah Mohammad Wali Ullah  
H.M. Prof. Dr. Shahidul Islam Barakaty  
Prof. Mau. ABM Masum Billah  
Mohammed Alamgir Kabir FCA, FLMI, ARA

### Shariah Executive Committee

Mufti Sayeed Ahmad Mozaddedi (Chairman)  
Dr. Miah Mohammad Ayub  
Prof. Mohammad Muzahidul Islam  
Prof. Dr. A N M Rafiqur Rahman  
Mohammed Alamgir Kabir FCA, FLMI, ARA

### Auditors

Mahfel Huq & Co.  
Chartered Accountants  
BGIC Tower (4th Floor)  
34, Topkhana Road, Dhaka-1000

### Corporate Governance Auditor

Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants  
Rupayan Karim Tower, Level-7, Suite-7A  
80 Kakrail, Dhaka-1000

### Legal Advisor

Capital Law & Chamber  
Unit: 25, C-2 (Lift 26), City Centre  
90/1, Motijheel C/A, Dhaka-1000

### 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.

### Actuarial Consultant

Mohammad Sohrab Uddin PhD, AIA  
House-6 (4th floor), Road-12  
Sector-13, Uttara Model Town Dhaka-1230.

## Directors' Profiles



### **Dr. Md. Rahmat Ullah**

Independent Director &  
Chairman of the Board of Directors

Dr. Md. Rahmat Ullah is a professor and the Dean of the Faculty of Law, University of Dhaka. He completed LLM with specialization in International Law from Baku State University, Azerbaijan in 1990 and PhD from Kiev State University, Ukraine in 1998. He passed SSC and HSC from Rangpur Cadet College and placed in merit list 7th and 9th in 1981 and 1983 respectively. He joined the Department of Law, University of Dhaka in 2001 as lecturer and promoted to professorship in 2013. He has been serving as elected Dean to the Faculty from 2017 to till date for two consecutive tenures. During his professional carrier besides teaching in the Department of Law, he served as Provost of Kabi Jashim Uddin Hall (2013-2019), Independent Director and Chairman Audit Committee of the Mercantile Bank Ltd. He served as the General Secretary of DUTA (2016-2017). He has been serving as member to the Syndicate and was Senate member to the University of Dhaka for several tenures.

He is the Director of the Quality Assurance Cell at the University of Dhaka from 2018 to till date. At present he is the elected President of the Dhaka University Teachers' Association (DUTA) for 2020-2021.

He has been appointed by his Excellency Honorable President of Bangladesh as the Member to the Bangladesh Judicial Service Commission (BJSC) for 5 years (2017-2022). He participated in professional workshops, conferences, seminars and trainings took place in India, Nepal, China, Belgium, Netherland, Switzerland, Thailand, Mongolia, Kuwait and Iran.

He worked as a national and international consultant to the United Nations High Commissioner for Refugees (UNHCR), United Nations Development Program (UNDP), International Organization for Migration (IOM), European Union (EU), National Human Rights Commission, Bangladesh (NHRC), Ministry of Law, Justice and Parliamentary Affairs, of Bangladesh and in prominent NGOs like Human Resource Development Centre (HDRC) and Manusher Jonno Foundation (MJF), Empowerment Through Law of the Common People (ELCOP) under different projects on human rights, governance and legal issues

He has more than twenty five research articles published in national and international journals on human rights and legal issues,. He is author of one book and co-author of four books and also Executive Editor of five research books. He is the Chief Editor of the Dhaka University Law Journal.

His fields of interest are human rights, international law, commercial law, clinical legal education and advocacy. He is a prolific researcher in the field of human rights and legal issues.





**Mohammad Sanaullah FCS**

Independent Director

Mohammad Sanaullah FCS is the CEO and Lead Consultant of Mohammad Sanaullah & Associates. An Independent Professional Firm of Chartered Secretaries and Management Consultants.

He was the Corporate Affairs Director, Company Secretary and Head of Human Resources of Singer Bangladesh Limited, Leading public listed Company. He was with them for over 34 years from where he retired in late 2020.

Professional Positions held:

- More than 5 years as Director (Board Member) of Singer Bangladesh Limited;
- Non- Executive Director (6 years) of Bangladesh Institute of Capital Market (BICM);
- Three times as President and served (7 years) in the Institute of Chartered Secretaries of Bangladesh (ICSB);
- President and served 1 year in the International Federation of Company Secretaries (IFCS)
- Executive Member (6 years) of the Corporate Secretaries International Association (CSIA), Hong. Kong - A Global Voice of Governance.

Professionally Sanaullah is a Fellow (FCS) and a Founder Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He is a Post Graduate Diploma holder in Personnel Management from Bangladesh Institute of Management (BIM). Besides, he is a Masters in Accounting from the University of Dhaka. Moreover, he did his MBA in Marketing. He is a certified trainer on Corporate Governance – Board Leadership of the Global Corporate Governance Forum (GCGF) of International Finance Corporation (IFC).

Mr. Sanaullah is the Immediate Past President and Council Member (2019-2022) of the Institute of Chartered Secretaries of Bangladesh (ICSB) and an adjunct MBA faculty for more than 20 years in leading Universities of the country and professional Institutes. Mr. Sanaullah is an Independent Director of Fu-Wang Foods Limited and Vice President of Bangladesh Accounting Association (BAA).



**Dr. Md. Rafiqul Islam**

Independent Director

Dr. Md. Rafiqul Islam is a professor of the department of Banking and Insurance, Faculty of Business Studies, University of Dhaka. He completed his MBA degree from Institute of Business Administration (IBA), University of Dhaka and Master of Science in Mathematics from University of Dhaka. He also completed Doctorate degree in Business. He has started his career as a lecturer in the University of Dhaka in 1997 and promoted to professor in 2008. He has been serving various prestigious positions in the Dhaka University such as Director, DBA program, Director, MBA(Evening) Program, Director, Master of Professional Banking, Director, Master of Actuarial Science Program and Director, Master of Tax Management program in Banking and Insurance Department. He participated in different professional workshops, conferences, seminars and trainings in home and abroad. He was Syndicate Member of Dhaka University and Cumilla University, Finance Committee Member of Dhaka University, Associate Editor of Journal of Business Studies and Editor of Journal of Banking and Financial Services, Faculty of Business Studies, Dhaka University. He has published three books and more than twenty articles on various topics.


**Md. Mofazzal Hossain, ndc**

Independent Director

Prior to joining Fareast Islami Life as an Independent Director he retired from the Government Service (National Defense College, ndc) as an Additional Secretary & Senior Directing Staff (Civil). Mr. Md. Mofazzal Hossain worked in various positions of Bangladesh Government.

He was Joint Secretary, Ministry of Youth and Sports, General Manager (Technical) and General Manager of ICT Division of Bangladesh Jiban Bima Corporation under Financial Institutions Division (FID), Ministry of Finance, Member Director (Fertilizer) & Member Director (Seed), Bangladesh Agricultural Development Corporation, BADC. He also worked as Deputy Secretary and Joint Secretary in the Ministry of Agriculture. He was the Commercial Counselor of Bangladesh Mission in Iran during 2003-2009. He worked in different capacities in the National Board of Revenue (NBR) under Internal Resources Division (IRD), Ministry of Finance.

He completed his BSS (Hons) in Economics, University of Dhaka, 1983 and MBA Major in Finance, Institute of Business Administration (IBA), University of Dhaka, 1986. He also completed Master's in Development Economics (ANU), Australia, 1990 and Masters of Strategic Studies (MoSS), National Defence College, Bangladesh University of Professionals (BUP), Dhaka, 2013.

Mr. Md. Mofazzal Hossain Participated as Bangladesh delegate in the meetings of D-8, Islamic Chamber of Commerce and other International Forums. He participated in many workshops, conferences, seminars and training programs in home and abroad. He has also attachment with various charity and voluntary organizations. He is married and blessed with two sons.


**Colonel Gazi Md. Khalid Hossain, PSC (Retd)**

Independent Director

Colonel GaziMd Khalid Hossain, psc (Retd) is an Independent Director of Fareast Islami Life Insurance Company Ltd. Prior to his retirement from Bangladesh Army, he was Deputy Commandant of Central Ordnance Depot (COD). Besides being a Platoon Commander in Bangladesh Military Academy, he was also an instructor in the School of Ordnance.

He is a graduate of Defence Services command and Staff Collage, Mirpur. He obtained his Masters in Defence Studies from the National University, Bangladesh. He also obtained his Diploma on Advance Material Management from Rani Durgawati University, MP, India. He is a qualified expert on ammunition and explosives.

He served under UN umbrella as peace keeper in Kuwait, Sudan and Democratic Republic of Congo. For his outstanding service as peace keeper he received Force Commander's Commendation at UNMIS (Sudan).





**Snehasish Barua, FCA**

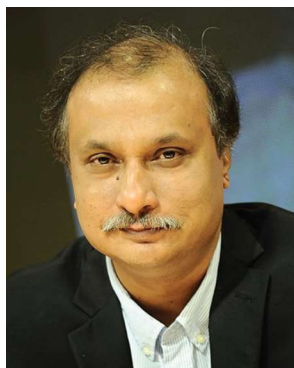
Independent Director

Snehasish Barua is a Founding Partner at Snehasish Mahmud & Co. He has experience in audit, tax and consulting services for multinational companies, large manufacturers and banking and financial institutions including the Central Bank (Bangladesh Bank).

Mr. Barua completed his articleship from Rahman Rahman Huq, a member of the KPMG International Cooperative. He qualified as a Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB) in 2005. Mr. Barua also qualified from the Institute of Chartered Accountants of England and Wales (ICAEW) in 2013.

Prior to founding Snehasish Mahmud & Co., Mr. Barua was a partner at Syful Shamsul Alam & Co, a member firm of UHY International. Prior to that he served as a Senior Manager at Rahman Rahman Huq. He had also worked as Manager, Internal Audit at the telecom companies TMIB and Grameenphone. Mr. Barua had begun his career as an Assistant Manager at Rahman Rahman Huq.

Mr. Barua is a member of the Faculty of ICAB. He tutors the ICAEW advanced stage classes in Bangladesh. He provides training services to professionals from different sectors on financial reporting and corporate governance including Bangladesh Bank and National Board of Revenue staff. He has also provided such training to ICAB members and students. In addition, he is also a trainer at the Dhaka Stock Exchange Training Academy.



**Mozammel Haque**

Independent Director

Bangladesh Securities and Exchange Commission has nominated and appointed to Mr. Mozammel Haque as an Independent Director of Fareast Islami Life Insurance Company Limited on 01 September 2021. He is a Media Personality and ICT Specialist. He is the President of Editor's Guild and ICT Club Limited. He is an Advisor of Broadcast Journalist Center, Institute of Conflict, Law and Development Studies (ICLDS). Presently, Mr. MozammelHaque is the Chairman of Digital Equipment Manufacturing Company Limited, Digital Services Limited, Digital Technologies Limited and Connecting Bangladesh Limited. He is also the Managing Director of Digital Communications Limited, Director of Bangladesh Sangbad Sangstha (BSS) and Managing Director & Chief Editor of Ekattor Media Ltd (Ekattor Television).

He started his business career as the Authorized Dealer of Apple Computer in 1988. Became the Exclusive Distributor for Digital Equipment Corporation in 1996. Appointed as NEC, Packard Bell, Kyocera& Tally Printer Distributor in 2001 and finally appointed as the Huawei Premium Business Partner in 2013. He maintained the media presence all through and he became the editor of Weekly Deshbandhu in 1988 and Weekly Purbavash in 1990. Continued his writing for last 40 years and became the Consultant of Ekushey TV in 2006 and Channel Head of Jamuna TV in 2008. In 2011 he started his own Technology Based Full HD News Channel Ekattor TV.



### **Suzadur Rahman**

Independent Director

Mr. Suzadur Rahman is an Independent Director of Fareast Islami Life Insurance Company Ltd. He is also a Director of Padma Oil Company Ltd. – the largest oil company in Bangladesh. He holds double Master's Degree in both Accounting Information System (AIS) and Health Economics from the University of Dhaka. He is a Consultant of World Bank, IFC and FCDO (Foreign, Commonwealth and Development Office). Mr. Rahman is also a renowned business person in Bangladesh. He is a successful Entrepreneur with proven leadership role in different businesses. He is the Founding Chairman of G7 Securitas Ltd. – a leading security service provider in Bangladesh. He is the Chairman of King Consultants Ltd., Managing Director of Mindlabz Ltd. and Proprietor of M/S S.S. Enterprise. He is a distinguished member of BASIS and Bangladesh Bridge Federation (BBF). In 2019 he accompanied the Honorable Prime Minister of Bangladesh – Sheikh Hasina during her visit to USA for the 74th UN Assembly. In 2011 he travelled to China to perceive the activities of Communist Party of China (CPC) as special envoy of Honorable Prime Minister of Bangladesh – Sheikh Hasina. He has also visited over 30 countries of the world and enjoys visiting new places and countries.



### **MD. Zikrul Hoque**

Independent Director

Mr. Md. Zikrul Hoque has been appointed as an Independent Director of Fareast Islami Life Insurance Company Limited on 6 September 2021. Prior to this, he held the position of Deputy Managing Director (DMD), General Manager (GM), Deputy General Manager (DGM), Assistant General Manager (AGM), Manager, and so on of Janata Bank Limited, the state owned bank with 34 years of empirical working experiences.

Mr. Hoque, son of Moqbul Hossain and Zarina Begum has come from a decent Muslim family of Parbotipur Upazila, district of Dinajpur, Bangladesh. He was born on 13 February 1962. He graduated from Bangladesh Agricultural University, Mymensingh (BAU) with BSc Honors in Agricultural Engineering in 1983. Then he obtained MBA degree in Finance from International Islamic University, Chittagong (IIU) in 2010. Rather he has been decorated himself with numerous professional degrees, trainings and skills time to time from home and abroad.

Throughout his magnificent journey in the banking industry, Mr. Hoque played an innovative role in the ground of direction, policy making & regulation, monitoring, and implementation with extensive sagacity. He developed his expertise in the inauguration of banking online/offline core software to strengthen faster way of digital and mobile banking. In the field of "Loans & Advances", he has gathered 15 years of pragmatic deftness with the position of Divisional Head, Zonal/Area Head and Branch Manager. Besides he has attained immense adeptness in the field level progressive agricultural works with more than 15 years of experiences. He had an active involvement in the process of the implementation of various creative programs of the government including "Annual Performance Agreement (APA)", "National Integrity Strategy (NIS)" and "a2i Program" aiming to paperless banking. As a Trainer, Team Coordinator, and Speaker, he has a strong competence to demonstrate himself. In the field of innovation and marketing of loans, Mr. Hoque has a great reputation for inaugurating of loan product for "Earthworm Fertilizer Production".

Mr. Hoque has been awarded as well as honored time to time for his outstanding excellences. He is also a Diplomaed Associates of the Institute of Bankers Bangladesh. To implement the vision of hunger and poverty free Bangladesh, Mr. Hoque keeps his utmost contribution in the field of Agriculture of Bangladesh to strengthen the process of the innovation of the agricultural products. To enrich himself with extensive knowledge, wisdom and experiences, Mr. Hoque participated in many seminars, symposiums, training programs and workshops in Singapore, Malaysia, Philippines.

In addition, Mr. Hoque is a man of firm ethics and moral values with having strong analytical ability, capacity in risk management and problem solving.

## Management Committee

### Convenor

Mohammed Alamgir Kabir FCA, FLMI, ARA  
Chief Executive Officer (CC)

### Members

Md. Ali Hossain  
Chief Consultant

Ekramul Ameen FCA  
Senior Consultant

Md. Majedul Islam  
AMD & Head of IT

Engr. Amir Mohammad Ibrahim  
Senior Executive Vice President

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

Mahamudhul Hasan FCS  
EVP & Company Secretary

Muhammad Saiful Islam  
Incharge - HRD

## Senior Executives (Head Office)

Mohammed Alamgir Kabir FCA, FLMI, ARA  
Chief Executive Officer (cc)

### Asst. Managing Director

Md. Abdur Rahim Bhuiyan, ABIA  
Md. Kamrul Hasan Khan  
Md. Majedul Islam

### Senior Executive Vice President

Engr. Amir Mohammad Ibrahim  
Md. Kamal Hosen Howlader  
Md. Farid Hossain  
Md. Belayet Hosain Bhuiyan  
Abu Ahamed

### Executive Vice President

Md. Firoz Shah Alam  
Mohammed Nazrul Islam  
Mahamudhul Hasan FCS

### Joint Executive Vice President

Muhammad Aminuzzaman

## Our Products



## Key Financial Indicators

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

Amount in Million BDT

Sl. No.	Particulars	Year			
		2016	2017	2018	2019
01	First year Premium Income	3,221.16	3,761.23	3,068.64	3,151.94
02	Renewal Premium Income	6,003.38	6,325.18	7,491.78	7,390.72
03	Group & Health Insurance Premium	30.46	33.97	27.37	17.75
04	Gross Premium	9,255.00	10,120.38	10,587.79	10,560.41
05	Reinsurance Premium	17.97	17.31	27.50	20.77
06	Net Premium (4-5)	9,237.03	10,103.07	10,560.29	10,539.64
07	Retention Ratio (6/4) (%)	99.81	99.83	99.74	99.80
08	First year Premium Income growth (%)	35.45	16.77	(18.41)	2.71
09	Renewal Premium Income growth (%)	2.85	5.36	18.44	(1.35)
10	Gross Premium Income Growth (%)	10.95	9.35	4.62	(0.26)
11	First Year Commissions paid for acquisition of life insurance business	997.76	1,150.94	955.90	871.46
12	Second Year Commissions paid for acquisitions of life insurance business	117.19	168.88	181.12	175.72
13	Third and Later year Commissions paid for acquisition of life insurance business	241.58	232.35	284.16	273.51
14	Total commissions paid for acquisition of life insurance business (11+12+13)	1,356.53	1,552.17	1,421.18	1,320.69
15	First Year Commissions/First Year Premium (%)	30.98	30.60	30.88	27.49
16	Second Year Commissions/Second Year Renewal Premium (%)	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	4.81
18	Management Expenses	4,152.41	4,138.30	3,769.38	3,461.92
19	Allowable Management Expenses	3,520.91	3,460.20	3,566.13	3,729.61
20	Excess Management Expenses (18-19)	631.50	678.10	203.25	(267.69)
21	Excess Management Expense Ratio (%)	17.94	19.60	5.70	(7.18)
22	Overall Management Expenses Ratio (%)	44.87	40.89	35.60	32.78
23	Renewal Expenses Ratio (%)	25.62	25.83	17.79	16.90
24	Claims Expenses	5,426.22	5,807.91	7,553.63	7,167.43
25	Claims/Gross Premium (%)	58.63	57.39	71.34	67.87
26	Total Commission Expenses/Gross Premium (%)	14.66	15.34	13.42	12.51



## Key Financial Indicators

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

Amount in Million BDT

Sl. No.	Particulars	Year				
		2016	2017	2018	2019	2020
27	Investment Income	1,502.85	1,483.30	1,022.64	720.31	774.63
28	Investment Income/Gross Premium (%)	16.24	14.66	9.66	6.82	7.95
29	Yield on Life Fund (%)	4.85	4.63	3.11	2.17	2.65
30	Conservation Ratio (%)	70.66	69.97	74.03	70.00	71.60
31	Second Policy Year Lapse Ratio (%) by number of policies	37.13	35.31	32.82	26.43	34.78
32	Third Policy Year Lapse Ratio (%) by number of policies	12.88	14.31	15.42	21.75	26.02
33	Fourth Policy Year Lapse Ratio (%) by number of policies	10.06	10.74	10.74	13.01	21.25
34	Fifth Policy Year Lapse Ratio (%) by number of policies	6.60	8.34	8.28	9.36	17.54
35	Sixth Policy Year Lapse Ratio (%) by number of policies	4.88	5.31	6.41	7.45	15.11
36	Second Policy Year Laps Ratio (%) by premium amount	49.86	27.57	22.79	24.53	26.35
37	Third Policy Year Laps Ratio (%) by premium amount	11.81	9.83	11.83	18.93	24.56
38	Fourth Policy Year Laps Ratio (%) by premium amount	10.17	6.38	7.43	13.54	19.13
39	Fifth Policy Year Laps Ratio (%) by premium amount	8.16	5.90	5.08	8.15	14.63
40	Sixth Policy Year Laps Ratio (%) by premium amount	6.15	4.52	4.51	5.99	9.33
41	Market Price per Share (in BDT) at year end	67.70	71.50	63.20	49.60	46.40
42	Dividend Yield (%)	5.17	3.50	3.16	2.02	-
43	Outstanding Premium as at 31st December	1,300.84	913.26	1,066.11	1,543.73	1,473.29
44	Total Investment as at 31st December	26,231.94	28,087.02	25,128.62	26,089.48	26,365.28
45	Life fund as at 31st December	32,166.09	33,447.46	33,388.11	33,726.04	24,745.72
46	Total Assets as at 31st December	41,140.63	42,397.01	42,406.36	43,282.02	42,305.74
47	Paid Up Capital as at 31st December	622.86	747.43	747.43	747.43	747.43
48	Paid Up Capital/Total asset (%)	1.51	1.76	1.76	1.73	1.77
49	Net Cash flow from operating activities	(335.62)	409.50	(460.59)	716.72	(948.05)
50	Net Cash flow from investing activities	(832.49)	(2,869.71)	(7,639.87)	(1,265.11)	(123.54)
51	Net Cash flow from financing activities	(242.91)	(93.43)	(186.86)	(149.49)	(74.74)
52	Net change in cash and cash equivalent	(1,411.03)	(2,553.63)	(8,287.32)	697.88	(1146.34)

## Key Financial Indicators

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

53. First Year and Renewal Premium Income						Amount in Million BDT
Year	2016	2017	2018	2019	2020	Description
2016	3024.61	2,970.63	2,903.56	2,411.94	1,679.97	First Year Premium Income (excluding single Premium)
2017	N.A	1,254.01	906.70	642.23	355.80	Renewal premium out of the policies issued in 2016
2018	N.A	N.A	1,060.05	749.38	406.54	Renewal premium out of the policies issued in 2017
2019	N.A	N.A	N.A	757.45	391.03	Renewal premium out of the policies issued in 2018
	N.A	N.A	N.A	N.A	662.27	Renewal premium out of the policies issued in 2019

54. Number of First Year and Renewal Policies						
Year	2016	2017	2018	2019	2020	Description
	235,761	216,105	176,740	170,480	133,519	Number of new policies issued
2016	N.A	129,914	92,463	62,293	28,014	Number of policies renewed out of the policies issued in 2016
2017	N.A	N.A	108,033	72,517	31,249	Number of policies renewed out of the policies issued in 2017
2018	N.A	N.A	N.A	83,381	38,794	Number of policies renewed out of the policies issued in 2018
2019	N.A	N.A	N.A	N.A	51,658	Number of policies renewed out of the policies issued in 2019

### Notes

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

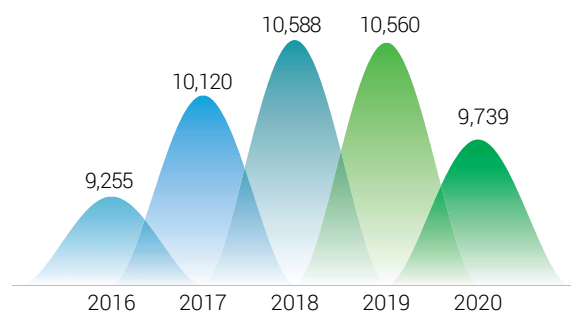
Item No. 53 & 54 : Figures have been calculated omitting single premium business.

Item 54: Figures are given as exact numbers.

## Graphical Representation

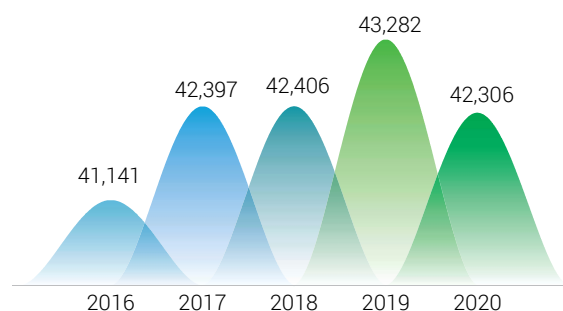
Gross Premium

BDT in million



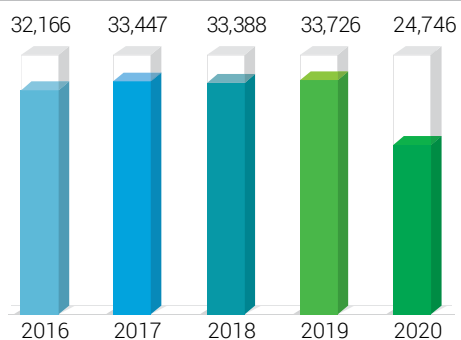
Assets

BDT in million



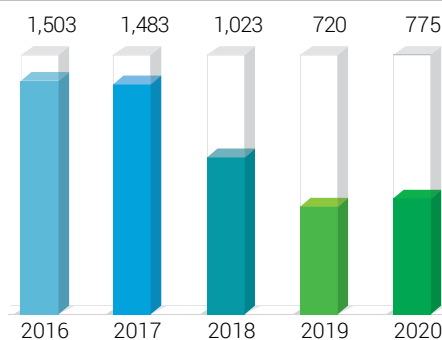
Life Fund

BDT in million



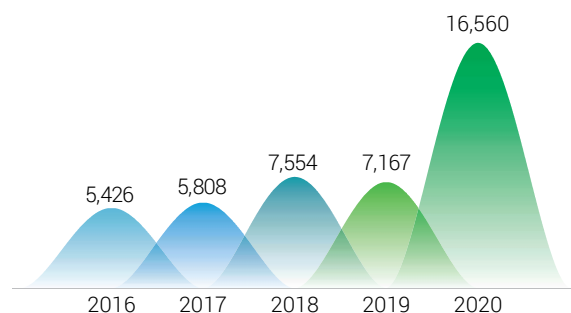
Investment Income

BDT in million



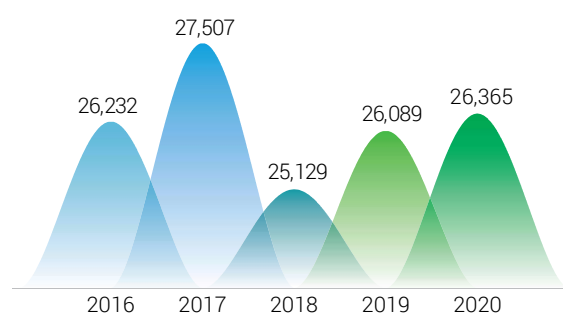
Claims Expenses

BDT in million



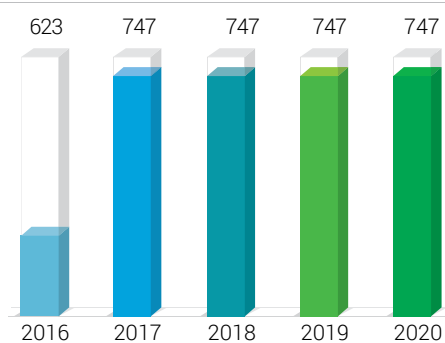
Total Investment

BDT in million



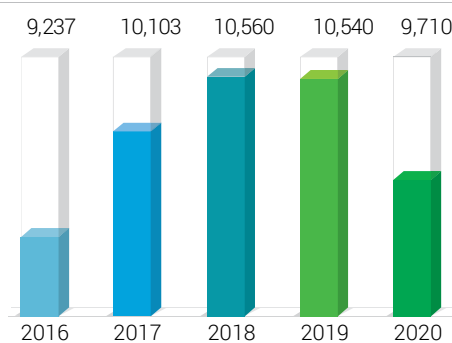
Paid Up Capital

BDT in million



Net Premium

BDT in million





## Directors' Report



Bismillahir Rahmanir Rahim.  
Respected Shareholders,  
AssalamuAlikumWa-rahmatullah.

On behalf of the Board of Directors it is indeed a great pleasure for me to welcome you all for participating in the 21<sup>st</sup> Annual General Meeting (virtual) of the Company. We are pleased to present herewith the Directors' Report and the Auditors' Report along with the Audited Financial Statements of the Company for the year ended December 31, 2020 for your consideration.

This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/ CMRRCD/ 2006-158/ 207/Admin/80 dated 3 June 2018. 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 December 31, 2020.

### Insurance Industry outlook and possible future developments

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 in modernization, strengthening, and increasing the efficiency of the state-owned insurance corporation with the objective to assist the two state-owned insurance corporations, Jiban Bima Corporation (JBC) and Shadharan Bima Corporation (SBC), improving their systems and business practices. The third component is project implementation, management and monitoring which 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 of 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 objectives of the project are to enhance the monitoring capability of Insurance Development & Regulatory Authority (IDRA), Two public Life & Non-Life Insurance Corporation by skilled organizational development to increase the number of policy holders as well as to upgrade the training standard of Bangladesh Insurance Academy.

Bangladesh has emerged as one of the fastest growing economy in the world, and a stable political environment is poised to attract more domestic and foreign investment which shall further fuel the economic growth moving from Agricultural dependent economy to Industrial and Service Sector. Bangladesh has fairly young population with 34% aged 15 and younger, and just 5% aged 65 and older. As Bangladesh economy expands, so will its need to fund infrastructure projects. Wide health and pension coverage would prevent many people from falling into the poverty trap. This is particularly relevant for women who have lower levels of income and a higher average life expectancy, and are consequently at a higher risk of being destitute when they are old. The role of insurance in managing risks in an economy cannot be overstated. On a micro scale, it safeguards households and companies from a myriad of risks. On a larger scale, it reduces the financial burden on a government and creates a stable environment in which businesses can thrive and succeed.

In recent years except 4-6 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 failed to settle maturity claims in due time, Bonuses 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. 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.

### Business Performance 2020

The Company continues to retain its position among the private local players and achieved the highest market share amongst private players in 2020 under the Islamic Shariah platform. The Company focused on improving its protection business. Total management expenses reduced to 27% i.e. 2,629 million in 2020 as compared to 3,462 million in 2019. However total cost to total gross premium (TGP) ratio reduced from 33% in 2019 to 27% in 2020. 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 2020 was another challenging year of the company. In addition, a declining interest rate has encouraged investors to pour funds into the insurance market instead of depositing them with the banks.

There was no significant variance occurs among Quarterly Financial performances and Annual Financial Statements. The business performance varies among the quarter due to the seasonality of business performance.

### Segment-wise operational result on the Financial Statements and Revenue Surplus are set out below:

Particulars	Amount in Taka	
	2020	2019
First year premium (Individual Life)	1,556,523,681	2,193,295,576
Renewal premium (Individual Life)	5,900,376,834	5,738,926,410
<b>Total Individual Life :</b>	<b>7,456,900,515</b>	<b>7,932,221,986</b>
First year premium (Sharbojonin Bima)	624,860,501	958,641,538
Renewal premium (Sharbojonin Bima)	1,647,418,576	1,651,795,787
<b>Total Sharbojonin Bima :</b>	<b>2,272,279,077</b>	<b>2,610,437,325</b>
Group Insurance premium	9,654,002	17,751,848
<b>Gross Premium :</b>	<b>9,738,833,594</b>	<b>10,560,411,159</b>
<b>% of Individual Life Premium to Gross Premium :</b>	<b>76.57%</b>	<b>75.11%</b>
<b>% of Sharbojonin Bima Premium to Gross Net Premium :</b>	<b>23.33%</b>	<b>24.72%</b>
<b>Total Policy Holder's Claim :</b>	<b>16,559,734,912</b>	<b>7,167,432,395</b>
<b>Total Commission :</b>	<b>1,351,178,494</b>	<b>1,938,290,719</b>
<b>Total Management Expenses :</b>	<b>2,629,392,273</b>	<b>3,461,918,440</b>
<b>Commission % to Gross Premium</b>	<b>13.87%</b>	<b>18.35%</b>
<b>Total Management Expenses % to Gross Premium</b>	<b>27.00%</b>	<b>32.78%</b>
<b>Life Fund as of 31st December</b>	<b>24,745,719,533</b>	<b>33,726,043,777</b>

### Segment information

- Instead of reporting separately Segment Assets and Liabilities, Capital Employed figures have been disclosed for an overall understanding of the Company's financial position
- Un-allocable expenditure, revenue, assets and liabilities are related to common service (not directly identifiable to the individual segments.)
- Un-allocable Corporate Assets Less Corporate Liabilities represents paid-up capital and dividend equalization reserve.

### Country Network

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, 2020, the Company had 2,581 employees and more than 2 Lakh 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

As per Insurance Act the valuation can be done once in two consecutive years. Our financial statements were audited and finalized in October due to change of the Board as per directive of BSEC. As, such the valuation could not be conducted and consequently the Board meeting held on October 31, 2021 based on the overall business performance recommended paying no dividend for the year 2020. Considering the latest valuation report, the related Bonuses to be provided to its Policyholders'.

### Preceding Five Years Key Operating and Financial Data

A statement related to preceding five years' key operating, financial summarized data and graphical representation have shown in the contents "Key Financial Indicators".

### Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on page 52 of this report.

### Corporate and Financial Reporting Framework

In accordance with the Bangladesh Securities and Exchange Commission's Code of Corporate Governance, BSEC/CMRRCD/2006-158/207/Ad min/80 dated 3 June 2018, the Directors are pleased to confirm the following:

### Risk and Concern

Our business may also be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. Details of risk factors and the determining ways of how to best handle such event are given on risk management report on pages 31 & 32 of this report.

### Extra-Ordinary Events

No events of extra ordinary gain or loss which would require adjustment or disclosure in the financial statements occurred during the reporting period.

### Related Party Transaction

Disclosure of all related party transactions, including basis for such transaction, has been provided in the note 3.13 of the notes to the financial statements on page no 99.

### Appointment of Independent Directors

Bangladesh Securities and Exchange Commission (BSEC) vide its directive no BSEC/ CFD/ 4:22/ 2005/ part-iii/ 13 dated September 1, 2021 for the interest of the investors policy holders and capital market has nominated and appointed following Independent Directors on the Board of Fareast Islami Life Insurance Company Limited under Section 2CC and 20A of the Securities and Exchange Ordinance, 1969, with a specific Terms of Reference (ToR).

Dr. Md. Rahmatullah  
Chairman/Independent Director  
Mohammad Sanaullah FCS  
Independent Director  
Dr. Md. Rafiqul Islam  
Independent Director  
Mr. Md Mofazzal Hossain ndc  
Independent Director  
Colonel Gazi Md. Khalid Hossain, psc (Retd)  
Independent Director  
Snehasish Barua FCA  
Independent Director  
Mozammel Haque  
Independent Director  
Suzadur Rahman  
Independent Director  
Md. Zikrul Hoque  
Independent Director

According to ToR the Board in its meeting held on September 5, 2021 reconstituted the new Board comprising nine Independent Directors for a period of 1 (one) term under condition 2(e) of the Corporate Governance Code 2018 and removed the existing Board of Directors.

The reconstituted Board of Directors elected Dr.Md. Rahmat Ullah as the Chairman of the Board. The Board also formed the following two Sub-Board Committees comprising the following Independent Directors:

### Audit Committee

Mohammad Sanaullah FCS  
Chairman  
Dr. Md. Rafiqul Islam  
Member  
Snehasish Barua FCA  
Member  
Suzadur Rahman  
Member

### Nomination & Remuneration Committee

Mr. Md Mofazzal Hossain ndc  
Chairman  
Mohammad Sanaullah FCS  
Member  
Colonel Gazi Md. Khalid Hossain, psc (Retd)  
Member  
Md. Zikrul Hoque  
Member

### Remuneration to Directors

This information is incorporated in the Notes 49 of the notes to the financial statements on page 95 with reference to the "Directors fees and remuneration" figures concerning the Board of Directors including Independent Directors.

### Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present the company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 51 of the report

### Books of Accounts

Proper books of accounts of the Company were maintained.

### Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

### Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.

### Dividend

Based on the overall business performance the Board of Directors of the Company unable to recommend any dividend for the year ended December 31, 2020.

### Directors

A brief profile of all Directors of the company are provided in this report in pages from 9 to 13.

### Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's Statutory Auditors M/s Mahfel Huq & Co. Chartered Accountants retires at the 21<sup>st</sup> Annual General Meeting as auditors of the Company.

As per BSEC order No. SEC/CMRRCD/2009/104/Admin-dated July 27, 2011, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same company. Mahfel Huq & Co. has been completed three consecutive years as statutory auditors of the company. Howlader Yunus & Co. Chartered Accountants have expressed their willingness to be appointed as statutory auditors of Fareast Islami Life Insurance Company Limited.

The Board Audit Committee recommends appointment of M/s Howlader Yunus & Co., Chartered Accountants as statutory auditors of the Company for the year 2021. The Directors endorsed recommendation of the Audit Committee for appointment of Howlader Yunus & Co., Chartered Accountants as the auditors of the company for the year 2021 at a fee of Tk 500,000 (Five Lakh) subject to approval of the Members in the 21<sup>st</sup> Annual General Meeting and to continue till the next Annual General Meeting.

### Corporate Governance Compliance Audit

The Company also complied with the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, Corporate Governance Compliance Report is shown in Annexure-I of this report.

Further in compliance with the requirement of the Bangladesh Securities and Exchange

Commission (BSEC) Corporate Governance Code dated June 3, 2018 the Board Audit Committee recommends appointment of S A Rashid & Associates Chartered Secretaries in practice as Corporate Governance Auditors of the Company for the year 2021. The Directors endorsed recommendation of the Audit Committee for appointment of S A Rashid & Associates Chartered Secretaries as the CG Auditors of the company for the year 2021 at a fee of Tk 50,000 (Fifty Thousand) subject to approval of the Members in the 21<sup>st</sup> Annual General Meeting and to continue till the next Annual General Meeting.

### Investment

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 of the concerned department in prescribed format.

### 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 diversify Company's risk through a reinsurance contract. Although, Fareast Islami Life Insurance



Company 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.

### Going Concern

The Board of Directors have reviewed the Company's business plan. "Going concern" terms used to describe a business that is expected to operate for the foreseeable future or at least the next 12 months. It assumes that the business can generate income, meet its obligations and doesn't plan or won't need to liquidate in the coming year. Accordingly, the Financial Statements are prepared based on the basis of going concern concept.

### Auditors' Report

Statutory Auditors Mahfel Huq & Co. Chartered Accountants submitted "Qualified Report" based on the irregularities, they found on the Financial Statements

for the year ended 31 December 2020. Steps have been taken by the Board in this regard.

### 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 2020 under review the company contributed taka 313.49 million to National Exchequer.

### Subsidiary Companies

Fareast Islami Life Insurance Company has 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 2020, 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 confirm that the shareholding pattern and any transfer of shares of the entity during the year are under statutory requirements. There was no capital infusion by the promoters during the year. The total quantity of shares of the company is 7,47,42,751. The pattern of shareholdings has shown under the contents of "Shareholding Structure" on page no.48 under the Annexure-II in the Compliance Report. The minority shareholders have been protected from abusive actions directly or indirectly and have any effective means of redress.

### Conclusion

The company wishes to express its sincere appreciation to all employees of the Company for their contribution and at the same time, thank all the stakeholders for their continued support and confidence.

May Allah with all of us.  
Ameen.

Ma-Assalam.  
For and on behalf of the Board of Directors,



**Dr. Md. Rahmat Ullah**  
Chairman

31 October 2021, Dhaka

## পরিচালকমণ্ডলীর প্রতিবেদন



বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবন্দ,  
আসসালামু আলাইকুম ওয়া'রাহমাতুল্লাহ।

ফারহিষ্ট ইসলামী লাইফ ইস্যুরেন্স কোম্পানী লিমিটেড এর ২১তম বার্ষিক সাধারণ সভায় সম্মানিত পরিচালকমণ্ডলীর পক্ষ থেকে আপনাদেরকে অনলাইন ভার্চুয়াল মাধ্যমে জানাই আন্তরিক অভিনন্দন এবং এতদসঙ্গে ৩১ ডিসেম্বর ২০২০ সমাপ্ত বছরের কোম্পানীর নিরীক্ষিত আর্থিক বিবরণী ও নিরীক্ষা প্রতিবেদন এবং পরিচালকমণ্ডলীর প্রতিবেদন আপনাদের অনুমোদন এবং বিবেচনার জন্য উপস্থাপন করছি।

সম্মানিত পরিচালকবৃন্দের পক্ষে এ প্রতিবেদনটি কোম্পানী আইন ১৯৯৪ ধারা ১৮৪, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) কর্তৃক জারীকৃত প্রজ্ঞাপন নং বিএসইসি/সিএমআরআরসিডি/ ২০০৬-১৫৮/ ২০৭/ এডমিন/ ৮০ তারিখ ০৩ জুন ২০১৮, অনুযায়ী তৈরি করা হয়েছে। বছরান্তে শরি'আহ কাউন্সিলের প্রতিবেদনটিও এর সঙ্গে উপস্থাপন করা হয়েছে। বার্ষিক প্রতিবেদনে এছাড়াও ২০২০ সমাপ্ত বছরের কোম্পানীর সামগ্রিক চিত্র প্রতিফলিত হয়েছে।

### বীমা শিল্পের চিত্র এবং ভবিষ্যৎ সম্ভাবনা

বাংলাদেশের বীমা খাতের উন্নয়নের লক্ষ্য হচ্ছে নিয়ন্ত্রক সংস্থা, রাষ্ট্রীয় মালিকানাধীন বীমা কর্পোরেশনের প্রাতিষ্ঠানিক ক্ষমতাকে শক্তিশালীকরণ এবং বীমা কভারেজ সুবিধা বৃদ্ধি করা। এই তিনটি উপাদান নিয়ে বীমা উন্নয়ন প্রকল্প গঠিত। প্রথম উপাদানের লক্ষ্য হচ্ছে বীমা উন্নয়ন ও নিয়ন্ত্রক কর্তৃপক্ষের (আইডিআরএ) সক্ষমতাকে বৃদ্ধিকরা এবং নিয়ন্ত্রণকারী কর্তৃপক্ষের বীমা বিশেষকরে পুনঃবীমাকরণ বাজারকে বাংলাদেশ বীমা একাডেমির (বিআইএ) সহায়তায় নিয়ন্ত্রণ ও পুনঃবিন্যাস করা। প্রথম উপাদানের দুইটি উপ-উপাদান রয়েছে (ক) নিয়ন্ত্রক সংস্থা আইডিআর এর ক্ষমতা শক্তিশালীকরণ; এবং (খ) বিআইএ এর সক্ষমতা বৃদ্ধি করা। দ্বিতীয় উপাদান হচ্ছে, আধুনিকীকরণ, শক্তিশালীকরণ এবং রাষ্ট্রীয় মালিকানাধীন বীমা কর্পোরেশনের দক্ষতা বৃদ্ধি করা। দুটি রাষ্ট্রীয় মালিকানাধীন বীমা কর্পোরেশন, যথাঃ জীবন বীমা কর্পোরেশন (জেবিসি) এবং সাধারণ বীমা কর্পোরেশন (এসবিসি) ব্যবস্থাপনা এবং বিদ্যমান ব্যবসার 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 করা।

বিশ্বব্যাপক বাংলাদেশে বীমা শিল্পের উন্নয়নে ৬৫ মিলিয়ন মার্কিন ডলার ঋণ মঞ্জুর করেছে, সে ক্ষেত্রে মোট প্রকল্প ব্যয় ধরা হয়েছে ৮০ মিলিয়ন মার্কিন ডলার। উক্ত প্রকল্প বাস্তবায়নের সময় ৩১ আগস্ট ২০২২ পর্যন্ত নির্ধারণ করা হয়েছে। বাংলাদেশ সরকার ইতিমধ্যে “বাংলাদেশ বীমা উন্নয়ন প্রকল্প” শিরোনামে একটি খসড়া প্রকল্প প্রস্তুত করেছে। প্রকল্পটির মূল উদ্দেশ্য সাংগঠনিক উন্নয়ন, দক্ষতা এবং যোগ্যতা দ্বারা বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ (আইডিআরএ), সরকারী জীবন বীমা এবং সাধারণ বীমা কর্পোরেশনের পর্যবেক্ষন নীতিমালা এবং পলিসি গ্রহীতার সংখ্যা বৃদ্ধি করা। বাংলাদেশ ইস্যুরেন্স একাডেমীর সংস্কার করত: বীমা শিল্প এবং প্রশিক্ষণের মান উন্নতকরণের মাধ্যমে সংশ্লিষ্ট কার্য সম্পন্ন করা।

বাংলাদেশ বিশ্বের অন্যতম একটি দ্রুত বর্ধনশীল অর্থনীতির দেশ হিসেবে আবির্ভূত হয়েছে এবং একটি স্থিতিশীল রাজনৈতিক পরিবেশ আরো দেশি-বিদেশি বিনিয়োগ আকর্ষণে প্রস্তুত রয়েছে যা অর্থনৈতিক প্রবৃদ্ধিকে আরো ত্বরান্বিত করবে। দেশ কৃষি নির্ভর অর্থনীতি থেকে শিল্প ও পরিসেবা খাতে প্রবৃদ্ধির দিকে অগ্রসর হচ্ছে, বাংলাদেশের মোট জনসংখ্যার প্রায় ৩৪% রয়েছে তরুণ যাদের বয়স ১৫ বছর বা তার চেয়ে নিচে এবং মাত্র ৫% রয়েছে ৬৫ বছর বা তার চেয়ে বেশি বয়সের। বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধির সাথে সাথে অবকাঠামোগত উন্নয়নে অর্থায়নের প্রয়োজন হবে। ব্যাপক স্বাস্থ্য সেবা এবং পেনশন কভারেজ অনেক লোককে দারিদ্রের হাত থেকে রক্ষা করবে। বিশেষ করে নিম্ন আয়ের মহিলাদের, যাদের উচ্চ গড় আয় রয়েছে এবং এর ফলে তারা বৃদ্ধ বয়সে নিঃস্ব হওয়ার ঝুঁকি থেকে রক্ষা পাবে। অর্থনৈতিক ঝুঁকি মোকাবেলায় বীমা সেক্টরের ভূমিকাকে অতিমাত্রায় বলা যাবে না। মাইক্রো স্কেল একটি পরিবারের সুরক্ষায় এবং কোম্পানীগুলিকে অগণিত ঝুঁকি থেকে রক্ষা করে। বৃহত্তর পরিসরে, এটি সরকারের উপর আর্থিক চাপ কমাতে এবং একটি

স্থিতিশীল পরিবেশ তৈরি করে যেখানে ব্যবসায়ীক উন্নতি ও সফলতা লাভে সহায়তা করে।

সাম্প্রতিক বছরগুলোতে জীবন বীমা কোম্পানীর মধ্যে ৫-৬টি কোম্পানী ব্যতীত বেশীর ভাগ কোম্পানী অর্থ সঙ্কটে রয়েছে। ফলশ্রুতিতে কোম্পানীগুলো যথা সময়ে মেয়াদপূর্তির 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। জুলাই ২০২০ হতে জুন ২০২১ অর্থবছরে দেশের প্রত্যাশিত প্রবৃদ্ধির গতি আবার ফিরে পেয়েছে এবং যেহেতু বাহ্যিক খাত শক্তিশালি হয়েছে সেহেতু রাজস্ব আহরণ ও আর্থিক প্রবৃদ্ধি দেশীও চাহিদাকে আরো বেগবান করে তুলেছে। মহামারী চলাকালীন অনিশ্চয়তা, দেশের দুর্বল স্বাস্থ্য অবকাঠামো এবং বিশ্ব অর্থনীতির ভঙ্গুর অবস্থাকে আরো অনিশ্চিত করে তুলেছে। ফোকাস ইকোনোমিক্স এর জরিপে ২০২১ অর্থবছরে জিডিপি হার ৫.৯% এবং ২০২২ অর্থবছরে ৭.১% প্রবৃদ্ধির পূর্বাভাস প্রকাশ করেছে।

## ব্যবসা পর্যালোচনা ২০২০

কোম্পানী ২০২০ সালে ইসলামী শরী‘আহ মোতাবেক পরিচালিত হয়ে সমস্ত দেশীয় কোম্পানীগুলির মধ্যে নিজের অবস্থান ধরে রেখে বীমা সেক্টরে তার নেতৃত্বকে অব্যাহত রেখেছে। কোম্পানী তার ব্যবসায় উন্নতি এবং সুরক্ষার উপর দৃষ্টি নিবদ্ধ করেছে। ২০২০ সালে কোম্পানীর ব্যবস্থাপনা ব্যয় হ্রাস পেয়ে ২,৬২৯ মিলিয়ন টাকা দাঁড়িয়েছে যা ২০১৯ সালে ছিল ৩,৪৬২ মিলিয়ন টাকা। মোট ব্যয় মোট গ্রস প্রিমিয়াম অনুপাতে ২০২০ সালে হ্রাস পেয়ে ২৭% দাঁড়িয়েছে যা ২০১৯ সালে ছিল ৩৩%। এটি একটি অপরিস্রব আনন্দের ব্যাপার যে, দেশের অস্থিতিশীল অর্থনৈতিক অবস্থা এবং বিভিন্ন কোম্পানির কঠোর প্রতিযোগিতার মধ্যে ২০২০ সাল ছিল আমাদের কোম্পানির

জন্য একটি চ্যালেঞ্জিং বছর। অধিকন্তু ক্রমহ্রাসমান সূদের হার বিনিয়োগকারী কোম্পানীগুলোকে ব্যাংকে টাকা জমা করার পরিবর্তে বীমা বাজারে জমা করতে উৎসাহিত করেছে। কোম্পানীর ত্রৈমাসিক আর্থিক প্রতিবেদন এবং বার্ষিক আর্থিক প্রতিবেদনের মধ্যে কোন উল্লেখযোগ্য পার্থক্য ছিল না। ব্যবসায় উন্নতি এবং ত্রৈমাসিকের প্রতিবেদনের মধ্যে সময়গত কারণে পার্থক্য পরিলক্ষিত হয়।

## আর্থিক বিবৃতি এবং রাজস্ব উদ্ভবের সেক্টর ভিত্তিক ফলাফল নিম্নে উল্লেখ করা হলঃ

বিবরণ	টাকা পরিমাণ	
	২০২০	২০১৯
প্রথম বর্ষ প্রিমিয়াম (একক বীমা)	১,৫৫৬,৫২৩,৬৮১	২,১৯৩,২৯৫,৫৭৬
রিনুয়াল প্রিমিয়াম (একক বীমা)	৫,৯০০,৩৭৬,৮৩৪	৫,৭৩৮,৯২৬,৪১০
মোট প্রিমিয়াম (একক বীমা)	৭,৪৫৬,৯০০,৫১৫	৭,৯৩২,২২১,৯৮৬
প্রথম বর্ষ প্রিমিয়াম (ক্ষুদ্র বীমা)	৬২৪,৮৬০,৫০১	৯৫৮,৬৪১,৫৩৮
রিনুয়াল প্রিমিয়াম (ক্ষুদ্র বীমা)	১,৬৪৭,৪১৮,৫৭৬	১,৬৫১,৭৯৫,৭৮৭
মোট প্রিমিয়াম (ক্ষুদ্র বীমা)	২,২৭২,২৭৯,০৭৭	২,৬১০,৪৩৭,৩২৫
গ্রুপ ইন্স্যুরেন্স প্রিমিয়াম	৯,৬৫৪,০০২	১৭,৭৫১,৮৪৮
মোট প্রিমিয়াম	৯,৭৩৮,৮৩৩,৫৯৪	১০,৫৬০,৪১১,১৫৯
% একক বীমা প্রিমিয়াম টু মোট প্রিমিয়াম	৭৬.৫৭%	৭৫.১১%
% ক্ষুদ্র বীমা প্রিমিয়াম টু মোট প্রিমিয়াম	২৩.৩৩%	২৪.৭২%
মোট দাবী	১৬,৫৫৯,৭৩৪,৯১২	৭,১৬৭,৪৩২,৩৯৫
মোট কমিশন	১,৩৫১,১৭৮,৪৯৪	১,৯৩৮,২৯০,৭১৯
মোট ব্যবস্থাপনা ব্যয়	২,৬২৯,৩৯২,২৭৩	৩,৪৬১,৯১৮,৪৪০
কমিশন % মোট প্রিমিয়ামের তুলনায়	১৩.৮৭%	১৮.৩৫%
মোট প্রিমিয়ামের তুলনায় ব্যবস্থাপনা ব্যয় %	২৭.০০%	৩২.৭৮%
লাইফ ফান্ড ৩১ ডিসেম্বর	২৪,৭৪৫,৭১৯,৫৩৩	৩৩,৭২৬,০৪৩,৭৭৭

## শ্রেণী ভিত্তিক তথ্য :

- পৃথকভাবে বিভাগ ভিত্তিক সম্পদ এবং দায় প্রতিবেদন করার পরিবর্তে, কোম্পানীর সামগ্রিক আর্থিক অবস্থা বোঝার জন্য মূলধন বিনিয়োগের পরিসংখ্যান প্রকাশ করা হয়েছে।
- অ-বরাদ্দযোগ্য ব্যয়, রাজস্ব, সম্পদ এবং দায়গুলি সাধারণ পরিসেবার সাথে সম্পর্কিত (ব্যক্তিগত বিভাগে সরাসরি সনাক্ত করা যায় না)।
- অ-বরাদ্দযোগ্য কর্পোরেট সম্পদ কম কর্পোরেট দায়গুলি পরিশোধিত মূলধন এবং লভ্যাংশ সমতাকরণ রিজার্ভেও প্রতিনিধিত্ব করে।

## দেশব্যাপী বিস্তৃতি

কোম্পানী গ্রাহকদের বিভিন্ন অফিসের মাধ্যমে (জোন, সার্ভিস সেন্টার এবং ডিভিশনাল) বিশেষ করে থানা/উপজেলা স্তরে সারা দেশে সেবা পৌঁছে দিচ্ছে। ৩১

ডিসেম্বর ২০২০ তারিখ পর্যন্ত কোম্পানীর মোট কর্মকর্তা ছিল ২,৫৮১ জন এবং দুই লক্ষাধিক মাঠকর্মী যারা গ্রাহকদের সেবা প্রদান করে আসছেন। কর্পোরেট এজেন্ট, ব্যাংকিং চ্যানেল, সরাসরি বিক্রয় এবং ডিজিটাল চ্যানেলের মাধ্যমে গ্রাহকদের আস্থা অর্জনের জন্য আমরা বৈচিত্রময় বিতরণ কৌশল অবলম্বন করে থাকি।

## পণ্য এবং সেবা

আমরা গ্রাহকদের চাহিদার দিকে লক্ষ্য রেখে পণ্যের আধুনিকীকরণ, উন্নয়ন ও উৎপাদন করে থাকি। আমরা কোম্পানীর সূচনা থেকে আমাদের সমস্ত গ্রাহকদের চাহিদা পূরণের জন্য বিভিন্ন পরিসরে পণ্য এবং পরিসেবা চালু করেছি। বিস্তৃত পরিসরে জীবন বীমা পণ্য বা পরিসেবাগুলি নিয়ন্ত্রক কর্তৃপক্ষের অনুমোদনের সাথে খুব শিঘ্রই চালু হওয়ার অপেক্ষায় আছে যেমন, হেলথ কেয়ার গ্রুপ বীমা, মাসিক প্রিমিয়াম এডভোমেট পরিকল্পনা

এবং এভোমেন্ট অ্যাসিওরেন্স পরিকল্পনা ইত্যাদি। বেশীরভাগ পণ্যগুলি অংশীদারিত্ব ভিত্তিক, এ ছাড়াও গোষ্ঠী বীমা এবং একক জীবন বীমার কিছু পন্য অ-অংশীদারিত্ব ভিত্তিক হিসেবে রয়েছে। এ ছাড়াও দুর্ঘটনা এবং অক্ষমতা সুবিধা সম্বলিত কিছু সহযোগী পরিকল্পনা রয়েছে। কোম্পানী কিছু অনিয়মতান্ত্রিক-বিক্রয়, দুর্বল বীমা পরিকল্পনার পরিবর্তে বীমাকারীদের জন্য মানসম্মত পরিষেবা সরবরাহ করার ব্যবস্থা গ্রহণ করেছে। আশা করা যাচ্ছে, নতুন পণ্যগুলি ভবিষ্যতে কোম্পানীর ব্যবসা প্রবৃদ্ধিতে অবদান রাখবে।

#### শেয়ারহোল্ডারদের লভ্যাংশ এবং বীমাপ্রগ্রহীতাদের বোনাস

বীমা আইন অনুযায়ী পর পর দুই বছরে একবার অ্যাকচুরিয়াল ভ্যালুয়েশন সম্পন্ন করা যায়। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশ অনুসারে পর্ষদ পরিবর্তনের কারণে চলতি বছর অক্টোবরে আমাদের আর্থিক বিবরণী নিরীক্ষক কর্তৃক নিরীক্ষা ও অনুমোদন করা হয়েছিল। যেহেতু অ্যাকচুরিয়াল ভ্যালুয়েশন সম্পন্ন করা সম্ভব হয়নি, সেহেতু ৩১ অক্টোবর ২০২১ তারিখে অনুষ্ঠিত কোম্পানীর পর্ষদ সভায় সামগ্রিক ব্যবসার উপর ভিত্তি করে ২০২০ সালের জন্য শেয়ারহোল্ডারদের কোন লভ্যাংশ না দেওয়ার সুপারিশ করা হয়। তবে সর্বশেষ অ্যাকচুরিয়াল ভ্যালুয়েশন এর ভিত্তিতে বীমা প্রগ্রহীতাদের পলিসি বোনাস প্রদান করা হবে।

#### বিগত পাঁচ বছরে উল্লেখযোগ্য ব্যবস্থাপনা ও অর্থ সংক্রান্ত তথ্যাবলী

বিগত পাঁচ বছরের উল্লেখযোগ্য ব্যবস্থাপনা, অর্থ সংক্রান্ত সংক্ষিপ্ত তথ্যাবলী এবং চিত্রের মাধ্যমে একটি পূর্ণাঙ্গ প্রতিবেদন “Key Financial Indicators” এ উল্লেখ করা হয়েছে।

#### আর্থিক বিবরণীর উপর পরিচালকদের দায়িত্বসমূহ

আর্থিক বিবরণীর উপর পরিচালকদের দায়িত্ব ও কর্তব্য এ্যানুয়াল রিপোর্ট ২০২০ এর পৃষ্ঠা নং- ৫২ তে উল্লেখ করা হয়েছে।

#### কর্পোরেট এবং আর্থিক বিবরণী কাঠামো

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্সের গেজেট নোটিফিকেশন বিএসইসি/ সিএমআর

আরসিডি/ ২০০৬-১৫৮ / ২০৭/ এডমিন/ ৮০ তারিখ ০৩ জুন ২০১৮ এর নির্দেশনা অনুযায়ী পরিচালকমন্ডলী নিম্নলিখিত তথ্যাদি নিশ্চিত করেছে।

#### ঝুঁকি ব্যবস্থাপনা ও সর্তকতা

ঝুঁকি এবং উদ্বেগ আমাদের ব্যবসার সাথে জড়িত, ঝুঁকি এবং অনিশ্চয়তা দ্বারা আমাদের ব্যবসা প্রভাবিত। ঝুঁকি ও অনিশ্চয়তার কারণগুলির বিশদ বিবরণ এবং এই ঝুঁকি ও অনিশ্চয়তার প্রতিকার করার উপায় বার্ষিক প্রতিবেদনের ঝুঁকি ব্যবস্থাপনা রিপোর্ট এর পৃষ্ঠা নং- ৩১ এবং ৩২ উল্লেখ করা হয়েছে।

#### বিশেষ ঘটনাবলী

চলতি বছরে বিশেষ কোন লাভ অথবা বিশেষ কোন ক্ষতি সংগঠিত হয়নি, যার জন্য আর্থিক বিবরণীতে সমন্বয় কিংবা প্রতিবেদন প্রকাশ করতে হয়নি।

#### কোম্পানীর সাথে সম্পর্কিত পক্ষের লেনদেন

২০২০ সালে কোম্পানীর সাথে সম্পর্কিত বিভিন্ন পার্টির সাথে বাণিজ্যিক ভাবে পরিচালিত লেনদেনসমূহের বিস্তারিত নিরীক্ষা প্রতিবেদনের নোট ৩.১৩ এবং পৃষ্ঠা নং- ৯৯ উল্লেখ করা হয়েছে।

#### স্বতন্ত্র পরিচালক নিয়োগ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) গেজেট নোটিফিকেশন বিএসইসি / সিএফডি / ৪:২২ / ২০০৫/ Part-iii/ ১৩ সেপ্টেম্বর ১, ২০২১ তারিখে বিনিয়োগকারী, পলিসিহোল্ডার এবং শেয়ারবাজারের স্বার্থে সিকিউরিটিজ এন্ড এক্সচেঞ্জ অর্ডিন্যান্স ১৯৬৯ এর আওতায় সেকশন ২সিসি এবং ২০এ এর ক্ষতমাবলে ফারইন্স্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিঃ এর পরিচালনা পর্ষদে নির্দিষ্ট শর্তসাপেক্ষে (ToR) নিম্নোক্ত পরিচালকদের নিয়োগ প্রদান করেন :

ড. মোঃ রহমত উল্লাহ

- চেয়ারম্যান, স্বতন্ত্র পরিচালক

মোহাম্মদ সানাউল্লাহ এফসিএস

- স্বতন্ত্র পরিচালক

ড. মোঃ রফিকুল ইসলাম

- স্বতন্ত্র পরিচালক

মোঃ মোফাজ্জল হোসেন এনডিসি

- স্বতন্ত্র পরিচালক

কর্ণেল গাজী মোঃ খালিদ হোসেন, পিএসসি (অবঃ)

- স্বতন্ত্র পরিচালক

স্নেহাশীষ বড়ুয়া এফসিএ

- স্বতন্ত্র পরিচালক

মোজাম্মেল হক

- স্বতন্ত্র পরিচালক

সুজাদুর রহমান

- স্বতন্ত্র পরিচালক

মোঃ জিকরুল হক

- স্বতন্ত্র পরিচালক

বিএসইসির ToR অনুযায়ী ৫ সেপ্টেম্বর ২০২১ তারিখে অনুষ্ঠিত পরিচালনা পর্ষদের সভায় কর্পোরেট গভর্ন্যান্স কোড ২০১৮ এর ধারা ২(ই) অনুযায়ী ৯ জন স্বতন্ত্র পরিচালকের সমন্বয়ে এক মেয়াদের জন্য পরিচালনা পর্ষদ গঠন করা হয় এবং পূর্বের পর্ষদকে বিলুপ্ত করা হয়।

পুনঃগঠিত পরিচালনা পর্ষদ ড. মোঃ রহমত উল্লাহকে পর্ষদ চেয়ারম্যান হিসাবে নির্বাচিত করেন। পর্ষদ নিম্নোক্ত স্বতন্ত্র পরিচালকদের সমন্বয় ২টি সাব-কমিটি গঠন করেন।

#### অডিট কমিটি

মোহাম্মদ সানাউল্লাহ এফসিএস

- চেয়ারম্যান

ড. মোঃ রফিকুল ইসলাম

- সদস্য

স্নেহাশীষ বড়ুয়া এফসিএ

- সদস্য

সুজাদুর রহমান

- সদস্য

#### নমিনেশন এন্ড রিমুনারেশন কমিটি

মোঃ মোফাজ্জল হোসেন এনডিসি

- চেয়ারম্যান

মোহাম্মদ সানাউল্লাহ এফসিএস

- সদস্য

কর্ণেল গাজী মোঃ খালিদ হোসেন, পিএসসি (অবঃ)

- সদস্য

মোঃ জিকরুল হক

- সদস্য

#### পরিচালকদের সম্মানী

কোম্পানী পরিচালনা পর্ষদের সদস্যদের আইন ও বিধি-বিধান অনুযায়ী মিটিং ফি প্রদান করা হয়। এই সংক্রান্ত তথ্য আর্থিক বিবরণীর নোট ৪৯ এবং পৃষ্ঠা নং- ৯৫ পরিচালকের সম্মানী নামে উল্লেখ করা হয়েছে।



### আর্থিক বিবরণী

নোটসহ আর্থিক বিবরণী কোম্পানী আইন ১৯৯৪ এবং সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর সাথে সামঞ্জস্য রেখে তৈরী করা হয়েছে। আর্থিক বিবরণীতে কোম্পানীর অবস্থা, কার্যক্রম, নগদ প্রবাহ এবং ইকুইটিতে পরিবর্তনগুলি ০৩ জুন ২০১৮ তারিখে প্রকাশিত বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড অনুযায়ী মুখ্য নির্বাহী কর্মকর্তা এবং প্রধান অর্থ কর্মকর্তা কর্তৃক বিবরণীগুলির সত্যতা সম্পর্কে ঘোষণা প্রদান করা হয়েছে যা বার্ষিক প্রতিবেদনের পৃষ্ঠা নং- ৫১ দেখানো হয়েছে।

### হিসাব বহি

কোম্পানীর তার লেনদেনের হিসাবসমূহ সঠিক ভাবে হিসাব বহিতে সংরক্ষণ করে থাকে।

### হিসাবের নীতিমালা

কোম্পানী তার আর্থিক বিবরণী তৈরীর ক্ষেত্রে হিসাবের যথাযথ নীতিমালাগুলি পরিপালন করে থাকে এবং আর্থিক বিবরণী যুক্তিসংগত ভাবে এবং বিচক্ষণতার উপর ভিত্তি করে তৈরী করা হয়।

### আইএএস এবং আইএফআরএস এর মানদণ্ড অনুসরণ

আর্থিক বিবরণী তৈরীর ক্ষেত্রে ইন্টারন্যাশনাল একাউন্টিং এবং ইন্টারন্যাশনাল ফিন্যান্সিং রিপোর্টিং স্ট্যান্ডার্ডস অনুযায়ী তৈরী করা হয়েছে এবং যে কোন ব্যতিক্রমের ক্ষেত্রে পর্যাপ্ত তথ্য প্রকাশ করা হয়েছে।

### লভ্যাংশ

কোম্পানীর সামগ্রিক ব্যবসায়িক মূল্যায়নের ভিত্তিতে পরিচালনা পর্ষদ ৩১ ডিসেম্বর ২০২০ সমাপ্ত অর্থ বছরে শেয়ারহোল্ডারদের জন্য কোন লভ্যাংশ সুপারিশ করতে পারেনি।

### নিরীক্ষক নিয়োগ

কোম্পানী আইন ১৯৯৪ এর ধারা ২১০ অনুযায়ী কোম্পানীর সংবিধিবদ্ধ অডিটর মেসার্স মাহফেল হক এ্যান্ড কোং ২১তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। বাংলাদেশ সিকিউরিটিজ এন্ড

এক্সচেঞ্জ কমিশন আদেশ নং- এসইসি/সিএমআরআরসিডি/২০০৯/১০৪/এডমিন- তারিখ ২৭ জুলাই ২০১১ অনুসারে একটি অডিট ফর্ম একই কোম্পানীর সংবিধিবদ্ধ নিরীক্ষক হিসাবে পরপর তিন বছরের বেশি থাকতে পারবে না। মেসার্স মাহফেল হক এ্যান্ড কোং কোম্পানীর সংবিধিবদ্ধ নিরীক্ষক হিসেবে পর পর তিন বছর পূর্ণ করেছে। মেসার্স হাওলাদার ইউনুস এ্যান্ড কোং চার্টার্ড একাউন্ট্যান্ট ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড এর সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগের জন্য তাদের ইচ্ছা প্রকাশ করেছে।

বোর্ড অডিট কমিটি ২০২১ সালের জন্য ৫,০০,০০০ (পাঁচ লক্ষ) টাকা ফি নির্ধারণ পূর্বক কোম্পানীর সংবিধিবদ্ধ নিরীক্ষক হিসাবে মেসার্স হাওলাদার ইউনুস এ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টকে নিয়োগের সুপারিশ করেছে। পরিচালনা পর্ষদ মেসার্স হাওলাদার ইউনুস এ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টকে অডিট কমিটি কর্তৃক সুপারিশকে সমর্থন করেছে যা ২১তম বার্ষিক সাধারণ সভায় সদস্যদের অনুমোদন সাপেক্ষে পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত নিরীক্ষা কার্যক্রম পরিচালনা করবে।

### কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স অডিট

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত কর্পোরেট গভর্ন্যান্স এর নীতিমালা কোম্পানী যথাযথ ভাবে পরিপালন করে থাকে। কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স রিপোর্ট বার্ষিক প্রতিবেদনের Annexure-I -এ উল্লেখ করা হয়েছে।

০৩ জুন ২০১৮ তারিখে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত কর্পোরেট গভর্ন্যান্স নীতিমালা অনুযায়ী বোর্ড অডিট কমিটি এস এ রশিদ এন্ড এসোসিয়েটস, চার্টার্ড সেক্রেটারি-কে ২০২১ সালের জন্য কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স অডিটর হিসেবে ৫০,০০০ (পঞ্চাশ হাজার) টাকা ফি নির্ধারণ পূর্বক নিয়োগের সুপারিশ করে। পরিচালনা পর্ষদ এস এ রশিদ এন্ড এসোসিয়েটস, চার্টার্ড সেক্রেটারি-কে অডিট কমিটি কর্তৃক সুপারিশকে সমর্থন করেছে যা ২১তম বার্ষিক সাধারণ সভায় সদস্যদের অনুমোদন সাপেক্ষে পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত

কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স অডিটর হিসেবে নিরীক্ষা কার্যক্রম পরিচালনা করবে।

### পরিচালকমন্ডলী

কোম্পানীর সমস্ত পরিচালকদের একটি সংক্ষিপ্ত জীবন বৃত্তান্ত বার্ষিক প্রতিবেদনের পৃষ্ঠা নং- ৯ থেকে পৃষ্ঠা নং- ১৩ দেওয়া হয়েছে।

### বিনিয়োগ

বীমা গ্রাহকদের মেয়াদপূর্তির সুবিধা প্রদানের ক্ষেত্রে বিনিয়োগ ব্যবস্থাপনার দৃষ্টিকোণ থেকে নানাবিধ চ্যালেঞ্জ মোকাবেলা করতে হয়। কোম্পানীর জন্য বিনিয়োগ নির্দেশিকা বীমা গ্রহীতা, শেয়ারহোল্ডারদের সম্পদের বিনিয়োগ, পরিচালনার নীতি এবং প্রক্রিয়ার রূপরেখা বিভিন্ন ক্যাটাগরিতে তৈরী করা হয়। বিনিয়োগ তহবিলের বিভিন্ন ফান্ড বিনিয়োগের ক্ষেত্রে উল্লেখিত নীতি সংক্রান্ত অন্যান্য বিষয়, বিনিয়োগের উদ্দেশ্য এবং তহবিল বিনিয়োগ প্রক্রিয়া সংজ্ঞায়িত করেছে আইডিআর এর প্রবিধান এসআরও নং-৩৬০এলএডব্লিউ/২০১৯ নভেম্বর ১৯, ২০১৯। উক্ত প্রবিধান অনুসারে সংশ্লিষ্ট বিভাগ হতে বিনিয়োগের উপর নির্ধারিত ছকে সত্যায়িত সার্টিফিকেট প্রয়োজন।

### পুনঃবীমা

কোম্পানীর পরিচালনা পর্ষদ বীমা গ্রহীতাদের প্রিমিয়াম এবং কোম্পানীর সম্পদ রক্ষা করার জন্য ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া এবং অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার মাধ্যমে বীমা গ্রাহকদের তহবিল রক্ষার গুরুত্ব স্বীকার করে। এ ছাড়া বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ (আইডিআরএ) পুনঃবীমাকরনের পক্ষে ১৬ই মার্চ ২০১৬ তারিখে এস.আর.ও নং-৩৪৯ আইন/২০১৫ জারি করেছে। জীবন বীমা কোম্পানীর ক্ষেত্রে পুনঃবীমার মাধ্যমে ঝুঁকি হ্রাসকরনের বিধান বাধ্যতামূলক করা হয়েছে। আমাদের কোম্পানী ট্রাস্ট রি-ইন্স্যুরেন্স 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 পন্থায় 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।

#### ব্যবসায়িক চলমান ধারণা

পরিচালনা পর্ষদ কোম্পানীর ব্যবসায়িক পরিকল্পনা পর্যালোচনা করেছে। গোয়িং কর্নসান শব্দটি অদূর ভবিষ্যতে ব্যবসা অথবা কমপক্ষে পরবর্তী ১২ মাসের ব্যবসায়িক সক্ষমতা বর্ণনা করার ক্ষেত্রে ব্যবহৃত হয়। এতে ধারণা করা হয় যে, ব্যবসা হতে আয় অর্জিত হবে, দায় মিটানো সম্ভব হবে এবং আগত বছরে কোন দায় সৃষ্টি হবে না। কোম্পানীর আর্থিক বিবরণী প্রস্তুতের ক্ষেত্রে ব্যবসায়িক চলমানতার ধারণাকে ভিত্তি হিসেবে গ্রহণ করা হয়েছে।

#### নিরীক্ষকের প্রতিবেদন

সংবিধিবদ্ধ নিরীক্ষক মাহুফেল হক এ্যান্ড কোং চার্টার্ড অ্যাকাউন্টেন্টস কোম্পানীতে সংঘটিত অনিয়মের উপর ভিত্তি করে ৩১ ডিসেম্বর ২০২০ সমাপনী অর্থ বছরের আর্থিক বিবরণীর উপর কোয়ালিফাইড রিপোর্ট প্রদান করেছে। পরিচালনা পর্ষদ আর্থিক অনিয়মের বিষয়ে পদক্ষেপ গ্রহণ করেছে।

#### জাতীয় রাজস্ব অবদান

ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড জাতীয় রাজস্ব সংগ্রহে গুরুত্বপূর্ণ অবদান রেখে চলেছে। দেশের প্রচলিত আইন অনুযায়ী কোম্পানী কর্পোরেট প্রতিষ্ঠান হিসেবে তার নিজস্ব আয়ের উপর কর প্রদান করে থাকে। এছাড়াও কোম্পানী নিয়মানুযায়ী পরিসেবা কর, স্ট্যাম্প শুল্ক, মূল্য সংযোজন কর, লভ্যাংশ বন্টন কর এবং অন্যান্য শুল্ক ও কর জাতীয় কোষাগারে জমা দান করেছে। ২০২০ সালে কোম্পানী ভ্যাট, ট্যাক্স, শুল্ক ও অন্যান্য কর বাবদ ৩১৩.৪৯ মিলিয়ন টাকা সরকারের রাজস্ব কোষাগারে জমা প্রদান করেছে।

#### সাবসিডিয়ারি কোম্পানী

ফারইষ্ট ইসলামী লাইফ ইন্স্যুরেন্স 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 ফার্মস্ হতে ইনকর্পোরেশন সার্টিফিকেট লাভ করে এদের কার্যক্রম চালিয়ে যাচ্ছে।

#### আইনি অবস্থা

কোম্পানীকে ২০২০ 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 ফেলতে পারে।

#### শেয়ারধারণ সংক্রান্ত তথ্য

আমরা নিশ্চিত করছি যে, কোম্পানীর শেয়ার ধারণ এবং শেয়ার হস্তান্তর উক্ত বছরে সংবিধিবদ্ধ নিয়মানুযায়ী হয়েছে। এ বছর কোম্পানীর উদ্যোক্তাগণ দ্বারা কোন মূলধন বৃদ্ধি করা হয়নি। কোম্পানীর মোট শেয়ার সংখ্যা ৭,৪৭,৪২,৭৫১টি। শেয়ার সংক্রান্ত বিস্তারিত তথ্য পৃষ্ঠা নং- ৪৮ এ কমপ্লাইয়েন্স রিপোর্ট এর Annexure- II এ বর্ণিত হয়েছে। ক্ষুদ্র শেয়ারহোল্ডারদের স্বার্থ প্রত্যক্ষ বা পরোক্ষভাবে কোম্পানী কর্তৃক সুরক্ষিত।

#### উপসংহার

কোম্পানী তার সকল কর্মকর্তা/কর্মচারীদের অবদানের জন্য আন্তরিক কৃতজ্ঞতা প্রকাশ করেছে এবং একই সাথে তাদের অব্যাহত সমর্থন এবং আস্থার জন্য সমস্ত স্টেকহোল্ডারদের প্রতি ধন্যবাদ জ্ঞাপন করেছে।

আল্লাহ আমাদের সকলের সহায় হোন, আমীন।

মাআসসালাম,

পরিচালকমণ্ডলীর পক্ষে,

ড. মোঃ রহমত উল্লাহ  
চেয়ারম্যান

৩১ অক্টোবর ২০২১, ঢাকা।

## Some Memorable Events



Divisional Incharge Conference



Divisional Incharge Conference



Co-ordination Meeting at Fareast Tower



Co-ordination Meeting at Fareast Tower



## Risk Management



“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.”

### 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.
- 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.



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

জোহা জামান কবির রশীদ এ্যান্ড কোং  
চার্টার্ড একাউন্টেন্টস

## 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 2020. 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 scrutiny 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 been unable to obtain all the information and explanations which we have required and after due scrutiny and verification thereof, we report that, in our opinion:

- Except for conditions no. 1(3)(c), 1(4)(d), 1(5)(xii), 1(5)(xxv)(f), 1(5)(xxv)(g), 1(7)(a), 1(7)(b), 2(b), 2(e), 5(6)(a)(ii)(b)-5(6)(a)(ii)(d), 5(6)(b), 5(7), 6(3)(a), 6(3)(b), 6(4)(c)-6(5)(b), 6(5)(b)(vi), 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 to some extent with the provisions of the relevant Bangladesh Secretarial Standards as adopted by the Institute of Chartered Secretaries of Bangladesh as required by this Code;
- Except for the matters highlighted in the Independent Auditor's Report, 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 not satisfactory.

Dhaka  
October 31, 2021

  
**Tarek Rashid**  
Partner, Enrolment No.1363  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
DVC:2112091363AC378950

EST.  
**1982**

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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## Compliance Report

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

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/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.	BOARD OF DIRECTORS:			
1(1)	Size of the Board of 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)	√		Board comprises of 14 members including 2 independent directors
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 percent (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 director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (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;	√		
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	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	√		
<b>1(3)</b>	<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;	√		
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			N/A
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 of 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			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous of 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			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
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;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any filed mentioned in clause (b);		√	One independent director does not meet this criterion.
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;	√		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;		✓	We couldn't find the job responsibilities.
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive 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 outlook 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;	✓		The risk has not been discussed broadly.
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			N/A
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;			There was no public/ right issue during 2020.
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;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements;	✓		
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;		✓	Auditors' have commented that proper books of accounts are not 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;	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
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;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with 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);	√		
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);	√		
1(5)(xxiii)(c)	Executives; and	√		
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; and	√		
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;			N/A
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 immediately 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		√	No evidence found
1(5)(xxv)(g)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and		√	No evidence found
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)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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;		✓	Not found
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.		✓	Not found
2	<b>GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY :</b>			
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.		✓	No discussion in audit report
3	<b>MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS) :</b>			
3(1)	<b>Appointment</b>			
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;	✓		
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).	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	<b>Requirement to attend Board of Directors' Meetings</b>			
3(2)	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.	√		
3(3)	<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.	√		
4	<b>BOARD OF DIRECTORS' COMMITTEE :</b>			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee (NRC).	√		
5	<b>AUDIT COMMITTEE :</b>			
5(1)	<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;	√		
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.	√		
5(2)	<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;	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
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.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process;	√		ToR approved on 14/09/21
5(5)(b)	monitor choice of accounting policies and principles;	√		ToR approved on 14/09/21
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;	√		ToR approved on 14/09/21
5(5)(d)	oversee hiring and performance of external auditors;	√		ToR approved on 14/09/21
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;	√		ToR approved on 14/09/21
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		ToR approved on 14/09/21
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		ToR approved on 14/09/21
5(5)(h)	review the adequacy of internal audit function;	√		ToR approved on 14/09/21
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		ToR approved on 14/09/21
5(5)(j)	review statement of all related party transactions submitted by the management;	√		ToR approved on 14/09/21
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		ToR approved on 14/09/21
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	√		ToR approved on 14/09/21
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
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<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)	The Audit Committee shall immediately report to the Board on the following findings, if any :-			

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(a)	Report on conflicts of interest;			There was no reportable case of conflict of interest in 2020
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularly or material defect identified in the internal audit and compliance process or in the financial statements;		✓	Inadequate information in the Audit committee report.
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and		✓	Inadequate information in the Audit committee report.
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.		✓	Inadequate information in the Audit committee report.
5(6)(b)	<b>Reporting to the Authorities</b>			
	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.		✓	
6	<b>NOMINATION AND REMUNERATION COMMITTEE (NRC):</b>			
6(1)	<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;	✓		ToR approved on 14/09/21.
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),	✓		ToR approved on 14/09/21
6(2)	<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 non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(g)	The Company Secretary shall act as the secretary of the Committee;	√		
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 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;		√	We were unable to verify
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;		√	We were unable to verify
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;			We were unable to verify.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			N/A
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);		√	We were unable to verify
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.		√	We were unable to verify
<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;		√	One of independent does not meet the qualification
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board		√	We were unable to verify
6(5)(b)(i)	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:	√		
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 the 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;	√		ToR approved on 14/09/21
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, recommended their appointment and removal to the board;	√		ToR approved on 14/09/21

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		ToR approved on 14/09/21
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	√		ToR approved on 14/09/21
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		√	We were unable to verify
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.	√		ToR approved on 14/09/21
<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)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(viii)	Any service that the Audit committee determines.	√		
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 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-2020

Sl. #	Name of the Directors	Total Meeting	Total Present
01.	Mr. Md. Nazrul Islam Chairman, Board of Directors	08	08
02.	Al-Haj Md. Helal Miah Chairman, Executive Committee	08	07
03.	Dr. Md. Mokaddes Hossain (Alternate, Mr. Syed Shah Alam Meerza)	08	08
04.	Ms. Ayesha Husne Jahan Chairperson, Policy & Claims Sub Committee	08	08
05.	Ms. Nazneen Hossain Chairperson, Purchase Sub Committee	08	07
06.	Dr. Md. Manowar Hossain (Alternate of Ms. Shaheer Banu)	08	03
07.	Ms. Muslima Shireen	08	08
08.	Prof. Dr. Iffat Jahan (Alternate of Ms. Taslima Islam)	06	05
09.	Mr. Yasir Obaid	02	02
10.	Fareast Securities Ltd. (Rep. Mr. Asif Iqbal)	08	08
11.	Ms. Rabeya Begum (Alternate of Ms. Ramisha Islam)	08	08
12.	South Green Ltd (Rep. Mr. Mohammad Sohel Arif)	08	08
13.	Bangladesh Science House (Rep. Mr. Abdul Awal)	08	05
14.	Mr. Redwan Farid Sami-Independent Director	08	06
15.	ABM Hussain Ahmed FCA-Independent Director	08	08
16.	Mr. Md. Hemayet Ullah-Chief Executive Officer	08	08

Sl. #	Name of the CS, CFO & HIAC	Total Meeting	Total Present
01.	Syed Abdul Aziz DMD & Company Secretary	08	04
02.	Mr. Mohammed Alamgir Kabir FCA Chief Financial Officer (CFO)	08	08
03.	Mr. Md. Kamal Hosen Howlader SEVP & Head of ICCD	08	08
04.	Mr. Mahamudul Hasan FCS EVP & Company Secretary	08	04

The pattern of Shareholding as on 31 December 2020

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	NIII	-	-
Mr. Redwan Farid Sami	Independent Director	NIII	-	-
Mr. Yasir Obaid	Independent Director	NIII	-	-

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. Md. Alamgir Kabir FCA	Chief Financial Officer	Nil	--	Nil
Mr. Mahamadul Hasan FCS	Company Secretary	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. Sk. Abdur Razzaque	Senior Executive Vice President	Nil	--	Nil
Mr. Md. Firoj Shah Alam	Executive Vice President	Nil	--	Nil

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

## Certificate of BAPLC







Board Meeting at Fareast Tower



Audit Committee Meeting at Fareast Tower



## Report of Board Audit Committee

### Report of Audit Committee

Audit Committee is a Sub Committee of the Board. The Audit committee acts as an effective forum in assisting the Board of Directors in discharging its responsibilities on ensuring the quality of financial reporting, overseeing internal and external audit functions and internal control structure as well as making related communications to the shareholders and the other stakeholders.

### Composition of the Audit Committee:

The Audit Committee currently comprises of four members. All members of the Audit Committee are Non-Executive Independent Directors. The Company Secretary acts as the Secretary of the Audit Committee.

Mohammad Sanaullah FCS - Chairman  
Dr. Md. Rafiqul Islam - Member  
Snehasish Barua FCA - Member  
Suzadur Rahman - Member

The Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) attend the meeting by invitation.

### Roles and responsibilities of the Committee

The roles & responsibilities of the Audit Committee have been defined in the "Terms of Reference (ToR)" of the Audit Committee in line with the Corporate Governance Code 2018. The Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures, accounting policies, related party transactions, management letters issued by statutory auditors, determination of audit fees etc. so as to ensure that a sound financial reporting system is in place and is well managed in order to provide accurate, appropriate and timely information to the Management, the Regulatory Authorities and to the Shareholders as well.

### Meetings and Attendance:

During the year under review 4 meetings were held subsequently 4 meetings conducted by the newly constituted Audit Committee.

### Summary of Activities:

The following activities were carried out by the Audit Committee during the financial year ended on 31 December, 2020.

### Terms of Reference of Board Audit Committee

During the year under review the reconstituted Audit Committee developed a Terms Reference (ToR) in line with Corporate Governance Code 2018 which was subsequently approved by the Board of Directors.

The role and responsibilities of CFO, Company Secretary and Head of Internal Audit & Compliance have been defined clearly with an objective to discharge their responsibilities properly to ensure accountability.

### Financial Reporting:

- Reviewed the quarterly, half yearly Financial Statement's of the company and relevant announcement to the Exchanges by the Board of Directors.
- Reviewed the annual Financial Statements of the Company and recommended to the Board of Directors for approval.

### Internal Audit:

- Reviewed the Internal Audit Reports of the Company.
- Financial statements contained full disclosure and those are prepared in accordance with IAS and IFRS as adopted in Bangladesh.

### External Audit:

- Mahfel Huq & Co., Chartered Accountants performed the statutory auditors of the company for audit of financial statements for the year ended December 31, 2020. They submitted "Qualified Report" based on the irregularities they found on the Financial Statements of the Company for the year ended 31 December 2020.

- The Audit Committee sat with the external Auditors to discuss on the key audit matters and findings of audit and of annual financial statements of the company.

- The Audit Committee recommended to the Board of Director's to appoint M/S Howlader Yunus & Co., Chartered Accountants as statutory Auditors for the year ending December 31, 2021 subject to approval of the members at the 21st Annual General Meeting of the Company.

- The audit Committee also recommended to the Board of Directors to appoint M/S S A Rashid & Associates, Chartered Secretaries as Corporate Governance Compliance Auditor subject to approval of the members at the 21st Annual General Meeting of the Company.

### Internal Control & Risk Management

The Audit Committee reviewed the effectiveness of the internal financial controls and the procedures established for identifying, assessing and managing risks. The Committee is of the view that there are lack of adequate controls and procedures to provide reasonable assurance and steps are being undertaken to safeguard assets of the company.

On behalf of the Audit Committee



**Mohammad Sanaullah FCS**  
Chairman

31 October 2021, Dhaka

## Report of Nomination & Remuneration Committee (NRC)

Nomination & Remuneration Committee (NRC) is a Sub-Committee of the Board. The Nomination & Remuneration Committee (NRC) is to assist the board in formulation of policy with regard to determining qualifications, positive attributes, experiences, remunerations for directors and top level executives of the company.

### Composition of the Committee

The Nomination & Remuneration Committee (NRC) comprises of four members. All members of the NRC are Non-Executive Independent Directors. The Company Secretary acts as the Secretary of the Committee.

Md. Mofazzal Hossain, ndc  
Chairman

Mohammad Sanaullah FCS  
Member

Colonel Gazi Md. Khalid Hossain,  
psc (Retd) -Member

Md. Zikrul Hoque  
Member

The Nomination & Remuneration Committee's roles & responsibilities and specific duties have been defined in the "Terms of Reference (ToR)" in line with the Corporate Governance Code 2018.

### Terms of Reference of Nomination & Remuneration Committee

During the year under review the reconstituted Nomination & Remuneration Committee (NRC) developed a terms of Reference (ToR) in line with Corporate Governance Code 2018 which was subsequently approved by the Board of Directors.



### Major Responsibilities of NRC

- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and in top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors and top level executives;
- Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Recommend and review annually the Company's human resources and training policies; and
- Recommend the Code of Conduct for the Board of Directors and Top level Executives.

### Summary of Activities

The NRC carried out the following important activities after its formation:

- Nomination & Remuneration Committee reviewed and formed new Management Committee of the Company;
- Took initiative to review the Performance of the Top Level Management;

On behalf of NRC

**Md. Mofazzal Hossain, ndc**  
Chairman

31 October 2021, Dhaka

## শরী'আহ কাউন্সিল এর প্রতিবেদন

৩১ ডিসেম্বর ২০২০ ইসরী তারিখে সমাপ্ত বছরের জন্য

بسم الله الرحمن الرحيم

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আস-সালামু 'আলাইকুম ওয়া রাহমাতুল্লাহি ওয়া বারাকাতুহু।

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

প্রিয় শেয়ারহোল্ডারবৃন্দ,

৩১ ডিসেম্বর ২০২০ 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 ১ টি সভা অনুষ্ঠিত হয়। উত্থাপিত বিষয়াদি পর্যালোচনান্তে কাউন্সিল নিম্নোক্ত মতামত ও সুপারিশ প্রদান করে-

মতামত:

- ২০২০ হিসাব বছরে কোম্পানী কর্তৃক সম্পাদিত কার্যাবলী, লেনদেন পর্যালোচনায় প্রতীয়মান হয় যে, আইনগত বাধ্যবাধকতার কারণে কিছু কিছু বিষয় ছাড়া বাকীগুলো যথাসম্ভব ইসলামী শরী'আহর নীতিমালা অনুযায়ী করা হয়েছে।
- কোম্পানীর পলিসিহোল্ডারগণের বোনাস ও শেয়ারহোল্ডারগণের ডিভিডেন্ড বীমা আইন, একচুয়ারি কর্তৃক নির্ধারিত নীতিমালা এবং কোম্পানী আইন মেনে যথাসম্ভব শরী'আহর আলোকে করা হয়েছে।
- শরী'আহর দৃষ্টিতে সংশয়পূর্ণ আয় ও প্রচলিত ব্যাংকে স্বল্পকালীন সংরক্ষিত হিসাব থেকে প্রাপ্ত আয় কোম্পানীর আলাদা হিসাবে (সাদাকাহ ফাভে) কাউন্সিলের নির্দেশনা অনুযায়ী খরচ করার জন্য সংরক্ষণ করা হয়েছে।

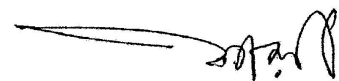
সুপারিশ:

- সব ধরনের বিনিয়োগের ক্ষেত্রে শরী'আহর মূলনীতির আলোকে কাউন্সিলের প্রদত্ত নির্দেশনা অনুসরণ করতে হবে, যাতে করে ইসলামী বীমা ব্যবস্থায় শরী'আহ বাস্তবায়নে পূর্ণতা অর্জনের সক্ষমতা লাভ করা যায়।
- গ্রাহকদের সকল ধরনের প্রাপ্য যথাসময়ে প্রদানের ব্যাপারে সচেতন থাকতে হবে।
- মাঠ কর্মীদেরকে বীমা সংগ্রহের ক্ষেত্রে শরী'আহর নীতি অনুসরণপূর্বক আরও স্বচ্ছতা ও সতর্কতা অবলম্বন করতে হবে।
- কর্মকর্তাদের মানোন্নয়ন ও গ্রাহকসেবা বৃদ্ধির লক্ষ্যে ইসলামী বীমা বিষয়ে সচেতনতা বাড়াতে আরও প্রশিক্ষণ, কর্মশালা, সভা, সেমিনার, সিম্পোজিয়াম ও সুধী সমাবেশের আয়োজন করতে হবে।
- কর্মরত জনশক্তির জন্য শরী'আহ বিষয়ক প্রশিক্ষণের ব্যবস্থা করতে হবে।
- সকল ক্ষেত্রে শরী'আহর বাস্তবায়ন আরও কার্যকর করতে প্রয়োজনীয় ব্যবস্থা গ্রহণ করতে হবে।

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

শরী'আহ কাউন্সিল এর পক্ষে-

তারিখ: ০২/১২/২০২১



(অধ্যক্ষ সাইয়েদ কামালুদ্দীন জাফরী)

চেয়ারম্যান, শরী'আহ কাউন্সিল

## Responsibility Statement of Chief Executive Officer & Chief Financial Officer

Annexure-A  
[As per condition No. 1(5)(xxvi)]

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

Subject: Declaration on Financial Statements for the year ended on 31 December 2020.

Dear Sirs,

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

- (1) The Financial Statements of Fareast Islami Life Insurance Company Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements (except the facts refer in qualified opinion);
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2020 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 collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws except a few cases;
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mohammed Alamgir Kabir  
Chief Executive Officer-current charge  
31 October 2021, Dhaka



Md. Kamrul Hasan Khan  
Incharge, Finance & Accounts  
31 October 2021, Dhaka

## Directors' Responsibilities For Financial Statements

The Directors are responsible for preparing the annual report and financial statements for the year ended 31 December 2020 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.



Dr. Md. Rahmant Ullah  
Chairman

31 October 2021, Dhaka



## Independent Auditor's Report

### To the Shareholders of The Fareast Islami Life Insurance Company Limited

### Report on the Audit of the Consolidated and Separate 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 2020 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 matter 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 2020, 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

##### Fixed Deposits with Banks

As disclosed in note no. 19 to the financial statements the company has MTDR maintained with different Banks and Financial Institutions. The company has not disclosed the liens of those MTDR instruments against Quard and advances of Mollah Enterprise Ltd.

##### Investment in Shares and Bonds

We could not obtain sufficient appropriate evidence of BDT 7,186.9 million included in the investment in shares and bonds in note no. 14 to the financial statements. Those investments have been made in previous years in various entities and individuals and have not been generating any cash flows for the company.

Additionally, included in the investment in shares and bonds in note no. 14 of the financial statements no impairment has been charged for the significant decrease in the net realizable value of investment in Bonds of Banglalion Communications Limited (BDT 986.3 million) and in the bonds of PFI Securities Limited (BDT 1,853.1 million). However, the company has decided not to impair the investments in bonds of Banglalion Communications and PFI Securities in accordance with the legal opinion obtained.

##### Advances, Deposits and Prepayments

We could not obtain sufficient appropriate evidence of BDT 2,901.1 million included in Advances for Construction Land and Land Developments in note no. 17.04 of the financial statements made in previous years. In addition, included in the Other Advances in note no. 17.02 of the financial statements an amount of BDT 1,222.5 million that we could not verify. 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 made in 2018 as an adjustment of investment carried forward from previous years. Furthermore, we could not verify if any impairment was necessary to these advances, deposits and prepayments.

##### Fixed Assets

Included in the fixed assets in the note no. 22 of the financial statements an amount of BDT 1,832.5 million as Land and Land Development as an adjustment of advances to FILIC Cooperative and PILIC Cooperative Society. Of the total land an amount worth BDT 711.5 million was registered in the name of FILIC as a settlement amount of loan to PILIC Cooperative Society made in 2017 and BDT 1,011.4 million as an adjustment of advance to FILIC Cooperative Society made several times since 2013. However, we could not obtain sufficient appropriate audit evidence regarding the purpose of the loan to another entity. In addition, we could not obtain sufficient appropriate audit evidence of BDT 1,069.6 million of the Land and Land Developments.

Furthermore, no depreciation has been charged on the revalued amount of buildings. In our opinion, depreciation expense should have been recognized in the Life Revenue Accounts on the revalued amounts of the Building as per IAS-16 Property, Plant and Equipment. If the depreciation expense had been so recognized the effect would have been to decrease the carrying amount of the Revalued building by BDT 1,176.1 million, the Balance of life fund at 31 December 2020 by BDT 1,176.1 million.



### Estimated Liabilities in respect of outstanding claims whether due or intimated

We were unable to confirm the actual amount of claim liability in the previous years due to there being instances of non recording, non-measurement of various types of claims-intimated or matured and related liabilities and unavailability of necessary documents and controls thereon. Given the interactions of multiple uncertainties related to above we could not determine the adjustments that would be necessary to restate company's separate as well as group's consolidated financial statements and ascertain impacts of these on company's going concern ability.

### Employment benefits and commission

We could not verify the amount of forfeiture in the PF due to non-availability of necessary documents. The company has not recognized any provision for the post-employment benefits: Defined Benefit Plans. In our opinion, provision should have been recognized in the Balance Sheet as required by IAS-19 Employee Benefits. If the provision had been so recognized the effect would have been to increase the provision for gratuity fund and decrease the Balance of life fund at 31 December 2020.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Emphasis of Matters

We draw attention to the note no. 14.01 to the financial statements which describes the recognition of investment in shares at Fair value. The management has decided to recognize the investment in share at cost and maintain a Share Value Fluctuation Account for the adjustment of increase or decrease in the Fair value. In addition, we draw attention to note no.10.02 to the financial statements which describes the loans taken from the FILIC Employee's Provident Fund Trustee Board. Our opinion is not modified in these regards.

### 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 2020. 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 receive 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	
<b>Carrying value of investments in subsidiary by the Company</b>	
<p>The company has invested in equity shares of its subsidiaries Fareast Islami Securities Limited and Fareast Islami Properties Ltd. As at 31st December, 2020 the carrying value of the investment is BDT 497,500,000 and BDT 72,000,000 respectively.</p> <p>At the time of audit of our separate financial statements of the company, we have considered the recoverable value of the company's investment in the Fareast Islami Securities Limited and Fareast Islami Properties Limited.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiaries Fareast Islami Securities Limited and Fareast Islami Properties Limited in accordance with IAS-36</p>	<ul style="list-style-type: none"> <li>• We have reviewed management's analysis of impairment assessment and recoverable value of subsidiary in accordance with IAS-36.</li> <li>• In particular, our discussions with management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</li> <li>• We also checked the mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained in reference to third party sources.</li> </ul>
See note no. 14.04 and 14.05 to the financial statements	

#### Other Information

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

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate the matter to those charged with governance.

#### 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.

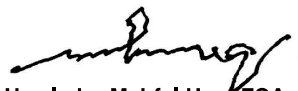
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 could not obtain all the information and explanations 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 proper books of accounts, records and other statutory books as required by law have not been kept by the Company;
- As per section 62(2) of the Insurance Act 1938 (amended in 2010), we could not verify the expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts of the Company;
- The information and explanations required by us have not 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 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 are not 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.

31 October 2021  
Dhaka

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Balance Sheet**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>CAPITAL AND LIABILITIES</b>			
<b>SHAREHOLDERS' CAPITAL</b>			
<b>Authorised Capital</b>	4		
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	24,763,286,905	33,690,359,320
Welfare Fund	7	16,499,071	13,567,568
		<b>28,110,178,238</b>	<b>37,034,319,150</b>
Non-Controlling Interest	6.B	43,908,254	41,364,544
<b>LIABILITIES &amp; PROVISIONS</b>			
Amount due to other persons or bodies carrying on Insurance business	8	40,591,261	27,909,946
Estimated liabilities in respect of outstanding claims whether due or intimated	9	8,547,287,255	444,849,826
Loans & Advances	10	1,558,946,114	1,717,946,114
Sundry Creditors	11.A	3,298,735,357	3,281,506,274
Unclaimed Dividend		483,011	483,011
Provision for Share Value Fluctuation Account		95,303,874	136,565,484
Premium Deposits	12	101,091,897	47,047,359
		<b>13,642,438,769</b>	<b>5,656,308,014</b>
		<b>42,543,952,771</b>	<b>43,479,419,218</b>

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Balance Sheet**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>PROPERTY AND ASSETS</b>			
<b>LOANS</b>			
On Insurer's Policies within their surrender value	13	651,247,433	675,910,532
<b>INVESTMENTS</b>		14.A	
Shares & Bonds		7,638,598,605	7,543,505,975
Equity Shares in CDBL		5,711,810	5,711,810
Treasury Bond with Bangladesh Bank		4,484,285,568	4,019,244,216
Investment in DSE Membership		349,724,994	349,724,994
Investment in Marketable Securities		266,624,068	160,015,752
Employee House Building Loan Scheme		5,915,314	5,999,511
		<b>12,750,860,359</b>	<b>12,084,202,258</b>
Outstanding Premium	15	1,473,294,565	1,543,732,970
Profit, Dividend & Rent Accrued but not Due	16	625,299,677	639,059,394
Advances, Deposits and Prepayments	17.A	6,715,103,570	7,073,076,672
Sundry Debtors	18.A	182,514,688	146,972,141
<b>CASH AND BANK BALANCES</b>			
Fixed Deposit with Banks	19.A	2,993,561,912	3,421,323,054
SND & CD Account with Banks	20.A	2,935,966,584	3,675,376,539
Cash in Hand		266,611	116,803
		<b>5,929,795,107</b>	<b>7,096,816,396</b>
<b>OTHER ACCOUNTS</b>			
Stamps in Hand		5,396,960	3,999,937
Printing & Stationery in Hand		5,572,878	6,624,651
Capital Work in Progress	21	668,232,931	535,876,088
Fixed Assets (At Cost Less Depreciation)	22.A	13,536,634,603	13,673,148,180
		<b>42,543,952,771</b>	<b>43,479,419,218</b>

The annexed notes form an integral part of these financial statements



**Mohammed Alamgir Kabir**  
Chief Executive Officer (CC)



**Snehasish Barua, FCA**  
Director



**Mohammed Sanaullah, FCS**  
Director



**Dr. Md. Rahmat Ullah**  
Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2110310105AS819441



Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Life Revenue Account**

For the year ended 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>BALANCE OF FUND AT THE BEGINNING OF THE YEAR</b>		<b>33,690,359,320</b>	<b>33,329,264,616</b>
Prior adjustment made during the year		(25,274,670)	24,078,434
<b>PREMIUM LESS RE-INSURANCE</b>	23		
First year premium (Individual Life)		1,556,523,681	2,193,295,576
First year premium (Sharbojonin Bima)		624,860,501	958,641,538
		<b>2,181,384,182</b>	<b>3,151,937,114</b>
Renewal premium (Individual Life)		5,900,376,834	5,738,926,410
Renewal premium (Sharbojonin Bima)		1,647,418,576	1,651,795,787
		<b>7,547,795,410</b>	<b>7,390,722,197</b>
Group Insurance premium		9,654,002	17,751,848
<b>Gross premium</b>		<b>9,738,833,594</b>	<b>10,560,411,159</b>
Less: Re-Insurance premium		28,719,705	20,774,601
<b>Net premium</b>		<b>9,710,113,889</b>	<b>10,539,636,558</b>
<b>PROFIT, DIVIDEND AND RENT</b>	24.A	889,202,702	797,789,295
<b>OTHER INCOME</b>	25	6,101,116	4,853,389
		<b>44,270,502,357</b>	<b>44,695,622,292</b>

First year premiums, where, the maximum premiums paying period is		
Single	566,523,385	739,728,639
Two years	-	-
Three years	-	-
Four years	-	-
Five years	7,336,968	13,001,371
Six years	3,201,959	6,469,298
Seven years	259,825	521,270
Eight years	950,409	1,551,092
Nine years	62,585	98,589
Ten years	489,177,666	688,139,071
Eleven years	862,211	1,725,799
Twelve years or over	1,113,009,174	1,700,701,985
(Including throughout life)	<b>2,181,384,182</b>	<b>3,151,937,114</b>

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Life Revenue Account**

For the year ended 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>CLAIMS UNDER POLICIES (INCLUDING PROVISION FOR CLAIMS DUE OR INTIMATED) LESS RE-INSURANCE</b>			
By Death		99,219,046	110,276,335
By Maturity		15,414,261,998	5,940,371,498
By Survival		950,406,793	1,009,789,037
By Surrender		95,847,075	106,995,525
		<b>16,559,734,912</b>	<b>7,167,432,395</b>
<b>EXPENSES OF MANAGEMENT</b>			
<b>Commission</b>			
(a) Commission to Insurance Agents (less that on Re-Insurance)		1,062,895,132	1,320,688,461
(b) Allowances and Commission (other than commission including in Sub-Item (a) above)		288,283,362	617,602,258
		<b>1,351,178,494</b>	<b>1,938,290,719</b>
Salaries etc. (other than to agents and those contained in the allowances and commission)	26	689,269,721	871,007,852
Travelling & Conveyance	27	4,086,384	19,697,649
Shariah Meeting Fees		96,000	483,000
Meeting Fees		2,256,889	4,599,722
Auditor's Fees		379,500	384,656
Actuarial Fees		1,200,000	1,510,000
Medical Expenses		419,205	933,269
Legal & Professional Fees	28	4,797,177	5,697,023
Registration & Renewal Fees		11,199,659	9,840,206
Advertisement & Publicity		21,046,381	18,066,981
Printing & Stationery	29.A	9,064,661	14,775,250
Policy Stamp		21,221,135	31,131,075
Revenue Stamp		2,865,001	3,556,442
Postage & Courier Bills		2,291,268	3,881,778
Telephone, Internet & Fax Bills	30	6,101,604	6,272,243
Training & Recruitment Expenses		47,039	3,677,153
Meeting Expenses		351,631	495,548
Development Expenses		96,804,520	84,953,007
Office Rent	31	93,569,813	102,663,391
Office Expenses	32	36,070,482	25,982,090
Repairs & Maintenance		45,594,273	23,476,423
Gas, Water & Electricity Charges	33	24,185,638	27,161,073
Car Fuel	34	21,168,047	37,842,233
Car Registration & Renewal Fees		998,685	1,051,540
Bank Charges		4,976,250	12,650,920
Car Repairs & Maintenance	35	3,199,279	4,026,432
Car Insurance Expenses		551,156	15,242
Newspaper & Periodicals	36	305,118	81,601
Entertainment	37	3,584,053	4,350,615
AGM Expenses		28,000	751,115

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Life Revenue Account**

For the year ended 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
Mobile Telephone Bills		7,506,588	5,886,271
Fees, Subscription and Donation	38	6,352,078	23,628,260
Duty & Taxes		3,191,355	3,519,854
Trade Licence		158,764	278,452
Cleaning & Washing		3,207,070	7,204,469
Insurance Premium		4,533,013	8,159,805
Software Expenses		1,556,660	114,500
Depreciation on Fixed Assets		160,563,301	171,747,320
Other Management Expenses	39	14,851,697	14,223,581
		<b>1,309,649,095</b>	<b>1,555,778,041</b>
<b>OTHER EXPENSES</b>			
Income Tax	40	207,237,316	188,972,266
Finance Charges for Leased Liability as per IFRS 16		749,174	953,678
		<b>207,986,490</b>	<b>189,925,944</b>
		<b>2,868,814,079</b>	<b>3,683,994,704</b>
<b>DIVIDEND</b>			
Cash Dividend		74,742,751	149,485,502
		<b>74,742,751</b>	<b>149,485,502</b>
		<b>2,943,556,830</b>	<b>3,833,480,206</b>
<b>BALANCE OF FUND AT THE END OF THE YEAR</b>		<b>24,767,210,615</b>	<b>33,694,709,691</b>
<b>Attributable to:</b>		<b>44,270,502,357</b>	<b>44,695,622,292</b>
Balance of fund at the end of the year as shown in the Balance sheet		24,763,286,905	33,690,359,320
Non-controlling interest		2,543,710	4,350,371
		<b>24,765,830,615</b>	<b>33,694,709,691</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka
  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Statement of Life Insurance Fund**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>A. ASSETS</b>			
Loans on Insurer's policies within their surrender value	13	651,247,433	675,910,532
Investment	14.A	12,750,860,359	12,084,202,258
Outstanding premium	15	1,473,294,565	1,543,732,970
Profit, Dividend & Rent accrued but not due	16	625,299,677	639,059,394
Advances, Deposits & Prepayments	17.A	6,715,103,570	7,073,076,672
Sundry Debtors	18.A	182,514,688	146,972,141
Cash & Bank Balances		5,929,795,107	7,096,816,396
Stamp in Hand		5,396,960	3,999,937
Printing & Stationery in Hand		5,572,878	6,624,651
Capital Work in Progress	21	668,232,931	535,876,088
Fixed Assets (at cost less depreciation)	22.A	13,536,634,603	13,673,148,180
		<b>42,543,952,771</b>	<b>43,479,419,219</b>
<b>B. LIABILITIES</b>			
Revaluation Reserve	5	3,330,392,262	3,330,392,262
Welfare Fund	7	16,499,071	13,567,568
Amount due to other persons or bodies carrying on insurance business	8	40,591,261	27,909,946
Estimated Liabilities in respect of outstanding claims whether due or intimated	9	8,547,287,255	444,849,826
Loan & Advance	10	1,558,946,114	1,717,946,114
Sundry Creditors	11.A	3,298,735,357	3,281,506,274
Provision for Share Value Fluctuation Account		95,303,874	25,585,148
Premium Deposits	12	101,091,897	47,047,359
		<b>16,988,847,091</b>	<b>8,888,804,497</b>
<b>C. Gross Fund (A-B)</b>		<b>25,555,105,680</b>	<b>34,590,614,722</b>
<b>D. Shareholders' Capital (Paid-up Capital)</b>		<b>747,427,510</b>	<b>747,427,510</b>
Non-controlling Interest	6.B	43,908,254	41,364,544
<b>E. Life Insurance Fund as at 31 December (C-D)</b>		<b>24,763,769,916</b>	<b>33,801,822,668</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
 Dhaka

  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated FORM- AA****Classified Summary of the Assets in Bangladesh**

As at 31 December 2020

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	4,484,285,568	4,484,285,568	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	651,247,433	651,247,433	Realisable Value
6	Shares & Bonds Listed on Stock Exchanges	7,995,222,673	7,768,657,189	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)	5,915,314	5,915,314	At Cost
10	Cash on Fixed Deposit in Bank	2,993,561,912	2,993,561,912	Realisable Value
11	Cash in Hand and on Current & STD. A/C. in Banks	2,936,233,195	2,936,233,195	Realisable Value
12	<b>Other Assets</b>			
	a. Agents Balances			
	b. Outstanding Premium	1,473,294,565	1,473,294,565	Realisable Value
	c. Profit, dividend and rent either outstanding or accrued but not due	625,299,677	625,299,677	Realisable Value
	d. Advances, Deposits & Prepayments	6,715,103,570	6,715,103,570	Realisable Value
	e. Stamps, Forms and Stationery in hand	10,969,838	10,969,838	At Cost
	f. Sundry Debtors	182,514,688	182,514,688	Realisable Value
	g. Capital Work in Progress	668,232,931	668,232,931	At Cost
	h. Fixed Assets ( At cost less Depreciation )	13,536,634,603	13,536,634,603	Written Down Value
		<b>42,633,952,771</b>	<b>42,407,387,287</b>	

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka
  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441



Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Cash Flow Statement**

For the year ended 31 December 2020

PARTICULARS	Amount in Taka	
	2020	2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection from premium	9,834,596,832	9,936,218,557
Payment for Claims	(8,457,297,483)	(6,936,734,273)
Payment for Management Expenses and Others	(2,306,386,211)	(2,194,080,382)
Income Tax Paid	(41,513,237)	(67,606,508)
<b>Net Cash Flows from/ Used Operating Activities</b>	<b>(970,600,099)</b>	<b>737,797,394</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(43,717,571)	(173,333,492)
Capital Work in Progress	(132,356,843)	(148,628,012)
Disposal of Fixed Assets	42,316,264	652,901
Investment and Other income received	854,341,831	685,731,655
Investment made during the year	(842,262,120)	(1,634,964,157)
<b>Net Cash used for Investing Activities</b>	<b>(121,678,439)</b>	<b>(1,270,541,105)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share Capital	-	-
Dividend Paid	(74,742,751)	(149,485,502)
<b>Net Cash Flows from Financing Activities</b>	<b>(74,742,751)</b>	<b>(149,485,502)</b>
<b>D. Net Increase/Decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,167,021,289)</b>	<b>(682,229,213)</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>	<b>7,096,816,396</b>	<b>7,779,045,609</b>
<b>F. Cash and Cash Equivalents at the end of the year</b>	<b>5,929,795,107</b>	<b>7,096,816,396</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka

Fareast Islami Life Insurance Co. Ltd. and Its subsidiaries

**Consolidated Statement of Changes in Shareholders' Equity**

For the year ended 31 December 2020

Particular	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Non Controlling Interest	Total
Equity as on 01 January 2020	747,427,510	-	-	-	-	41,364,544	788,792,054
Addition during the year	-	-	-	-	-	2,543,710	2,543,710
<b>Equity as on 31 December 2020</b>	<b>747,427,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,908,254</b>	<b>791,335,764</b>

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>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka

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

Fareast Islami Life Insurance Co. Ltd.

**Balance Sheet**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>CAPITAL AND LIABILITIES</b>			
<b>SHAREHOLDERS' CAPITAL</b>			
<b>Authorised Capital</b>	4		
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	24,745,719,533	33,726,043,777
Welfare Fund	7	16,499,071	13,567,568
		<b>28,092,610,866</b>	<b>37,070,003,607</b>
<b>LIABILITIES &amp; PROVISIONS</b>			
Amount due to other persons or bodies carrying on Insurance business	8	40,591,261	27,909,946
Estimated liabilities in respect of outstanding claims whether due or intimated	9	8,547,287,255	444,849,826
Loans & Advances	10	1,558,946,114	1,717,946,114
Sundry Creditors	11	3,121,998,785	3,089,786,498
Unclaimed Dividend		483,011	483,011
Provision for Share Value Fluctuation Account		95,303,874	136,565,484
Premium Deposits	12	101,091,897	47,047,359
		<b>13,465,702,197</b>	<b>5,464,588,238</b>
		<b>42,305,740,573</b>	<b>43,282,019,355</b>

Fareast Islami Life Insurance Co. Ltd.

**Balance Sheet**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>PROPERTY AND ASSETS</b>			
<b>LOANS</b>			
On Insurer's Policies within their surrender value	13	651,247,433	675,910,532
<b>INVESTMENTS</b>			
Shares & Bonds	14	7,728,598,605	7,543,505,975
Equity Shares in CDBL		5,711,810	5,711,810
Treasury Bond with Bangladesh Bank		4,484,285,568	4,019,244,216
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		5,915,314	5,999,511
		<b>12,794,011,297</b>	<b>12,143,961,512</b>
Outstanding Premium	15	1,473,294,565	1,543,732,970
Profit, Dividend & Rent Accrued but not Due	16	625,299,677	639,059,394
Advances, Deposits and Prepayments	17	6,717,571,109	7,074,130,087
Sundry Debtors	18	74,788,775	86,795,261
<b>CASH, BANK and OTHER BALANCES</b>			
Fixed Deposit with Banks	19	2,878,574,034	3,312,147,907
SND & CD Account with Banks	20	2,879,191,703	3,592,102,629
Cash in Hand		257,431	107,904
		<b>5,758,023,168</b>	<b>6,904,358,440</b>
<b>OTHER ACCOUNTS</b>			
Stamps in Hand		5,396,960	3,999,937
Printing & Stationery in Hand		5,572,878	6,624,651
Capital Work in Progress	21	668,232,931	535,876,088
Fixed Assets (At Cost Less Depreciation)	22	13,532,301,780	13,667,570,483
		<b>42,305,740,573</b>	<b>43,282,019,355</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka
  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd.

## Life Revenue Account

For the year ended 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>BALANCE OF FUND AT THE BEGINNING OF THE YEAR</b>		<b>33,726,043,777</b>	<b>33,388,110,960</b>
Prior adjustment made during the year		(25,274,670)	24,078,434
<b>PREMIUM LESS RE-INSURANCE</b>	23		
First year premium (Individual Life)		1,556,523,681	2,193,295,576
First year premium (Sharbojonin Bima)		624,860,501	958,641,538
		<b>2,181,384,182</b>	<b>3,151,937,114</b>
Renewal premium (Individual Life)		5,900,376,834	5,738,926,410
Renewal premium (Sharbojonin Bima)		1,647,418,576	1,651,795,787
		<b>7,547,795,410</b>	<b>7,390,722,197</b>
Group Insurance premium		9,654,002	17,751,848
<b>Gross premium</b>		<b>9,738,833,594</b>	<b>10,560,411,159</b>
Less: Re-Insurance premium		28,719,705	20,774,601
<b>Net premium</b>		<b>9,710,113,889</b>	<b>10,539,636,558</b>
<b>PROFIT, DIVIDEND AND RENT</b>	24	774,627,337	720,312,844
<b>OTHER INCOME</b>	25	6,101,116	4,853,389
		<b>44,191,611,449</b>	<b>44,676,992,185</b>

First year premiums, where, the maximum premiums paying period is		
Single	566,523,385	739,728,639
Two years	-	-
Three years	-	-
Four years	-	-
Five years	7,336,968	13,001,371
Six years	3,201,959	6,469,298
Seven years	259,825	521,270
Eight years	950,409	1,551,092
Nine years	62,585	98,589
Ten years	489,177,666	688,139,071
Eleven years	862,211	1,725,799
Twelve years or over	1,113,009,174	1,700,701,985
(Including throughout life)		
	<b>2,181,384,182</b>	<b>3,151,937,114</b>



Fareast Islami Life Insurance Co. Ltd.

**Life Revenue Account**

For the year ended 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>CLAIMS UNDER POLICIES (INCLUDING PROVISION FOR CLAIMS DUE OR INTIMATED) LESS RE-INSURANCE</b>			
By Death		99,219,046	110,276,335
By Maturity		15,414,261,998	5,940,371,498
By Survival		950,406,793	1,009,789,037
By Surrender		95,847,075	106,995,525
		<b>16,559,734,912</b>	<b>7,167,432,395</b>
<b>EXPENSES OF MANAGEMENT</b>			
<b>Commission</b>			
(a) Commission to Insurance Agents (less that on Re-Insurance)		1,062,895,132	1,320,688,461
(b) Allowances and Commission (other than commission including in Sub-Item (a) above)		288,283,362	617,602,258
		<b>1,351,178,494</b>	<b>1,938,290,719</b>
Salaries etc. (other than to agents and those contained in the allowances and commission)		678,288,676	858,536,202
Travelling & Conveyance		4,032,589	19,627,244
Shariah Meeting Fees		96,000	483,000
Meeting Fees		2,256,889	4,599,722
Auditor's Fees		379,500	384,656
Actuarial Fees		1,200,000	1,510,000
Medical Expenses		419,205	933,269
Legal & Professional Fees		2,329,864	3,784,737
Registration & Renewal Fees		11,199,659	9,840,206
Advertisement & Publicity		21,046,381	18,066,981
Printing & Stationery	29	8,958,002	14,451,228
Policy Stamp		21,221,135	31,131,075
Revenue Stamp		2,865,001	3,556,442
Postage & Courier Bills		2,291,268	3,881,778
Telephone, Internet & Fax Bills		5,814,045	5,897,182
Training & Recruitment Expenses		45,839	3,665,953
Meeting Expenses		351,631	495,548
Development Expenses		96,604,520	84,783,007
Office Rent		94,370,188	102,218,319
Office Expenses		36,056,232	25,743,300
Repairs & Maintenance		45,594,273	23,290,423
Gas, Water & Electricity Charges		24,155,638	26,832,384
Car Fuel		21,070,857	37,726,523
Car Registration & Renewal Fees		998,685	1,051,540
Bank Charges		4,976,250	12,650,920
Car Repairs & Maintenance		3,080,095	3,963,022
Car Insurance Expenses		528,353	529
Newspaper & Periodicals		303,468	50,771
Entertainment		3,457,080	4,221,544
AGM Expenses		8,000	731,115

Fareast Islami Life Insurance Co. Ltd.

## Life Revenue Account

For the year ended 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
Mobile Telephone Bills	38	7,506,588	5,886,271
Fees, Subscription and Donation		6,352,078	23,628,260
Duty & Taxes		3,191,355	3,519,854
Trade Licence		132,234	247,222
Cleaning & Washing		3,207,070	7,144,469
Insurance Premium		4,533,013	8,159,805
Software Expenses		-	20,000
Depreciation on Fixed Assets		159,198,336	170,913,220
Other Management Expenses		93,782	-
		<b>1,278,213,779</b>	<b>1,523,627,721</b>
<b>OTHER EXPENSES</b>			
Income Tax		181,272,806	171,158,393
Finance Charges for Leased Liability as per IFRS 16		749,174	953,678
		<b>182,021,980</b>	<b>172,112,071</b>
<b>DIVIDEND</b>		<b>2,811,414,253</b>	<b>3,634,030,511</b>
Cash Dividend		74,742,751	149,485,502
		<b>74,742,751</b>	<b>149,485,502</b>
		<b>2,886,157,004</b>	<b>3,783,516,013</b>
<b>BALANCE OF FUND AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET</b>		<b>24,745,719,533</b>	<b>33,726,043,777</b>
		<b>44,191,611,449</b>	<b>44,676,992,185</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
 Dhaka

  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd.

**Statement of Life Insurance Fund**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>A. ASSETS</b>			
Loans on Insurer's policies within their surrender value	13	651,247,433	675,910,532
Investment	14	12,794,011,297	12,143,961,512
Outstanding premium	15	1,473,294,565	1,543,732,970
Profit, Dividend & Rent accrued but not due	16	625,299,677	639,059,394
Advances, Deposits & Prepayments	17	6,717,571,109	7,074,130,087
Sundry Debtors	18	74,788,775	86,795,261
Cash & Bank Balances		5,758,023,168	6,904,358,440
Stamp in Hand		5,396,960	3,999,937
Printing & Stationery in Hand		5,572,878	6,624,651
Capital Work in Progress	21	668,232,931	535,876,088
Fixed Assets (at cost less depreciation)	22	13,532,301,780	13,667,570,483
		<b>42,305,740,573</b>	<b>43,282,019,355</b>
<b>B. LIABILITIES</b>			
Revaluation Reserve	5	3,330,392,262	3,330,392,262
Welfare Fund	7	16,499,071	13,567,568
Amount due to other persons or bodies carrying on insurance business	8	40,591,261	27,909,946
Estimated Liabilities in respect of outstanding claims whether due or intimated	9	8,547,287,255	444,849,826
Loan & Advance	10	1,558,946,114	1,717,946,114
Sundry Creditors	11	3,121,998,785	3,089,786,498
Provision for Share Value Fluctuation Account		95,303,874	136,565,484
Premium Deposits	12	101,091,897	47,047,359
		<b>16,812,110,519</b>	<b>8,808,065,057</b>
<b>C. Gross Fund (A-B)</b>		<b>25,493,630,054</b>	<b>34,473,954,298</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>24,746,202,544</b>	<b>33,726,526,788</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
 Dhaka

  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd.

**FORM- A A****Classified Summary of the Assets in Bangladesh**

As at 31 December 2020

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	4,484,285,568	4,484,285,568	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	651,247,433	651,247,433	Realisable Value
6	Shares & Bonds Listed on Stock Exchanges	7,728,598,605	7,633,294,731	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)	5,915,314	5,915,314	At Cost
11	Cash on Fixed Deposit in Bank	2,878,574,034	2,878,574,034	Realisable Value
12	Cash in Hand and on Current & STD. A/C. in Banks	2,879,449,134	2,879,449,134	Realisable Value
13	<b>Other Assets</b>			
	a. Agents Balances			
	b. Outstanding Premium	1,473,294,565	1,473,294,565	Realisable Value
	c. Profit, dividend and rent either outstanding or accrued but not due	625,299,677	625,299,677	Realisable Value
	d. Advances, Deposits & Prepayments	6,717,571,109	6,717,571,109	Realisable Value
	e. Stamps, Forms and Stationery in hand	10,969,838	10,969,838	At Cost
	f. Sundry Debtors	74,788,775	74,788,775	Realisable Value
	g. Capital Work in Progress	668,232,931	668,232,931	At Cost
	h. Fixed Assets ( At cost less Depreciation )	13,532,301,780	13,532,301,780	Written Down Value
		<b>42,305,740,573</b>	<b>42,210,436,699</b>	

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

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31 October 2021  
Dhaka
  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441

Fareast Islami Life Insurance Co. Ltd.

**Cash Flow Statement**

For the year ended 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collection from premium		9,834,596,832	9,936,218,557
Payment for Claims		(8,457,297,483)	(6,936,734,273)
Payment for Management Expenses and Others		(2,289,929,883)	(2,223,771,812)
Income Tax Paid		(35,425,442)	(58,997,189)
<b>Net Cash flows from/ used in Operating Activities</b>	41	<b>(948,055,976)</b>	<b>716,715,283</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(43,597,450)	(173,270,542)
Capital Work in Progress		(132,356,843)	(148,628,012)
Disposal of Fixed Assets		42,316,264	652,901
Investment and Other income received		794,488,170	639,989,617
Investment made during the year		(784,386,686)	(1,583,851,250)
<b>Net Cash used for Investing Activities</b>		<b>(123,536,545)</b>	<b>(1,265,107,286)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share Capital		-	-
Dividend Paid		(74,742,751)	(149,485,502)
<b>Net Cash Flows from Financing Activities</b>		<b>(74,742,751)</b>	<b>(149,485,502)</b>
<b>D. Net Increase/Decrease in cash and cash equivalents (A+B+C)</b>		<b>(1,146,335,272)</b>	<b>(697,877,505)</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>		<b>6,904,358,440</b>	<b>7,602,235,945</b>
<b>F. Cash and Cash Equivalents at the end of the year</b>		<b>5,758,023,168</b>	<b>6,904,358,440</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
Dhaka
  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2110310105AS819441



Fareast Islami Life Insurance Co. Ltd.

## Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

Particular	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total
Equity as on 01 January 2020	747,427,510	-	-	-	-	747,427,510
Addition during the year (Bonus share)	-	-	-	-	-	-
<b>Equity as on 31 Decemder 2020</b>	<b>747,427,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,427,510</b>

Equity as on 01 January 2019	747,427,510	-	-	-	-	747,427,510
Addition during the year (Bonus share)	-	-	-	-	-	-
<b>Equity as on 31 Decemder 2019</b>	<b>747,427,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,427,510</b>

The annexed notes form an integral part of these financial statements

  
**Mohammed Alamgir Kabir**  
 Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
 Director

  
**Mohammed Sanaullah, FCS**  
 Director

  
**Dr. Md. Rahmat Ullah**  
 Chairman

Signed as per annexed report on even date

31 October 2021  
 Dhaka

## Fareast Islami Life Insurance Co. Ltd.

### Notes to the Financial Statements

For the year ended 31 December 2020

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

- Accrual unless stated otherwise
- Historical cost convention

- The Insurance Act 2010
- The Insurance Act 1938
- The Insurance Rule 1958
- The Companies Act 1994
- The Bangladesh Securities and Exchange Rules 1987
- The Income Tax Ordinance 1984
- The Listing Regulations of Dhaka and Chittagong Stock Exchanges
- The International Accounting Standards (IAS)
- 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.

#### 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) Dividend income

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

### 3.05 Investments

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".

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.

### 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.

#### 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	302,149
2004	3,439,263
2005	6,119,358

Assessment of Income Tax for the Income Years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 has not yet been finalized. Above refund amount are subject to adjustment with the finally assessed tax amount, if any, for the Income Year 2020 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 2020 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 have 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 provision of International Accounting Standard -19, "Employee Benefit." Bases of enumerating the above benefits schemes operated by the company are outlined below:

#### 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.

#### 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 Fund 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. In respect of that, no timing difference arises related to Deferred Taxation.

### 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 also approved by the Board of Directors. Subsequently, those peoples do not qualify as related parties. Besides, those business transactions were still lying with the entity. The related party transaction with has been in schedule-A.



### 3.14 Risk Minimization strategies

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

Preparation of Financial Statements in conformity with the Bangladesh 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. Mudaraba Term Deposits Receipts. (MTDR'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 in re-insurance 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 Statements 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 2020.

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

IFRS 16: "Leases" has come into force on 01 January 2020, 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 2020 to 31 December 2020.

**3.19 Reporting currency**

The figures in the Financial Statements 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 2020 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 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.

<u>Category of Share Holders</u>	<u>Share Holding (%)</u>
Sponsor	32.69
General Public	67.31

Amount in Taka	
2020	2019
1,000,000,000	1,000,000,000
747,427,510	747,427,510
243,390,760	244,348,260
504,036,750	503,079,250
<b>747,427,510</b>	<b>747,427,510</b>

Amount in Taka	
2020	2019

#### 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 2020 is given below

A	Category of Share Holders	No. of Share Holders	Quantity of Shares	Share Holding %
	Sponsors & Shareholders	21	24,339,076	32.56
	Foreigners	2	834,332	1.12
	General Public	6,832	18,906,588	25.30
	Institutions	188	30,662,755	41.02
	<b>Total</b>	<b>7,043</b>	<b>74,742,751</b>	<b>100.00</b>
B	Share Holding Range	No. of Share Holders	Quantity of Shares	Share Holding %
	0001-500	4,087	630,547	0.84
	501-5000	2,328	3,954,482	5.29
	5001-10000	256	1,807,562	2.42
	10001-20000	145	2,065,951	2.77
	20001-30000	48	1,186,615	1.59
	30001-40000	29	1,034,351	1.38
	40001-50000	16	728,071	0.98
	50001-100000	41	2,961,422	3.96
	100001-1000000	72	23,037,252	30.82
	1000001 and above	21	37,336,498	49.95
	<b>Total</b>	<b>7,043</b>	<b>74,742,751</b>	<b>100.00</b>

#### 5 REVALUATION RESERVE

3,330,392,262

3,330,392,262

The above amount represents the balance of Revaluation Reserve which has been created with the increased amount of revaluation of Asset.

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 December 2020 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.

#### 6 LIFE INSURANCE FUND

24,745,719,533

33,726,043,777

This consists of the accumulated balance of revenue surplus upto 31 December 2020.

Balance as on 01.01.2020

33,726,043,777

33,388,110,960

Add: Increase in Life Revenue Account during the year

(8,980,324,244)

337,932,817

24,745,719,533

33,726,043,777

		Amount in Taka	
		2020	2019
<b>6.A LIFE INSURANCE FUND</b>		<b>24,763,286,905</b>	<b>33,690,359,320</b>
Fareast Islami Life Insurance co. Ltd.		24,745,719,533	33,726,043,777
Fareast Islami Securities Ltd.		(11,251,041)	(58,573,389)
Fareast Islami Properties Ltd.		28,818,413	22,888,932
		<b>24,763,286,905</b>	<b>33,690,359,320</b>
<b>6.B NON-CONTROLLING INTEREST</b>		<b>43,908,254</b>	<b>41,364,544</b>
Fareast Islami Securities Ltd.		2,460,375	2,222,574
Fareast Islami Properties Ltd.		41,447,879	39,141,970
		<b>43,908,254</b>	<b>41,364,544</b>
<b>7 WELFARE FUND</b>		<b>16,499,071</b>	<b>13,567,568</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 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS</b>		<b>40,591,261</b>	<b>27,909,946</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 2020.			
Balance break-up is as under			
Opening Balance as on 01.01.2020		27,909,946	43,361,679
Add: Provision for premium on Re-insurance ceded		28,719,705	20,774,601
		<b>56,629,651</b>	<b>64,136,280</b>
Less: Received/Adjusted against Re-Insurance Commission		4,277,005	4,653,220
		<b>52,352,646</b>	<b>59,483,060</b>
Less: Re-Insurance Premium Paid		4,161,385	-
		<b>48,191,261</b>	<b>59,483,060</b>
Less: Adjustment against Re-Insurance Claim Received		7,600,000	7,494,680
		<b>40,591,261</b>	<b>51,988,380</b>
Less: Prior adjustment made during the year		-	24,078,434
		<b>40,591,261</b>	<b>27,909,946</b>
<b>9 ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED</b>		<b>8,547,287,255</b>	<b>444,849,826</b>
<b>a) Death Claim</b>		<b>22,962,450</b>	<b>14,060,578</b>
Opening Balance as on 01.01.2020		14,060,578	20,042,420
Add: Claim intimated during the year		145,836,043	155,629,809
		<b>159,896,621</b>	<b>175,672,229</b>
Less: Paid/Adjust during the year		129,334,171	154,116,971
		<b>30,562,450</b>	<b>21,555,258</b>
Less: Re-insurance claim received		7,600,000	7,494,680
		<b>22,962,450</b>	<b>14,060,578</b>
<b>b) Surrender Claim</b>		<b>21,177,145</b>	<b>13,925,695</b>
Opening Balance as on 01.01.2020		13,925,695	2,073,737
Add: Intimated during the year		31,742,470	26,426,539
		<b>45,668,165</b>	<b>28,500,276</b>
Less: Paid/Adjust during the year		24,491,020	14,574,581
		<b>21,177,145</b>	<b>13,925,695</b>

Amount in Taka		
	2020	2019
<b>c) Maturity Claim</b>	<b>8,474,622,043</b>	<b>387,013,000</b>
Opening Balance as on 01.01.2020	387,013,000	180,365,576
Add: Intimated during the year	18,967,903,233	8,845,865,792
	<b>19,354,916,233</b>	<b>9,026,231,368</b>
Less: Paid/Adjust during the year	10,880,294,190	8,639,218,368
	<b>8,474,622,043</b>	<b>387,013,000</b>
<b>d) Survival Benefit</b>	<b>28,525,617</b>	<b>29,850,553</b>
<b>Total (a+b+c+d)</b>	<b>8,547,287,255</b>	<b>444,849,826</b>
<b>10 LOANS &amp; ADVANCES</b>	<b>1,558,946,114</b>	<b>1,717,946,114</b>
The make up of the above amount is given here under		
<b>10.01 Banks(Quard):</b>		
Islami Bank Bangladesh Ltd.	1,506,664,691	1,623,664,691
	<b>1,506,664,691</b>	<b>1,623,664,691</b>
<b>10.02 Others:</b>		
FILIC Employee's Provident Fund Trustee Board	52,281,423	94,281,423
	<b>52,281,423</b>	<b>94,281,423</b>
<b>11.00 SUNDRY CREDITORS</b>	<b>3,121,998,785</b>	<b>3,089,786,498</b>
Printing Bills	1,644,441	522,022
Office Rent	1,238,231	6,140,389
Telephone Bills	720,523	359,919
Commission (Sub Note-11.01)	232,837,350	337,686,805
Electric Bills	2,692,766	3,038,552
Audit Fees	448,750	391,250
Salary (Desk)	20,694,327	30,091,021
Car Fuel	4,193,643	4,972,300
Advertisement & Publicity	439,772	491,947
Tax at Source	190,054,343	227,130,312
VAT at Source	17,327,919	16,781,574
Car Repairs & Maintenances	78,989	289,540
Company's Registration & Renewal Fees	11,199,659	12,144,473
Entertainment	772,402	214,723
Certificate & Licence Fees	207,750,282	194,435,250
Mobile Telephone Bills	157,563	540,890
Repairs & Maintenances	2,319,191	6,993,046
Actuarial fees	2,580,000	1,380,000
Security Deposit (Sub Note-11.02)	391,831,466	386,150,126
Wasa Bills	123,739	177,891
Gas Bills	9,481	34,287
Postage & Courier	682,524	1,078,482
Travelling & Conveyance	412,999	3,200,851
Development Expenditure	1,486,860	5,868,611



	Amount in Taka	
	2020	2019
Medical Expenses	51,560	302,117
Fareast Welfare Foundation (Sub Note-11.03)	496,288	496,288
Newspaper & Periodicals	2,860	4,700
Provision for Income Tax	1,940,626,182	1,759,353,376
Cleaning & Washing	274,699	563,080
Training & Recruitment Expenses	-	358,720
Legal & Professional Fees	20,700	8,600
Unidentified Deposit	39,720,386	37,493,591
Unrealised Profit	13,279,541	13,279,541
Advance Rental Income Received	12,201,000	13,878,000
Others	101,364	588,794
Trade Licence	6,739	-
Leased Liability as per IFRS 16	23,520,246	23,345,430
	<b>3,121,998,785</b>	<b>3,089,786,498</b>

#### 11.01 COMMISSION PAYABLE

	2020	2019
FA Commission	193,017,391	158,856,855
OR Commission	7,089,824	15,095,669
SOR Commission	32,730,135	163,734,281
	<b>232,837,350</b>	<b>337,686,805</b>

The Commission expenses of the closing month i.e December 2020 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

	2020	2019
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. Break up as under		
Methila Properties Ltd	250,000,000	250,000,000
Third Parties	135,016,363	128,814,303
Office Staffs(Casher)	6,815,103	7,335,823
	<b>391,831,466</b>	<b>386,150,126</b>

		Amount in Taka	
		2020	2019
<b>11.03 FAREAST WELFARE FOUNDATION</b>		<b>496,288</b>	<b>496,288</b>
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.			
<b>11.A SUNDRY CREDITORS</b>		<b>3,298,735,357</b>	<b>3,281,506,274</b>
Fareast Islami Life Insurance co. Ltd.	3,121,998,785	3,089,786,498	
Fareast Islami Securities Ltd.	234,968,967	188,204,623	
Fareast Islami Properties Ltd.	48,969,262	24,540,285	
	<b>3,405,937,014</b>	<b>3,302,531,406</b>	
Less: Inter Company transaction	107,201,657	21,025,132	
	<b>3,298,735,357</b>	<b>3,281,506,274</b>	
<b>12 PREMIUM DEPOSITS</b>		<b>101,091,897</b>	<b>47,047,359</b>
First Year Premium	16,111,361	32,426,959	
Renewal Premium	84,980,536	14,620,400	
	<b>101,091,897</b>	<b>47,047,359</b>	
This has been projected on the basis of premium collection less amount recognized as premium (Revenue) income in 2020.			
<b>13 LOAN ON POLICY</b>		<b>651,247,433</b>	<b>675,910,532</b>
This balance represents the amount sanctioned to policy holders against policies within their surrender value as per provision of the Insurance Act, 2010.			
<b>14 INVESTMENTS</b>		<b>12,794,011,297</b>	<b>12,143,961,512</b>
<b>14.01 Shares &amp; Bonds</b>		<b>7,728,598,605</b>	<b>7,543,505,975</b>
Shares & 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.			
<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> <ul style="list-style-type: none"> <li>i) seek a legal opinion from the Company's panel lawyer ;</li> <li>ii) served the legal notice to the concerned institution/persons ;</li> <li>iii) legal suit against the defaulted institution/persons;"</li> </ul>			

		Amount in Taka	
		2020	2019
<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>4,484,285,568</b>	<b>4,019,244,216</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>5,915,314</b>	<b>5,999,511</b>
The company was approved Employee House Building Loan Scheme on 18 August, 2016 as per Insurance Act 2010, Section 2010 44(9).			
<b>14.A INVESTMENTS</b>		<b>12,750,860,359</b>	<b>12,084,202,258</b>
Fareast Islami Life Insurance co. Ltd.	12,794,011,297	12,143,961,512	
Fareast Islami Securities Ltd.	542,394,294	465,680,238	
Fareast Islami Properties Ltd.	73,954,768	44,060,508	
	<b>13,410,360,359</b>	<b>12,653,702,258</b>	
Less: Inter company transaction	659,500,000	569,500,000	
	<b>12,750,860,359</b>	<b>12,084,202,258</b>	
<b>15.00 OUTSTANDING PREMIUM</b>		<b>1,473,294,565</b>	<b>1,543,732,970</b>
Balance as on 01.01.2020	1,543,732,970	1,066,113,754	
Less: Realised & adjusted during the year	1,543,732,970	1,066,113,754	
Add: Outstanding premium for the year 2020	1,473,294,565	1,543,732,970	
Balance as on 31.12.2020	<b>1,473,294,565</b>	<b>1,543,732,970</b>	
Break down of the above is as under			
First year	-	-	
Renewal	1,473,294,565	1,543,732,970	
	<b>1,473,294,565</b>	<b>1,543,732,970</b>	

		Amount in Taka	
		2020	2019
<b>16 ACCRUED PROFIT</b>		<b>625,299,677</b>	<b>639,059,394</b>
Islami Bank Bangladesh Ltd.		3,021,260	2,546,183
Shahjalal Islami Bank Ltd.		365,454	1,300,047
Exim Bank of Bangladesh Ltd.		-	434,589
Social Islami Bank Ltd.		-	670,514
First Security Islami Bank Ltd.		219,863	2,551,689
Union Bank Ltd		21,151,453	19,003,496
Al-Arafa Islami Bank Ltd.		214,166	387,464
Tresury Bond with Bangladesh Bank		99,287,939	85,586,200
Leasing & Finance Companies		11,814,017	102,687,926
Policy Investment		489,225,525	423,891,286
		<b>625,299,677</b>	<b>639,059,394</b>
<b>17 ADVANCES, DEPOSITS AND PREPAYMENTS</b>		<b>6,717,571,109</b>	<b>7,074,130,087</b>
Advance for Office Rent		9,986,302	11,935,071
Advance for TA/DA		709,417	694,417
Advance to Employees		3,700,316	3,195,078
Branch Revolving Fund (Sub Note 17.01)		174,653,870	124,686,002
Other Advances (Sub Note 17.02)		1,284,344,591	1,280,666,352
Advance Income Tax (Sub Note 17.03)		1,664,355,174	1,628,929,732
Advance against Furniture		306,456	306,456
Security Deposit		57,380	57,380
Mobilization advance for Building project		944,999	23,593,446
Advance for Constuction, Land & Land Development (Sub Note 17.04)		3,503,430,643	3,889,320,267
Fareast Islami Securities Ltd.		8,555,334	8,555,334
Fareast Islami Properties Ltd.		1,176,525	-
Car Hire Purchase Scheme (Sub Note 17.05)		65,350,102	102,190,552
		<b>6,717,571,109</b>	<b>7,074,130,087</b>
<b>17.01 Branch Revolving Fund</b>			
Opening Balance as on 01.01.2020		124,686,002	87,321,307
Add: Addition during the year		273,686,993	40,109,738
		<b>398,372,995</b>	<b>127,431,045</b>
Less: Adjustment/ Realized during the year		223,719,125	2,745,043
Closing Balance as on 31.12.2020		<b>174,653,870</b>	<b>124,686,002</b>
<b>17.02 Other Advances</b>			
Opening Balance as on 01.01.2020		1,280,666,352	1,278,846,842
Add: Addition during the year		147,143,107	68,346,651
		<b>1,427,809,459</b>	<b>1,347,193,493</b>
Less: Adjustment/ Realized during the year		143,464,868	66,527,141
Closing Balance as on 31.12.2020		<b>1,284,344,591</b>	<b>1,280,666,352</b>

		Amount in Taka	
		2020	2019
<b>17.03 Advance Income Tax</b>			
Opening Balance as on 01.01.2020		1,628,929,732	1,569,932,543
Add: Addition during the year		35,425,442	58,997,189
		<b>1,664,355,174</b>	<b>1,628,929,732</b>
Less: Adjustment /Realized during the year		-	-
Closing Balance as on 31.12.2020		<b>1,664,355,174</b>	<b>1,628,929,732</b>
<b>17.04 Advance for Constuction, Land &amp; Land Development</b>			
Opening Balance as on 01.01.2020		3,889,320,267	4,618,644,628
Add: Addition during the year		5,180,900	-
		<b>3,894,501,167</b>	<b>4,618,644,628</b>
Less: Adjustment /Realized during the year		391,070,524	729,324,361
Closing Balance as on 31.12.2020		<b>3,503,430,643</b>	<b>3,889,320,267</b>
<b>17.05 Car Hire Purchase Scheme</b>			
Opening Balance as on 01.01.2020		102,190,552	153,350,885
Add: Addition during the year		8,412,113	29,477,907
		<b>110,602,665</b>	<b>182,828,792</b>
Less: Adjustment/ Realized during the year		45,252,563	80,638,240
Closing Balance as on 31.12.2020		<b>65,350,102</b>	<b>102,190,552</b>
<b>17.A ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
		<b>6,715,103,570</b>	<b>7,073,076,672</b>
Fareast Islami Life Insurance co. Ltd.		6,717,571,109	7,074,130,087
Fareast Islami Securities Ltd.		5,018,641	5,491,630
Fareast Islami Properties Ltd.		1,069,154	2,010,289
		<b>6,723,658,904</b>	<b>7,081,632,006</b>
Less: Inter Company transaction		8,555,334	8,555,334
		<b>6,715,103,570</b>	<b>7,073,076,672</b>
<b>18 SUNDRY DEBTORS</b>			
		<b>74,788,775</b>	<b>86,795,261</b>
Advance Against Mobile Telephone		50,991	50,991
Advance Against Motor Cycle		3,706,374	3,260,526
Receivables against Calender		103,465	103,465
Other Receivables (Sub Note 18.01)		70,927,945	83,380,279
		<b>74,788,775</b>	<b>86,795,261</b>
<b>18.01 Other Receivables</b>			
Opening Balance as on 01.01.2020		83,380,276	102,714,569
Add: Addition during the year		347,645,239	811,821,274
		<b>431,025,515</b>	<b>914,535,843</b>
Less: Adjustment /Realized during the year		360,097,570	831,155,567
Closing Balance as on 31.12.2020		<b>70,927,945</b>	<b>83,380,276</b>

		Amount in Taka	
		2020	2019
<b>18.A SUNDRY DEBTORS</b>		<b>182,514,688</b>	<b>146,972,141</b>
Fareast Islami Life Insurance co. Ltd.		74,788,775	86,795,261
Fareast Islami Securities Ltd.		116,372,236	72,646,678
		<b>191,161,011</b>	<b>159,441,939</b>
Less: Inter Company transaction		8,646,323	12,469,798
		<b>182,514,688</b>	<b>146,972,141</b>
<b>19 FIXED DEPOSIT WITH BANK</b>		<b>2,878,574,034</b>	<b>3,312,147,907</b>
<b>a) MTDR AGAINST GENERAL FUND</b>			
Islami Bank Bangladesh Ltd.	1,715,151,173	1,813,576,159	
Exim Bank of Bangladesh Ltd.	-	59,653,294	
Shahjalal Islami Bank Ltd.	22,027,736	47,155,617	
Al-Arafa Islami Bank Ltd.	12,262,076	33,144,937	
Social Islami Bank Ltd.	-	5,356,918	
First Security Islami Bank Ltd.	60,000,000	231,283,760	
Union Bank Ltd.	811,667,916	750,116,620	
Leasing & Finance Companies	131,577,360	173,484,935	
	<b>2,752,686,261</b>	<b>3,113,772,240</b>	
<b>b) MTDR AGAINST TABARRU FUND</b>			
Islami Bank Bangladesh Ltd	50,887,771	70,783,514	
Social Islami Bank Ltd	-	52,592,151	
Union Bank Ltd	75,000,002	75,000,002	
	<b>125,887,773</b>	<b>198,375,667</b>	
	<b>2,878,574,034</b>	<b>3,312,147,907</b>	
<b>19.A FIXED DEPOSIT WITH BANK</b>		<b>2,993,561,912</b>	<b>3,421,323,054</b>
Fareast Islami Life Insurance co. Ltd.	2,878,574,034	3,312,147,907	
Fareast Islami Properties Ltd.	114,987,878	109,175,147	
	<b>2,993,561,912</b>	<b>3,421,323,054</b>	
<b>20 SND &amp; CD ACCOUNTS WITH BANKS</b>		<b>2,879,191,703</b>	<b>3,592,102,629</b>
The said bank balance consisting of 1002 number of SND and 336 number of CD Bank Accounts maintained with different banks throughout the country.			
<b>20.A SND &amp; CD ACCOUNTS WITH BANKS</b>		<b>2,935,966,584</b>	<b>3,675,376,539</b>
Fareast Islami Life Insurance co. Ltd.	2,879,191,703	3,592,102,629	
Fareast Islami Securities Ltd.	55,551,128	79,948,668	
Fareast Islami Properties Ltd.	1,223,753	3,325,242	
	<b>2,935,966,584</b>	<b>3,675,376,539</b>	



		Amount in Taka	
		2020	2019
<b>21 CAPITAL WORK IN PROGRESS</b>		<b>668,232,931</b>	<b>535,876,088</b>
The above amount consists in respect of the following Fareast Tower at Rajshai			
Opening Balance as on 01.01.2020		535,876,088	387,248,076
Add: Addition during the year		132,356,843	148,628,012
		<b>668,232,931</b>	<b>535,876,088</b>
Less: Adjustment during the year		-	-
Closing Balance as on 31.12.2020		<b>668,232,931</b>	<b>535,876,088</b>
<b>22 FIXED ASSETS</b>			
<b>Cost (A)</b>		<b>13,532,301,780</b>	<b>13,667,570,483</b>
<b>Opening Balance</b>		14,840,513,201	14,673,161,687
Add: Addition during the year		66,245,897	173,270,542
		<b>14,906,759,098</b>	<b>14,846,432,229</b>
Less: Adjustment during the year		57,649,676	5,919,028
<b>Closing Balance</b>		<b>14,849,109,422</b>	<b>14,840,513,201</b>
<b>Accumulated Depreciation (B)</b>			
<b>Opening Balance</b>		1,172,942,711	1,007,295,617
Add: Charged during the year		159,198,336	170,913,221
		<b>1,332,141,047</b>	<b>1,178,208,838</b>
Less: Adjustment during the year		15,333,412	5,266,127
<b>Closing Balance</b>		<b>1,316,807,635</b>	<b>1,172,942,711</b>
<b>Written Down Value as at 31 December (A-B)</b>		<b>13,532,301,780</b>	<b>13,667,570,483</b>
<b>22.A FIXED ASSETS</b>		<b>13,536,634,603</b>	<b>13,673,148,180</b>
Fareast Islami Life Insurance co. Ltd.		13,532,301,780	13,667,570,483
Fareast Islami Securities Ltd.		4,332,823	5,577,697
		<b>13,536,634,603</b>	<b>13,673,148,180</b>

## 22.B BUILDING AT TOPKHANA ROAD, DHAKA

The Management of the company has re-valuated 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 BAS-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 December 2020 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	
		2020	2019
23	PREMIUM INCOME	9,710,113,889	10,539,636,558

		Amount in Taka	
		2020	2019
<b>27</b>	<b>TRAVELLING &amp; CONVEYANCE</b>	<b>4,086,384</b>	<b>19,697,649</b>
	Fareast Islami Life Insurance co. Ltd.	4,032,589	19,627,244
	Fareast Islami Securities Ltd.	53,795	56,005
	Fareast Islami Properties Ltd.	-	14,400
		<b>4,086,384</b>	<b>19,697,649</b>
<b>28</b>	<b>LEGAL &amp; PROFESSIONAL FEES</b>	<b>4,797,177</b>	<b>5,697,023</b>
	Fareast Islami Life Insurance co. Ltd.	2,329,864	3,784,737
	Fareast Islami Securities Ltd.	2,432,813	1,877,786
	Fareast Islami Properties Ltd.	34,500	34,500
		<b>4,797,177</b>	<b>5,697,023</b>
<b>29</b>	<b>PRINTING &amp; STATIONERY</b>	<b>8,958,002</b>	<b>14,451,228</b>
Printing & Stationery expenses had been incurred due to business expansion and introduction of some new products in the year 2020. 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</b>	<b>PRINTING &amp; STATIONERY</b>	<b>9,064,661</b>	<b>14,775,250</b>
	Fareast Islami Life Insurance Co. Ltd	8,958,002	14,451,228
	Fareast Islami Securities Ltd	106,659	115,115
	Fareast Islami Properties Ltd.	-	208,907
		<b>9,064,661</b>	<b>14,775,250</b>
<b>30</b>	<b>TELEPHONE, INTERNET &amp; FAX BILLS</b>	<b>6,101,604</b>	<b>6,272,243</b>
	Fareast Islami Life Insurance co. Ltd.	5,814,045	5,897,182
	Fareast Islami Securities Ltd.	287,559	360,201
	Fareast Islami Properties Ltd.	-	14,860
		<b>6,101,604</b>	<b>6,272,243</b>
<b>31</b>	<b>OFFICE RENT</b>	<b>93,569,813</b>	<b>102,663,391</b>
	Fareast Islami Life Insurance Co. Ltd	94,370,188	102,218,319
	Fareast Islami Securities Ltd	579,625	445,072
	Fareast Islami Properties Ltd.	-	1,380,000
		<b>94,949,813</b>	<b>104,043,391</b>
	Less: Inter Company transaction	1,380,000	1,380,000
		<b>93,569,813</b>	<b>102,663,391</b>
<b>32</b>	<b>OFFICE EXPENSES</b>	<b>36,070,482</b>	<b>25,982,090</b>
	Fareast Islami Life Insurance Co. Ltd	36,056,232	25,743,300
	Fareast Islami Securities Ltd	14,250	33,670
	Fareast Islami Properties Ltd.	-	205,120
		<b>36,070,482</b>	<b>25,982,090</b>

		Amount in Taka	
		2020	2019
<b>33 GAS, WATER &amp; ELECTRICITY CHARGES</b>		<b>24,185,638</b>	<b>27,161,073</b>
Fareast Islami Life Insurance Co. Ltd		24,155,638	26,832,384
Fareast Islami Securities Ltd		30,000	28,689
Fareast Islami Properties Ltd.		-	300,000
		<b>24,185,638</b>	<b>27,161,073</b>
<b>34 CAR FUEL</b>		<b>21,168,047</b>	<b>37,842,233</b>
Fareast Islami Life Insurance Co. Ltd		21,070,857	37,726,523
Fareast Islami Securities Ltd		97,190	115,710
		<b>21,168,047</b>	<b>37,842,233</b>
<b>35 CAR REPAIRS &amp; MAINTENANCES</b>		<b>3,199,279</b>	<b>4,026,432</b>
Fareast Islami Life Insurance Co. Ltd		3,080,095	3,963,022
Fareast Islami Securities Ltd		119,184	63,410
		<b>3,199,279</b>	<b>4,026,432</b>
<b>36 NEWSPAPERS &amp; PERIODICALS</b>		<b>305,118</b>	<b>81,601</b>
Fareast Islami Life Insurance Co. Ltd		303,468	50,771
Fareast Islami Securities Ltd		1,650	5,330
Fareast Islami Properties Ltd.		-	25,500
		<b>305,118</b>	<b>81,601</b>
<b>37 ENTERTAINMENT</b>		<b>3,584,053</b>	<b>4,350,615</b>
Fareast Islami Life Insurance Co. Ltd		3,457,080	4,221,544
Fareast Islami Securities Ltd		126,973	105,071
Fareast Islami Properties Ltd.		-	24,000
		<b>3,584,053</b>	<b>4,350,615</b>
<b>38 FEES, SUBSCRIPTION AND DONATION</b>		<b>6,352,078</b>	<b>23,628,260</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 disaster in the year 2020.			
<b>39 OTHER MANAGEMENT EXPENSES</b>		<b>14,851,697</b>	<b>14,223,581</b>
Fareast Islami Securities Ltd		14,633,770	10,702,082
Fareast Islami Properties Ltd.		124,145	3,521,499
		<b>14,851,697</b>	<b>14,223,581</b>
<b>40 INCOME TAX</b>		<b>207,237,316</b>	<b>188,972,266</b>
Fareast Islami Life Insurance co. Ltd.		181,272,806	171,158,393
Fareast Islami Securities Ltd.		22,899,331	14,653,589
Fareast Islami Properties Ltd.		3,065,179	3,160,284
		<b>207,237,316</b>	<b>188,972,266</b>

**41 CASH FLOWS FROM OPERATING ACTIVITIES****Addition of Life Fund**

Adjustment for:

Depreciation of Fixed Assets

Dividend

Salary Adjust with Installment of Car Hire Purchase Scheme

Finance Charge for Leased Liability IFRS 16

Profit on sale of Fixed Assets

Profit, Dividend &amp; Rents received

Amount in Taka	
2020	2019
<b>(8,980,324,244)</b>	<b>337,932,817</b>
159,198,336	170,913,220
74,742,751	149,485,502
45,252,563	80,638,240
749,174	953,678
(622,247)	(1,394,377)
(774,627,337)	(720,312,844)
<b>(9,475,631,004)</b>	<b>18,216,236</b>

**Cash Generated from Operations before Increase/Decrease of Assets or Liabilities**

Add/Less:

(Increase)/Decrease in Outstanding Premium

(Increase)/Decrease in Advances, Deposits &amp; Prepayments

(Increase)/Decrease in Sundry Debtors

(Increase)/Decrease of Inventories

Increase/(Decrease) of Welfare Fund

Increase/(Decrease) of Amount due to others persons or bodies carrying on insurance Business

Increase/(Decrease) of Outstanding Claims

Increase/(Decrease) of Sundry Creditors

Increase/(Decrease) of Premium Deposits

70,438,405	(477,619,216)
382,488,385	716,054,406
12,006,486	18,578,618
(345,250)	4,734,965
2,931,503	5,072,429
12,681,315	(15,451,733)
7,961,117,359	230,698,122
32,212,287	342,230,241
54,044,538	(125,798,785)
<b>(948,055,976)</b>	<b>716,715,283</b>

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

Under IAS 10: Events after the reporting period, dividend declared after the Balance Sheet date should not be classified as a liability at the Balance Sheet date as the proposed dividend does not represent a present obligation under BAS 37: Provisions, Contingent Liabilities and Contingent Assets.

"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 it's hardly can be predicted the actual impact of the pandemic.

**43 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 time due to inflation.

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

Quarterly & 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 DATE OF AUTHORIZATION**

The Board of Directors of Fareast Islami Life Insurance Co. Ltd. approved this Financial Statements on 31 October 2021.

**46 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 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 BAS-37 "Provision and Contingent Assets and Liabilities". In the yeas under review there is no such contingent liabilities as well as no commitment is made, to be settled in the future.

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

- i) Number of employees drawing salary above Tk. 3000 per month  
ii) Number of employees drawing salary below Tk. 3000 per month

Amount in Taka	
2020	2019
2,141	2,529
Nil	Nil

**49 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	
	2020		2019	
	Directors	Officers	Directors	Officers
Board Meeting Fee	11,10,889	-	18,88,722	-
Basic Salary	-	32,89,74,197	-	34,27,58,216
Provident Fund Contribution	-	2,63,82,045	-	3,02,19,125
House Rent	-	19,54,03,260	-	20,25,05,991
Other Allowances	-	12,59,76,6244	-	28,30,52,870
	<b>11,10,889</b>	<b>67,67,73,126</b>	<b>18,88,722</b>	<b>85,85,36,202</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.

**50 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	34,087,040	34,087,040
b) Post-employment benefits	690,518	523,700
c) Other long- term benefits	-	-
d) Termination benefits and	-	-
e) Share-based payment	-	-
	<b>34,777,558</b>	<b>31,011,500</b>



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

Name of the IAS	IAS No.	Status
Presentation of Financial Statement	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Change in Accounting Estimates and Errors	8	Applied
Events after the Balance Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	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 Disclosure	24	N/A
Accounting and Reporting by Retirement Benefit plans	26	Applied
Consolidated and 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
Financial Instruments: Recognition and Measurement	39	Applied
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	N/A
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	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interest in other Entities	12	N/A
Fair Value measurement	13	Applied

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 2020 and in our belief, the said assets have been set forth in the balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated.
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.

  
**Mohammed Alamgir Kabir**  
Chief Executive Officer (CC)

  
**Snehasish Barua, FCA**  
Director

  
**Mohammed Sanaullah, FCS**  
Director

  
**Dr. Md. Rahmat Ullah**  
Chairman

31 October 2021  
Dhaka

Fareast Islami Life Insurance Co. Ltd.  
**Schedule of Fixed Assets**  
 As at December 31, 2020

Annexure- A

Name of Assets	Cost			Rate of Dep.	Depreciation			Written Down Value as at Dec. 31, 2020
	Balance as at Jan. 01, 2020	Addition during the year	Adjustment		Balance as at Dec. 31, 2020	Charged during the year	Adjustment	
A) Cost:								
Land & Land Development	8,586,558,836	7,105,420	13,763,439	0%	-	-	-	8,579,900,817
Furniture & Fixture	359,209,792	554,977	-	10%	166,537,413	19,298,181	-	173,929,175
Office Decoration	366,177,225	2,160,171	-	10%	147,646,714	22,038,092	-	198,652,590
Office Equipment	440,316,665	19,188,770	-	15%	165,108,224	41,866,252	-	252,530,959
Motor Vehicles	98,700,628	-	11,222,403	20%	56,744,716	7,840,335	8,468,130	31,361,297
Electric Installation	25,301,022	12,975	-	15%	15,607,585	1,455,347	-	8,251,065
Telephone Installation	25,409,334	75,266	-	15%	17,082,026	1,255,654	-	7,146,920
Software	600,328	-	-	25%	557,480	10,713	-	32,135
Electric Sub Station	90,855,966	-	-	15%	58,614,510	4,836,218	-	27,405,238
Generator	29,528,513	-	-	20%	20,927,107	1,720,281	-	6,881,125
Building	1,187,525,018	682,000	652,200	5%	352,495,667	41,747,274	-	793,311,877
Air Conditioner	180,592,804	7,318,000	-	15%	114,378,596	11,026,706	-	62,505,502
Lift	87,333,174	-	-	15%	50,377,389	5,543,368	-	31,412,417
Sub-Total	11,478,109,305	37,097,579	25,638,042		1,166,077,429	158,638,421	8,468,130	10,173,321,115

## 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	32,011,634	29,148,318	32,011,634		6,865,282	559,915	6,865,282	28,588,403
Grand Total (A+B+C)	14,840,513,201	66,245,897	57,649,676		1,172,942,711	159,198,336	15,333,412	13,532,301,780

Fareast Islami Life Insurance Co. Ltd.  
**Statement of Related Party Transactions**  
 As at December 31, 2020

Schedule- A

Related Party/(ies) Transactions

Sl 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	90,000,000
			Inter transfer	8,555,334
2	Fareast Islami Properties Limited	Subsidiary	Investment	72,000,000
			Inter transfer	1,176,525
3	Primeasia University	Third party	Investment	1,046,308,756
4	Meghna Bank Limited	Third party	Premium Collection A/c	9,021,687
5	FILICL Employee's Provident Fund	Provident Fund	Loan received	(52,281,423)

## Independent Auditor's Report to the Shareholders of Fareast Islami Securities Limited Report on the Audit of 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 2020, 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 2020, 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.

12 April 2021  
Dhaka



**Md. Abu Kaiser, FCA**  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2104250626AS663791



Fareast Islami Securities Limited

**Statement of Financial Position**

As at 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>467,343,872</b>	<b>416,995,080</b>
Property Plant & Equipment	3	4,332,823	5,577,697
Investment in DSE	4	349,724,994	349,724,994
Investment in Marketable Securities	5	113,286,055	61,692,389
<b>Current Assets</b>		<b>256,334,430</b>	<b>212,358,730</b>
Investment in Marketable Securities	6	79,383,245	54,262,855
Advance Deposit & Prepayments	7	5,018,641	5,491,630
Receivable Renewal Fee	8	541,600	541,600
Accounts Receivables	9	115,830,636	72,105,078
Cash & Cash Equivalents	10	55,560,308	79,957,567
<b>Total Assets</b>		<b>723,678,302</b>	<b>629,353,810</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>		<b>488,709,335</b>	<b>441,149,186</b>
Share Capital	11	500,000,000	500,000,000
Retained Earnings		(11,290,665)	(58,850,814)
<b>Current Liabilities</b>		<b>234,968,967</b>	<b>188,204,623</b>
Current A/C with FILIC	12	8,555,334	8,555,334
Short Term Loan	13	120,000,000	80,000,000
Accounts Payables	14	61,180,040	75,010,273
Liabilities for Expenses	15	13,431,632	10,244,755
Provision for Tax	16	31,801,961	14,394,261
		<b>723,678,302</b>	<b>629,353,810</b>

Annexed notes form an integral part of these financial statements.



**Md. Nazrul Islam**  
Chairman &  
TREC Holder Representative




**Naim Hossain**  
Director



**Md. Nazmun Monir**  
Managing Director

12 April 2021  
Dhaka



**Md. Abu Kaiser, FCA**  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2104250626AS663791

Fareast Islami Securities Limited

**Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
<b>Operating Income</b>	17	<b>33,562,076</b>	<b>23,697,471</b>
<b>Operating expenses</b>		<b>(21,222,799)</b>	<b>(18,190,144)</b>
CDBL & DSE Expense	18	2,271,813	1,725,286
Administrative Expenses	19	18,950,986	16,464,858
<b>Profit from Operations</b>		<b>12,339,277</b>	<b>5,507,327</b>
Financial Expense	20	(11,413,872)	(7,792,840)
Other Income/(Loss)	21	69,534,075	29,132,054
<b>Profit/(Loss) before Tax</b>		<b>70,459,480</b>	<b>26,846,541</b>
Income Tax Expense	16	(22,899,331)	(14,653,589)
<b>Net Profit/(Loss) for the Year</b>		<b>47,560,149</b>	<b>12,192,952</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>47,560,149</b>	<b>12,192,952</b>
<b>Earnings Per Share</b>		<b>0.95</b>	<b>0.24</b>

Annexed notes form an integral part of these financial statements.




**Md. Nazrul Islam**  
Chairman &  
TREC Holder Representative



**Naim Hossain**  
Director



**Md. Nazmun Monir**  
Managing Director



**Md. Abu Kaiser, FCA**  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2104250626AS663791

12 April 2021  
Dhaka

Fareast Islami Securities Limited

## Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

Particulars	Share Capital	Retained Earnings	Total
<b>As on 01 January 2019</b>	500,000,000	(71,043,766)	428,956,234
Profit /(loss) after tax for the year	-	12,192,95	12,192,952
<b>As on 31st December 2019</b>	500,000,000	(58,850,814)	441,149,186
Profit /(loss) after tax for the year	-	47,560,149	47,560,149
<b>As on 31 December 2020</b>	<b>500,000,000</b>	<b>(11,290,665)</b>	<b>488,709,335</b>

Annexed notes form an integral part of these financial statements.

  
**Md. Nazrul Islam**  
 Chairman &  
 TREC Holder Representative

  
**Naim Hossain**  
 Director

  
**Md. Nazmun Monir**  
 Managing Director

## Fareast Islami Securities Limited

### Statement of Cash Flow

For the year ended 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
<b>A. Cash Flows from Operating Activities</b>			
Operating Income		33,562,076	23,697,471
Paid for Operating Expense		(20,347,799)	(15,899,333)
Income From Investment in Share		13,005,770	12,785,635
Dividend Income		5,490,104	10,324,235
Paid for Financial Charge and Expense		(7,079,488)	(6,596,538)
Income Tax paid		(5,018,641)	(5,491,630)
<b>Net cash flow from operating activities</b>		<b>19,612,022</b>	<b>18,819,840</b>
<b>B. Cash Flows from Investing Activities</b>			
Acquisition of Property, Plant & Equipment		(120,121)	(62,950)
Loan Against Share Account		(41,761,041)	(14,767,309)
Investment in Shares		(27,981,174)	(27,112,907)
Interest Incomes		1,515,356	3,034,893
<b>Net cash used in investing Activities</b>		<b>(68,346,980)</b>	<b>(38,908,273)</b>
<b>C. Cash Flows from Financing Activities</b>			
Short Term loan		40,000,000	5,000,000
Receipt / Pay to clients		(15,662,301)	41,237,552
<b>Net cash flow from Financing Activities</b>		<b>24,337,699</b>	<b>46,237,552</b>
<b>Change in cash and cash equivalents (A+B+C)</b>		<b>(24,397,259)</b>	<b>26,149,119</b>
<b>Cash &amp; cash equivalents at the Beginning of the year</b>		<b>79,957,567</b>	<b>53,808,448</b>
<b>Cash and cash equivalents for the year ended</b>		<b>55,560,308</b>	<b>79,957,567</b>

Annexed notes form an integral part of these financial statements.

  
**Md. Nazrul Islam**  
 Chairman &  
 TREC Holder Representative

  
**Naim Hossain**  
 Director

  
**Md. Nazmun Monir**  
 Managing Director

12 April 2021  
 Dhaka

## Fareast Islami Securities Limited

### Notes to the Financial Statements

For the year ended 31 December 2020

#### 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 March 06, 2012 under the Companies Act, 1994 vide incorporation no. C-99900/12 dated March 06, 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, 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 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 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 IAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements have been consistently applied though out the period.

##### 2.01 Corporate Financial Statements

This comprises of the following;

- a. Statement of Financial Position as at 31 December, 2020 ;
- b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 Dec, 2020;
- c. Statement of Changes in Equity for the year ended 31 December, 2020;
- d. Statement of Cash Flow for the year ended 31 December, 2020;
- "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 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 -33 Earnings per share  
 IAS -37 Provisions, Contingent Liabilities and Contingent Assets  
 IAS-38 Intangible Asset  
 IFRS 7 Financial Instruments: Disclosures  
 IFRS 9 Financial Instruments  
 IFRS 15 Revenue from Contracts with Customers

#### 2.04 Going Concern

The company has adequate resource to continue in operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirement 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 Equipment

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	20%
Computer Hardware	30%
Furniture & Fixture	10%
Office Equipments	10%
Renovation	10%
Motor vehicles	20%
Server	20%
Web Design & Development	50%
Software	50%

#### 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 known amounts of cash and which are subject to an insignificant risk of change 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 Finance Act, 2020 and 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 2020 to 31 December 2020.

### 2.15 General

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

		Amount in Taka	
		2020	2019
<b>3.00 Property, Plant &amp; Equipment</b>		<b>4,332,823</b>	<b>5,577,697</b>
<b>Cost</b>			
Opening balance		10,563,034	10,500,084
Addition during the year		120,121	62,950
<b>Closing balance</b>		<b>10,683,155</b>	<b>10,563,034</b>
<b>Depreciation</b>			
Opening balance		4,985,337	4,151,237
Add: Charge during the year		1,364,995	834,100
<b>Closing balance</b>		<b>6,350,332</b>	<b>4,985,337</b>
<b>Carrying Amount/ Written Down Value</b>		<b>4,332,823</b>	<b>5,577,697</b>

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

<b>4.00 Investment in DSE at Cost</b>	<b>349,724,994</b>	<b>349,724,994</b>
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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)	
<b>Remaining Shares with value</b>		<b>5,411,329</b>	<b>349,724,994</b>

<b>5.00 Investment in Marketable Securities</b>	<b>113,286,055</b>	<b>61,692,389</b>
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This amount represents the investment in Marketable Securities of listed companies in Dhaka Stock Exchange through our Strategic Account and the price is shown as market value as per IFRS 9. Detail list of such investment is provided in Annexure "B"

<b>6.00 Investment in Marketable Securities</b>	<b>79,383,245</b>	<b>54,262,855</b>
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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 IFRS 9. Detail list of such investment is provided in Annexure "C"

<b>7.00 Advance Deposit &amp; Prepayments</b>	<b>5,018,641</b>	<b>5,491,630</b>
Advance Income Tax	Note - 7.01	5,491,630
		<b>5,018,641</b>

		Amount in Taka	
		2020	2019
<b>7.01 Advance Income Tax</b>			
The amount was deducted as TDS (Tax Deducted at Source) and as follows:			
Balance of Previous Year		5,491,630	4,071,325
Add: Paid current year	Note 7.02	5,018,641	5,491,630
Less: Adjustment		(5,491,630)	(4,071,325)
		<b>5,018,641</b>	<b>5,491,630</b>
<b>7.02 Paid Current Year Advance Tax</b>			
Tax at source - DSE		3,796,758	2,695,037
Tax at source - Dividend Income		1,098,020	2,064,847
Tax at source - Bank Interest		123,863	303,922
Tax at source -Vehicle		-	21,889
Advance Tax		-	405,935
		<b>5,018,641</b>	<b>5,491,630</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>115,830,636</b>	<b>72,105,078</b>
Receivables from Margin Clients		108,251,215	66,490,174
Receivable from DSE	Note: 9.01	7,579,421	5,614,904
		<b>115,830,636</b>	<b>72,105,078</b>
<b>9.01 Receivable from DSE</b>			
Receivable from DSE_CNS (Broker)		6,060,028	5,498,441
Receivable from DSE_CNS (Dealer)		1,519,393	116,463
		<b>7,579,421</b>	<b>5,614,904</b>
<b>10.00 Cash &amp; Cash Equivalents</b>		<b>55,560,308</b>	<b>79,957,567</b>
Al-Arafah Islami Bank Ltd. (Consolidated Customer A/C: 0151220003972)		48,034,628	72,404,262
Al-Arafah Islami Bank Ltd. (Dealer A/C: 0021220004923)		2,427,049	2,951,731
Al-Arafah Islami Bank Ltd. (IPO A/C: 0021220005226)	Note- 10.01	2,701,558	58,334
Al-Arafah Islami Bank (Strategic A/C No.151220004444)		616,794	64,193
Prime Bank Ltd. (A/C: 10831010021547)		1,769,708	4,171,525
First Security Islami Bank Ltd. (A/C: 017613100000008) "		1,391	298,623
Petty Cash		6,308	4,847
Cash at Hand Extension Office		2,872	4,052
		<b>55,560,308</b>	<b>79,957,567</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 2020 is as follows:			
<b>Opening Balance</b>		<b>58,334</b>	<b>39,284</b>
Provisional Profit	13,683		
Less: Tax Deducted at source	(1,367)	12,316	22,470
Service Charge	600		
VAT on Service Charge	90		
Excise Duty	3,000	(3,690)	(3,420)
Payable to Clients (IPO)		2,634,598	-
<b>Closing Balance</b>		<b>2,701,558</b>	<b>58,334</b>

		Amount in Taka	
		2020	2019
<b>11.00 Share capital</b>			
<b>Authorized capital</b>		<b>1,250,000,000</b>	<b>1,250,000,000</b>
The Authorized share capital of the company is Tk. 125,00,00,000 only divided by 12,50,00,000 ordinary shares of Tk. 10 each.			
<b>Paid-up capital</b>		<b>500,000,000</b>	<b>500,000,000</b>
50,000,000 ordinary shares of Tk. 10 each.			
<b>Composition of shareholding is as follows</b>			
Holding of shares	Number of holders	No of holdings	% of holding
1 to 1,000,000	6	250,000	0.5
10,00,001 to 50,000,000	1	49,750,000	99.5
<b>Total</b>	<b>7</b>	<b>50,000,000</b>	<b>100</b>
<b>12.00 Current A/C with FILIC</b>		<b>8,555,334</b>	<b>8,555,334</b>
This represents amount taken from Fareast Islami Life Insurance Company Ltd. during the incorporation of the company.			
<b>13.00 Short Term Loan (From FILC)</b>		<b>120,000,000</b>	<b>80,000,000</b>
Opening Balance		80,000,000	75,000,000
Addition during the period		40,000,000	5,000,000
<b>Closing Balance</b>		<b>120,000,000</b>	<b>80,000,000</b>
This represents amount taken from Fareast Islamic Life Insurance Company Limited as short term loan at the rate of profit as per islami Sariah. The purpose of such loan is to invest in stocks as well as to provide margin loan facility to the clients.			
<b>14.00 Accounts Payables</b>		<b>61,180,040</b>	<b>75,010,273</b>
This amount is arrived at as follows:			
Accounts Payable to Clients	Note 14.01	51,285,817	71,067,673
Dividend Payable		15,750	15,750
Provision for Negative Equity		6,313,084	3,913,084
Payable to DSE CNS_(Dealer)		567,747	-
Payable to DSE CNS_(Broker)		2,997,642	13,766
		<b>61,180,040</b>	<b>75,010,273</b>
<b>14.01 Accounts Payable to Clients</b>			
Payable to Clients (Trading)		48,651,219	71,067,673
Payable to Clients (IPO)		2,634,598	-
		<b>51,285,817</b>	<b>71,067,673</b>
<b>15.00 Liabilities for Expenses</b>		<b>13,431,632</b>	<b>10,244,755</b>
Audit fee		50,000	50,000
Accrued Interest	Note - 15.01	11,917,536	7,583,152
Brokerage Commission		100,000	101,562
CDBL Payable		639,097	2,072,341
Office Rent		420,000	132,700
Office Supplies & Others		50,000	50,000
Vehicle Insurance		20,000	35,000
Printing & Postage		5,000	25,000
Networking & Software Maintenance		200,000	150,000
Trade License Renewal Fee		15,000	20,000
Utility Bill		15,000	25,000
		<b>13,431,632</b>	<b>10,244,755</b>

		Amount in Taka	
		2020	2019
<b>15.01 Opening Balance</b>		7,583,152	6,386,850
Addition During the period		11,334,384	7,734,384
Payment made during the period		(7,000,000)	(6,538,082)
Closing Balance		<b>11,917,536</b>	<b>7,583,152</b>
<b>16.00 Provision for Tax</b>		<b>31,801,961</b>	<b>14,394,261</b>
This is made up as follows:			
Opening Balance		14,394,261	3,811,998
Add: Current year's provision		22,899,331	14,653,589
Less: Adjustment / Paid		(5,491,630)	(4,071,325)
		<b>31,801,961</b>	<b>14,394,261</b>
<b>17.00 Operating Income</b>		<b>33,562,076</b>	<b>23,697,471</b>
This is made up as follows:			
Interest Income from margin loan	Note-17.01	8,499,665	6,445,989
BO Income		346,000	411,500
Brokerage Commission		24,716,411	16,839,982
		<b>33,562,076</b>	<b>23,697,471</b>
<b>17.01 BO Income</b>			
This is made up as follows:			
Income from BO Annual Fee		311,000	377,000
Income from BO Opening Fee		35,000	34,500
		<b>346,000</b>	<b>411,500</b>
<b>18.00 CDBL &amp; DSE Expenses</b>		<b>2,271,813</b>	<b>1,725,286</b>
This is made up as follows:			
CDBL Expense	Note-18.01	25,602	27,889
DSE Expense	Note-18.02	2,246,211	1,697,397
		<b>2,271,813</b>	<b>1,725,286</b>
<b>18.01 CDBL Expense</b>			
CDBL Charges		21,002	23,289
CDBL/DP License Renewal Fee		4,600	4,600
		<b>25,602</b>	<b>27,889</b>
<b>18.02 DSE Expense</b>			
Laga DSE		1,898,381	1,347,517
Training Fee		-	21,000
BO Maintenance Fee		217,700	261,250
BO A/C Opening Fee		103,600	36,400
TREC License Renewal Fee		26,530	31,230
		<b>2,246,211</b>	<b>1,697,397</b>

## 19.00 Administrative Expenses

This is made up as follows:

Authorized Rep. Training Fee	1,200	11,200
Brokerage Commission Expense	598,553	327,971
Business Promotion	200,000	170,000
Conveyance	53,795	56,005
Depreciation	1,364,995	834,100
Honorarium & Remuneration	39,772	25,000
Festival & Other Bonus	923,025	1,178,213
Fuel Bill	97,190	115,710
Internet Bill	155,561	195,298
Legal & Professional Fees (Audit Fee)	50,000	50,000
Member Subscription	12,500	12,500
Office Supplies & Others	126,973	105,071
Mobile Bill	125,254	154,249
Networking Expenses	121,345	131,271
Provision for Negative Equity	2,400,000	2,400,000
Newspaper	1,620	5,330
Office Rent	579,625	445,072
Office Stationery	76,659	87,465
Car Expenses	119,184	63,410
Overtime	14,250	33,670
Printing & Postage	30,000	27,650
Registration Fee (IPO Bidding)	20,000	12,000
Revenue & Non Judicial Stamp	2,000	1,500
Salary & Other Allowances	10,018,248	9,715,887
Software Maintenance	1,556,660	94,500
Stock Broker & Dealer Renewal Fee	20,000	20,000
TC Renewal Fee	56,500	56,500
Telephone	6,744	10,654
Trade License Renewal	26,530	31,230
TWS Charge	100,000	50,000
Vehicle Insurance	22,803	14,713
Utility Bill	30,000	28,689

**20.00 Financial Expenses:**

This is made up as follows:

Excise Duty	70,500	54,000
Bank Charges and Commission	8,988	4,456
Financial Charge	11,334,384	7,734,384
	<b>11,413,872</b>	<b>7,792,840</b>

		Amount in Taka	
		2020	2019
<b>21.00 Other Income / (Loss)</b>		<b>69,534,075</b>	<b>29,132,054</b>
This is made up as follows:			
Income from Interest from Bank Account		1,238,631	3,034,893
Income from Gain in Share	Note 21.01	62,528,615	15,772,926
Other interest income	Note 21.02	276,725	-
Income from Dividend		5,490,104	10,324,235
		<b>69,534,075</b>	<b>29,132,054</b>
<b>21.01 Income from Gain in Share</b>		<b>62,528,615</b>	<b>15,772,926</b>
<b>From Dealer Account</b>			
Realized Gain/ (Loss)		8,175,778	3,084,719
Unrealized Gain/(Loss)		9,082,473	(16,130,036)
<b>Net</b>		<b>17,258,251</b>	<b>(13,045,317)</b>
<b>From Strategic Account</b>			
Realized Gain/ (Loss)		4,829,992	9,700,916
Unrealized Gain/(Loss)		40,440,372	19,117,327
<b>Net</b>		<b>45,270,364</b>	<b>28,818,243</b>
<b>21.02 Other Interest Income</b>		<b>276,725</b>	<b>-</b>

This amount represents the amount of interest that has been transferred by DSE against the deposit amount of Selling DSE Shares to Startegic Investors.

## 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.

  
**Md. Nazrul Islam**  
Chairman &  
TREC Holder Representative

  
**Naim Hossain**  
Director

  
**Md. Nazmun Monir**  
Managing Director



**Fareast Islami Securities Limited**  
**Property, Plant & Equipment**  
For the year ended 31 December 2020

Annexure-A

Particulars	Cost				Depreciation				Written down Value as at 31st December 2020
	Balance as at 1st January 2020	Addition	Disposal/ Adjustment during the period	Balance as at 31st December 2020	Rate of Dept.	Balance as at 1st January 2020	Charged during the period	Disposal/ Adjustment during the period	Balance as at 31st December 2020
Air Conditioner	556,000	-	-	556,000	20%	309,300	49,340	-	358,640
Computer hardware	1,202,442	42,021	-	1,244,463	30%	583,436	198,308	-	781,744
Furniture & Fixture	572,750	3,200	-	575,950	10%	318,618	25,733	-	344,351
Motor Vehicle	1,773,263	-	-	1,773,263	20%	609,825	232,688	-	842,513
Office equipment	548,768	74,900	-	623,668	10%	263,820	35,985	-	299,805
Renovation	2,689,574	-	-	2,689,574	10%	1,496,195	119,338	-	1,615,533
Server	1,305,499	-	-	1,305,499	20%	624,020	136,296	-	760,316
Software	1,886,000	-	-	1,886,000	50%	772,336	556,832	-	1,329,168
Web Design & Development	28,738	-	-	28,738	50%	7,788	10,475	-	18,263
<b>Balance on 31 December 2020</b>	<b>10,563,034</b>	<b>120,121</b>	<b>-</b>	<b>10,683,155</b>		<b>4,985,337</b>	<b>1,364,995</b>	<b>-</b>	<b>6,350,332</b>
<b>Balance on 31 December 2019</b>	<b>10,500,084</b>	<b>62,950</b>	<b>-</b>	<b>10,563,034</b>		<b>4,151,237</b>	<b>834,100</b>	<b>-</b>	<b>4,985,337</b>
									<b>5,577,697</b>

## Fareast Islami Securities Limited

### Investment in Marketable Securities

As on 31 December 2020

Annexure-B

SI No.	Company Name	Quantity	Total Cost	Market Value
1	ASIAPACINS	19,000	1,431,763	1,423,100
2	CONTININS	95,000	4,516,411	4,389,000
3	DHAKAINS	15,000	873,860	816,000
4	EBLNRBMF	10,000	75,262	57,000
5	FEDERALINS	25,000	657,292	625,000
6	FORTUNE	16,250	376,104	377,000
7	IBP	600	11,274	11,460
8	INTRACO	350	5,429	6,545
9	ISLAMIINS	22,000	1,132,589	1,117,600
10	MERCINS	20,000	971,789	912,000
11	NAHEEACP	40,000	2,330,066	1,884,000
12	NFML	2,400	44,154	54,240
13	NITOLINS	35,000	2,404,332	2,233,000
14	PRIMEINSUR	1,770,000	22,243,622	87,084,000
15	PROVATIINS	15,000	1,269,918	1,266,000
16	RANFOUNDRY	2,000	325,980	246,800
17	REPUBLIC	35,000	2,011,660	1,946,000
18	RUPALIINS	30,000	1,422,220	1,326,000
19	RUPALILIFE	63	4,271	3,635
20	SANDHANINS	30,000	1,125,471	822,000
21	UNITEDFIN	99,000	1,974,888	1,752,300
22	VFSTD	61,800	1,629,290	1,390,500
23	AGRANINS	35,000	1,323,623	1,246,000
24	BBS	131,250	2,627,000	2,296,875
<b>Total</b>			<b>50,788,268</b>	<b>113,286,055</b>

## Fareast Islami Securities Limited

### Investment in Marketable Securities

As on 31 December 2020

Annexure-C

SI No.	Company Name	Quantity	Total Cost	Market Value
1	ABBANK	78,000	1,644,964	943,800
2	ACTIVEFINE	10,000	171,500	169,000
3	ALIF	151,500	1,459,599	1,105,950
4	APEXTANRY	12,500	1,891,170	1,336,250
5	APOLOISPAT	55,000	1,084,762	357,500
6	ASIAPACINS	28,000	2,152,907	2,097,200
7	BARKAPOWER	123,799	4,053,089	3,181,634
8	BGIC	10,000	411,515	426,000
9	BNICL	8,000	557,541	588,000
10	BPML	14,000	1,483,579	621,600
11	CITYGENINS	15,000	448,327	451,500
12	CONTININS	81,500	3,969,612	3,765,300
13	CRYSTALINS	10,879	108,790	428,632
14	DESCO	40,000	2,076,355	1,392,000
15	DHAKABANK	154,350	2,689,750	1,836,765
16	DHAKAINS	20,728	1,167,446	1,127,603
17	DSSL	75,900	1,157,923	971,520
18	EIL	15,000	514,999	501,000
19	ESQUIRENIT	140,633	6,191,138	3,698,647
20	ETL	73,500	957,727	602,700
21	EXIMBANK	140,000	2,089,351	1,652,000
22	FARCHEM	100,000	1,244,825	980,000
23	FAREASTLIF	9,838	590,981	456,483
24	FEDERALINS	40,000	1,047,000	1,000,000
25	FORTUNE	120,000	2,984,473	2,784,000
26	GBBPOWER	100,000	2,076,544	1,470,000
27	GLOBALINS	15,000	584,500	558,000
28	ICBEPMF1S1	40,000	332,000	288,000
29	IFADAUTOS	25,092	2,844,605	1,184,342
30	IFIC	100,000	1,486,000	1,520,000
31	INTRACO	33,750	574,148	631,125
32	ISLAMIBANK	70,000	2,598,823	1,876,000
33	ISLAMIINS	19,000	989,368	965,200
34	KPCL	34,000	1,874,715	1,540,200
35	MALEKSPIN	80,576	1,452,479	1,345,619
36	MEGHNALIFE	15,500	1,198,120	974,950
37	MERCINS	25,000	1,218,000	1,140,000
38	NAHEEACP	15,000	843,009	706,500
39	NFML	2,800	48,545	63,280
40	NITOLINS	25,000	1,674,349	1,595,000
41	NURANI	72,611	923,762	559,104
42	ONEBANKLTD	72,765	1,400,010	771,309
43	PDL	66,000	874,777	607,200
44	PHENIXINS	8,000	354,920	357,600
45	PIONEERINS	10,000	743,943	753,000
46	PREMIERBAN	130,009	1,512,394	1,430,099
47	PROVATIINS	10,000	835,182	844,000
48	PURABIGEN	10,000	339,000	329,000
49	RANFOUNDRY	7,200	1,112,770	888,480
50	REGENTTEX	101,000	1,412,749	919,100
51	REPUBLIC	45,000	2,583,602	2,502,000
52	RUNNERAUTO	7,663	546,580	390,046
53	RUPALIINS	40,000	1,807,620	1,768,000
54	SANDHANINS	30,000	1,059,500	822,000
55	SAPORTL	800	22,810	24,800
56	SSSTEEL	10,000	171,333	184,000
57	STANDARINS	10,000	423,000	419,000
58	TITASGAS	70,000	3,885,330	2,156,000
59	TRUSTB1MF	70,000	492,999	427,000
60	VFSTD	103,000	2,711,564	2,317,500
61	WMSHIPYARD	191,162	3,501,971	2,236,595
62	ZAHINTEX	72,500	1,496,799	406,000
63	AGRANINS	50,000	1,926,941	1,780,000
64	DSE-EXCH	2,886,042	-	-
65	GENNEXT	185,000	1,623,376	721,500
66	MIRACLEIND	10,000	342,066	341,000
67	RAKCERAMIC	30,000	1,301,495	783,000
68	ROBI	174,917	1,749,197	5,212,526
69	SEAPEARL	1,865	18,650	147,521
70	SHASHADNIM	44,100	2,295,024	952,560
<b>Total</b>			<b>99,413,892</b>	<b>79,383,245</b>

## Independent Auditor's Report to the Shareholders of Fareast Islami Properties Limited Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of **Fareast Islami Properties Limited.**, which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in shareholder's 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Qualified Opinion

The company has reported 33,780,052 as investment in FDR in note #4.01 in the financial statements but in absence of relevant documents the quantum of financial impact could not be ascertained by us.

### Emphasis of Matter

We draw attention to Note # 11.00 of the financial statements, which describes that Management used to charge administrative expenses on estimate basis out of Fareast Islami Life Insurance Company Limited (FILIC). Administrative expenses during last years for the services rendered by the Fareast Islami Life Insurance Company Limited (FILIC) for day to day operations of the Fareast Properties Limited. This year the company adopted different policy for not to charge any administrative expenses rendered by Fareast Islami Life Insurance Company Limited (FILIC) other than actual expenses. Our opinion is not modified in respect of this matter.

### 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 : 01 August, 2021



**Md. Mahmudul Ambia, FCA**

ICAB Enrollment No. 1067

For and on behalf of

**Mahfel Huq & Co.**

Chartered Accountants

DVC: 2111151067AS526816

Fareast Islami Properties Limited

**Statement of Financial Position**

As at 31 December 2020

		Amount in Taka	
PARTICULARS	Notes	2020	2019
<b>ASSETS:</b>			
<b>Current Assets</b>			
Investment	4	188,942,646	153,235,655
Advance Income Tax	5	1,069,154	2,010,289
Cash & Cash Equivalents	6	1,223,753	3,325,242
<b>Total Assets</b>		<b>191,235,553</b>	<b>158,571,186</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders equity</b>		<b>179,434,981</b>	<b>142,836,374</b>
Share Capital	7	100,000,000	100,000,000
AFS Reserve(Unrealise gain)		37,168,690	8,805,473
Retained Earnings		42,266,291	34,030,901
<b>Liabilities</b>		<b>11,800,572</b>	<b>15,734,812</b>
Provision,Accruals & payable	8	11,800,572	15,734,812
<b>Total Equity and Liabilities</b>		<b>191,235,553</b>	<b>158,571,186</b>


Annexed notes form an integral part of these financial statements.

  
 Director

  
 Director

Signed in terms our separate report of even date annexed.

 Place : Dhaka  
 Date : 01 August, 2021

  
**Md. Mahmudul Ambia, FCA**  
 ICAB Enrollment No. 1067  
 For and on behalf of  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2111151067AS526816

Fareast Islami Properties Limited

**Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
<b>Income:</b>			
Income form Financial Activities	9	9,936,756	15,626,000
Profit on Share (Realise Capital Gain)	10	1,542,458	10,400,926
<b>Total Income</b>		<b>11,479,214</b>	<b>26,026,926</b>
<b>Expenses :</b>			
Administrative Expenses	11	(79,500)	(4,097,804)
Financial Expenses	12	(99,145)	(3,449,532)
<b>Total Expenses</b>		<b>(178,645)</b>	<b>(7,547,336)</b>
<b>Profit/ (Loss) Before Tax</b>		<b>11,300,569</b>	<b>18,479,590</b>
<b>Income Tax expenses</b>		<b>(3,065,179)</b>	<b>(3,160,284)</b>
<b>Profit/ (Loss) for the year</b>		<b>8,235,390</b>	<b>15,319,306</b>
<b>Other Comprehensive Income:</b>			
<b>Unrealise Gain</b>		<b>28,363,217</b>	<b>4,459,334</b>
<b>Total</b>		<b>36,598,607</b>	<b>19,778,640</b>
<b>Earnings per share</b>		<b>0.82</b>	<b>1.53</b>


Annexed notes form an integral part of these financial statements.

  
 Director

  
 Director

Signed in terms our separate report of even date annexed.

 Place : Dhaka  
 Date : 01 August, 2021

  
**Md. Mahmudul Ambia, FCA**  
 ICAB Enrollment No. 1067  
 For and on behalf of  
**Mahfel Huq & Co.**  
 Chartered Accountants  
 DVC: 2111151067AS526816



Fareast Islami Properties Limited

## Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

Particulars	Share Capital	Retained Earnings	AFS Reserve (Unrealised gain)	Total (Taka)
As on 01 January 2020	100,000,000	34,030,901	8,805,473	142,836,374
Profit/(loss) after tax as at 31 Dec, 2020	-	8,235,390	28,363,217	36,598,607
Adjustment	-	-	-	-
<b>As on 31 December 2020</b>	<b>100,000,000</b>	<b>42,266,291</b>	<b>37,168,690</b>	<b>179,434,981</b>
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>As on 31 December 2019</b>	<b>100,000,000</b>	<b>34,030,901</b>	<b>8,805,473</b>	<b>142,836,374</b>


Annexed notes form an integral part of these financial statements.

  
Director

  
Director

Signed in terms our separate report of even date annexed.

Place : Dhaka  
Date : 01 August, 2021

  
**Md. Mahmudul Ambia, FCA**  
ICAB Enrollment No. 1067  
For and on behalf of  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2111151067AS526816

## Fareast Islami Properties Limited

### Statement of Cash Flows

For the year ended 31 December 2020

PARTICULARS	Notes	Amount in Taka	
		2020	2019
<b>A. Cash Flows from Operating Activities</b>			
Cash out flow for business operation		(5,170,775)	(3,536,262)
Income tax paid		(1,069,154)	(3,117,689)
<b>Net Cash from Operating Activities</b>		<b>(6,239,929)</b>	<b>(6,653,951)</b>
<b>B. Cash Flows from Investing Activities</b>			
Investment in FDR		(5,812,731)	(17,153,239)
Investment in Share		(29,894,260)	30,000,000
Investment & other Income received		39,842,431	19,597,337
<b>Net cash Generated from investing Activities</b>		<b>4,135,440</b>	<b>32,444,098</b>
<b>C. Cash Flows from Financing activities</b>			
Quard against FDR's		-	(54,000,000)
Loan & Advance		3,000	555,787
<b>Net Cash Used in Financing Activities</b>		<b>3,000</b>	<b>(53,444,213)</b>
<b>Change in Cash and Cash equivalents (A+B+C)</b>		<b>(2,101,489)</b>	<b>(27,654,066)</b>
<b>Cash &amp; Cash Equivalents as at 01 January 2020</b>		<b>3,325,242</b>	<b>30,979,308</b>
<b>Cash &amp; Cash Equivalents as at 01 December 2020</b>		<b>1,223,753</b>	<b>3,325,242</b>


Annexed notes form an integral part of these financial statements.

  
Director

  
Director

Signed in terms our separate report of even date annexed.

Place : Dhaka  
Date : 01 August, 2021

  
**Md. Mahmudul Ambia, FCA**  
ICAB Enrollment No. 1067  
For and on behalf of  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2111151067AS526816

## Fareast Islami Properties Limited

### Notes to the Financial Statements

As at and for the year ended 31 December 2020

#### 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
- 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 change 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 recognise 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 Reporting Period

Financial statements of the company cover one year from 1st January 2020 to 31 December 2020.

#### 2.11 Comparative Figures

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

#### 4.00 Investment

The Break up of the amount is given below:

##### 4.01 Investment in FDR'S

NCC Bank Banani Branch  
 Fareast Finance, Gulshan Br.  
 Megna Bank, Motijheel Br.  
 Shahajalal Islami Bank, Dhaka Main Br.  
 Islami Finance & Investment, Principal Br.  
 Islami Finance & Investment, Noyabazar Br.  
 Social Islami Bank, Gulshan Br.  
 IDLC

Amount in Taka	
2020	2019
<b>188,942,646</b>	<b>153,235,655</b>
10,972,827	10,365,224
33,780,052	30,748,000
-	32,058,865
10,671,469	10,000,000
11,346,141	10,409,508
5,493,503	5,000,000
11,441,386	10,593,550
31,282,500	-
<b>114,987,878</b>	<b>109,175,147</b>

Amount in Taka		
	2020	2019
<b>4.02 Investment in Share</b>	<b>73,954,768</b>	<b>44,060,508</b>
Fareast Islami Securities Ltd.	73,954,768	44,060,508
	<b>73,954,768</b>	<b>44,060,508</b>
<b>5.00 Advance Income Tax</b>	<b>1,069,154</b>	<b>2,010,289</b>
Opening Balance	2,010,289	874,432
Add: Paid during the year	1,069,154	2,010,289
Less: Adjustment	(2,010,289)	(874,432)
	<b>1,069,154</b>	<b>2,010,289</b>
The amount was deducted by the entity's banks from interest income as TDS.		
<b>6.00 Cash &amp; Cash Equivalents</b>	<b>1,223,753</b>	<b>3,325,242</b>
The break-up of the amount is given below:		
Prime Bank Ltd. (Comp A/C: 10831080035027)	661,717	2,771,455
Shajalal Islami Bank Ltd. (A/C: 400713100000821)	2,141	3,232
Shajalal Islami Bank Ltd. (A/C: 400313100001642)	559,895	550,555
	<b>1,223,753</b>	<b>3,325,242</b>
<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 divided by 5,00,00,000 ordinary shares of Tk. 10 each.		
<b>7.02 Issued, Subscribed &amp; Paid-Up Capital</b>		
1,00,00,000 ordinary shares of TK. 10 each.	100,000,000	100,000,000
<b>8.00 Provision, Accruals &amp; Payable:</b>	<b>11,800,572</b>	<b>15,734,812</b>
<b>8.01 Provision &amp; Accruals:</b>		
Income Tax Provision	3,065,179	3,160,284
Trade License	31,700	30,230
Audit fee	34,500	34,500
RJSC Expenses	22,870	40,000
	<b>3,154,249</b>	<b>3,265,014</b>

**8.02 Payable:**

Fareast Islami Life Insurance Co. Ltd.

Opening

Paid during the year

Salary &amp; Allowances

Office Hire Cost

Office Expenses

Utility Charges

Entertainment

Printing &amp; Stationery

Cleaning &amp; Washing

Conveyance

Telephone &amp; Fax

Newspaper &amp; periodicals

Repair &amp; Maintenance

Loan &amp; Advance

Amount in Taka

**2020****2019****12,469,798****3,971,337**

12,469,798

(5,000,000)

-

4,657,650

-

4,140,000

-

615,360

-

900,000

-

72,000

-

626,721

-

180,000

-

43,200

-

44,580

-

76,500

-

558,000

1,176,525

555,787

**8,646,323****12,469,798****9.00 Income from Financial Activities**

This amount is made as follows:

Profit on Bank Deposit -C/A

Note-9.01

69,571

172,977

Profit from investment in FDR

Note-9.02

9,702,185

11,410,030

Dividend Income

Note-9.03

165,000

4,042,993

**9,936,756****15,626,000****9.01 Profit on Bank Deposit -C/A****69,571****172,977****69,571****172,977**

This amount was received as Profit from Prime &amp; Shahajalal Bank Ltd.

**9.02 Interest from investment in FDR**

This is made-up as follows:

NCC Bank, Banani Br.

675,115

4,377,844

Fareast Finance

3,382,280

3,080,000

BD Finance

-

25,000

SJIBL, DM

765,522

437,500

IDLC

1,425,000

33,333

Megna Bank, Motijheel Br.

841,545

2,300,961

SIBL, Gulshan

942,040

659,500

Islami Finance, Principal Br.

1,119,568

495,892

Islami Finance, Noyabazar Br.

551,115

**9,702,185****11,410,030**

		Amount in Taka	
		2020	2019
<b>9.03 Dividend Income</b>		<b>165,000</b>	<b>4,042,993</b>
Dividend from Share		165,000	4,042,993
		<b>165,000</b>	<b>4,042,993</b>
<b>10.00 Profit on Share (Capital Gain)</b>		<b>29,905,675</b>	<b>14,860,260</b>
This is made-up as follows:			
Realise gain		1,542,458	10,400,926
Unrealise gain		28,363,217	4,459,334
		<b>29,905,675</b>	<b>14,860,260</b>
<b>11.00 Administrative Expenses:</b>		<b>79,500</b>	<b>4,097,804</b>
This is made as follows:			
Audit fee	34,500	34,500	
Office expenses	-	207,120	
Salary & Allowances	-	1,552,550	
Office Hire Cost	-	1,380,000	
Utility Charges	-	300,000	
Entertainment	-	24,000	
Printing & Stationery	-	208,907	
Cleaning & Washing	-	60,000	
Conveyance	-	14,400	
Telephone & Fax	-	14,860	
Newspaper & periodicals	-	25,500	
Repair & Maintenance	-	186,000	
AGM/RJSC Expenses	20,000	20,000	
License & Fees	25,000	69,967	
		<b>79,500</b>	<b>4,097,804</b>
Management used to charge administrative expenses on estimated basis out of Fareast Islami Life Insurance Company Limited(FILIC).Administrative expenses during last years for the services rendered by the Fareast Islami Life Insurance Company Limited(FILIC) for day to day operations of the Fareast Islami Properties Limited.This year the Company adopted different policy for not to charge any administrative expenses rendered by Fareast Islami Life Insurance Company Limited (FILIC) other than actual expenses.			
<b>12.00 Financial Expenses:</b>		<b>99,145</b>	<b>3,449,532</b>
This is made as follows:			
Excise Duty	84500	200,000	
Bank Charges and Commission	3230	2,410	
Financial expenses	11,415	3,247,122	
		<b>99,145</b>	<b>3,449,532</b>

### 13.00 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.

### 14.00 Earnings per share

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



## Divisional Incharges

### Ekok Bima

Mr. Muhammad Abdul Mannan Mia  
Executive Vice President (Dev.)  
Noakhali Divisional Office

Mr. Md. Mahabubul Mowla Ripon  
Executive Vice President (Dev.)  
Rangpur Divisional Office

Mr. Md. Motiur Rahman  
Executive Vice President (Dev.)  
Cumilla Divisional Office

Mr. Md. Mostafa Zaman Hamidi  
Joint Executive Vice President (Dev.)  
Khulna Divisional Office

Mr. Md. Rafiqul Islam  
Joint Executive Vice President (Dev.)  
Faridpur Divisional Office

Mr. Md. Anowar Hossain  
Joint Executive Vice President (Dev.)  
Narayanganj Divisional Office

Mr. Md. Abdul Mobin Khan  
Joint Executive Vice President (Dev.)  
Dhaka Divisional Office

Mr. M Khurshadul Alam Chowdhury  
Joint Executive Vice President (Dev.)  
Chattogram Divisional Office

Mr. Md. Abdul Halim  
Senior Vice President (Dev.)  
Rajshahi Divisional Office

Mr. Md. Abul Kashem  
Senior Vice President (Dev.)  
Mymensingh Divisional Office

Mr. GM Imam Hossain Emon  
Senior Vice President (Dev.)  
Overseas Divisional Office

Mr. Mostak Hossain  
Joint Senior Vice President (Dev.)  
Sylhet Divisional Office

Mr. Aminul Hoque  
Joint Senior Vice President (Dev.)  
Barishal Divisional Office

### Sharbojonin Bima

Mr. Md. Mahabubul Mowla Ripon  
Executive Vice President (Dev.)  
Rangpur Divisional Office

Mr. Muhammad Munirul Islam  
Joint Executive Vice President (Dev.)  
Chattogram Divisional Office

Mr. A B M Khairul Islam  
Joint Executive Vice President (Dev.)  
Noakhali Divisional Office

Mr. Muhammad Mozammel Hoq  
Joint Executive Vice President (Dev.)  
Cumilla Divisional Office

Mr. Md. Mostafa Zaman Hamidi  
Joint Executive Vice President (Dev.)  
Khulna Divisional Office

Mr. Md. Rafiqul Islam  
Joint Executive Vice President (Dev.)  
Faridpur Divisional Office

Mr. Md. Abdul Mobin Khan  
Joint Executive Vice President (Dev.)  
Dhaka Divisional Office

Mr. Md. Abul Kashem  
Senior Vice President (Dev.)  
Mymensingh Divisional Office

Mr. Mohammad Hamidur Rahman  
Senior Vice President (Dev.)  
Narayanganj Divisional Office

Mr. Mostak Hossain  
Joint Senior Vice President (Dev.)  
Sylhet Divisional Office

Mr. Mohammad Amran  
Joint Senior Vice President (Dev.)  
Barishal Divisional Office

Mr. Md. Afsarul Islam  
Joint Senior Vice President (Dev.)  
Rajshahi Divisional Office

## Shareholders' Note



## 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 21<sup>st</sup> Annual General Meeting of the Company  
to be held on 22 December 2021, Wednesday at 11.00 AM Virtually (using digital Platform) and adjournment thereof.  
As witness my/ our hand this ..... Day of ..... 2021.

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 21<sup>st</sup> Annual General Meeting of the Company to be held on 22 December 2021, Wednesday at 11.00 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