

ANNUAL
REPORT

2023



মার্কেটাইল ইসলামী ইন্স্যুরেন্স পিএলসি
MERCANTILE ISLAMI INSURANCE PLC

ইসলামী শরী'য়াহ ভিত্তিক পরিচালিত

RED CRESCENT HOUSE, 61 MOTIJHEEL C/A (1ST FLOOR), DHAKA-1000, BANGLADESH

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Letter of Transmittal



Mercantile Islami Insurance PLC

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To

Respected Shareholders

Bangladesh Securities and Exchange Commission (BSEC)

Insurance Development & Regulatory Authority (IDRA)

Registrar of Joint Stock Companies & Firms (RJSC&F)

Dhaka Stock Exchange PLC

Chittagong Stock Exchange PLC

Central Depository Bangladesh Limited (CDBL)

Bangladesh Bank (Financial Intelligence Unit)

Bangladesh Association of publicly Listed Company (BAPLC)

Bangladesh Insurance Association

Sub: Annual Report of Mercantile Islami Insurance PLC for the year ended December 31, 2023

Dear Sir(s)

We are pleased to enclose copy of annual report as per BSEC rules in soft form for the year ended December 31, 2023 for your kind information.

The report includes audited financial statements i.e Balance sheet, profit or loss account, statement of cash flows, statement of changes in equity and notes to the financial statement of consolidated and separate bases for the year ended 31 December 2023 for your kind information & record.

With best regards

Your's Faithfully

Abdur Rahman

DMD & Company Secretary





Notice of the 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting (AGM) of Mercantile Islami Insurance PLC will be held on 27 June 2024 at 11:00 a.m. at “The Multipurpose Hall, Institution of Diploma Engineers Bangladesh” by using Hybrid system i.e. in combination with physical presence and by using Digital platform to transact the following business:

Agenda

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2023, together with the Directors report and the Auditors report thereon.
2. To declare 10% (Ten percent) cash Dividend for all shareholders for the year ended 2023 as recommended by the Board of Directors (subject to approval of the forth coming AGM.)
3. To elect/Re-elect Directors as per the legislation.
4. To appointment statutory Auditors as per Articles & Association of the Company.
5. To approve the appointment of a compliance auditor for compliance certification on corporate governance codes issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Insurance Development and Regulatory Authority (IDRA) for the year 2024 and to fix their remuneration.
6. To transact any other business of the Company with the permission of the Chair.

Dated, Dhaka
20 April 2024


(Abdur Rahman)
DMD & Company Secretary

Notes:

1. The Record date was Sunday 26 May 2024.
2. A member entitled to attend and vote at the AGM may appoint a Proxy to attend the AGM and vote in his/her behalf. The scanned copy of “Proxy Form” duly filled, signed and stamped at BDT 20/- must be sent through email to info@miipcl.com no later than 72 hours before commencement of the AGM.
3. Concerned Depository Participants (DP)/Stock Brokers are requested to provide us with a list of their margin loan holders who hold MIIPCL Shares, as on record date with details of shareholders’ name, BO ID, Shareholding position, Cash dividend receivable, Income tax etc. within 20, June 2024 along with the name of the contact person to the Share Department of the Company or at mercantileins2017@gmail.com, otherwise dividend will be paid to bank account of the member whose namewould appear on the Record date.
4. The members will be able to submit their questions/comments and vote electronically 24 (Twenty-Four) hours before commencement of the AGM and duly AGM. For login into the system, the members need to put their 16-digit BO ID Number and other credential as proof of their identity by visiting the Link.
5. Shareholders are requested to login to the system prior to starting the meeting. The webcast will be started at 10.30 a.m. for any technical difficulties in accessories the virtual meeting are requested contact at 01812306133.
6. Pursuant to the Bangladesh Securities & Exchange Commission (BSEC) Notification No> BSEC/CMRRC-D/2006-158/Admin/81 Dated 20 June 2018, the soft copy (PDF) of Annual Report 2023 will be forwarded to the email address of the share holders available in their BO account maintained with depository participant (DP). Beside this the Annual Report will be available in the company’s website at www.miipcl.com



Corporate Information



Mercantile Islami Insurance PLC

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Name of the Company	Mercantile Islami Insurance PLC
Legal Form	A Public Limited Company incorporated in Bangladesh on March 19, 1996 under the Insurance Act, 1938 and listed in Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.
Commencement of Business	May 5, 1996
Registered with the Department of Insurance	March 19, 1996
Registered & Head Office	Red Crescent House (1st Floor), 61, Motijheel C/A, Dhaka – 1000
Telephone No.	02223387467, 02223387662, 02223387463
Type of Organization	Non-Life Insurance Company
Company's TIN	736522558961
Company's BIN	000419221-0202
E-mail	info@miiplc.com
Chairman	Mohammad Nabi Ullah
Chief Executive Officer	Firoz Ahmed
DMD & Company Secretary	Abdur Rahman
Assistant Managing Director & CFO	Md. Abdus Salam
Authorised Capital	Tk.100.00 Crore
Paid up Capital	Tk.43.10 Crore
Face Value per share	Tk. 10.00
Market category	'A'
Credit Rating	Long term AA, Short term ST-2, Outlook Stable
Start of Trading with DSE	7 December 2004
Start of Trading with CSE	21 May 2009
Statutory Auditors	Kazi Zahir Khan & Co. Chartered Accountants Home Town Apartments (Flat-C) Level-15 & Flat-B, Level-13 87, New Eskaton Road, Dhaka-1000 Tel: 02-41032557, Mobile: +8801713-013955
Compliance Auditor	Zoha Zaman Kabir Rashid & Co House 6/B, Road 32, Level 7&8, Gulshan 1, Dhaka-1212
Credit Rating Company	Alpha Credit Rating Limited Shadaran Bima Bhaban-2, (8th & 2nd floor), 139 Motijheel C/A, Dhaka-1000
Tax Adviser	Talukder & Associates Eastern Mansion, 67/9, Kakrail, (2nd Floor) Room No. 05, Dhaka – 1000. Bangladesh
Website	www.miiplc.com



উপলব্ধী শরী'আহ ভিত্তিক পরিচালিত

Our Mission

To be an innovative, profitable, best customer service provider in insurance with 'almost care and provide the best solution of their needs than other and to enhance clients' trust on wealth, employers value and rapid growth in shareholders equity.

Our Vision

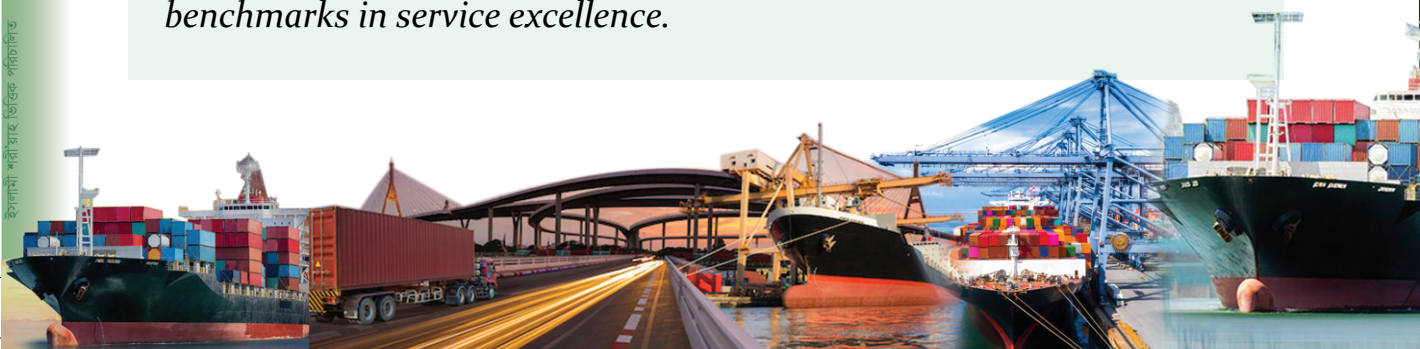
To become a leading insurance company of Bangladesh excelling in every aspect of its business and in delivering its obligation as a good corporate citizen to its clients, employees and contribute for economic stabilization and to maintain stakeholders interest with fair and transparent operations and to change this as Islami Insurance as immediate as possible by the management following IDRA act guide line.

Our Values

- *With transparency, we conduct ourselves ethically and honestly in everything we do. We promote openness and candidness.*
- *We value mutual trust, which encompasses transparent and condid communication among all parties.*
- *As we interact with our clients and other businesses, we strive to be courteous, honest and responsible.*
- *We are committed to achieving the highest levels of customer satisfaction.*
- *Combining our individual strengths, we produce results greater than the sum of our individual efforts*

Our Ethos

We do everything with customer first approach. With our relentless focus on innovation, we are continually conceptualising unique products and services that are powered by newer technologies to deliver exceptional experience. With our dedicated teams for service quality, customer relations and customer experiences, we are continuously setting new benchmarks in service excellence.



Mercantile Islami Insurance PLC is committed to staying ahead in the market through constant product diversification and innovation. Recognizing the need to go beyond traditional insurance classes like Fire, Marine Cargo, and Motor, we have adopted digitalization to cater to changing market demands and attract new clients.

To grow further, we have identified opportunity in the personal lines and non-traditional insurance segment, where the penetration is low in Bangladesh due to negative views and low awareness. To address this, Reliance has developed digital platforms to offer a range of personal line of insurance products. This approach not only creates convenience for customers but also opens opportunities for premium income from this market. Our user-friendly website, allows our customers to secure coverage from the comfort of their homes or offices, reducing the need for physical visits to our premises.

OUR PRODUCTS



Fire Insurances

- ✓ Fire Insurance (including Allied Perils)
- ✓ Industrial All Risks (IAR)
- ✓ Property Damage All Risks (PDAR)



Marine Insurances

- ✓ Marine Cargo Insurance
- ✓ Marine Hull Insurance



Motor Insurances

- ✓ Motor Comprehensive Insurance
- ✓ Motor Liability Insurance



Engineering Insurances

- ✓ Contractor's All Risks (CAR)
- ✓ Machinery Breakdown (MBD)
- ✓ Deterioration of Stocks (DOS)
- ✓ Erection All Risks (EAR)
- ✓ Boiler and Pressure Vessel (BPV)
- ✓ Electronic Equipment Insurance (EEI)



Overseas Mediclaim

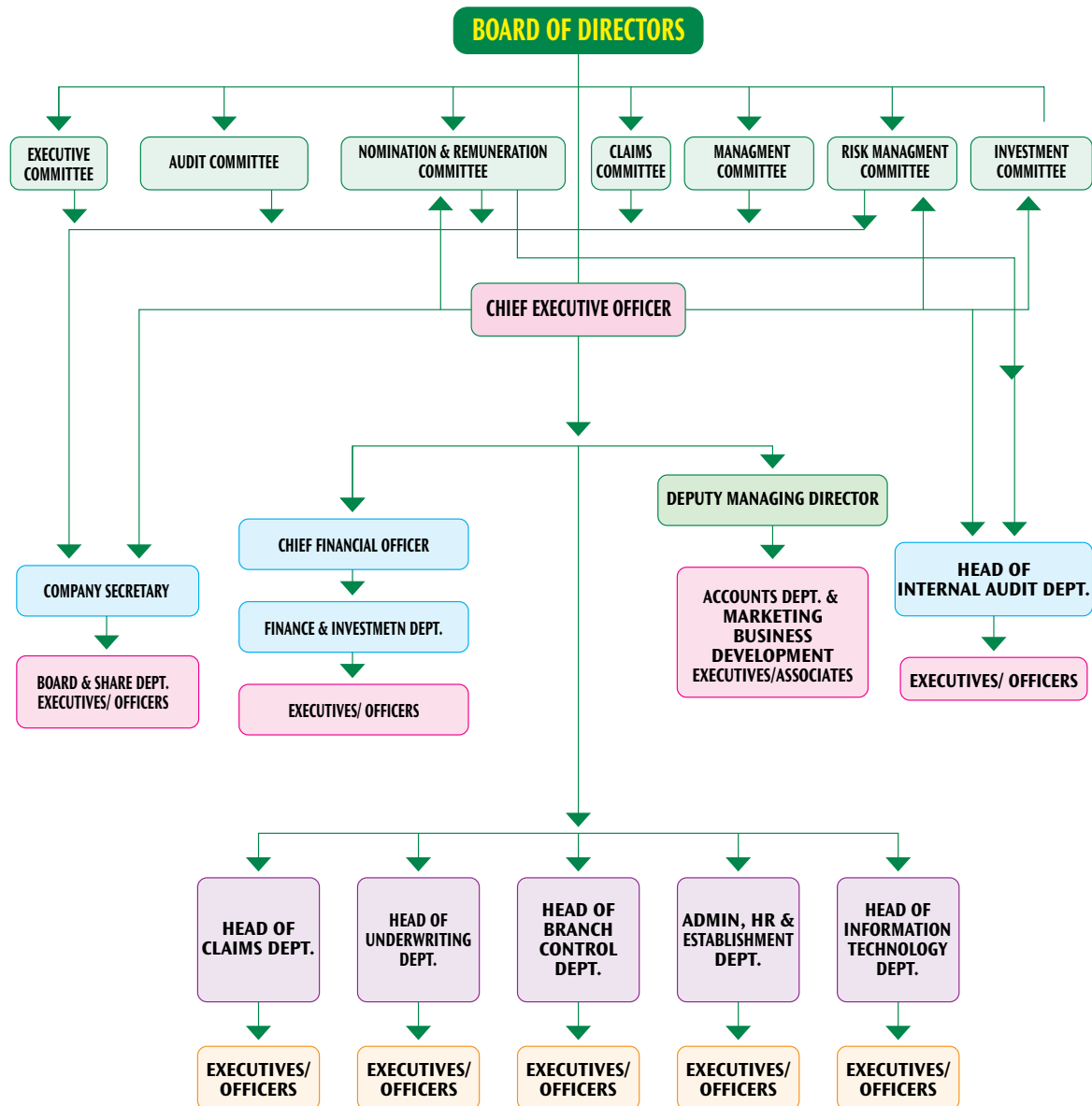
- ✓ Overseas Mediclaim Insurance



Miscellaneous Insurance

- ✓ Burglary and House Breaking
- ✓ Money Insurance, Cash-in-Safe Insurance
- ✓ Cash-in-Transit
- ✓ Cash-in-premises
- ✓ Cash on Counter
- ✓ ATM Booth Insurance
- ✓ Fidelity Guarantee
- ✓ Workmen's Compensation Insurance
- ✓ Personal Accident Insurance Product
- ✓ General/Public Liability Insurance
- ✓ All Risks
- ✓ Peoples Personal Accident
- ✓ Bank Locker Insurance





CHAIRMAN

Mohammad Nabi Ullah

ADVISER

M Kamal Uddin

VICE-CHAIRMAN

A M Ershad Chowdhury

CHAIRMAN, EXECUTIVE COMMITTEE

Al-haj Abdul Mannan Mazumder

CHAIRMAN, CLAIMS COMMITTEE

Al-haj Mohammed Solaiman

CHAIRMAN, NOMINATION & REMUNERATION COMMITTEE

Md. Salam Obaidul Karim
Independent Director

CHAIRMAN, AUDIT COMMITTEE

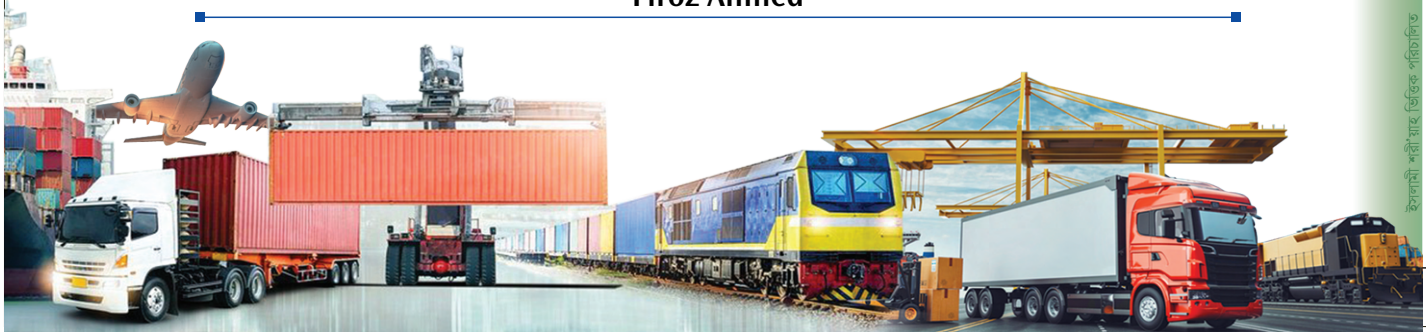
Hasan Uddin Sikder
Independent Director

DIRECTOR

Abdul Haque
Md. Serajul Islam
Md. Mizanur Rahman Ph.D
Abdur Rahman
Shajjad Mustafa
Nurul Azim Sunny
Azad Mustafa
Mohiuddin Ibnul Arabi
Mrs. Nur Nahar Tarin
Ahmed Rafee Alif
Shafique Ahmed

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Firoz Ahmed





The Board of Directors congratulates new elected Chairman of the Company Mr. Mohammad Nabi Ullah in a Board meeting.

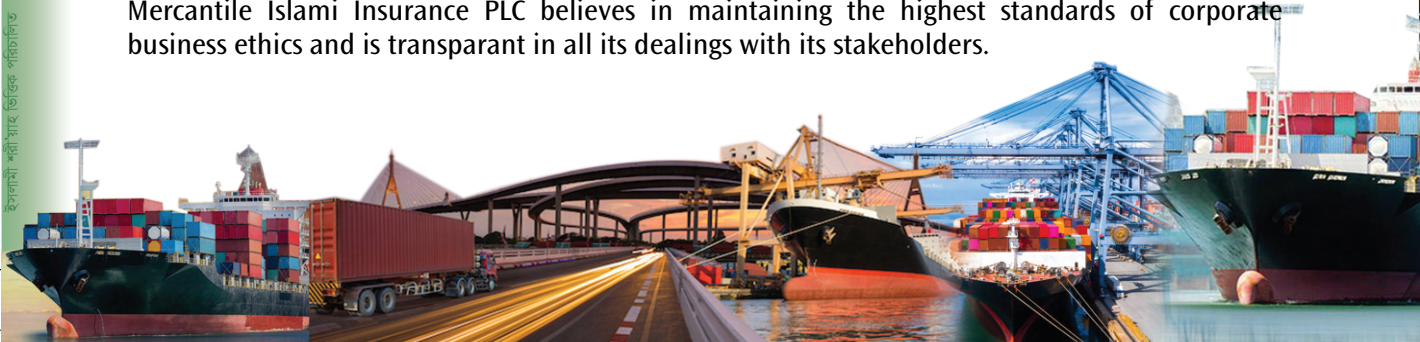
Mercantile Islami Insurance PLC is a publicly listed non-life insurance company maintaining the traditional values of insurance business since it was established in 1996. The Company transacts a wide range of non-life/general insurance business in Bangladesh including Health and Overseas Medclaim insurance and has a goodwill and expertise in the field of insurance with sound and stable financial position.

The Company has Board of Directors consisting of 17 members possessing a wide range of experience in different professional fields. The Board is chaired by Mr. Mohammad Nabi Ullah and management team consists of a group of experienced professionals lead by Mr. Firoz Ahmed as Chief Executive Officer (CEO) who is in the insurance industry for the last 28 years having practical experience in underwriting, Re-insurance, Accounts, Marketing and Claims.

Mercantile Islami Insurance PLC has an authorized capital of Tk. 100 million of which Tk. 43.0000 million has been fully subscribed and paid-up by its shareholders.

Considering Mercantile Islami Insurance PLC sound financial performance, high solvency margin, good liquidity, prudent underwriting, diversified ownership pattern, very high claim paying ability and strong protection factors, the Company has been awarded “AA” rating by Alfa Credit rating Limited one of the accredited credit rating agencies of Bangladesh.

Mercantile Islami Insurance PLC believes in maintaining the highest standards of corporate business ethics and is transparent in all its dealings with its stakeholders.





Brief Profile of Directors





Mohammad Nabi Ullah *Chairman*

Mr. Mohammad Nabi Ullah Chairman of Mercantile Islami Insurance PLC elected on 02nd December 2023, in the Board of Directors 221st meeting. Formerly, he Vice-Chairman in many times, just before this, he was discharging the responsibility of Chairman of the Executive Committee of the company. Mr. Mohammad Nabi Ullah was born in a respective Muslim family of Dhaka. He is involved in versatile business houses in various sectors.

Mohammad Nabi Ullah is a business icon and a renowned Personality in the field of Industry. He is the Managing Director of United Leather Industries (Pvt.) Ltd., United Plastic Industries (Pvt.) Ltd., United Textile Mills, M. Hossain Spinning Mills (Pvt.) Ltd., M. Hossain Cotton Spinning Mills (Pvt.) Ltd., etc.

Side by side, he is involved with patronization of many Islamic educational institutions and services oriented organization since along. He is acquainted with the construction of many Socio-economic and Islamic Institute like Madrasa, Mosque, Hospital etc. His generous hands contribute towards the helpless, distress & poor communities is remarkable for many days. He contributes solely to the needy people for the eradication of poverty for the grace of Almighty Allah. He is very well behaved, modest and religious personality. He performed Hajj and Umrah many times and again.

He visited many Countries of the world and in many times of the world such as China, Singapore, Malaysia, Taiwan, Thailand, USA, UAE, Australia, Indonesia and the Middle East for business promotion and development of the country.





M Kamal Uddin *Adviser*

Mr. M. Kamal Uddin is a sponsor of Mercantile Islami Insurance PLC. He is also the Honorable adviser of the Company. He was the Chairman of Board of Directors of Mercantile Islami Insurance PLC. for consecutive 9 (Nine) years and contributed exceptional role for the establishment, development & progress of the company since the establishment of the company i.e 1996.

As a prominent business icon he is in the leading part of some business houses and industries. He is the Managing Director of Chittagong Builders & Machinery Ltd., Merchant Securities Ltd., China Builders & Machineries Ltd., Sifang Machine House Ltd., Merchant Auto Ltd., CBM Parts House and CBM Consortium.

He is the Vice-Chairman of Social Islami Bank Ltd.

Adviser, Mercantile Islami Life Insurance Ltd.

He is Director of Central Hospital Ltd., Sifang Securities Ltd., HURDCO International School, Universal Health Services & Research Ltd.

His business career is versatile and he is associated with various types of business and well reputed Organizations which makes him a forward looking and progressive businessman which has already reached him in an enviable height.

He is a Trec Holder of Dhaka Stock Exchange PLC.





A M Ershad Chowdhury *Vice-Chairman*

A M Ershad Chowdhury has 16 years of experience in financial services. Mr. Chowdhury worked as a senior consultant for Investment Banks, High Street banks, Insurance, re-insurance and Big Four Consultancy Firm – Deloitte in the UK. He is advising his insurance and banking expertise to both Mercantile Islami Insurance PLC and Mercantile Islami Life Insurance Ltd.

As a Senior Consultant at Deloitte - Mr. Chowdhury was assigned to multimillion-dollar blue-chip NFT projects at Lloyd's of London. Mr. Chowdhury was part of Blueprint Two project where he sets out the details and plans to build the most advanced insurance marketplace, making it better, faster, affordable and introduced AI technology to business and help customers face new challenges with confidence. Most importantly Mr. Chowdhury has a lot of international insurance expertise to contribute to our insurance market.

Before joining Deloitte, Mr. Chowdhury was hired as a CONSULTANT for Royal Bank of Scotland, RSA (Royal Sun Alliance), Equiniti, Aviva Insurance, AXA Wealth Insurance, Friends Life, Coversure, SONY, GE (General Electric), CITI bank, UBS (United Bank of Switzerland) and etc.

Besides that, Mr. Chowdhury has Real Estate Business in the UK and works independently as a Stockbroker/trading securities and investing in the capital market - London Stock Exchange.

Prior to career focus - Mr. Chowdhury has earned B.Sc (Hons) degree in Information Systems from University of Greenwich in England and an MBA in Finance Degree from University of Glasgow – Scotland.





Al-haj Abdul Mannan Mazumder ***Chairman-Executive Committee***

Mr. Abdul Mannan Mazumder is the son of Al-haj Md. Abdul Hai Mazumder was born in 1956 at Feni District. He is a man of pleasant personality and amiable disposition. Mr. Mazumder has earned notable fame in business community through his integrity and remarkable business activities. His versatile and diversified business affiliation includes Electronics, Trading and C&F Agency etc.

In addition, Mr. Mazumder is actively associated with number of socio-cultural organizations. He is the Chairman of Radhanagar High School at Chagalnaiya Feni, Founder of North Adharmanik Madrasa & Eteemkhana, Vice-President of Feni Zilla Samity at Chittagong and Member, E.C. of Shamsul Karim College at Chagalnaiya, Feni.

He has travelled a number of countries such as UK, UAE & Saudi Arabia for business promotion and development of the country. He also performed Hajj and omrah in many times.





Al-haj Mohammed Solaiman

Chairman-Claims Committee

Al-haj Mohammed Solaiman is the son of Late Al-haj Ahmedur Rahman was born in a respectable Muslim family of Chattogram in the year 1958. He obtained B.A. (Hons.) and M.S. in Public Administration and started business career after completion of his education.

Al-haj Mohammed Solaiman is a Director of Mercantile Islami Insurance PLC. He is the Ex-Chairman of the company who was elected Chairman for consecutive 03 (Three) years. Now, he is the Chairman of the Claims Committee, Simultaneously, he is a Member of the Executive Committee and also member of all the important Committees framed under the Board of Directors of the company.

Beside this, he is the Chairman of HURDCO International School. Vice-Chairman, Central Hospital Ltd., Director of Eden Multicare Hospital Ltd., Epic Health Care, HURDCO Ltd. He is the Managing Director of Paradise Corporation (Pvt.) Ltd. in the greater Dhaka and Chattogram. He is involved in versatile business houses in Banking, Insurance, Trading and Electronics. He is a Member of Chittagong Club-Chattogram, Member of Metropolitan Shooting Club, Chattogram. He is a member of Army Golf Club-Dhaka and Member of Chittagong Boat Club-Chattogram. His contribution towards socio-cultural and professional activities are remarkable.

He has visited many countries of the world like China, India, Singapore, Thailand, London, UK, USA, Hongkong and Saudi Arabia etc.



Brief Profile of Director



Mercantile Islami Insurance PLC

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Abdul Haque

Sponsor Director

Mr. Abdul Haque son of Late Haji Abdul Kader was born in a respectable Muslim family in the year 1959 in Dhaka. He started his business career in the year 1980. He is involved in versatile business houses. Mr. Abdul Haque earned a notable fame in business community for his remarkable business activities particularly in the field of Trading, Dyes and Chemicals, Textile Printing and Finishing, Construction, Real Estate and Insurance. He is one of the Sponsor Director of Mercantile Islami Insurance PLC since its inception.

Mr. Abdul Haque is Sponsor Director and Immediate Past Chairman of Mercantile Islami Insurance PLC. He was Chairman of the Company for Consecutive 10 years. Mr. Haque was elected Vice-Chairman of Dhaka Stock Exchange PLC in the year 1996-97 and also Senior Vice-Chairman in the year 2002. Mr. Haque achieved expertise in Textile Dyes & Chemicals at ICI Laboratories at Manchester, U.K. as well as at CIBA Laboratories, Switzerland.

Mr. Abdul Haque is a widely travelled person, visited different countries of Europe, Asia, USA and Australia. He is involved with different aspects of social activities.



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Brief Profile of Director

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Md. Serajul Islam

Sponsor Director

Mr. Md. Serajul Islam son of Late Hafiz Ahmed was born in the year 1949 at Comilla. He has obtained his Masters Degree and started business career after completion of education and gathered vast experience in different kinds of business. He has earned fame in business community for his integrity and remarkable business activities. Formerly, he was a Director of Shadharan Bima Corporation. Mr. Islam was also elected as member of Comilla Zila Parishad.

Apart from business career, he is associated with the member of Homna Degree College, Comilla, Founder member of Ramkrishnapur College, Homan, Comilla and Founder of number of Schools and Islamic educational institution of Homna, Comilla.

Mr. Serajul Islam attended different Business World Conferences in Asia, Europe and USA.



Brief Profile of Director



Mercantile Islami Insurance PLC

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Md. Mizanur Rahman Ph.D

Sponsor Director

DR.AL-MIZAN bin Latif is the sponsor Director of Mercantile Islami Insurance PLC, was born at Gopalganj town. His father Al-hajj M. A.Latif was a well-known personality of the Gopalganj town and a reputed Head-master of Government High School and a District Education Officer.

DR. AL-MIZAN enjoyed his early life at Bankpara in his Home-town Gopalganj. During his school and college life he was an active and enthusiastic Boy-scout and senior Rover mate which helped him nourish his leadership qualities.

DR.AL-MIZAN had his Post Graduation in LL.B from the University of Dhaka, MBA, Ph.D from California USA.

He was also a Senate life Member and Registered Graduate of Dhaka University. He is the member of Gulshan club, Bari Dhara, Banani, Dhanmondi, Uttara Purbachal, Gopalganj, Boat Club, Bangladesh film Club & also Gulshan society, Banani society.

DR.AL-Mizan was the Vice-chairman of Mercantile Islami Insurance PLC (2001-02, 2008-09, 2016-18), Chairman Audit Committee (2011-12) and Chairman Executive Committee (2013-15).

He is the Chairman of AL-MIZAN Group, AL-MIZAN Foundation, AL-MIZAN properties, AL-MIZAN overseas, AL-MIZAN travels, Tulip studio Park, AL-MIZAN multimedia.

He has also contributed a lot in journalism for a long time and worked in this profession as a Founder-Editor & Publisher of 'The Dainik Prime' To know the unknown and to see the unseen DR. AL-Mizan as a Practicing Muslim, Performed Hajj in the Holy City of Makkah in 2009 and subsequently, performed Umrah Hajj in Makkah, Saudi Arabia many times. He Visited the country and abroad for many ali Allah's fasts and pilgrimages.

He also a passionate tourist and widely visited many countries of Asia, Africa, Europe, UK, America and Australia.

DR.AL-Mizan bin Latif believes that hard work and determination could be the key to success in life.





Abdur Rahman

Sponsor Director

Mr. Abdur Rahman son of Late Haji Abdul Kader was born in the year 1950 in Dhaka. His sincerity, integrity, self reliance and hard work made him a successful business icon. As a renowned and successful business personality, Mr. Rahman has been involved in a number of industries and business houses. He is a founder Director of Mercantile Islami Insurance PLC. He is the Chairman of Evergreen Group of Companies and also Member of Dhaka Stock Exchange PLC.

Mr. Rahman is widely travelled person and he has visited number of countries for business promotion which includes U.K., U.S.A., Australia, Germany, Switzerland etc.



Brief Profile of Director



Mercantile Islami Insurance PLC

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Shajjad Mustafa
Director

Mr. Shajjad Mustafa is one of the Director of Mercantile Islami Insurance PLC. He was born in Dhaka in a renowned Muslim family. He had a brilliant academic career. He obtained MBA (1st Class) Degree from University of Dhaka in the year 2007.

Mr. Shajjad Mustafa started his business career as an entrepreneur just after completion of his education. He is the Chairman of Sifang Builders Ltd., China Consortium Ltd., & Deputy Managing Director of CBM Group.

He is associated with a number of companies such as, CBM Pumps & Pipe Co. Ltd., Merchant Securities Ltd., Sifang Machine House Ltd., CBM Holdings Ltd., CBM Parts House Ltd. He is also the Proprietor of Buildtec Corporation.

He is actively associated with a number of social-welfare organisation and activities of the country.



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Nurul Azim Sunny
Director

Mr. Nurul Azim Sunny is a Director of Mercantile Islami Insurance PLC. He is the son of Al-haj Nurul Amin & Mrs. Ifat Akter Alin.

He is also the Director of Electro Mart Ltd., Trade International Industries Ltd., and Proprietor of Azim Enterprise.

He obtained Master of Accounting from Macquarie University of Australia, BBA from North South University.

Mr. Nurul Azim has travelled in many countries for the purpose of business development and expansion. He is actively involved with various socio-cultural organization and educational institutions for the welfare of the state and of discipline through providing employment in many aspects.



Brief Profile of Director



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Azad Mustafa
Director

Mr. Azad Mustafa is one of the Director of Mercantile Islami Insurance PLC. he is young and rising businessman of Bangladesh. He was born in a respectable muslim family in Dhaka. He is a Managing Director of Sifang Builders Ltd., China Consortium Ltd., Merchant Auto Ltd. & Director of CBM Group. He is also the Proprietor of CBM Traders.

Mr. Azad Mustafa is associated with a number of socio-cultural activities. He travelled in many countries. He is a young emerging & business personality.

He is the younger son of Mr. M. Kamal Uddin, Managing Director of CBM Group.





Mohiuddin Ibnul Arabi

Director

Mr. Mohiuddin Ibnul Arabi is one of the Director of Mercantile Islami Insurance PLC. He is the chairman of China-Bangla Consortium Ltd & Managing Director of Chitech Crafts Ltd and also Director of Chittagong Builders & Machinery Ltd, Sifang Machine House and also CBM Foundation. He is the proprietor of South Green Ltd. He is a member of Bangladesh Electrical Motor Pump Importers & manufacturing Association, Nawabpur Welfare Association.

He strongly believes that honesty and sincerity can make a successful businessman. He is a widely travelled well behaved and pious person. He is associated with a number of educational, cultural and service oriented organization.



Brief Profile of Director



Mercantile Islami Insurance PLC

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Mrs. Nur Nahar Tarin
Director

Mrs. Nur Nahar Tarin is a director of Mercantile Islami Insurance PLC.

She obtained Masters of Business Administration in Finance & Accounting. She is the proprietor of Nahar Enterprise an sponsor of Exim Bank Limited. Nur Hahar Tarin has travelled in many countries of the world with a view to gather knowledge on the Business development and expansion.

She is actively involved with many sociocultural organization and educational institutions for the welfare of the state and discipline through providing employment in viroous aspects.



ইসলামী শরীয়াহ ভিত্তিক পরিচালিত



Ahmed Rafae Alif
Director

Mr. Ahmed Rafae Alif has become Director of Mercantile Islami Insurance PLC. He is the son of an established and successful businessman Mr. M NasirUddin, Director, Al-Arafah Islami Bank PLC who was formerly Executive Committee Chairman and Director of Mercantile Islami Insurance PLC.

Mr. Alif is the Managing Director of Chartered Holdings Ltd., China Bangla Consortium Ltd., and Proprietor of Agrotech Corporation and also Director of Chittagong Builders & Machineries Ltd., CBM Foundation, Mr. Alif possesses some special qualities and has interest in extra curriculum activities which bring peace, happiness and prosperity for the society.

He is a promising & energetic businessman in the Capital Market. He is well behaved and pious person and contributes solely to the distress and needy people of the community. He is also involved with different of Socio and Educational activities from his life.



Brief Profile of Director



Shafique Ahmed
Director

Mr. Shafique Ahmed is one of the Director of Mercantile Islami Insurance PLC. He is a member of the Board of Director of Mercantile Islami Insurance PLC. He was born in 1968 from a respected muslim family in Chattogram.

He is the proprietor of Shafique Enterprise Krishi prokalpa. As an entrepreneur, he is the member of Nawabpur Welfare Association & Bangladesh Agricultural Machinery Association & Chattogram Shamity Dhaka. Mr. Shafique Ahmed has associated himself with many socio-cultural organizations. He has visited many countries in connection with business and religious purpose.



Md. Salam Obaidul Karim

Independent Director & Chairman NRC

Mr. M.S. Obaidul Karim is an Independent Director and Chairman of Nomination and remuneration committee of Mercantile Islami Insurance PLC.

He is also the chairman of Salvo Chemical Industry Limited and actively involved in the textile sector. He bears with good academic background. Such as, M.Com. having major in business management from the university of Dhaka. He is acquainted with some socio-cultural Institution and organization.

He visited many countries of the world in connection with business promotion.

Hasan Uddin Sikder

Independent Director & Chairman Audit Committee

Mr. Hasan Uddin Sikder is an Independent Director & Chairman Audit Committee of Mercantile Islami Insurance PLC.

He was born in a respected muslim family in Dhaka in 1949. Presently he is the proprietor of Green Machinery Store, Shahir Enterprise & Greentex.



Brief Profile of CEO



Mercantile Islami Insurance PLC

Annual Report 2023



Firoz Ahmed *Chief Executive Officer*

Mr. Firoz Ahmed is the Chief Executive Officer of Mercantile Islami Insurance PLC. He obtained B.Sc (Hon's) M.Sc degree from Dhaka University. Just after completion of Post Graduation he joined in the Central Insurance Co. Ltd.

In 1996 he joined in the Mercantile Islami Insurance PLC. In 3rd January 2018 Insurance Development & Regulatory Authority (IDRA) accorded permission to appoint him as Chief Executive Officer of Mercantile Islami Insurance PLC. and since then, he is discharging the duties and responsibilities successfully with reputation and satisfaction of all as well as the Regulatory Authorities and Management of the Company.

He is associated with many socio-cultural and welfare organization in rural and urban areas.

He travelled in India, Malaysia, Thailand & Saudi Arabia.



COMMITTEES UNDER BOARD OF DIRECTORS

In compliance with the Articles of Association of the Company and regulatory guidelines, the Board has constituted six (6) subcommittees, namely Executive Committee (EC), Audit Committee (AC), Nomination & Remuneration Committee (NRC), Investment Committee (IC), Risk Management Committee (RMC) and Policyholder Protection & Compliance Committee (PPCC) Sharia Board for efficient and effective operation of the Company Mercantile Islami Insurance PLC.

EXECUTIVE COMMITTEE

Executive Committee (EC) is a sub-committee of the Board it's constituted under clause 179 of the Articles of Association of the Company. The EC performs all functions of the Company on behalf of the Board as per its directions from time to time.

COMPOSITION OF EXECUTIVE COMMITTEE

The Executive Committee of the Board of Mercantile Islami Insurance PLC. was first constituted on 1996 with the members of the Board and the Chief Executive Officer of the Company to ensure efficient, compliant, competent and smooth operation and business decisions.

ROLES AND RESPONSIBILITIES OF EC

The Board outlines the specific roles and responsibilities of the Executive Committee (EC), it varies according to the Company's needs. Major responsibilities of the Committee are as follows:

Taking all necessary decisions or approving cases within power delegated by the Board of Directors.

Focusing on the implementation of the strategies and policies, as approved by the Board.

Reporting to the Board on matters discussed at each EC meeting.

AUDIT COMMITTEE

The Audit Committee is one of the sub-committees of the board, which assists the Board by ensuring fair view of the financial statements through strong internal control and good monitoring system within the Company.

The present audit committee is comprised with 03 (three) members of Board of directors including 02 (two) directors. In compliance with BSEC's and IDRA's guidelines, the Chairman of the Committee is an Independent Director. The members of the Committee are as follow:

The Chief Executive Officer of the Company attends the meeting as an invitee. Other invitees to the meeting are Chief Financial Officer and the relevant heads of the department as and when required by the Committee. The head of Internal Audit frequently reports to the Chairman of the Audit Committee. Company secretary acts as Secretary of the Committee.

MEETING AND ATTENDANCE OF AUDIT COMMITTEE

The number of audit Committee meeting and attendance status during the year 2023 were as follows:

ROLES AND RESPONSIBILITIES OF AUDIT COMMITTEE:

The roles and responsibilities of audit committee is defined in the Terms and Reference (TOR) of the Committee and in accordance with BSEC guidelines dated 03 June 2018. The major roles and responsibilities of the Committee are as below:

- Ensuring the integrity of financial control and comprehensive internal control environment.
- Ensuring effective policies and procedures to identify, measure, monitor and control the risk as a supervisory oversight from the Board.



- Reviewing the internal audit and compliance plan, ensuring co-ordination between internal and external auditors if required, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.
- Complying with the obligations set in any corporate governance guidelines of any regulatory body.
- Discussing with external auditor before finalization of the audited financial statements and report.
- Reviewing management letter issued by external auditor.
- Reviewing quarterly, half-yearly and annual financial statements with management before submission to the Board for approval.
- Reporting to the Board immediately about significant finding which has material impact on the financial conditions and results of operation of the Company.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee is another sub-committee of the Board of Directors which assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experience of Independent Directors and top level executives.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors first constituted a Nomination and Remuneration Committee (NRC) of the Company on 09 December 2018 to comply with BSEC's notification dated 03 June 2018 and last reconstituted it on 19 December 2023.

The present NRC committee is comprised with 03 (three) members one of whom is an Independent Director. The Chairman of the Committee is an Independent Director according to regulatory guidelines. The members of the Committee are as follow:

The Chief Executive Officer attends the meeting as an invitee. Company secretary acts as secretary of the Committee.

MEETINGS AND ATTENDANCE OF NRC:

The number of NRC meetings and attendance status during the year 2023 are as follows:

ROLES AND RESPONSIBILITIES OF NRC:

The objectives, roles and responsibilities of Nomination and Remuneration Committee (NRC) are defined in NRC Policy and Terms and Reference (TOR) of the Committee in line with regulators guideline. Some major responsibilities of the Committee are as follows:

- Formulate the criteria for determining qualifications, competencies, positive attributes and independence for nomination/appointment of directors.
- Formulate the criteria for evaluation of Independent Director.
- Lay down the criteria for identifying people who can be appointed in top level executive position and recommend their appointment and removal.
- Report to the Board on matters discussed at each NRC meeting.

The Constitution of the Following Committee is under process:

- * INVESTMENT COMMITTEE (IC)
- * RISK MANAGEMENT COMMITTEE (RMC)
- * POLICYHOLDER PROTECTION & COMPLIANCE COMMITTEE (PPCC)
- * MANAGEMENT COMMITTEE





CHIEF EXECUTIVE OFFICER

Firoz Ahmed

ADDITIONAL MANAGING DIRECTOR

Md. Abu Obydul Hasan

DEPUTY MANAGING DIRECTOR & COMPANY SECRETARY

Abdur Rahman

DEPUTY MANAGING DIRECTOR

Md. Altaf Hossain

Bazlur Rahman

Md. Azim Uddin

ASSISTANT MANAGING DIRECTOR & CFO

Md. Abdus Salam

ASSISTANT MANAGING DIRECTOR

Md. Nazrul Islam

Md. Rashedul Islam

SENIOR EXECUTIVE VICE-PRESIDENT

Md. Rashedur Rahman

EXECUTIVE VICE-PRESIDENT

Md. Jabed Akhter

Md. Helal Uddin

SENIOR VICE-PRESIDENT

Samia Tamrin

VICE-PRESIDENT

Md. Ismail

Sarwar Alam

Abdul Bari Chowdhury

DEPUTY VICE-PRESIDENT

Hamidul Alam Chowdhury

Nayan Tara Saha

Md. Delwar Hossain

Giasuddin Mohammad Monsur

Rahim Hasan Turjo

ASSTT. VICE-PRESIDENT

Md. Habibur Rahman Chowdhury

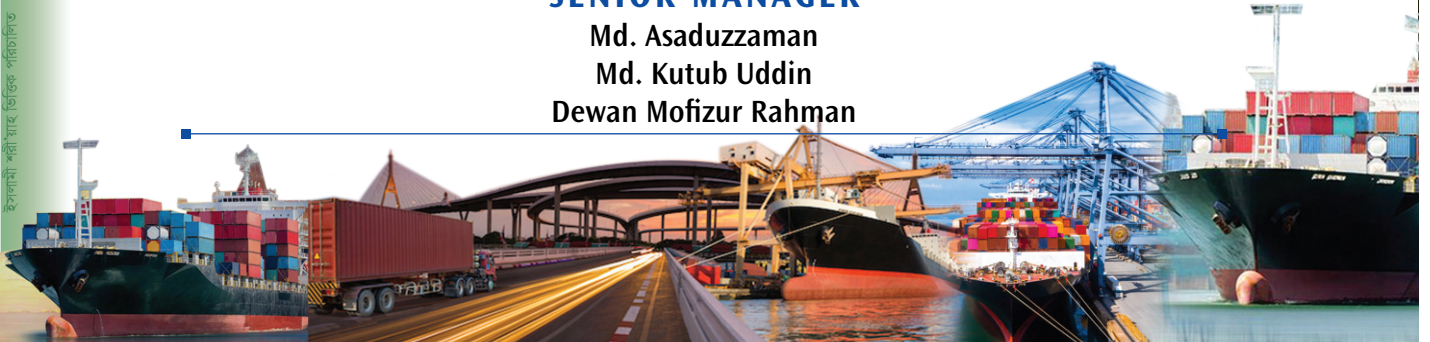
Farhana Habib

SENIOR MANAGER

Md. Asaduzzaman

Md. Kutub Uddin

Dewan Mofizur Rahman



CHIEF EXECUTIVE OFFICER

Firoz Ahmed

DEPUTY MANAGING DIRECTOR & COMPANY SECRETARY

Abdur Rahman

DEPUTY MANAGING DIRECTOR

Md. Azim Uddin

ASSISTANT MANAGING DIRECTOR & CFO

Md. Abdus Salam

ASSISTANT MANAGING DIRECTOR

Md. Nazrul Islam

SENIOR VICE-PRESIDENT

Samia Tamrin

VICE-PRESIDENT

Sarwar Alam

DEPUTY VICE-PRESIDENT

Nayan Tara Saha

Md. Delwar Hossain

Giasuddin Mohammad Monsur

ASSTT. VICE-PRESIDENT

Md. Habibur Rahman Chowdhury

Farhana Habib

DEPUTY MANAGER, (INVESTOR'S RELATION DEPARTMENT)

Nazma Akter





Rating AA

AlphaRating

23 October, 2023

Managing Director & CEO**Mercantile Islami Insurance PLC****Red Crescent House (1st Floor), 61, Motijheel C/A, Dhaka-1000****Subject: Credit Rating of Mercantile Islami Insurance PLC**

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating), vide credit rating Agreement No: 548 has assigned the following rating to **Mercantile Islami Insurance PLC**

Date of Declaration	Valid Till	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
23 October 2023	27 September 2023	26 September 2024	9 th Surveillance	AA	ST-2	Stable

The long-term rating & short-term rating is valid up to the earlier of 26 September, 2024 or the limit expiry date of respective credit facility. The rating may be changed or revised prior to expiry if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Mercantile Islami Insurance PLC**, hereby solemnly declare that:

- We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,


Abdul Mannan

Chief Executive Officer

This letter is integral part of the credit rating report.

Alpha Credit Rating Limited, Sadharan Bima Bhaban-2 (2nd & 8th Floor), 139 Motijheel C/A, Dhaka-1000.
Tel: +880-2-9573025, 9573026, 9573027, 9573028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd



List of Branches



Mercantile Islami Insurance PLC

Annual Report 2023

Name of Branch & Address	Branch in-charge	Phone/Mobile
Bogura Branch 2 No Rail Gate, Jhowtola Bogura Town, Bogura	Md. Abu Obydul Hasan Additional Managing Director	(M) 01324-737937
Khulna Branch 7, Old Jashore Road Nizam Chamber (3rd floor), Khulna	Md. Altaf Hossain Deputy Managing Director	(M) 01324-737933
Gulshan Branch Islam Mansion, House No. 39, Road No. 126 Circle-1, Gulshan, Dhaka-1212	Bazlur Rahman Deputy Managing Director	(M) 01324-737924
Mogh Bazar Branch 17 Mogh Bazar (4th floor) New Eskaton Road. Dhaka-1000	Md. Rashedul Islam Assistant Managing Director	(M) 01324-737929
Rangpur Branch Chayanika Cloth Centre (3rd Floor) Taltala Road, Rangpur	Md. Rashedur Rahman Senior Executive Vice-President	(M) 01324-737939
Jashore Branch Jess Tower, M.K.Road (3rd Floor), Jashore	Md. Javed Akhter Executive Vice-President	(M) 01324-737935
Agrabad Branch 18. Sk. Mujib Road Agrabad, Chattogram	Md. Helal Uddin Executive Vice-President	(M) 01324-737912
Bangshal Branch 121/2, North South Road (4 th floor West), Bangshal, Dhaka	Md. Ismail Vice-President	(M) 01324-737922
B.B. Avenue Branch 29, B.B. Avenue Hamid Mansion (3rd Floor), Dhaka	Abdul Bari Chowdhury Vice-President	(M) 01324-737920
Jubilee Road Branch 573, Jubilee Road Enayet Bazar, Chattogram	Hamidul Alam Chowdhury Deputy Vice-President	(M) 01324-737917
Pabna Branch 380/383 MA Hamid Road Pabna Sadar, Pabna	Ragib Abid Shihab Deputy Vice-President	(M) 01324-737986
Dinajpur Branch Al-amin Plaza, 2nd Floor, Goneshtola Sadar, Dinajpur-5200	Rahim Hasan Turjo Deputy Vice-President	(M) 01740-600600
Motijheel Branch 61 Motijheel C/A (10th Level) Dhaka-1000	Md. Asaduzzaman Senior Manager	(M) 01324-737926
Uttara Branch House- 16(2nd floor), Kushol Center Plot-29, Sector-03, Uttara C/A, Dhaka-1230	Md. Kutub Uddin Senior Manager	(M) 01324-737927
Narayangonj Branch 26 (New) S. M. Maleh Road (4th Floor) Tanbazar, Narayangonj	Dewan Mofizur Rahman Senior Manager	(M) 01324-737952
Hatkhola Branch 33/1 Road Sayed Nazrul Islam Sarak (Hatkhola) Jakaria Bhaban (2nd Floor), Dhaka - 1203	Md. Abdur Rahim Manager	(M) 01324-737941
Mirpur Branch Plot-13, Road-01, Section-06, Block-KHA Mirpur,Dhaka-1216	Md. Mijanur Rahman Manager	(M) 01324-737943
Khatungonj Branch 774, Asadgonj Main Road, M.A. Salam Market (2nd Floor), Chattogram	Abdul Awal Assistant Manager	(M) 01324-737916



Audit Committee Report for the year 2023

The Audit Committee comprises of 3 (three) Directors nominated by the Board as mentioned below and its operates according to the terms of reference of the Committee, BSEC's notification dated 03 June 2018 and IDRA's corporate governance guidelines dated 19 October 2023.

01. Nur Amin	Chairman
02. Shajjad Mustafa	Member
03. Nurul Azim Sunny	Member

The Chief Executive Officer of the Company attended at meetings as an invitee. Other invitees to the meetings were the Chief Financial Officer and the relevant heads of departments who attended the meeting as and when required by the Committee.

During the year 2023, the committee conducted 4 (Four) meetings. The following matters were discussed in meetings and decisions taken were communicated to the Board of Directors:

- * Discuss with external auditors on the annual financial statements of 2023.
- * Review of the auditors' report and audited financial statements for the year 2023.
- * Review of the management's discussion and analysis on the financial statements of 2023.
- * Review of the Report on activities of the Audit Committee for the year 2023.
- * Review of the management letter from external auditors on financial statements for the year 2023.
- * Review of the proposal of external auditor and recommend the name of auditor for the year 2023 to the Board for their recommendations.
- * Review of the un-audited first quarter, second quarter and third quarter financial statements of 2023. Review of the special audit report carried out by IDRA and management's response to it.
- * Review and approval of the internal audit plan for the year 2023.
- * Review internal audit reports on operational and branch activities.
- * The committee did not find any issues in the following areas, which needed to be reported to the Board:
 - (i) Report on conflict of interest;
 - (ii) Suspected or presumed fraud or irregularity or material defect in the internal control system; and
 - (iii) Suspected infringement of laws, including securities related laws, rules and regulations



Audit Committee Report for the year 2023



Mercantile Islami Insurance PLC

Annual Report 2023

- v. Reviewed the Financial Accounts for the year 2021 as compiled and placed by the management and recommended the same for approval of the Board.
- vi. The Committee, uphold the roles and regulations recently imposed by the Insurance Development and regulatory Authority, emphasised& monitored for immediate execution of replacing the FDRs held with different Banks.

Finally, the Audit Committee express its sincere thanks to the Board of Director key management personnel, internal audit, IT, Claim & re-insurance, U/W department and all employees for their utmost dedication for achieving transparency in performance and all sort co-operation extended to the committee in discharging its responsibilities.

Nur Amin

Nur Amin

Independent Director

&

Chairman

Audit Committee



ইসলামী শরীয়াহ ভিত্তিক পরিচালিত

Financial statements are normally prepared on the basis that a company is a going concern and will continue in operation for the forcible future. Hence, it is assumed that the company has neither the intention for the need to liquidate or curtail materially the scale of its operations if so, the basis used is disclosed on the other hand listed companies are required by BSEC to report on its ability to continue as going concern.

The Board of Directors of Mercantile Islami Insurance PLC has made annual assessment about whether there exist material uncertainties which may cast significant doubt upon the Company's ability to continue as going concern. The Director's assessment of whether the Company is a concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to company's ability to continue as a going concern for the foreseeable future.

Positive Net Current Assets

- Positive operating cash flows
- Positive key financial ratios
- Consistent payment of dividends
- Credibility in payment of obligations
- Performance growth
- Positive underwriting results and trends

Operating indications:

- No key management turnover
- Good business expansion
- Spread of business across diverse clientele.
- Good market reputation and clients satisfaction
- Good corporate environment and employee satisfaction

Other Indications:

- Maintenance of sufficient capital base as required by law
- Strong equity base
- Strong Claim paying ability (CPA)
- Anticipates no significant in legislation or government policy.



Annexure-2

INTRODUCTION

The Nomination and Remuneration Policy ('the Policy') for members of the Board of Directors and Top Level Executives of the Company is designed to attract, motivate and retain leadership of members in a competitive market. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

OBJECTIVES OF THE POLICY

In line with the requirement clause 6 of BSEC's Corporate Governance Code-2018, the objectives of the policy are as under:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for nomination/appointment of directors;
- To formulate the criteria for evaluation of Independent Directors;
- To lay down the criteria for identifying people who can be appointed in top level executive position and recommend their appointment and removal.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee shall be composed at least 3 (three) members. The Board of Directors shall appoint members of the Committee one of whom should be an Independent Director. Chief Executive Officer (CEO) shall be appointed as a non-voting member of the Committee. The Committee shall conduct at least 1 (one) meeting in a financial year.

The Chairman of the Committee shall be an Independent Director.

The members shall be appointed at the first Board meeting held after the Annual General meeting.

GUIDING PRINCIPLES

Policy For Nomination/appointment And Remuneration Of Directors-

The selection criteria for the appointment and re-appointment of directors will normally be based on an analysis of the composition of the existing Board, its skill and experience. Factors to be considered when appointing a director for Board are:

The skills, experience, expertise and personal qualities that will best complement Board effectiveness;
The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments;
Potential conflicts of interest, and independence in accordance with BSEC's Corporate Governance Code-2018, as specified and applicable from time to time.
Any benefits to be allowed to Directors as per Insurance act, rules and regulations published by the Regulators from time to time.

Policy for evaluation of Independent Directors-

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, on the basis of contributions made to the Board deliberations in the board meetings.

Policy for appointment, remuneration and removal of Top Level Executive of the Company-

The NRC shall recommend the appointment, remuneration and removal of Chief Executive Officer (CEO) to be confirmed by the Board in compliance with Bima Company (CEO appointment and Removal) Rules 2012. The NRC shall confirm the appointment, remuneration and removal of Executive Vice President and above taking into consideration the prevailing employment policies of the Company.

DISCLOSURE OF THE POLICY

The policy shall be disclosed in the Annual Report of the Company.

AMENDMENTS OF THE POLICY

Any amendment or modification to the Nomination and Remuneration Policy ("the Policy") shall be approved by the Board on the recommendation of the NRC.





Report On Activities Of The Nomination And Remuneration Committee-2023

The Nomination and Remuneration Committee comprises with following 3 (three) non-executive directors-

- | | | |
|-----|-------------------------|----------|
| 01. | Md. Salam Obaidul Karim | Chairman |
| 02. | Mohiuddin Ibnul Arabi | Member |
| 03. | Azad Mustafa | Member |

The Chief Executive Officer of the Company attended at meetings as an invitee.

During the year 2023, the committee conducted 1 (one) meeting. The following matters were discussed in meetings and decisions taken were communicated to the Board of Directors:

- * Review of the amend Terms of Reference (TOR) of Nomination and Remuneration Committee of the Company.
- * Review of the Policy for Contractual Employment of the Company.
- * Review of the Board Diversity Policy of the Company.
- * Review of the revised roles, responsibilities and duties of the Chairman, Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- * Review of the Company's need for employees at different level/department.
- * Review of proposal for renewal of contract of contractual employees of the Company.

Salam Obaidul Karim
Independent Director
Chairman NRC

Abdur Rahman
Company Secretary &
Member Secretary of NRC



Directors Declaration-2023



Mercantile Islami Insurance PLC

Annual Report 2023

The Insurance Sector of Bangladesh has been growing over the years meet a various challenges such as low awareness of people, crisis of confidence among policy holders. Where there is limited product of diversification and lack of proper regulatory supervision. As per IDRA report the gross premium income of non-life private sector insurance of the country is increase by day by day. It is expected that the non-life insurance market will achieve a compound annual growth rate of more than 6% for the year from 2023 to 2027. Whereas non-life insurance business unfortunately accounts for less the 1% of the country's GDP as a large part of the economy still remain uninterrupted. The scope of expansion therefor is erroneous and this can be achieved by a coordinated effort of the government the IDRA and the insurance companies. Our company earned a gross premium income mentionable from 2022-2023.

As you know Mercantile Islami Insurance PLC is rated AA by the Alpha Rating Co. Ltd., and continued to reflect company's high claim paying ability prudent financial management, Good solvency, Diversified investment prort folis, sound liquidity and experience to management. The rating helps the company to negotiate better terms from the Re-Insurers.

The company is always aware the risk factors inherent in this industries to keep the risks at an expectable level our company identifies, monitors and reviews the risk inherent business from time to time, continues to update database for information and takes corrective and or preventive measures to safeguard the stock-holders interest.

The company adopted IFRS-9. Financial instruments in shares at fair value as at 31 December 2023. The difference of between market value of the securities and their cost has been reflected in the profit and loss account of the company, accept the fair value gain on shares of Mercantile Islami Insurance PLC.

In compliance with the circular is unique/GAD/1003/2011-554 date 24 April 2014. We confirm that the company's total expenses relating the uses and maintenance of its office vehicles has been reduced on the previous years and written down value from 31 December 2023.

The Board of Directors has recommended Cash Dividend of Tk. 1.00 per ordinary share (face value of Tk.10.00 each) amounting to Tk.4,30,95,360 for 43095360 ordinary share held on record date i.e. 26 May 2024 for the year ended 31 December 2023.





Declaration by CEO & CFO

24 May 2024
The Board of Directors
Mercantile Islami Insurance PLC
Red Crescent House, 61 Motijheel C/A
(1st Floor), Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on 31 December 2023.

Dear Sirs,
Pursuant to the condition No. 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 Mercantile Islami Insurance PLC for the year ended on 31 December 2023 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), 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;
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 2023 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;
- (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,

(Firoz Ahmed)
Chief Executive Officer

Md. Abdus Salam
Chief Financial Officer



Company's 5 years Performance at a Glance



Mercantile Islami Insurance PLC

Annual Report 2023

FIGURES IN MILLION (TAKA)

Financial Performance	2023	2022	2021	2020	2019
Gross Premium Income	507.45	541.70	531.97	416.66	377.64
Net Premium Income	308.87	315.79	296.54	227.45	191.01
Underwriting Profit	29.66	46.27	50.44	20.59	9.25
Investment & Others Income	95.80	82.02	76.97	78.43	74.14
Net Profit before Tax	47.77	108.66	118.73	93.38	76.95
Reserve & Fund	459.22	479.36	460.93	383.92	342.60
Investments & FDR	1546.64	1474.80	1392.79	1116.99	1009.17
Paid up Capital	430.95	430.95	430.95	430.95	430.95
Shareholders' Equity	851.21	895.43	878.40	821.18	788.53
Total Assets	2508.60	2479.73	2419.93	2240.48	2164.57
Dividend	43.10	43.10	43.10	43.10	30.17
Dividend Percentage	10%	10%	10%	10%	07%
	Cash	Cash	Cash	Cash	Cash
No. of Shares (restated)	43095360	43,095,360	43,095,360	43,095,360	43,095,360
No. of Branches	19	18	15	15	15
Earnings per Share	1.15	1.95	2.08	1.68	1.43
Net Asset Value (NAV)	19.75	20.78	20.38	19.05	18.27

Credit Rating	2023	2022	2021	2020	2019
Long Term	AA	AA	AA	AA-	AA-
Short Term	ST-2	ST-2	ST-2	ST-2	ST-2
Outlook	Stable	Stable	Stable	Stable	Stable

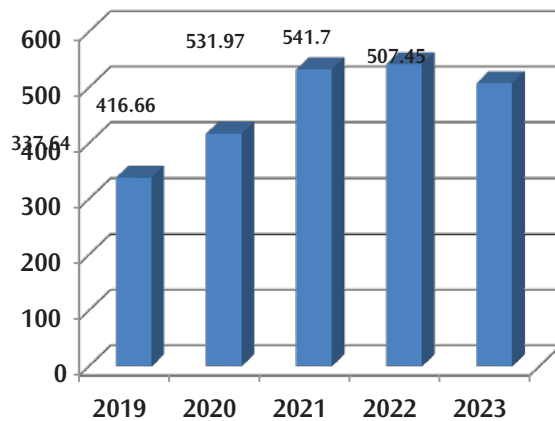


ইসলামী শরী'আহ ভিত্তিক পরিচালিত

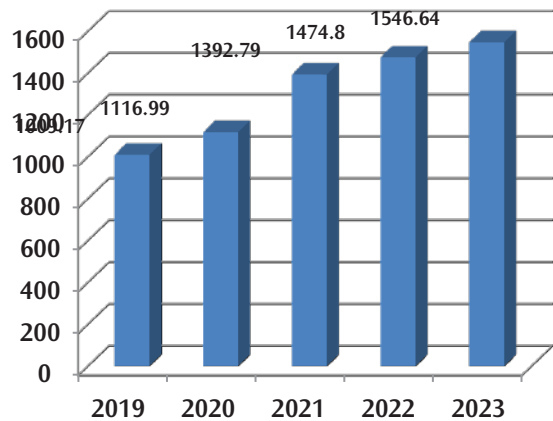
FIGURES IN MILLION (TAKA)



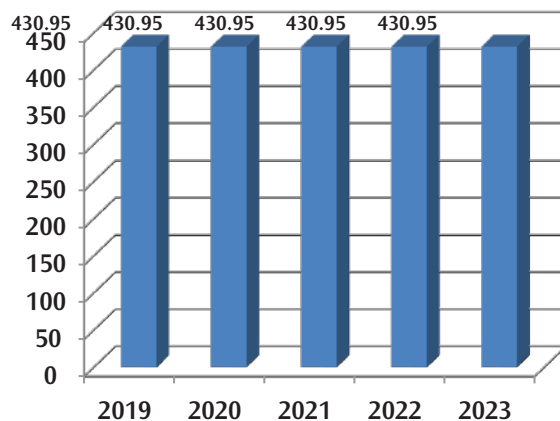
GROSS PREMIUM



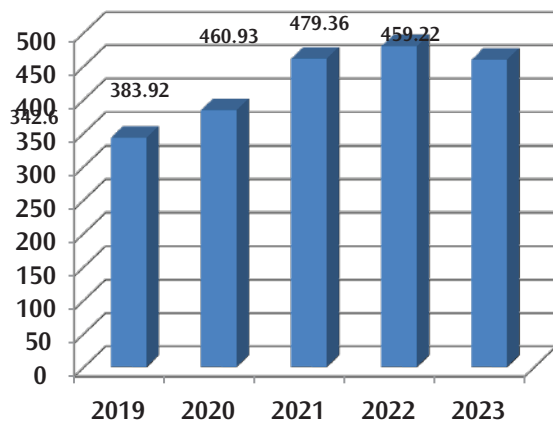
INVESTMENT & FDR



PAID UP CAPITAL



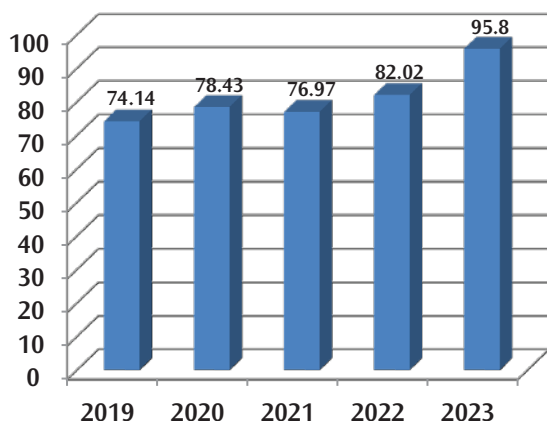
TOTAL RESERVE & FUND



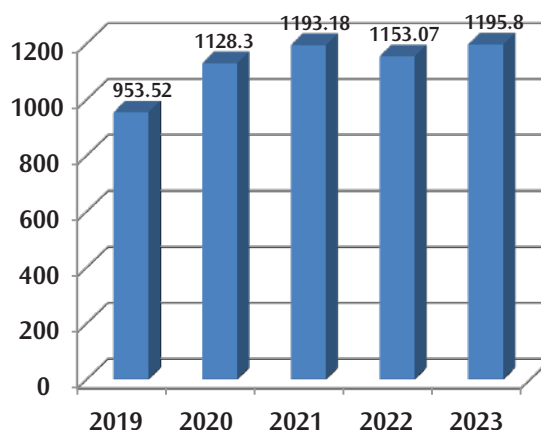
FIGURES IN MILLION (TAKA)



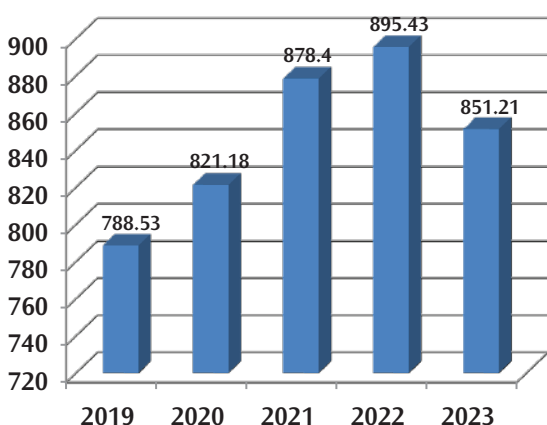
INVESTMENT & OTHER INCOME



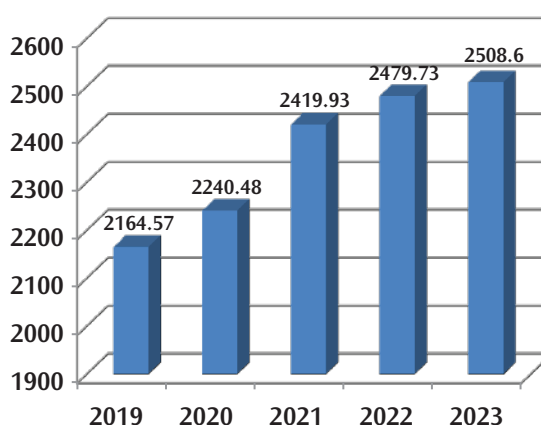
CASH & BANK BALANCES



SHAREHOLDERS EQUITY



TOTAL ASSETS



**We are pleased to Place report that:**

- The financial statement prepared by the Management of the Company present fairly its affairs, the result of its operation, cash flows and changes in shareholders equity.
- Proper books of account of the Company have been maintained.
- 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.
- International Financial Reporting Standard (IFRS), International Accounting Standards (IAS) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern
- There are no significant deviations from last year in operating result of the Company
- The key operating and financial data of preceding five years have been provided
- During the year ended December 31, 2023 the Board of Directors held 12 meetings and the Directors serving on the Board attended in aggregate 60% of the total number of meetings.

1.4 (K) The pattern of shareholding :

As at December 31, 2023 the pattern of shareholding are given below:

- Shareholdings of Parent/Subsidiary/Associate Companies and other related parties: NIL
- Shareholding of Directors, sponsor shareholders, Managing Director & CEO, Company Secretary, CFO and other executives are as under:

(a) Directors/Sponsors

Sl No.	BO Name	No. of Share	% of total no.
01	Abdul Haque	862400	2.00%
02	Dr. Md. Mizanur Rahman	1034880	2.40%
03	Md. Serajul Islam	861907	2.00%
04	Abdur Rahman	862400	2.00%
05	Mohammad Nabi Ullah	862400	2.00%
06	Al-Haj Abdul Mannan Mazumder	862400	2.00%
07	Mohammed Solaiman	861907	2.00%
08	Nurul Azim Sunny	872277	2.02%
09	Shajjad Mustafa	1725400	4.00%
10	Nur Nahar Tarin	1311907	3.04%
11	Aziz Mohammed Ershad Ullah Chowdhury (Chittagong Consortium Ltd.)	863000	2.00%
12	Mohiuddin Ibnul Arabi (China Consortium Ltd.)	863000	2.00%
13	Azad Mustafa (Sifang Securities Ltd.)	863000	2.00%
14	Ahmed Rafae Alif (Merchant Securities Ltd.)	1000000	2.32%
15	Shafique Ahmed (South Green Limited)	863000	2.00%
16	Mr. Mahmood Rahman	287302	0.67%
Total		14857180	34.48%

01	Firoz Ahmed, Chief Executive Officer	Nil	Nil
02	Abdur Rahman, DMD & Company Secretary	Nil	Nil
03	Md. Azim Uddin, Deputy Managing Director	Nil	Nil
04	Md. Abdus Salam, Asstt. Managing Director & CFO	Nil	Nil
05	Md. Nazrul Islam, Asstt. Managing Director	Nil	Nil



Corporate governance is the system by which companies are directed and controlled by the Management in the best interest of all the stakeholders, thereby ensuring greater transparency and timely financial reporting.

The maintenance of effective corporate governance remains a key priority of the Board of Mercantile Islami Insurance PLC. To exercise clarity about Directors responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. Mercantile Islami Insurance PLC considers that its corporate governance practices comply with all the aspects of SEC Notification No. SEC/CMMRRCD/2006-158/207/Admin/80 dated 03 June, 2018. In addition to establishing high standards of corporate governance, Mercantile Islami Insurance PLC also considers best governance practices in its activities. The independent role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary, Chief Financial Officer, different Board Committees allow Mercantile Islami Insurance PLC to achieve excellence in best corporate governance practices.

Board of Directors Composition

The Board of Mercantile Islami Insurance PLC considers that its membership should comprise of directors with an appropriate mix of skills, experience and personal attributes that allow the Directors, individually and the board, collectively, to discharge their responsibilities and duties, under the law, efficiently and effectively, understand the business of the Company assess the performance of the Management.

The Board of Mercantile Islami Insurance PLC comprise of twenty Directors who possess a wide range of skills and experience cover a range of professions, business and service. Each of our Directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensure that the activities of the Company are always conducted with adherence to strict and highest possible ethical standards and in the best interest of the stakeholders.

The Directors are appointed by the shareholders in the Annual General Meeting. Casual vacancies if any are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and Article of the Company. In addition, one third of the Directors retires from the Board every year in the AGM, and re-elected eligible for re-election.

Role and Responsibilities of the Board

The Board is committed to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practice. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all place those arrangements which it considers are in the best interest of the Company and its shareholders, and consistent with its responsibilities to other stakeholders.

The Board of Directors is in full control of the Company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the Company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of Mercantile Islami Insurance PLC sets out its strategic focus and oversees the business and related affairs of the Company. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities, the Board carries out, the following functions as per the charter of the Board.



- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.
- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the Company.
- Ensuring proper decision making and accountability structure throughout the Company so that the staff down the line is fully accountable to the corporate management.
- Delegation to Board Committees and Management and approval of transactions in excess of delegated level.
- Approval of major capital expenditure proposals.
- Critical evaluation of all proposals which require Board's approval and/or directives.
- Regular review of financial performance and overdue situation.
- Appointment and evaluation of the performance of the top Management positions.
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively in the best interest of the Company.
- Monitoring the adequacy, appropriateness and operation of internal controls.

Conduct for the Board Members

The Board of Directors of Mercantile Islami Insurance PLC is committed to the highest standards of conduct in their relationships with its employees, customers, members, shareholders, regulator and the public. A Director of Mercantile Islami Insurance PLC always seeks to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such Director reasonably believes to be not opposed to the best interests of the Company. Endeavour's to avoid having his or her private interest interfere with the interest of the Company. Maintains the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain.

Board Meetings

The meetings of the Board of Director of Mercantile Islami Insurance PLC are normally held at the Registered and Corporate Head Office of the Company. Meeting is scheduled well in advance and the notice of each Board Meeting is given in writing to each Director by the Company Secretary.

The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed regulations are circulated to the Directors in advance for their review. The Members of the Board have completed access of all information of the Company enabling them to work efficiently. Chief Executive Officer, Company Secretary and Chief Financial Officer always attend the Board Meeting and other Senior Management is invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and make necessary presentations.

Internal Control

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. The Company's internal control system have been designed by the Audit Committee with reasonable assurance that assets are safeguarded against unauthorized use by the employees/or management and/or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected with in a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in Mercantile Islami Insurance PLC.





বিসমিল্লাহির রাহমানির রাহিম,

সম্মানিত শেয়ারহোল্ডারগণ, আসসালামু আলাইকুম,

প্রতি বছরের মত আমি বিগত ২০২৩ সালের কোম্পানীর বার্ষিক প্রতিবেদন ও নিরীক্ষিত হিসাব আপনাদের নিকট উপস্থাপন করছি। বিশ্বব্যাপী যুদ্ধ-বিগ্রহে অশান্ত পরিস্থিতি, ডলার সংকট ব্যবসার ক্ষেত্রে আমাদের দেশ ও বহির্বিশ্বে এক অনাকাঙ্ক্ষিত ও কঠিন পরিস্থিতির সৃষ্টি হয়েছে। এ পরিস্থিতি আমদানী-রপ্তানীর ক্ষেত্রে যে প্রভাব ফেলেছে, তথা ব্যাংক এবং আর্থিক খাতে চরম অব্যবস্থাপনাকে ও প্রভাবিত করেছে। ইহা সত্ত্বেও পরিচালনা পর্ষদ প্রিমিয়াম আয় বাড়ানোর জন্য বিভিন্ন দৃষ্টিকোণ থেকে পদক্ষেপ গ্রহণ করেছেন। ফলে আমরা মোটামুটি সফল হয়েছি। এ ব্যাপারে আমাদের মূল্যবান গ্রাহকের ভূমিকা স্মরণ করার মত। বিশ্বের ও বিশ্বায়নের প্রতিযোগিতার মধ্যেও আমরা আশানুরূপ প্রিমিয়াম অর্জন করতে সক্ষম হয়েছি।

ব্যাংক ও আর্থিক প্রতিষ্ঠানের নিকট রাখা আমানতের উপর আমাদের মুনাফা এখন অনেকাংশে বৃদ্ধি পেয়েছে। আমাদের বিশ্বাস আমাদের জনশক্তির দক্ষতা আমাদেরকে এগিয়ে নিয়ে যাবে আগামী দিনের ভালো কিছু প্রত্যাশা।


যাইহোক সকল বাধা বিপত্তি বৈশ্বিক, আর্থিক সংকট ও প্রাতিষ্ঠানিক স্বচ্ছতা আমাদের পরিচালনা পর্ষদ কোম্পানীর সকল শেয়ার হোল্ডারদের মধ্যে ১০% (শতকরা দশ ভাগ) নগদ লভ্যাংশ প্রদানের সুপারিশ করছেন।

কর্ম সম্পাদনের ক্ষেত্রে আইটি অবকাঠামো ও সম্প্রসারিত নেটওয়ার্ক এর মাধ্যমে বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ, বাংলাদেশ ব্যাংক (ফিন্যান্সিয়াল ইনটেলিজেন্স ইউনিট), ঢাকা স্টক এক্সচেঞ্জ পিএলসি, চিটাগাং স্টক এক্সচেঞ্জ পিএলসি, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সাধারণ বীমা কর্পোরেশন, বাংলাদেশ ইস্যুরেন্স এসোসিয়েশন এর সার্বিক ও সামষ্টিক সহযোগীতা আমাদের চলার পথকে সুগম করেছে।

কোম্পানী পরিচালনার ক্ষেত্রে পরিচালনা পর্ষদের অব্যাহত পরামর্শ, সম্মানিত শেয়ার হোল্ডারগণের পরামর্শ ও নির্দেশনা এবং কোম্পানীতে কর্মরত কর্মকর্তা, কর্মচারীগণের অক্লান্ত পরিশ্রমের মাধ্যমে ২৮তম বার্ষিক সাধারণ সভায় আয়োজন করতে পারায় আন্তরিক ধন্যবাদ জানাচ্ছি।

আমার দৃঢ় বিশ্বাস, আগামী বছর গুলিতে আমরা আরও সুন্দর আয়োজন করতে পারবো।

মহান আল্লাহ আমাদের সকলের মঙ্গল করুন।



মোহাম্মদ নবী উল্লাহ

চেয়ারম্যান





REPORT OF THE BOARD OF DIRECTORS OF MERCANTILE ISLAMI INSURANCE PLC THE YEAR ENDED 31st DECEMBER 2023

As per section 184 of the Companies Act 1994 and corporate governance Code as adopted on 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

DEAR SHAREHOLDERS

Assalamu Alaikum. The Directors of the company are pleased to welcome you to the 28th Annual General Meeting of Mercantile Islami Insurance PLC and place before you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended 31st December 2023 for your kind perusal and approval.

We begin with a brief review of the Global economy, Bangladesh economy and take note of the situation prevailing in the insurance sector of the country, followed by a review of the performance of the Company for the year 2023.

BANGLADESH PERSPECTIVE

Despite global meltdown in the economy in the Previous years, Bangladesh economy maintained growth momentum with some slowdown in export growth and in new investment activities. Outlays from national budget provided support to the affected sectors and extended the social safety net to uphold the domestic

demand and economic activities. In spite of some challenges in export earnings and remittance inflows the economic growth demonstrated satisfactory performances maintained by domestic demand. The growth was further accelerated during the year 2023 due to support of the appropriate Fiscal as well as monetary policies of the Government. According to the estimates of Bangladesh Bureau of statistics (BBS) GDP stands 5.7% in FY-23 against 7.1% in FY-22.

CREDIT RATING

Mercantile Islami Insurance PLC, as you know, is rated "AA" by the Alpha Credit Rating reflecting company's very high claim paying ability. The rating helps the company to negotiate better terms with the reinsurers abroad.

RISKS MANAGEMENT

Mercantile Islami Insurance PLC has always been responsive of the risk factors inherent in the insurance industry. With a view to keeping the risks at a tolerable level it identifies, monitors and reviews the risks inherent in every policy or cover note underwritten, continues updating of data base for information and takes corrective and or preventive measures to safeguard the shareholders' interest.



INFORMATION TECHNOLOGY (IT) SYSTEM AND CONTROL

IT System

Mercantile conformed a high-quality Human Resource Policy to build up its every Division with capable employees giving them required suitable in-house training and also external training at home and abroad, if so necessary. With that intent the IT Division was also built with IT professionals having knowledge of both software and hardware. With enthusiastic training and working experience the IT Division has become capable of making required software by themselves to meet up the demands of the other department/divisions. The IT professionals with their ever-changing needs are constantly innovating and producing in-house programs to meet the day-to-day needs of the company's growing and diverse products and services. It has magnificently activated a Wide Area Network (WAN) to connect the entire branch offices situated all over the country on real time basis, with a view to providing unified connectivity and prompt customer services.

As per requirement of IDRA the Company has started online based E-receipt system from March 01, 2022.

IT control

IT systems and control refer to the mechanism and procedure put in place to manage and regulate the operation of information technology systems. Some of areas of focus for IT system and control includes:

1. Access Control: Mercantile has the unique mechanism to ensure that only authorized individuals have access to the IT systems and data.
2. Data Security: Mercantile has regular basis backup policy and redundant server to secured data.
3. Disaster Recovery: Mercantile ensures different types of disaster recovery process to restore data quickly and effectively.

HUMAN CAPITAL MANAGEMENT

It has been an important practice in Mercantile Islami Insurance PLC to always accentuate on professionalism and development of appropriate human resource management policies to enhance the quality of its employees, and to ensure their optimum contribution towards the achievement of its goals. The Company believes that its Human Resources (HR) gives it a significant competitive edge in terms of knowledge and experience. It has continued its policy of recruiting the best people and implementing programs to develop and retain high quality human resources in its various divisions/departments. In line with this Policy, the need-based internal and external training at both home and abroad, is regularly and systematically arranged. The Company also ensures attractive compensation packages and rewards including employee's safety and health including the family members to some extent to assure their retention and provide job satisfaction.



**OUR FUTURE OUTLOOK**

It is apparent that the economic condition would not go well in Bangladesh like the world economy at large in the year 2024. The International Monetary Fund (IMF) has lowered the projection of gross domestic products growth for Bangladesh to 5.7% for the first half year of 2024. The inflation rate is quite higher than it was expected. Recent declaration of the price hike of both electricity and gas for the industries would impact further on inflation. The essential commodity prices have already gone up beyond the earning capacity of general people to expense for services like insurance in Bangladesh. The ongoing dollar shortage in the banking sector is posing a threat to local textile millers and spinners as they have difficulties in opening letter of credit to import raw materials and cotton to feed the country's readymade garment industry.

However, we do believe that Bangladesh will definitely be able to tide over the difficulties posed by the ensuing crisis. We also believe that our primary regulator, Insurance Development and Regulatory Authority (IDRA), would also be able to tide over the prevailing unhealthy competitions taking appropriate regulatory measures. Mercantile Islami Insurance PLC with its prudent insurance services, will remain committed to overcome any challenges of the future and to be in momentum for prudential business growth in 2024.

CORPORATE SOCIAL RESPONSIBILITY

We are social beings living in the society maintaining a good relationship with each other socially. Accordingly we all have a personal responsibility to each other. Whatever is done, it carries effect on other. It is same in case of business large or small, public or private that their actions affect a large number

of stakeholder; such stakeholders include Customers, Shareholders, Employees, Suppliers and Society in general.

With this end in view Mercantile Islami Insurance PLC has been adding due importance and making contribution towards various activities as parts of its CSR efforts for regenerating fruitful contribution in the fields of Health, Education, Support to disabled persons, Sports, Supports to help the underprivileged children, Social activities etc.

FIRE INSURANCE BUSINESS

Mercantile Islami Insurance PLC has underwritten gross premium income of Tk. 156.20 million against Tk. 159.30 million in 2022. After ceding of the re-insurance premium, the net premium is Tk. 64.52 million against Tk. 40.64 million in 2022. The Company earned an underwriting loss of Tk. 158.11 million from this class against Tk. 83.29 million losses in 2022.

MARINE INSURANCE BUSINESS

The Company has underwritten gross premium income of Tk. 234.08 million against Tk. 246.23 million in 2022. After ceding of the re-insurance premium, the net premium of Tk. 176.41 million against Tk. 191.01 million in 2022. The Company earned an underwriting profit of Tk. 86.79 million against Tk. 104.54 million in 2022.

MOTOR INSURANCE BUSINESS

In Motor, the Company has underwritten gross premium income of Tk. 7.19 million against Tk. 9.37 million in 2021. Motor business was lower due to making motor third party liability insurance non-obligatory for motor vehicles by the Bangladesh Road Transport Authority (BRTA). After ceding of the re-insurance premium, the net premium of 7.08 million against



Director's Report



Mercantile Islami Insurance PLC

Annual Report 2023

Tk. 9.27 million in 2022. The Company earned an underwriting profit of Tk. 4.27 million in 2023 against Tk. 4.52 million in 2022.

MISCELLANEOUS INSURANCE BUSINESS

In Miscellaneous, the Company has underwritten gross premium income of Tk. 109.99 million against Tk. 126.81 million in 2022. After ceding of the re-insurance premium, the net premium of Tk. 60.86 million against Tk. 74.86 million in 2022. The Company earned an underwriting profit of Tk. 37.39 million in 2023 against Tk. 20.50 million in 2022.

INCOME FROM INVESTMENT

Interest income derived from banks and non-banking financial institutions increase to Tk. 94.27 million from Tk. 79.05 million in 2022. The dividend income Tk. 13.02 million from Tk. 10.32 million in 2022.

PROFIT AND LOSS ACCOUNT

Particulars	BDT 2023	BDT 2022
Gross Premium	507450184	541,704,640
Net Premium	308873677	315,785,957
Underwrite Profit/Loss	(29661214)	46,270,130
Interest Income	81243152	68,733,005
Dividend Income	13024016	10,322,621
Profit before tax	47770207	108,660,615
Provision for tax	2251606	25,014,653
Divisible profit	43378258	68,603,192

DIVIDEND

Subject approval of the Annual General Meeting from the retained earnings/divisible profit of 2023 the Board of Directors of the company recommended 10% Cash dividend for the year ended 2023.

ASSETS

The assets of the company increased to Tk. 2508.60 million from Tk. 2479.73 million in 2022. The value of the assets was increased by 1.16% from previous year.

DIRECTORS

Sponsor Directors:

According to the Articles of Association of the company, the following directors retire at the 28th Annual General Meeting and being eligible they offer themselves for re-election:

1. Md. Abdul Haque
2. Al-haj Abdul Mannan Mazumder
3. Md. Serajul Islam
4. Abdur Rahman

DIRECTORS FROM PUBLIC SUBSCRIBERS:

In accordance with the provisions of Insurance Act, 2010 and the Articles of Association of the company half of the total number of sponsor directors shall be the directors from public subscribers. In practice due to imposition of BSEC Notification dated 21 May 2020 "Each director other than independent director of any listed company shall hold minimum 2% (two percent) shares of the paid-up capital, otherwise there shall be casual vacancy of director.

STATUTORY AUDITORS

Pursuant to Section 210 of the Companies Act 1994 and the BSEC guidelines the company's statutory auditors



M/s. Kazi Zahir Khan & Co. Chartered Accountants, retire and being eligible offer their services for another year as they qualify for reappointment.

REPORTING & COMPLIANCE AUDITORS

As per Corporate Governance Code 9(2) of BSEC Notification dated 3 June 2018, the compliance auditors of the company **M/s. Zoha Zaman Kabir Rashid & Co.** Chartered Accountants.

PROSPECTS FOR 2023

Respecting the insurance laws Mercantile Islami Insurance PLC would go forward to establish itself among the insurers to whom the insured may keep faith. Insurance Development & Regulatory Authority (IDRA) has already been in the process to restructuring the existing system of insurance market scenario amidst the unseen but strong negative agents to obstruct the long awaiting development. Through circular No: 75 it is going to convert the development officers to insurance agent effecting huge reduction in the expenses of management of the insurance companies. We hope that IDRA's measures would work positively and MERCANTILE ISLAMI INSURANCE PLC would find a congenial atmosphere in the non-life insurance sector.

CORPORATE AND FINANCIAL REPORTING

Mercantile Islami Insurance PLC has complied with all the requirements of Corporate Governance Code as required by the Bangladesh Securities & Exchange Commission. Accordingly, the Directors are pleased to confirm the following: (a) The Financial statements together with notes

thereon have been prepared in conformity with the Companies Act, 1994, Insurance Act, 2010 and in some applicable cases Insurance Act, 1938 and Securities & Exchange Commission Rules, 1987. These statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity. (b) Proper books of account of the Company have been maintained. (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment. (d) International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements. (e) The system of internal control is sound in design and has been effectively implemented and monitored. (f) There are no significant doubts about the company's ability to continue as a going concern. (g) No bonus share or stock dividend has been declared as interim dividend.

BOARD MEETING ATTENDANCE

During the year, Twelve Board Meetings were held.

PATTERN OF SHAREHOLDING

Pattern of shareholding as per clause 1.S(xxiii) of BSEC Notification No: the BSEC Notification No: BSEC/CMRRC-D/2006-158/207/Admin/80 dated 23 May 2023.



EXTRAORDINARY ACTIVITIES

During the year there were no such event of extraordinary nature and the company did not suffer or gain any loss or gain from such activities.

RELATED PARTY TRANSACTIONS

Related Party Transactions, as per clause 1.S(vi) of BSEC Notification No: BSEC/CMR RCD/2006-158/207/Admin/80 dated 3 June 2018, are shown in Notes to the Financial Statement.

BRIEF RESUME OF THE DIRECTORS

Brief resume of the Directors, as per clause 1.S(xxiv) of BSEC Notification No: BSEC/CM RCD/2006-158/207/Admin/80 dated 3 June 2018.

BRIEF MANAGEMENT'S DISCUSSION AND ANALYSIS SIGNED BY

THE CHIEF EXECUTIVE OFFICER

The brief management's discussion and detailed analysis of the Company's position and operations along with discussion of changes in the financial statements.

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER TO THE BOARD OF DIRECTORS

The Chief Executive Officer and Chief Financial Officer have performed their duties as per the rules, responsibilities and duties as prescribed by the board.

INTERNAL CONTROL SYSTEM DISCLOSURE

The Board of Directors takes the responsibility for the oversight of MERCANTILE ISLAMI INSURANCE PLC, insurance business and management including risk management and putting up internal controls.

The Directors state that the systems of internal control are sound and have been implemented and monitored effectively.

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

Pursuant to the clause 5(7) of the BSEC Notification No: BSEC/CMRRC D/2006-158/207/Admin/80 dated 3 June 2018, the activities of the Audit Committee have been shown in Corporate Governance Chapter.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors constituted a four-member Nomination and Remuneration Committee (NRC) as a sub-committee of the Board to comply with the BSEC notification dated 03 June 2018. The Committee 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 executives. Pursuant to the clause 6(2) of the BSEC Notification No: BSEC/CM RCD/2006-158/207/Admin/80 dated 3 June 2018, the activities of the Nomination and Remuneration Committee have been shown in Corporate Governance Chapter.

CORPORATE GOVERNANCE COMPLIANCE REPORT

The Board of Directors of Mercantile Islami Insurance PLC committed to adopting the highest governance standards and improving those standards as required protecting the interest of stakeholders and policy holders of the company. The Board continues to provide direction to the management, approve strategic decision and policies to attain predetermined goals and objectives





of the company. Certificate from auditors on compliance with the conditions as per clause 7(1) of the BSEC Notification No:SEC/CMRRC D/2006-158/207/Admin/80 dated 23 May 2023.

ACKNOWLEDGEMENT

The Board of Directors deeply appreciated the gracious co-operation extended by the Government of the People's Republic of Bangladesh. Particularly, Ministry of Finance, Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Ltd, Financial Reporting Council Bangladesh. The Board also like to put on record its appreciation for the services rendered by express its deep gratitude to respected shareholders of the Company for their support and guidance. The Board also would like to thanks Bangladesh Bank, all schedule Banks and Financial Institution, valued clients, patrons and well-wishers who have been extending their continued support, co-operation and encouragement.

We thanked our members of the Board of Directors for their continuous help and advice in all respects, our Chief Executive Officer, all our officer and stuffs in various aspects of the company for their loyalty, devotion, relentless drive and accelerated skills for the present position.

At the end I pray to almighty Allah for the continuous progress of the company.

Thank you all,

For and on behalf of The Board of Directors

Mohammad Nabi Ullah
Chairman



Annexure-1

1. INTRODUCTION AND OBJECTIVE

This Policy has been framed in accordance with Bangladesh Securities and Exchange Commission (BSEC) directive no.- BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and amendments thereto. The Board will have the flexibility to determine the level of dividend based on the considerations laid out in the policy.

The objective of this policy is to set out the principles and criteria to be considered by the Board of Directors before Mercantile Islami Insurance PLC recommending and distributing dividend to the shareholders of Mercantile Islami Insurance PLC (MIPLC or 'the Company') for a financial year.

2. CRITERIA AND APPROVAL FOR DIVIDEND DISTRIBUTION

- (i) Statutory and Regulatory requirements The Company shall declare and distribute dividend only after ensuring compliance with the provisions of Companies Act, 1994, the Insurance Act 2010, Dhaka Stock Exchange (Listing) Regulations 2015 and other relevant regulations made by BSEC and amendments there to, and guidelines provided in the Articles of Association (AOA) of the Company.
- (ii) Financial Criteria:
 - a) Profit earned during the financial year;
 - c) Investment required for the Company;
 - e) Target solvency requirements
 - g) Other factors and/or material events which the Board may consider.
 - b) Accumulated reserves;
 - d) Expected future capital/liquidity requirements;
 - f) Interim dividend paid, if any; and
- (iii) The decision regarding dividend shall be taken only by the Board at its Meeting and not by a Committee of the Board or by way of a Resolution passed by circulation. Final dividend shall be paid only after approval at an Annual General Meeting (AGM) of the Company. Shareholder approval is not required for payment of interim dividend.

3. CATEGORY AND TYPES OF DIVIDENDS

Articles of Association of the Company provides two forms of Dividend- a) Final and b) Interim:

- (i) Final Dividend: The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the General meeting of the Company.
- (ii) Interim Dividend: The Board of Directors may declare interim dividend during any financial year or at any time during the period before closure of financial year as in their judgment the position of the Company justifies.
Provided that no bonus/ stock share will be declared as interim dividend.

The Company shall declare two types of dividend-

- i. Cash Dividend
- ii. Stock Dividend/ Bonus shares

4. PROCESS FOR DECLARATION AND DISTRIBUTION OF DIVIDEND

The Board of Directors recommends/declares and distributes dividend as per the provisions of the Companies Act 1994, Articles of Association of the Company and BSEC's guidelines/notifications.

- i. Interim dividend will be paid off to the entitled shareholder within 30 days of record date.
- ii. Final dividend will be paid within 30 days of approval of shareholders at the Annual General Meeting.
- iii. The Company shall ensure that the amount of cash dividend shall be deposited in a scheduled bank in a separate account within stipulated time specified by the Regulators and pay directly to the bank account of entitled shareholder as available in BO account maintained with Depository Participant (DP) or provided by shareholder in paper form through Bangladesh Electronic Fund Transfer Network (BEFTN). In case of margin loan, cash dividend will be paid off to Consolidated Customers' Bank Account (CCAB) as provided by the merchant banker or portfolio manager within stipulated time prescribed by the Company.



Dividend Distribution Policy

- iv. Undistributed/unclaimed cash dividend shall be deposited in a scheduled bank in a separate account and dividend including interest thereon for a period of 3 years from the date of declaration or approval shall be transferred to the fund as directed or prescribed by BSEC.
- v. The Company shall credit stock dividend or bonus shares directly to the BO account or issue bonus share certificate of the entitled shareholder, as applicable, within 30 days of declaration or approval, as the case may be, subject to clearance of the Dhaka Stock Exchange Ltd and Central Depository Bangladesh Ltd (CDBL).
- vi. Undistributed bonus shares shall be held in a Suspense BO account under Block Module with CDBL and unclaimed bonus shares for a period of 3 years from the date of declaration or approval shall be transferred in dematerialized form to the BO account as directed or prescribed by BSEC.

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of the Company may vary the level of dividend or not recommend any dividend based on regulatory eligibility criteria or restriction placed on the Company for recommending dividend. The Board may recommend lower dividend or not recommend any dividend based on capital and solvency position, need to conserve capital or funds. required for contingencies or unforeseen future events. The Board may recommend higher dividends, subject to applicable regulations, if the capital and solvency margins support a higher distribution to shareholders.

6. REVIEW AND MODIFICATIONS

The Board shall review this policy on annual basis or as and when required by the law. The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act 1994 and BSEC's Regulations/Notification or Guidelines etc.

7. LIMITATION AND AMENDMENTS

In the event of any conflict between the provisions of this Policy and of the Companies Act 1994 or Listing Regulations or BSEC's guidelines or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments or rules shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

8. DISCLOSURE

The Company shall make appropriate disclosures as required under BSEC's guideline/directive dated 14 January 2021.

DIVIDEND and AGM History

The company was mortified to Public Limited Company in the year-2004 and from and thereafter we started journey to approve dividend.

Year End	AGM	Date of AGM	Stock (%)	Cash (%)
2022	27 th	26-06-2023	-	10%
2021	26 th	23-06-2022	-	10%
2020	25 th	30-06-2021	-	10%
2019	24 th	27-09-2020	-	07%
2018	23 th	30-06-2019	-	10%
2017	22 nd	30-06-2018	-	10%
2016	21 st	29-06-2017	-	10%
2015	20 th	26-06-2016	-	10%
2014	19 th	09-06-2015	-	10%
2013	18 th	16-06-2014	-	10%
2012	17 th	26-06-2013	12%	-
2011	16 th	27-06-2012	10%	-
2010	15 th	27-06-2011	12%	-
2009	14 th	28-06-2010	10%	-
2008	13 th	23-06-2009	-	10%
2007	12 th	29-06-2008	-	10%
2006	11 th	28-06-2007	-	10%
2005	10 th	29-06-2006	-	10%
2004	9 th	28-06-2005	-	10%





Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

জোহা জামান কবির রশীদ এন্ড কোং
চार्टার্ড একাউন্টেন্টস

CERTIFICATE OF COMPLIANCE ON CONDITION OF THE CORPORATE GOVERNANCE GUIDELINES

**Report to the Shareholders of Mercantile Islami Insurance PLC on
[As required under the Bangladesh Securities and Exchange Commission (BSEC)]**

We have examined the compliance status to the Corporate Governance Code by **Mercantile Islami Insurance PLC** for the year ended on December 31, 2023. This Code relates to the Notification No BSEC/CMRRCD/2009-193/66/PRD/148--- dated 16 October 2023 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion,

- Except for condition No. 1(3)(a) & 6(1)(c) the Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws;
- The governance of the company is satisfactory;

Place: Dhaka
Dated: June 09, 2024



Tarek Rashid
Partner, Enrolment No. 1363
Zoha Zaman Kabir Rashid & Co
Chartered Accountants

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.
Corporate office: House 6/B, Road 32, Level 7 & 8, Gulshan 1, Dhaka 1212, Bangladesh.
Tax office: Rupayan Karim Tower, 80, Kakrail, Level-7, Suite # 7A, Dhaka 1000, Bangladesh.
T: +8809609-006260, E: info@zzkrca.com, W: www.zzkrca.com

A member of

Independent legal & accounting firms

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Certificate of Renwal of Registration of IDRA

Annual Report 2023

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INSURANCE DEVELOPMENT AND REGULATORY AUTHORITY



IDRA
B A N G L A D E S H

নিবন্ধন নবায়নের সনদ
(প্রবিধান ৭(৩) দ্রষ্টব্য)

নিবন্ধন নম্বর : সিআর-৬/৯৬ (বীমা অধিদপ্তর)

নিবন্ধন নবায়নের তারিখ : ০১ জানুয়ারি, ২০২৪ ইং।

বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) এর ধারা ১১ মোতাবেক ০১ জানুয়ারি, ২০২৪ ইং
হতে ৩১ ডিসেম্বর, ২০২৪ ইং সাল পর্যন্ত মার্কেটাইল ইসলামী ইন্স্যুরেন্স পিএলসি এর নিবন্ধন সনদ
এতদ্বারা নবায়ন করা হলো।

ইস্যুর তারিখ: ০৪-০৪-২০২৪


চেয়ারম্যান
বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ



IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA IDRA



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2024/251



Date of issue : June 12, 2024

Renewed Certificate

This is to certify that

MERCANTILE ISLAMI INSURANCE PLC

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2024.




Secretary General





Membership Renewal Certificate of BIA

Annual Report 2023



বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন Bangladesh Insurance Association

সূত্র : বিআইএ-১(৩৪)/২০২৩- 305(০১)

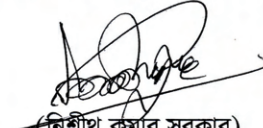
তারিখ : নভেম্বর ২১, ২০২৩

বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন-এর সদস্য পদ হালনাগাদ এর জন্য প্রত্যয়নপত্র

এতদ্বারা প্রত্যয়ন করা যাচ্ছে যে, মার্কেটাইল ইসলামী ইন্স্যুরেন্স পিএলসি বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন-এর সদস্য।

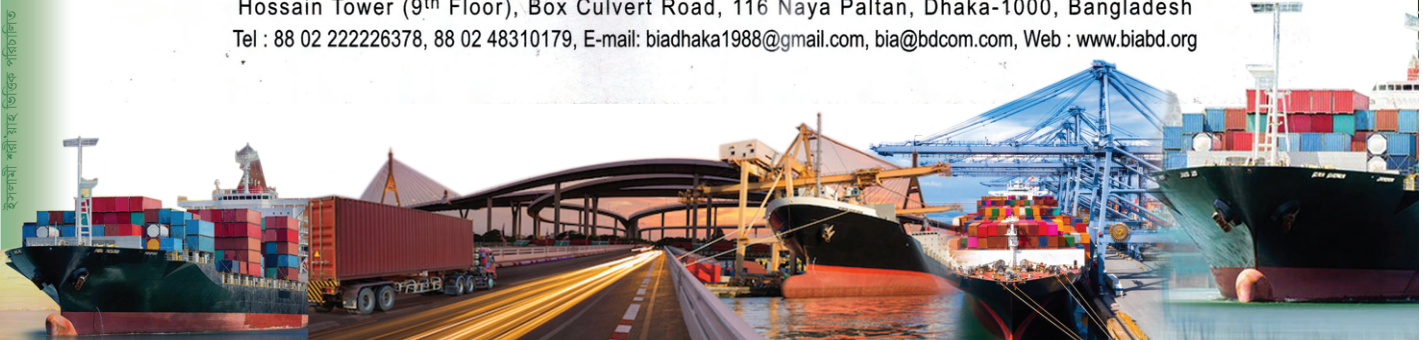
এই প্রত্যয়নপত্র ২০২৪ সালের জন্য লাইফ/নন-লাইফ বীমা ব্যবসা করার নিমিত্তে বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ-এর নিকট থেকে নিবন্ধন নবায়নের জন্য হালনাগাদ সনদ।

বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন-এর পক্ষে


(নিশীথ কুমার সরকার)
সেক্রেটারী জেনারেল

মুখ্য নির্বাহী কর্মকর্তা
মার্কেটাইল ইসলামী ইন্স্যুরেন্স পিএলসি
রেডক্রিসেন্ট হাউজ (২য় তলা)
৬১ মতিঝিল বা/এ,
ঢাকা-১০০০।

Hossain Tower (9th Floor), Box Culvert Road, 116 Naya Paltan, Dhaka-1000, Bangladesh
Tel : 88 02 22226378, 88 02 48310179, E-mail: biadhaka1988@gmail.com, bia@bdcom.com, Web : www.biabd.org



Directors' Certificate



Mercantile Islami Insurance PLC

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As per Regulations contained in the First Schedule of the Insurance Act, 1938 and as per Section 63(2) of the Insurance Act, we certify that :

1. The value of investment as shown in the Balance Sheet has been taken at the cost.
2. The value of assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2023 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realisable or market value under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Firoz Ahmed
Chief Executive Officer

Mohiuddin Ibnul Arabi
Director

Nazrul Azim Sunny
Director

Mohammad Nabi Ullah
Chairman

Place: Dhaka
Dated: April 29, 2024





Corporate Governance Compliance Report

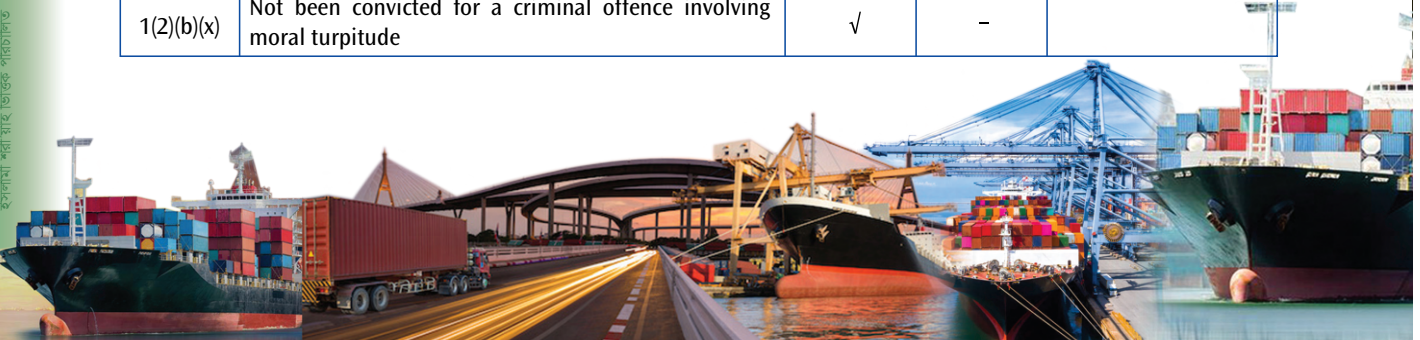
ANNEXURE-C

[As Per Condition No. 1(5)(XXVII)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRC-D/2006-158/207/Ad-min/80 dated 3 June 2018 and Notification No. BSEC/CMRRC/2009-193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969): (Report under Condition No. 9)

Report on Compliance of Corporate Governance Guidelines of Mercantile Islami Insurance PLC
BSEC/CMRRC/2006-15/207/Admin/80, Dated 03, 2018

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: shall not less than 5 and not more than 20	√	–	The Board of Directors Followed the orders of Primary regulators.
1(2)	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors	√	–	Complied As per insurance Act 2010
1 (2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company	√	–	No Such Incidence
1 (2)(b)(ii)	Not a sponsor/not connected with any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds 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 are also not allowed to hold more than 1% shares of the total paid-up shares of the Company	√	–	
1(2)(b)(iii)	Not an executive of the Company in immediately preceding 2 (two) financial years	√	–	
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies	√	–	
1(2)(b)(v)	Not a member or TREC holder/director/officer of any stock exchange	√	–	
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of any stock exchange or an intermediary of the capital market	√	–	
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any concerned statutory audit firm or any firm that is already engaged with the Company	√	–	
1(2)(b)(viii)	Not an independent director in more than 5 (five) listed companies	√	–	
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non payment of any loan or advance or obligation to a bank or a financial institution;	√	–	
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	√	–	



Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

Annual Report 2023

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1(2)(c)	Shall be appointed by the Board, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) and approved by the shareholders in the AGM	√	-	
1(2)(d)	The post cannot remain vacant for more than 90 (Ninety) days	√	-	
1(2)(e)	The tenure of office shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√	-	
	Provided that a former independent director may be reappointed for another tenure after a time gap of 3 years from his/her completion of consecutive two tenures. The independent directors shall not be subject to retirement by rotation	√	-	No Such Incidence
1(3)	Qualification of Independent Director			
1(3)(a)	shall be a knowledgeable individual with integrity and able to ensure compliance with relevant laws as well as able to make meaningful contribution to the business	√	-	
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 registered business association		-	Not applicable
1(3)(b)(ii)	Corporate leader usually top level executive not lower than CEO/MD/AMD/DMD/COO/CFD/Head of Finance or Accounts/CS/HIAC/Head of Administration and Human Resources or any other person who holds equivalent position and same level or ranked or salaried officials of a unlisted company having paid-up capital of Tk. 100.00 million or of a listed company or	√	-	
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law		-	Not applicable
1(3)(b)(iv)	University Teacher having educational background in Economics or Commerce or Business Studies or Law or	√	-	
1(3)(b)(v)	Professional including practicing advocate at least in the High Court Division of Bangladesh Supreme Court/-CA/CMA/CFA/CCA/CS/equivalent qualification	√	-	





Corporate Governance Compliance Report

Annual Report 2023

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1(3)(c)	Minimum 10 years of experience	√		
1(3)(d)	Relaxation in special cases as to qualifications of independent director		√	
1(4)	Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the			
1(4)(a)	The position of the both shall be filled by different individuals	√		
1(4)(b)	MD/ CEO shall not hold same position in any other listed company	√		
1(4)(c)	Chairperson shall be a non-executive director	√		
1(4)(d)	Clear defined roles & responsibilities for both of them	√		
1(4)(e)	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting			No such evidence
1(5)	Directors' Report to Shareholders			
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)	Risks and concerns	√		
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)			Not applicable
1(5)(vi)	A detailed discussion on related party transactions	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			Not applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			Not applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			No such evidence
1(5)(x)	Remuneration paid to the directors including independent directors	√		N/A
1(5)(xi)	Fairness of financial statements	√		
1(5)(xii)	Maintenance of proper books of accounts	√		
1(5)(xiii)	Adoption of appropriate & consistent accounting policies and estimates	√		
1(5)(xiv)	Follow of IAS, IFRS in preparation of the financial statements and any departure there from has been adequately disclosed			The Company follows IFRSs and IASs, as applicable in Bangladesh, along with local regulations applicable for preparation of financial statement.
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored			



Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

Annual Report 2023

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	N/A		No such evidence
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 on the reasons if the issuer company has not declared dividend (cash or stock) for the year			No such evidence
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			No such evidence
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)	shares held by Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		N/A
1(5)(xxiii)(b)	Report on shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, ead 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)			N/A
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director			N/A
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas and			N/A
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board			N/A



Corporate Governance Compliance Report

Annual Report 2023

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
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 a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	future plan or projection or forecast for company’s operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed 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(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical related to products or services, which have business confidentiality.	√		



Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

Annual Report 2023

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1(6)	Meeting of the Board of Directors:			
	Meeting of the Board of Directors shall conduct Board meetings and record the minutes as per BSS	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct for the Chairman, other Board members and Chief Executive Officer	√		
1(7)(b)	Availability of Code of Conduct on the website of the Company	√		
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Same provisions shall be applicable for composition of the Board of the holding and the Board of the subsidiary	–		N/A
2(b)	At least one independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company	–		N/A
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	–		N/A
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	–		N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	–		N/A
3	MD or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3(1)(a)	Appointment of MD or CEO, CFO, HIAC and CS			
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC don't hold any executive position in any other company at the same time. Provided that CFO or CS of any listed company maybe appointed for the same position in any other listed or non listed compnay under the same group for reduction of cost or for technical expertise with prior approval of commisssion. Also provided that in that case remuneration and perquisite of the said CFO or CS shall be shared by appointning companies proportionately.	√		
3(1)(d)	Clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS			
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings:			
	Attendance of MD or CEO, CS, CFO and HIAC in the meetings of the Board	√		



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Corporate Governance Compliance Report

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
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)	Does not contain materially untrue statement and omit any material fact in the financial statements certified by MD & CFO	√		
3(3)(a)(ii)	True & fair view of financial statements certified by MD & CFO	√		
3(3)(b)(iii)	Certification of MD and CFO regarding financial statements	√		
3(3)(c)(iv)	Annual Report contains certification of MD & CFO on financial statements	√		
4	Board of Directors' Committee			
4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees:	√		
4(ii)	An Audit Committee A Nomination & Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	Audit Committee as sub-committee of the Board	√		
5(1)(b)	Assistance of the Audit Committee to the Board	√		
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	Audit Committee composition: at least 3 members	√		
5(2)(b)	All members are to be non-executive directors except chairman of the board and one member shall be an independent director	√		
5(2)(c)	Financial literacy & minimum 10 years' experience of members			
5(2)(d)	Vacancy of office of audit committee member, in case of his/ her expiry or inability to hold office cause to lower the members number 3, the Board shall fill up the vacancy within 60 (sixty) days.			No such Incidence
5(2)(e)	The company secretary shall act as the secretary of the Committee			
5(2)(f)	The quoram of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			



Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	An independent director shall be Chairman of the committee	√		
5(3)(b)	In the absence of regular Chairperson of the audit committee, the remaining members may elect one of themselves as chairperson for that meeting and the reason of absence of regular chairperson shall be duly recorded in the minutes of the meeting	√		
5(3)(c)	In the absence of Chairperson, any other member of the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the regular Chairperson of the AC shall be recorded in the minutes of the AGM.			No such Incidence
5(4)	Meeting of the Audit Committee:-			
5(4)(a)	At least four meetings in a financial year	√		
5(4)(b)	Quorum: two members or 2/3 of total audit committee member	√		
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and Principles	√		
5(5)(c)	Monitor Internal Audit & Compliance Process	√		
5(5)(d)	Oversee hiring and performance of external Auditors	√		
5(5)(e)	Meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
5(5)(h)	Review the adequacy of internal audit Function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Declaration of the Committee regarding utilization of the proceeds raised through IPO,RPO or Right Share Offer.			N/A





Corporate Governance Compliance Report

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Report on its activities	√		
5(6)(a)(ii)(a)	Report on conflicts of interests			No such Incidence
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularities or material defect identified in compliance process or financial statements	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances			No such evidence
5(6)(a)(ii)(d)	Material deficiency in internal control			
5(6)(b)	Report on unreasonably ignored rectification to the Commission			No such evidence
5(7)	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	NRC as a sub-committee of the Board			
6(1)(b)	Assists the Board in formulating NRC policy			
6(1)(c)	Clearly defined terms of reference of NRC			
6(2)	Constitution of the NRC			
6(2)(a)	At least three members including an independent director	√		
6(2)(b)	At least 02 (two) 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 reserve the authority to remove and appoint any member of the Committee;	√		
6(2)(e)	The Board shall fill the vacancy within 180 days in case of death, resignation, disqualification, or removal of any member			No such evidence
6(2)(f)	The Chairperson may appoint external expert for advice or suggestion	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	Quorum: at least an independent director	√		
6(2)(i)	No remuneration other than director fees/honorarium for any member			
6(3)	Chairperson of the NRC			
6(3)(a)	Chairman: an independent director			No such evidence
6(3)(b)	In the absence of regular Chairman, elected Chairman from other members	√		
6(3)(c)	Chairman's presence in annual general meeting to answer the queries of the shareholder	√		



Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
6(4)	Meeting of the NRC			
6(4)(a)	At least one meeting in a financial year	√		
6(4)(b)	Any emergency meeting upon request by any member of the NRC	√		
6(4)(c)	Quorum: Higher of two members or 2/3 of total members including at least one independent director	√		
6(4)(d)	Proceedings of the meeting shall duly recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	shall oversee, among others, the following matters and make report with recommendation to the Board;	√		
6(5)(b)(i)(a)	Remuneration shall be reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6(5)(b)(i)(b)	Clear relationship among remuneration, performance & benchmarks	√		
6(5)(b)(i)(c)	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	√		
6(5)(b)(iii)	Identification of qualification of directors and recommendation for appointment and removal	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	Identifying needs for employees and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	Nomination and remuneration policy, the evaluation criteria and activities of NRC during the year in its annual report.	√		
7	External or Statutory Auditors			
7(1)(i)	Not involved in appraisal or valuation services or fairness opinions	√		
7(1)(ii)	Not involved financial information systems design and implementation	√		





Compliance status of Corporate Governance Guidelines issued by IDRA

ANNEXURE-A

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
7(1)(iii)	Not involved in book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	Not involved as broker-dealer services	√		
7(1)(v)	Not involved in actuarial services	√		
7(1)(vi)	Not involved in internal audit services or special audit services	√		
7(1)(vii)	Not involved in any service that the Audit Committee determines	√		
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	√		
7(1)(ix)	Not involved in any other service that creates conflict of interest	√		
7(2)	No partner or his/ her family or employees of the external audit firms hold any share at least during audit work	√		
7(3)	Auditors' or their representative presence in the AGM	√		
8	Maintaining a website by the Company			
8(1)	An official website linked with the website of the stock exchange	√		
8(2)	A website functional from the date of listing	√		
8(3)	Available detailed disclosures on its website as required under the listing regulations of the stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.	√		
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM	√		
9(3)	Compliance status as Annexure-C in the directors' report	√		



Compliance status of Corporate Governance Guidelines issued by IDRA



Mercantile Islami Insurance PLC

Annual Report 2023

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
5	Governance framework			
	Governance framework should have a system which ensure the rights of the shareholders and policy holders through designing appropriate policy	√		
6	The Board and its Director			
6.1	Composition of the Board			
	The Board shall consist of at best 20 (twenty) members with minimum 2 (two) independent directors.	√		
6.2	Board of Directors and its Directors			
	The Company should have a policy of appointing and reappointing of directors emphasizing on the Insurance Act, 2010. The policy should include the disqualification for selecting directors, section of Chairman and Vice- chairman. Reasons for absence of Chairman and Vice – chairman in the meeting shall be recorded in the minutes;	√		
6.3	Independent Director			
	A. There should prerequisites for selecting independent director. B. i. The Board shall appoint the independent director and shareholder in the general meeting shall ratify the appointment. ii. Post of the independent director shall not remain vacant for more than 90 days. iii. Tenure of the independent director shall be for 3 (three) years which can be extended for 1 (one) term only. After period of one term, he can be eligible for reappointment. C. Qualification of Independent director There are some qualification and experience shall be construed as qualification of independent director.	√		
6.4	Role of the Board			
	The core responsibility of the Board is to guide the company for efficient and effective management for attaining long term goal of the company. In this regard, the Board shall formulate the policies and governance guidelines.	√		
6.5	Code of Conduct of the Board			
	The Board shall formulate a code of conduct for all employees including the Chairman, Directors and Chief Executive Officer.	√		
7	Committees of the Board			
7.1	To ensure good governance in the company , the Board should have at least the following committees: 1. Audit Committee. 2. Nomination & Remuneration Committee.	√		Under process. So their activities are still awaited.

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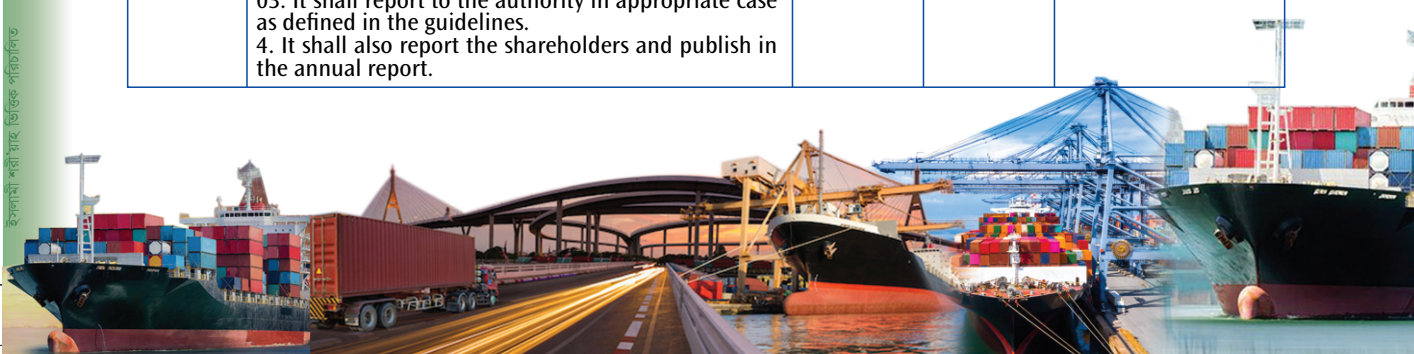


Compliance status of Corporate Governance Guidelines issued by IDRA

Mercantile Islamic Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
7.2	Audit Committee			
	A. The committee shall review the financial statements as well as oversee the functions of internal and external auditors.	√		
	B. Formation of Audit Committee			
	1. The Committee shall consist of 3 (three) members; 2. It comprises of 1 (one) Non- executive director other than the chairman of the Board and 1 (one) independent director. 3. All members should have the literacy about accounting and at least 1 (one) member should have 10 (ten) years relevant experience. 4. Member vacancy shall be filled within 1 (one) month. 5. Company Secretary shall act as the Secretary of the committee.	√		
	C. The Chairman of The Committee			
	1. Independent director shall be the chairman of the committee. 2. In case of absence of Chairman other member can act as chairman but one independent director shall be present in the meeting. 3. The chairman of the audit committee shall attend the meeting, in case of absence of the chairman any member may be selected to attend the AGM, but the reason of absence shall be minute in the AGM minutes.	√		
	D. Meeting of the committee			
	1. At least 4 (four) meeting shall be conducted. Meeting can be held with the requisition of any member in case of any emergency. 2. The quorum of the meeting shall be minimum 2 and two third members including one Independent Director.	√		
	E. Role of the Audit Committee			
	The Board shall form a Term of Reference (ToR) of the as per this guideline.			
	F. Rights of the Committee			
	The committee shall have the unrestricted access to all relevant data, reports, documents and information along with the chief executive, intered Audit Committee, actuary and others Concerned officers.	√		
	G. Report of the committee			
	1. The committee shall report to the Board of its regular activities. 2. It shall also report the board for any sensitive issued as defined in the guidelines. 03. It shall report to the authority in appropriate case as defined in the guidelines. 4. It shall also report the shareholders and publish in the annual report.	√		



Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
8	Nomination & Remuneration Committee			
	A. Nomination & Remuneration Committee shall assist the board in evaluation and determining the role and remuneration of employees including the senior management.	√		
	B. Formation of NRC			
	1. Committee members shall be appointed by the Board. 2. At least there shall be 4 (four) members including 1 (one) Independent Director. 3. Chairman of the board can be included in the committee but he shall not be appointed as the chairman of the committee. 4. Board can appoint, remove any members and reasons for removal shall be minutes. 5. Vacancy of any member shall be filled within 180 (one hundred and eighty) days. 6. Company Secretary shall act as the Secretary of the committee.	√		
	C. Chairperson of NRC			
	1. The board shall appoint 1 (one) director as the chairman of the committee. 2. Members can select a chairman in the absence of the chairman of the committee, but reason of regular chairman shall be minutes. 3. Chairperson shall attend the AGM for responding any queries of the shareholders.	√		
	D. Meeting of NRC			
	1. At least 2 (two) meeting shall be conducted. 2. Chairperson can hold any meeting on emergency basis. 3. The quorum of the meeting shall be minimum of 2 and two third members including 1 (one) independent director.	√		
	E. Role of NRC			
	The Board shall form a Term of Reference (ToR) of the committee as per this guideline.	√		
9	Investment Committee, Risk management Committee, Policy Holder Protection & Compliance Committee under Process.			



Auditors' Report to the Shareholders

Opinion

We have audited the accompanying Financial Statements of Mercantile Islami Insurance PLC, which comprise the Statement of Financial Position as at December 31, 2023, and the Statement of Profit or Loss and other Comprehensive Income, Profit or Loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marine & Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholder's Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2023 and a summary of significant accounting policies and other explanatory information disclosed in Note 1-33.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSS), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, 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 Unqualified opinion.

Matter of Emphasis

We draw attention to the following matters, though our opinion is unqualified in respect of the same: Our opinion is not modified in respect of those matters. The management could not determine and adjust the forfeited amount of the provident fund for the year ended 31 December 2023, due to non-availability of the audit report of the provident fund and the payable amount to EPF stands Tk. 10,294,574 refer to Note no. 10.00. There is adjustment of amount of 68,000,000 in Note No. 4 Reserve for exceptional losses.



Auditors' Report to the Shareholders



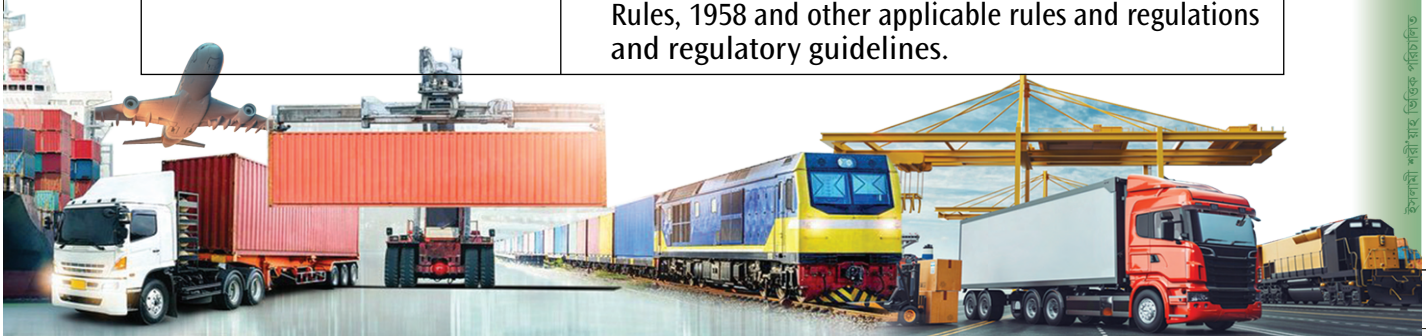
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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the consolidated and separate financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

Risk	Our response to the risk
<p>Premium Income:</p> <p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area present high level of audit risk.</p> <p>At The Year end of the year 2023, the company reported total gross premium income of BDT 507,450,184 (2022: BDT 541,704,640).</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> • Carried out analytical procedures and recalculated premium income for the period. • The design and operating effectiveness of key controls around premium income recognition process. • Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. • On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. • Ensured on a sample basis that the premium income was being deposited in the designated bank account. • Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. • For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium. • Applying specialist judgment ensured if there is any impairment of the reinsurer. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.



Auditors' Report to the Shareholders

See note #21.00 of the financial statements.

Fair value reserve on Investment of marketable securities:

The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit or Loss Account.

This item has significant impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.

At The Year end of the year 2023, the company reported investments in the listed securities in stock exchange BDT 385,429,056 at Market Value.

We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:

- Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.
- Ascertained the valuation of the holding as per IFRS 13.
- Reviewed the assumptions used for the valuation models for any unquoted securities.
- Recalculated unrealized gain or loss at the year end.
- Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.
- Obtained the MIPLC report and share portfolio and cross checked against each other to confirm unrealized gain or loss.
- Check the subsequent positioning of this unrealized amount after the year end.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

See note #13.00 of the financial statements.

Estimated liability in respect of outstanding claims whether due or intimated and claim payment:

This account represents the claim due or intimated, and

We tested the design and operating effectiveness of controls around the due and intimated claim recording process.

We additionally carried out the following substantive testing's around this item:

- Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.
- Obtained a sample of claimed policy copy and crosscheck it with claim.



Auditors' Report to the Shareholders



Mercantile Islami Insurance PLC

Annual Report 2023

<p>related balance of recoverable from reinsurer, from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p> <p>At the year end the 2023, the company reported total balance under the head of the estimated liability in respect of outstanding claims whether due or intimated and claim payment of BDT 195,243,240.</p>	<ul style="list-style-type: none"> • Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. • Reviewed the claim committee meeting minutes about decision about impending claims. • Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
<p>See note #21.00 to the financial statement</p>	

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

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.

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



Auditors' Report to the Shareholders

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSS, the Companies Act 1994, the Insurance Act 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 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.



Auditors' Report to the Shareholders



Mercantile Islami Insurance PLC

Annual Report 2023

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 judgments 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.



ইসলামী শরী'আহে ভিত্তিক পরিচালিত



Auditors' Report to the Shareholders

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 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report except for the Emphasis of Matter Paragraph that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;



Auditors' Report to the Shareholders




Mercantile Islami Insurance PLC

Annual Report 2023

- f) The Balance sheet, Profit & Loss Appropriation Account, Profit & Loss account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business;

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Kazi Zahir Khan & Co.
Chartered Accountants





Statement of Financial Position

As at December 31, 2023

Annual Report 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Shareholders Equity & Liabilities :			
Share Capital			
Authorised Capital		1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up capital			
Share Premium (Less issue expense & taxes)	3.00	430,953,600	430,953,600
Reserve for exceptional losses	4.00	74,814,125	74,814,125
General Reserve	5.00	273,970,243	311,082,874
Fair Value of Share	6.00	24,100,000	23,100,000
Profit or Loss Appropriation Account	7.00	3,996,622	(13,125,464)
		43,378,259	68,603,192
Total Shareholders Equity:		851,212,848	895,428,327
Balance of Fund & Accounts:			
Fire Insurance Business		157,156,780	158,306,398
Marine Insurance Business		32,261,846	20,319,349
Miscellaneous Insurance Business		90,926,605	95,920,306
		33,968,329	42,066,743
Liabilities & Provision:		1,500,232,076	1,425,998,838
Premium Deposit	8.00	64,022,647	56,473,896
Lease Liability	31.02	9,635,130	11,593,454
Estimated liability in respect of outstanding claims whether due or intimated	21 (iii)	195,243,240	174,830,913
Amount due to other person or bodies carrying on insurance business	9.00	1,083,995,283	1,045,542,432
Sundry Creditors	10.00	146,040,031	136,288,142
Unclaimed Dividend Accounts	11.00	1,295,745	1,270,001
Total Shareholders Equity & Liabilities:		2,508,601,704	2,479,733,562
Assets:			
Non-Current Assets:			
Property, Plant & Equipment	Annexure-A	86,894,513	89,451,314
Bangladesh Govt. Treasury Bond		37,381,807	42,035,284
Lease Assets (ROU)	31.01	35,000,000	35,000,000
Deferred Tax Assets	12.00	8,940,482	11,082,999
		5,572,224	1,333,032
Current Assets:		2,421,707,191	2,390,282,248
Investment in Shares	13.00	385,429,056	369,604,025
Accrued Interest	14.00	9,635,630	8,645,282
Amount due from other persons or bodies carrying on insurance business	15.00	678,790,908	725,904,388
Sundry Debtors	16.00	31,163,141	30,433,634
Cash and Bank balance	17.00	1,195,799,661	1,153,071,912
Advance Income Tax	18.00	120,851,505	102,560,067
Stamps in hand		37,290	62,940
Total Assets:		2,508,601,704	2,479,733,562
Net Assets Value Per Share (NAVPS)	29.00	19.75	20.78

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer



Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Operating Profit/(loss) Transferred From:		(29,661,214)	46,270,131
Fire Insurance Revenue Account		(158,108,738)	(83,287,533)
Marine Insurance Revenue Account		86,786,643	104,542,190
Miscellaneous Insurance Revenue Account		41,660,882	25,015,474
Non-Operating Income (Not applicable to any fund or Account):		95,797,052	82,023,451
Interest & Dividend Income	19.00	94,267,168	79,055,626
Sale of Gain On Share	19.01	1,349,884	2,787,825
Rent Income	20.00	180,000	180,000
Total Income:		66,135,839	128,293,582
Expenses of Management (Not applicable to any fund or Account):		18,365,631	19,632,967
Registration & Renewal		1,325,586	1,858,868
Directors' Fees	25.00	1,896,000	2,160,000
Audit Fees	26.00	125,000	125,000
Depreciation	Annexure-A	6,449,544	7,525,805
Depreciation on Lease		7,134,501	6,329,794
Depreciation & Subscription		730,000	560,000
Legal & Professional Fees		705,000	1,073,500
Net Profit/(Loss) transferred to Profit or Loss Appropriation Account		47,770,207	108,660,615
Total:		66,135,839	128,293,582
Earnings per Share (EPS)	27.00	1.15	1.95

Profit or Loss Appropriation Account

For the year ended December 31, 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Opening Balance of appropriation accounts		68,603,191	60,199,579
Net Profit/(Loss) transferred from		47,770,207	108,660,615
Total		116,373,398	168,860,194
Appropriation:		72,995,141	100,257,003
Stock Dividend issued/Cash dividend		43,095,360	43,095,360
Reserve for exceptional losses	4.00	30,887,368	31,578,596
General Reserve	5.00	1,000,000	1,000,000
Provision for Income Tax	22.00	2,251,606	25,014,653
Deferred Tax (Income)/Expenses	12.01	(4,239,193)	(431,606)
Undistributed Balance transferred to Balance sheet		43,378,258	68,603,191
Total:		116,373,398	168,860,194

Other Comprehensive Income

For the year ended December 31, 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Profit After Tax		49,757,794	48,077,568
Other Comprehensive Income	13.01	3,996,622	(13,125,464)
Changes in Fair Value of the Shares Available for Sale		53,754,416	70,952,104
Total Comprehensive Income			

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



ইসলামী শরী'আহ ভিত্তিক পরিচালিত

**Consolidated Revenue Account**

For the year ended December 31, 2023

Annual Report 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Opening balance of Reserve for unexpired risks		158,306,399	148,494,796
Premium Less Re-insurance	21 (i)	308,873,677	315,785,957
Commission on Re-insurance Ceded	21 (ii)	44,966,904	51,167,936
Total:		512,146,980	515,448,689
Claims under policies less Re-insurance		180,759,796	117,747,654
Paid during the year	21 (iii)	160,347,469	102,916,741
Claims outstanding at the end of the year	21 (iii)	195,243,240	174,830,913
Claims Outstanding at the end of the previous year	21 (iii)	(174,830,913)	(160,000,000)
Agency Commission	21 (ii)	60,608,710	66,833,460
Expenses of Management	21 (iv)	143,282,908	126,291,046
Profit/(Loss) transferred to Profit or Loss Account		(29,661,214)	46,270,131
Closing balance of Reserve for unexpired risks		157,156,780	158,306,398
Total:		512,146,980	515,448,689

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer

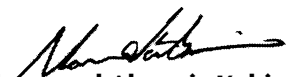

Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



Fire Insurance Revenue Account

For the year ended December 31, 2023

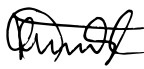


Mercantile Islami Insurance PLC

Annual Report 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Opening Balance of Reserve for Unexpired Risks		20,319,349	14,311,306
Premium Less Re-insurance	21 (i)	64,523,691	40,638,698
Commission on Re-insurance Ceded	21 (ii)	25,210,416	33,262,103
Total:		110,053,456	88,212,107
Claims under policies less Re-insurance		164,753,475	92,330,736
Paid during the year	21 (iii)	152,761,233	83,617,575
Claims outstanding at the end of the year	21 (iii)	114,705,403	102,713,161
Claims Outstanding at the end of the previous year	21 (iii)	(102,713,161)	(94,000,000)
Agency Commission	21 (ii)	21,149,081	21,711,230
Expenses of Management	21 (iv)	49,997,793	37,135,325
Profit/(Loss) transferred to Profit or Loss Account		(158,108,738)	(83,287,533)
Closing balance of Reserve for unexpired risks @ 50% of Premium Income of the year		32,261,846	20,319,349
Total:		110,053,456	88,212,107

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer



Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



**Marine Insurance Revenue Account**

For the year ended December 31, 2023

Annual Report 2023

Particulars	Notes	Marine Cargo	Marine Hull	Amount in Taka	
				31-Dec-2023	31-Dec-2022
Opening Balance of Reserve for Unexpired Risks		95,093,467	826,839	95,920,306	105,808,719
Premium Less Re-insurance	21 (i)	170,973,446	5,439,882	176,413,328	191,013,773
Commission on Re-insurance Ceded	21 (ii)	15,377,538	453,356	15,830,894	14,087,195
Total:		281,444,451	6,720,077	288,164,528	310,909,687
Claims under policies less Re-insurance		10,278,320	-	10,278,320	19,992,489
Paid During The Year	21 (iii)	5,494,181	-	5,494,181	16,516,494
Claims Outstanding at the end of the year	21 (iii)	45,760,134	-	45,760,134	40,975,995
Claims Outstanding at the end of the previous year	21 (iii)	(40,975,995)	-	(40,975,995)	(37,500,000)
Agency Commission	21 (ii)	29,000,359	777,000	29,777,359	33,050,249
Expenses of Management	21 (iv)	68,558,723	1,836,878	70,395,601	57,404,453
Profit/(Loss) transferred to Profit or Loss Account		88,120,326	(1,333,683)	86,786,643	104,542,190
Closing Balance of Reserve for Unexpired Risks @ 50% of Marine Cargo Premium & 100% of Marine Hull Premium Income of the year		85,486,723	5,439,882	90,926,605	95,920,306
Total:		281,444,451	6,720,077	288,164,528	310,909,687

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer

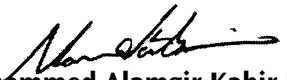

Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



Miscellaneous Insurance Revenue Account

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Particulars	Notes	Motor	Misc.	Amount in Taka	
				31-Dec-2023	31-Dec-2022
Opening Balance of Reserve for Unexpired Risks		4,636,219	37,430,525	42,066,744	28,374,771
Premium Less Re-insurance	21 (i)	7,079,041	60,857,617	67,936,658	84,133,486
Commission on Re-insurance Ceded	21 (ii)	22,818	3,902,776	3,925,594	3,818,638
Total:		11,738,078	102,190,918	113,928,996	116,326,895
Claims under policies less Re-insurance		1,512,035	4,215,966	5,728,001	5,424,429
Paid During The Year	21 (iii)	172,476	1,919,579	2,092,055	2,782,672
Claims Outstanding at the end of the year	21 (iii)	12,812,838	21,964,865	34,777,703	31,141,757
Claims Outstanding at the end of the previous year	21 (iii)	(11,473,279)	(19,668,478)	(31,141,757)	(28,500,000)
Agency Commission	21 (ii)	717,618	8,964,653	9,682,271	12,071,981
Expenses of Managment	21 (iv)	1,696,495	21,193,019	22,889,514	31,748,268
Profit/(Loss) transferred to Profit or Loss Account		4,272,410	37,388,472	41,660,882	25,015,474
Closing Balance of Reserve for Unexpired Risks @ 50% of Marine Cargo Premium & 100% of Marine Hull Premium Income of the year		3,539,521	30,428,809	33,968,329	42,066,743
Total:		11,738,078	102,190,918	113,928,996	16,326,895

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer



Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



**Statement of Changes in Equity**

For the year ended December 31, 2023

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Unrealized gain on Share	Profit and Loss Appropriation	Total Taka
Opening balance	430,953,600	74,814,125	311,082,874	23,100,000	(13,125,464)	68,603,192	895,428,327
Profit after Tax during the year	-	-	-	-	-	49,757,795	49,757,795
Transfer to General reserve	-	-	-	1,000,000	-	(1,000,000)	-
Cash Dividend	-	-	-	-	-	(43,095,360)	(43,095,360)
Reserve for Exceptional Losses	-	-	30,887,368	-	-	(30,887,368)	-
Unrealized gain on share	-	-	(68,000,000)	-	17,122,086	-	(50,877,914)
As at December 31, 2021	430,953,600	74,814,125	273,970,242	24,100,000	3,996,622	43,378,258	851,212,848

Statement of Changes in Equity

For the year ended December 31, 2022

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Unrealized gain on Share	Profit and Loss Appropriation	Total Taka
Opening balance	430,953,600	74,814,125	279,504,278	22,100,000	10,826,427	60,199,579	878,398,009
Profit after Tax during the year	-	-	-	-	-	84,077,569	84,077,569
Transfer to General reserve	-	-	-	1,000,000	-	(1,000,000)	-
Cash Dividend	-	-	-	-	-	(43,095,360)	(43,095,360)
Reserve for Exceptional Losses	-	-	31,578,596	-	-	(31,578,596)	-
Unrealized gain/(Loss) on share	-	-	-	-	(23,951,891)	-	(23,951,891)
As at December 31, 2020	430,953,600	74,814,125	311,082,874	23,100,000	13,125,464	68,603,192	895,428,327

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer

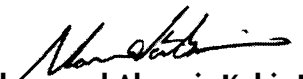
Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants


Statement Of Cash Flows

For the year ended December 31, 2023

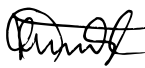



Mercantile Islami Insurance PLC

Annual Report 2023

Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
A. Cash Flows from Operating Activities:			
Collection from Premium and Commission		449,024,970	592,872,576
Management Expenses, Commission, Re-Insurance & Claims		(392,815,594)	(521,959,930)
Income tax paid		(18,291,438)	(32,267,182)
Net Cash Provided by Operating Activities:		37,917,938	38,645,464
B. Cash Flows from Investing Activities:			
Purchase of Share		(23,313,058)	(366,533,098)
Sale of Share		12,504,407	258,754,573
Interest/Dividend Received		13,024,016	10,322,621
Net Fund Adjustment		(25,095,903)	19,274,336
Acquisition of Property, Plant & Equipment		(1,796,067)	(18,645,865)
Others Investment Income		81,243,152	68,733,005
Net Cash Used by Investing Activities:		56,566,547	(28,094,428)
C. Cash Flow from Financing Activities:			
Dividend Paid		(43,095,360)	(43,095,360)
Payment of Lease Interest		(794,846)	(870,640)
Payment of Lease Rent		(7,866,530)	(6,689,979)
Net Cash Used in Financing Activities:		(51,756,736)	(50,655,979)
D. Net Cash inflow/ outflow (A+B+C)		42,727,749	(40,104,943)
Cash & Cash Equivalents at the beginning of the year (01-02-2023)		1,153,071,912	1,193,176,855
Cash & Cash Equivalents at the end of the year (31-12-2023)	17.00	1,195,799,661	1,153,071,912
Net Operating Cash Flow Per Share (NOCFPS)	30.00	Tk. 0.88	Tk. 0.90

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer



Director


Director


Chairman

Signed as per our separate report on same date.

Place: Dhaka
Dated: April 29, 2024
DVC No: 2405021483AS669451


Mohammed Alamgir Kabir FCA
Enrolment No: 1483
Partner
Kazi Zahir Khan & Co.
Chartered Accountants



ইসলামী শরী'আহ ভিত্তিক পরিচালিত



Classified Summary of Assets

As at December 31, 2023

FORM "AA"

Sl. No.	Class of Assets	Book Value (Taka)
1	Bangladesh Govt. Treasury Bond	35,000,000
2	Shares	385,429,056
3	Fixed Deposit	1,161,210,615
4	Cash at Bank (STD & CD A/c)	29,250,359
5	Cash in Hand & Cash with BO A/c	5,338,687
6	Interest Accrued	9,635,630
7	Sundry Debtors (including advance, deposits & pre-payments)	31,163,141
8	Advance Income Tax	120,851,505
9	Amount due from other person or bodies carrying on Insurance business	678,790,908
10	Non-Current Assets (at cost less depreciation)	37,381,807
11	Lease Assets (ROU)	8,940,482
12	Deferred Tax Assets	5,572,224
13	Stamps in hand	37,290
	Total Taka	2,508,601,704

Certified that the value of all assets have been reviewed and the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or Market Value.


Chief Executive Officer


Director


Director


Chairman

Signed as per our separate report on same date.



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

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1. Legal Status and Nature of the Company:

(a) Legal Status:

MERCANTILE ISLAMI INSURANCE PLC was incorporated as a public limited company on MARCH 19, 1996 and obtained the certificate of commencement of business as on May 5, 1996 under the Companies Act 1994, RJSC registration Dated March 19, 1996 and IDRA Registration (Insurance Dated January 01, 2020. The company obtained insurance license from the Controller of Insurance, Government of People's Republic of Bangladesh, was obtained with effect from 13th May, 1996. MERCANTILE ISLAMI INSURANCE PLC went for public issue in 2004 and the shares of the company are listed in both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

(b) Address of Registered Office and Principal Place of Business:

The registered office of the Company is at Red Crescent Bhaban 61, Motijheel C/A, Dhaka-1000, Bangladesh.

(c) Principal Activities of the Company:

The principal activities of the company are to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principal activities of the company during the year 2023 under review.

2. Significant Accounting Policies & Other Relevant Information:

(a) Basic of Accounting Preparation:

The financial statements of the company under reporting have been prepared under historical cost convention on a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. Disclosure of financial information as required by the Insurance Rules 1958 and Insurance Act 2010 have been complied with while preparing statement of financial position, statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994.

(b) Management Responsibility:

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and existing accounting standards and applicable laws.

(c) Directors Responsibility Statements:

The Board of Directors are also responsible for the preparation and Presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, listing regulation of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd and Corporate Governance Code as per the provision of "The International Accounting Standards Committee" (IASC). Being the general-purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by per requirement of Insurance Rules 1958 and Insurance Act 2010 and International Accounting Standard 1: Presentation of Financial Statements. A complete set of financial statements comprise:

- i) Statement of Financial Position as at December 31, 2023;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2023;



ইসলামী শরী'আহ ভিত্তিক পরিচালিত

- iii) Statement of Profit and Loss Appropriation Account for the year ended December 31, 2023;
- iv) Consolidated Revenue Account for the year ended December 31, 2023;
- v) Fire Insurance Revenue Account for the year ended December 31, 2023;
- vi) Marine Insurance revenue Account for the year ended December 31, 2023;
- vii) Miscellaneous Insurance Revenue Account for the year ended December 31, 2023;
- viii) Statement of Changes in Equity for the year ended December 31, 2023;
- ix) Statement of Cash Flows for the year December 31, 2023;
- x) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2023;

(d) Date of Authorization:

The Board of Directors has authorized these financial statements on April 29, 2024.

(e) Compliance Statements and General Rules & Regulations:

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Rules 1958 and Insurance Act 2010, the companies Act, 1994, the Securities and Exchange Rules, 1987, the listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd, and Corporate Governance Code Guidelines, rules and regulations issued from time to time by the Insurance Development and Regulatory Authority (IDRA).

To comply with the International Accounting Standards (IASS) and International Financial Reporting Standards (IFRSS) as adopted by the Financial Reporting Council (FRC) and other applicable laws and regulations.

(f) Basis of Measurement:

The financial statements have been prepared on the historical cost basis except for investments in stock exchanges which are measured at fair value.

(g) Functional and Presentational Currency:

These financial statements are prepared in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All information presented in Taka has been rounded to the nearest Taka (BDT).

(h) Going Concern Basis:

The company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

(i) Reporting Period:

Financial statements of the company consistently cover one calendar year from 1 January 2023 to 31 December 2023.

(j) Branch Accounting:

The company has 18th branches under its umbrella without having any overseas branch up to the year ended December 31, 2023. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meet up day to day cash expenses.



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

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(k) Significant Accounting Policies:

i) Revenue Recognition (IFRS-15):

Revenue is recognized in accordance with International Financial Reporting Standards (IFRS-15): Revenue from Contracts with Customers, unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by Directives of the regularity Authority.

ii) Underwriting Premium Income:

Premium income is recognized when insurance policies are issued and premium collected. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re- insurance Ceded and Re-insurance premium on Public Sector Business(PSB).

iii) Public Sector Business (PSB):

As per Government Decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by Sadharan Bima Corporation (SBC), 50% being retained by SBC and the balance is equally distributed to 46 private sector insurance companies.

The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from SadharanBima Corporation is received. The statements of accounting period from January 01, 2023 to December 31, 2023 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the Public Sector Insurance Business (PSB) has been consistently followed.

iv) Re-insurance Ceded and Accepted:

• Re-insurance Ceded and Accepted with Sadharan Bima Corporation:

Necessary adjustment in respect of Re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the company and Sadharan Bima Corporation (SBC).

• Re-Insurance with Foreign Re-insurer:

Fifty percent of the re-insurable non-life insurance business shall be re-insured with Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the SBC or with any other insurer whether in or outside Bangladesh.

v) Cover Notes Converted into Policy (CCP):

Amounts received against issue of cover notes that have not been converted into policy are not recognized as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months as per circular of the then Chief Controller of Insurance.

vi) Investment Income:

Interest on FDRs and 10 years Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis. Interest on STD/SND/CD/PLS account and other income are recognized as when amount credited to our account.

• Cash Dividend Income and Stock Dividend from Investment:

Dividend income on investment in shares, if any, are recognized on cash basis and shown in Profit & Loss account. For stock dividend, received by the company against its investment, number of shares increased effecting decrease in average cost of investment per Share.



vii) Valuation of Fixed Assets:

• Property, Plant & Equipment:

All fixed assets are stated at cost less accumulated depreciation as per International Accounting Standard (IAS)-16, "Property, Plant & Equipment". The cost of acquisition of an asset comprises 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.

• Recognition of Fixed Assets:

The company recognizes in the carrying amount of an item of Property, Plant & 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.

• Depreciation on Property, Plant & Equipment:

Property, Plant & Equipment is depreciated following the reducing balance method on the basis of life expectancy of the assets in accordance with IAS-16. Depreciation on addition of fixed assets has been charged when it is available for use. The Property, Plant & Equipment are depreciated at the following rates:

Items	Rate
Building and floor space	2.5%
Furniture & Fixtures	10%
Electrical office equipment	15%
Office decoration	10%
Air-Cooler	15%
Motor & Other Vehicles	20%
Telephone Installation	20%
Sundry Assets	25%

The value of all assets as shown in the Balance Sheet and in the annexed Classified Summary of Assets drawn up in accordance with from "AA" of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the Balance Sheet amount and Form AA amount.

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 statement of Profit or Loss and other comprehensive income.

• Impairment of Assets:

As per International Accounting Standards (IAS) 36: The carrying amounts of the company's non- current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indications exist.



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

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• Sale of fixed assets:

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the asset and is recognized in profit or loss account as per provision of IAS 16.

viii) Employees Retirement Benefit Scheme:

Mercantile Islami Insurance PLC. offers a number benefit plans for all permanent Employees of the company which include Contributory Provident Fund, Gratuity Fund, Earn Leave Benefit, Festival Bous and Incentive Bonus on profit which have been accounted for in accordance with the provision of International Accounting Standards (IAS) 19, "Employee's Benefit" basis of enumeration the above benefits schemes operated by the company.

We are currently not maintaining workers profit participation fund which is the requirement of Bangladesh labor law (amendments) 2013 & Dhaka stock exchange limited. Cause Bangladesh Insurance Association has taken up the matter and send a request to Dhaka stock exchange limited to exempt the Insurance Companies for maintaining the 'Workers' Profit Participation Fund' and 'Workers' Welfare Fund'.

ix) Balance of Funds & Accounts (Un-expired Risk Reserve):

Surplus/deficit on Revenue Accounts has been arrived at after making necessary provision for un- expired risk @ 50% of net premium income on Fire, Marine Cargo, Motor, Miscellaneous and 100% on Marine Hull business concern.

x) Allocation of Expenses of Management:

As per section 40(C-2) of insurance Act 1938 as amended Insurance Act 2010 all relevant Management expenses wherever incurred directly or indirectly have been allocated amongst different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro- rata basis at their respective gross premium Income.

xi) Cash Flow Statement:

Cash Flow Statement is prepared in accordance with IAS -7' and International Accounting Standard (IAS) -7 Cash Flow Statement' and the cash flow from the operating activities has been presented under direct method as prescribed by the Bangladesh Securities and Exchange Rules - 1987. Cash Flow statement is broken down into operating activities, investing activities, and financing activities. The calculation of Net Operating Cash Flow per share (NOCFPS) has been given in Note#30.00

xii) Foreign Currency Transaction:

All Foreign Currency Transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transaction as per International Accounting Standard (IAS) -21: "The effects of Changes in Foreign Exchange Rate".

xiii) Cash and Bank balance:

Cash and Bank balance include cash in hand, cash at banks which are held and available for use by the Company without any restriction.

xiv) Appropriation during the Year:

In accordance with "IAS-1" Presentation of Financial Statements" the appropriations for the year have been reflected in the statement of change in equity.



xv) Stock of Stationery & Forms:

Stock of Stationery & Forms has been valued at cost price or net realizable value whichever is lower.

xvi) Re-arrangement of Head of Accounts:

To comply with the International Accounting Standards (IASS) and International Financial Reporting Standards (IFRSS) as adopted by the Financial Reporting Council during the year 2023, we have re- arranged some of Heads of Accounts.

xvii) Recognition of Expenses and Taxes:

Expenses are recognized on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Statement of Comprehensive Income in the running business and in maintaining the Property, Plant and Equipment's in state of efficiency.

xviii) Borrowing Costs:

In accordance with International Accounting Standard (IAS-23) borrowing Costs that are directly attributable to the acquisition and construction of a qualifying asset from part of the cost of that asset and therefore, should be capitalized. Other borrowing costs are recognized as an expense.

xix) Provision for Income Taxes:

The company has made the income tax provision on the basis of IAS-12 "Income Taxes" and Income Tax Ordinance, 1984 as amended time to time.

• Current Tax Provision:

A provision @ 37.50% on the profit except dividend income of the company has been provided during the year. However, provision @ 20% is made on dividend income of the company.

• Deferred Taxes:

Deferred tax is provided for all temporary differences comprising between the tax base of assets and liabilities and their carrying amounts in financial statements in accordance with the provision of IAS-12.

xx) Reserve or Contingencies Accounts:

• Reserve for Exceptional losses:

As per Para 6 of 4th Schedule of Income Tax Ordinance, 1984 to meet the exceptional losses, company sets aside ten percent of the premium income of the year in which it is set aside from the balance of the profit to Reserve for

Exceptional losses. As per Insurance Act 1938 as amended 2010, 10% statutory reserve is maintained out of profit by the company to meet any possible future claims on net premium income during the year.

• Investment Fluctuation Fund (Fair Value Reserve):

The company made investments in the capital market having a large portfolio and income generated from the investment (realized gain and dividend received) is credited to the statement of comprehensive Income. The company has made a provision considering the average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares are changes very frequently and any effect on increase or decrease are transferred to the investment Fluctuation Fund subsequently.



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

- **General Reserve Fund:**

Transfer to General Reserve from profits is done on a lump sum basis as management deems fit. A general reserve is a reserve, which is created from appropriation of profits. The aim of creating a general reserve is to provide additional working capital or to strengthen the cash resources of the business out of profits and equalizing the rate of dividend in the years in which distributable profits are inadequate.

- xxi) **Segment Reporting:**

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The company accounts for segment reporting of operating results of each segment. The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.

- (xxii) **Earnings Per Share (EPS):**

The company calculates Earning per Share (EPS) in accordance with IAS -33: "Earnings Per Share", which has been shown on the Statement of Comprehensive Income (Profit and Loss) in the Financial Statements. The Calculation of Earnings Per Share (EPS) has been given in Note no #27.00.

- (xxiii) **Comparative Information:**

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

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"

- (xxiv) **Event after the Reporting Period (Balance Sheet Date):**

The proposed dividend is not recognized as a liability in the balance sheet in accordance with the IAS- 10 Events after the reporting period. The board of directors in its 223rd Meeting held on April 29, 2024 decided to recommend payment of 10% cash dividend for All Shareholders only for the year 2023.

- (XXV) **Transactions with Related Parties (IAS-24):**

As per International Accounting Standards: 24 Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Details are given in note no.23.00. Transactions with related parties.

- (xxvi) **Reporting Currency:**

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





Notes to the Financial Statements

For the year ended December 31, 2023

3.00 Share Capital: Tk. 430,953,600**Authorised Capital:**

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

Amount in Taka	
31-Dec-23	31-Dec-22

1,000,000,000	1,000,000,000
---------------	---------------

Issued, Subscribed & Paid-up Capital:

43,095,360 Ordinary Shares of Tk.10/= each

Total:

430,953,600	430,953,600
430,953,600	430,953,600

This is made up as follows

2023

Category of Shareholders	No. of Share	% of holding	Amount (Tk.)
1. Sponsors & Sponsor Directors	14,857,180	34.48%	148,571,800
2. Genral Public	14,411,086	33.44%	144,110,860
3. Institution	13,827,094	32.08%	138,270,940
Total:	43,095,360	100%	430,953,600

2022

Category of Shareholders	No. of Share	% of holding	Amount (Tk.)
1. Sponsors & Sponsor Directors	14,893,060	34.56%	148,930,600
2. Genral Public	14,875,378	34.52%	148,753,780
3. Institution	13,326,922	30.92%	133,269,220
Total:	43,095,360	100%	430,953,600

Classification of Shareholders as per their share holdings**i) Sponsors & Directors****2023****2022**

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of holdings
001-500	Nil	Nil	Nil	Nil
501-5000	Nil	Nil	Nil	Nil
5001-10000	Nil	Nil	Nil	Nil
10001-20000	Nil	Nil	Nil	Nil
20001-30000	Nil	Nil	Nil	Nil
30001-40000	Nil	Nil	Nil	Nil
40001-50000	Nil	Nil	Nil	Nil
50001-100000	Nil	Nil	Nil	Nil
100001-1000000	11,096,900	13	74.69	74.51
1000001 and above	3,796,160	3	25.31	25.49
Total of (i)	14,893,060	16	100	100

ii) General Public & Institutions**2023****2022**

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of holdings
001-500	259,151	1131	0.92	0.97
501-5000	3,017,602	1634	10.69	11.25
5001-10000	3,112,230	280	7.48	7.70
10001-20000	1,773,364	121	6.28	7.77
20001-30000	1,431,348	57	5.07	4.89
30001-40000	862,529	24	3.05	3.50
40001-50000	687,425	15	2.43	2.53
50001-100000	1,780,565	25	6.31	8.01
100001-1000000	8,840,708	34	31.31	30.56
1000001 and above	7,473,258	5	26.47	22.83
Total of (i)	28,238,180	3,506	100	100
Grand Total (i+ii)	43,131,240	3,522	Nil	Nil



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
4.00	Reserve for Exceptional Losses: Tk. 273,970,243		
	This is made up as follows		
	Particulars		
	Opening Balance	311,082,875	279,504,278
	Add: addition during the year	30,887,368	31,578,596
	Less: adjustment during the year	68,000,000	
	Closing balance:	273,970,243	311,082,875
5.00	General Reserve: Tk. 24,100,000		
	This is made up as follows		
	Particulars		
	Opening Balance	23,100,000	22,100,000
	Add: addition during the year	1,000,000	1,000,000
	Closing balance:	24,100,000	23,100,000
6.00	Fair Value of Share on Investment: Tk. 3,996,622		
	This is made up as follows:		
	Particulars		
	Opening Balance	(13,125,464)	10,826,427
	Add: addition during the year	(13,125,464)	10,826,427
	Less: adjustment during the year	17,122,086	23,951,891
	Total:	3,996,622	(13,125,464)
7.00	Profit or Loss Appropriation Accounts: Tk. 43,378,259		
	This is made up as follows		
	Particulars		
	Opening Balance	68,603,192	60,199,579
	Addition during the year	47,770,207	108,660,615
	Stock dividend/Cash dividend	(43,095,360)	(43,095,360)
	Reserve for exceptional losses	(30,887,368)	(31,578,596)
	General Reserve	(1,000,000)	(1,000,000)
	Income tax expenses	(2,251,606)	(25,014,653)
	Deferred Tax (Income)/Expenses	4,239,193	431,606
	Closing balance:	43,378,259	68,603,192
	This represents the balance of retained profit after provision of Reserve for exceptional losses, provision for Income Tax & General Reserve		
8.00	Premium Deposit: Tk. 64,022,647		
	This is made up as follows		
	Particulars		
	Premium Deposit	64,022,647	56,473,896
	Total:	64,022,647	56,473,896
	The balance represents the amount received against cover-notes but risks have not been intimated within 31st December, 2023 but subsequently converted into Policies by 31 March, 2024		
9.00	Amount due to other persons or bodies carrying on insurance business: Tk. 1,083,995,283		
	This is made up as follows		
	Particulars		
	Sadharan Bima Corporation & Others Insurance Company	1,083,995,283	1,045,542,432
	Total:	1,083,995,283	1,045,542,432





Notes to the Financial Statements

For the year ended December 31, 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
10.00	Sundry Creditors: Tk. 146,040,031		
	This is made up as follows		
	Particulars		
	Value added Tax (VAT)	3,032,047	3,078,681
	Audit Fee Payable	200,000	100,000
	Provident Fund Payable	10,294,574	4,461,304
	Salary & Allowances	305,977	151,666
	Provision for Income Tax	108,946,367	106,694,761
	Gratuity Payable	2,851,895	1,628,868
	Advance deposit employees Car Purchase	20,119,636	20,069,636
	Other's Payable	289,535	103,226
	Total:	146,040,031	136,288,142
	VAT of Tk. 3,032,047.00, Salary & Allowances Tk. 305,977.00 have since been paid off.		
10.01	Provision for Income Tax: Tk. 108,946,367		
	Particulars		
	Opening Balance	106,694,761	81,680,108
	Add: Provision made during the year	2,251,606	25,014,653
	Less: Adjustment made during the year closing balance	108,946,367	106,694,761
	Total:		
11.00	Unclaimed Dividend: Tk. 1,295,745		
	This is made up as follows:		
	Particulars		
	Unclaimed Dividend	1,295,745	1,270,001
	Total:	1,295,745	1,270,001
	Refund & Dividend warrant for the years 2004 to 2022 already issued, as per BSEC rule but no claim have been made by the share holders up to the date of 31st December 2023. The amount is kept in SND account No. DBBL F.EX Branch A/C 987 Under Note 17.		
12.00	Deferred Tax Assets: Tk. 5,572,224		
	Particulars		
	Opening Balance	1,333,032	901,426
	Add: Addition during the year	4,239,193	431,606
	Less: Adjustment during the year	5,572,224	1,333,032
	Closing Balance	5,572,224	1,333,032
12.01	Deferred Tax Calculation: Tk. -4,239,193		
	Particulars		
	Written down value as per Accounting base	32,338,981	42,035,284
	Written down value as per Tax base	(47,198,246)	(45,590,035)
	Taxable Temporary Difference	(14,859,265)	(3,554,751)
	Applicable Tax rate	37.50%	37.50%
	Deferred Tax (Assets)/ Liability	(5,572,224)	(1,333,032)
	Less: Opening balance of deferred tax (Assets)/Liability	1,333,032	901,426
	Deferred Tax Income	(4,239,193)	(431,606)



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022

13.00 Investment in Shares: Tk 385,429,056

This is made up as follows

Name of the Company	2023		2022	
	Cost Value	Fair Market Value	Cost Value	Fair Market Value
BDPAINTS	63,870	166,700.70	63,870	241,429
CITYBANK	14,150,835	13,274,355.80	14,150,827	13,257,343
CLICL	-	-	69,420	426,239
DHAKABANK	7,036,174	6,625,000.00	7,036,209	6,600,000
EXIMBANK	14,062,440	12,480,000.00	14,062,450	12,480,000
FEDERALINS	7,433,450	6,125,000.00	7,433,447	6,200,000
GIB	13,173,653	11,895,821.00	13,173,670	11,856,303
ICICL	87,980	274,497.60	87,980	247,224
ISLAMIBANK	-	-	11,349,907	11,480,271
LANKABAFIN	82,298	36,608.00	82,298	36,608
MEGHNAINS	40,030	149,712.20	40,030	171,328
MERCANBANK	3,407,494	2,848,860.00	3,407,498	2,856,000
NBL	129,103,500	124,500,000.00	129,103,200	124,500,000
NCCBANK	5,908,266	8,583,120.00	5,908,282	8,611,200
ONEBANKLTD	3,799,458	3,142,125.00	3,799,475	3,213,000
POPULARLIF	407,764	399,000.00	407,764	390,000
PREMIERBAN	6,806,174	7,804,500.00	6,806,206	7,315,000
PRIMEBANK	33,802,690	30,450,000.00	33,802,671	27,840,000
PRIMEINSUR	511,326	546,148.80	511,326	546,149
PRIMELIFE	1,991,411	1,764,132.50	1,991,411	1,787,565
SHAJABANK	2,713,362	2,490,447.00	2,163,536	1,936,400
SIBL	42,473,975	38,176,947.90	42,473,727	38,223,566
STANDBANKL	32,140,123	28,146,295.00	32,140,092	28,098,400
UCB	29,567,752	29,360,100.00	29,567,730	29,315,000
UTTARABANK	24,422,904	25,422,000.00	24,422,889	23,300,000
BEXGSUKUK	7,500,000	6,375,000.00	7,500,000	6,675,000
ROYALGREEN	2,000,000	2,000,000	2,000,000	2,000,000
ALARABANK	22,697,394.88	22,392,684.30	-	-
Total:	405,384,325	385,429,056	393,555,915	369,604,025

13.01 Changes in fair value of the shares available for sale

Particulars

Fair Value of the Investment	385,429,056	369,604,025
Less: Cost Price of the Investment	405,384,325	393,555,915
Fair Value Reserve as at 31 December 2023	(19,955,269)	(23,951,891)
Less: Fair Value Reserve as at 1 January 2023	23,951,891	10,826,427
Fair Value Adjustment for the year	3,996,622	(13,125,464)

14.00 Accrued Interest: Tk. 9,635,630 This is made up as follows:

Particulars

This is made up as follows

Accrued Interest	9,635,630	8,645,282
Total:	9,635,630	8,645,282

The above amount represents FDR interest accrued but not due during the year.





Notes to the Financial Statements

For the year ended December 31, 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
15.00	Amount due from other persons or bodies carrying on insurance business: Tk. 678,790,908		
	This is made up as follows:		
	Particulars		
	Sadharan Bima Corporation & others insurance company	678,790,908	725,904,388
	Total:	678,790,908	725,904,388
	This represents amount due from Sadharan Bima Corporation on Public Sector Business and other Insurance Companies on Co. Insurance Scheme.		
16.00	Sundry Debtors: Tk. 31,163,141		
	This is made up as follows:		
	Particulars		
	Advance against Office Rent	11,856,355	11,391,254
	Advance to Staff against car loan	18,776,483	18,512,077
	Security deposit	530,303	530,303
	Total:	31,163,141	30,433,634
	Regular adjustments have been made on advance against office rent		
16.01	Security deposit: Tk. 530,303		
	This is made up as follows:		
	Particulars		
	CDBL	300,000	300,000
	Bangladesh Red Crescent Society	230,303	230,303
	Total:	530,303	530,303
17.00	Cash & Bank balance: Tk. 1,195,799,661		
	This is made up as follows:		
	Particulars		
	Cash In hand	4,987,658	6,149,041
	Cash with BO Account	351,029	10,763,816
	Fixed Deposit Receipt	1,161,210,615	1,105,196,731
	STD & CD Accounts	29,250,359	30,962,324
	Total:	1,195,799,661	1,153,071,912
18.00	Advance Income Tax: Tk. 120,851,505		
	This is made up as follows:		
	Particulars		
	Opening balance	102,560,067	70,292,885
	Addition during the year	18,291,438	32,267,182
	Total:	120,851,505	102,560,067
	Adjustment during the year	-	-
	Total:	120,851,505	102,560,067

The advance tax paid in different years fall adjustable with the assesses tax liabilities subject to Complete to assesment or disposal of Cases under Tribunal and High Court.



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
19.00	Interest, Dividend & Rent Income: Tk. 95,617,052		
	This is made up as follows:		
	Particulars		
	Interest on FDR	79,109,152	65,574,215
	Interest on STD	-	56,790
	Interest on Bangladesh Govt. Treasury Bond	2,134,000	3,102,000
	Dividend Received	13,024,016	10,322,621
		94,267,168	79,055,626
19.01	Profit on Sale of Share	1,349,884	2,787,825
	Total:	95,617,052	81,843,451
20.00	Rent Income: Tk. 180,000		
	This is made up as follows:		
	Particulars		
	Rent Income	180,000	180,000
	Total:	180,000	180,000



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Notes to the Financial Statements

For the year ended December 31, 2023

21.00

Revenue Accounts:

i) The summarized position of net underwriting profit earned during the year 2023 is as follows:

Particulars	Fire	Marine Cargo	Marine Hull	Motors	Misc.	31-Dec-23	31-Dec-22
Revenue:							
a) Direct Business: Own	140,993,870	193,335,726	5,180,000	4,784,120	59,764,350	404,058,066	445,556,400
Direct Business: SBC & Govt. Business	15,203,429	26,486,856	9,077,168	2,402,564	50,222,101	103,392,118	96,148,240
	156,197,299	219,822,582	14,257,168	7,186,684	109,986,451	507,450,184	541,704,640
b) Re-Insurance Premium: Own	77,527,232	28,224,849	-	-	-	105,752,081	141,967,129
Re-Insurance Premium: SBC & Govt. Business	14,146,376	20,624,287	8,817,286	107,643	49,128,834	92,824,426	83,951,554
	91,673,608	48,849,136	8,817,286	107,643	49,128,834	198,576,507	225,918,683
c) Net Premium (a-b)	64,523,691	170,973,446	5,439,882	7,079,041	60,857,617	308,873,677	315,785,957
Direct Expenses:							
d) Commission (Net) (ii)	(4,061,336)	13,622,821	323,644	694,800	5,061,877	15,641,806	15,665,524
e) Claims under policies less Re-insurance (iii)	164,753,475	10,278,320	-	1,512,035	4,215,966	180,759,796	117,747,654
f) Management Expenses	49,997,793	68,558,723	1,836,878	1,696,495	21,193,019	143,282,908	126,291,046
g) Total Direct Expenses (d+e+f)	210,689,933	92,459,864	2,160,522	3,903,330	30,470,861	339,684,510	259,704,224
h) Adjusted Fund Balance for Unexpired Risk (Opening Balance less Closing Balance)	(11,942,497)	9,606,744	(4,613,043)	1,096,699	7,001,717	1,149,620	(9,811,602)
Net Underwriting Profit (c-g+h)	(158,108,738)	88,120,326	(1,333,683)	4,272,410	37,388,472	(29,661,214)	46,270,130

ii) Commission (Net):

Particulars	Fire	Marine Cargo	Marine Hull	Motors	Misc.	31-Dec-23	31-Dec-22
Commission paid on Direct Business	21,149,081	29,000,359	777,000	717,618	8,964,653	60,608,710	66,833,460
Commission paid on Re- Insurance accepted	-	-	-	-	-	-	-
Total	21,149,081	29,000,359	777,000	717,618	8,964,653	60,608,710	66,833,460
Less: Commission Earned on Reinsurance	25,210,416	15,377,538	453,356	22,818	3,902,776	44,966,904	51,167,936
Net Commission	(4,061,336)	13,622,821	323,644	694,800	5,061,877	15,641,806	15,665,524

It may mentioned that as per the ITO, 1984 U/S-53 at source Tax has been deducted from Agent commission and has been deposited to the Bangladesh Bank through Challan Within 15th day of the following month.

iii) Claims Settled (Net):

Particulars	Fire	Marine Cargo	Marine Hull	Motors	Misc.	31-Dec-23	31-Dec-22
Gross Claim	241,356,685	39,525,199	-	119,221	365,061	281,366,166	119,599,481
Less Re-Insurance Claim	-	-	-	-	-	-	-
Recovery paid during the year	100,587,694	38,815,157	-	1,286,304	741,869	141,431,024	31,513,653
Add: Outstanding Claim at the end of the year whether due or intimated	140,768,991	710,042	-	(1,167,083)	(376,808)	139,935,142	88,085,828
	114,705,403	45,760,134	-	12,812,838	21,964,865	195,243,240	174,830,913
Less: Outstanding Claim at the end of the previous year	255,474,394	46,470,176	-	11,645,755	21,588,057	335,178,382	262,916,741
	102,713,161	40,975,995	-	11,473,279	19,668,478	174,830,913	160,000,000
Net Amount	152,761,233	5,494,181	-	172,476	1,919,579	160,347,469	102,916,741

iv) Management Expenses:

The expenses have been charged to Revenue Accounts on the basis of Insurance Rules 1958 as under:

Notes	Particulars	31-Dec-2023		31-Dec-2022	
		Percentage	Taka	Percentage	Taka
Fire		34.89	49,997,793	29.41	37,138,325
Marine Cargo		47.85	68,558,723	44.88	56,674,076
Marine Hull		1.28	1836,878	0.58	730,377
Motor		1.18	1,696,495	1.73	2,184,234
Misc.		14.79	21,193,019	23.41	29,564,034
		100.00	143,282,908	100.00	126,291,046



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
22.00	Income Tax Expenses: Tk. 2,251,606		
	This is made up as follows:		
	Particulars		
	Current year provision	2,251,606	27,267,669
	Deferred tax assets/Liabilities	-	-
	Total:	2,251,606	27,267,669
22.01	Computation of Tax Liability:		
	Particulars		
	Net Income as per Profit & Loss Account	47,770,207	108,660,615
	Less: Reserve for Exceptional Loss (Exempted from Tax as per 4th Schedule Clause # 6(2) of ITO 1984)	30,887,368	31,578,596
	Total Income Less:	16,882,839	77,082,019
	Interest Income	79,109,152	57,085,723
	Interest on Govt. Treasury Bond (exempted as per 6th schedule Part-A, para-24)	2,134,000	3,102,000
	Rental Income	180,000	180,000
	Dividend Income	13,024,016	10,322,621
	Profit on sale of shares	1,349,884	2,787,825
		95,797,052	73,478,169
	Income/(Loss) from Insurance Business	(78,914,213)	3,603,850
	Add: Accounting Depreciation	6,449,544	7,525,805
		(72,464,668)	11,129,655
	Less: Depreciation as per 3rd Schedule	8,045,646	7,857,789
	Net Taxable income from business	(80,510,314)	3,271,866
	Computation of Income Tax:		
	i) Tax on Insurance Business Income @ 37.5%	(30,191,368)	1,226,950
	ii) Tax on Other Income @ 37.5%	29,665,932	21,407,146
	iii) Tax on Rental Income @ 37.5%	47,250	47,250
	iv) Tax on Dividend Income @ 20%	2,594,803	2,054,524
	v) Tax on Profit on sale of shares @10%	134,988	278,783
	Total Tax Liability for the year ended December 31, 2023	2,251,606	25,014,653

23.00 Transactions with Related Parties:

The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard (IAS)-24 "Related Party Disclosure". The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transaction are as follows:

Name fo the Related Party	Relationship Nature	Nature of Transaction	2023
Mr. Abdul Haque	Common Director	Insurance	4,969,159
Nurul Azim Sunny	Common Director	Insurance	35,085,215
Mr. Md. Nabiullah	Common Director	Insurance	66,051,623
Total			106,105,997



Notes to the Financial Statements

For the year ended December 31, 2023

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Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
24.00	Disclosure of Key Management Personnel Compensation: Tk. 3,000,000		
	Particulars		
	Salary	1,320,000	1,320,000
	Other Allowance	1,680,000	1,680,000
	Total:	3,000,000	3,000,000
	As per the paragraph 17 of IAS 24: "Related party Disclosures" regarding Key management Personnel Managing Director is the Key Management Personnel, his benefit is given below:		
	a) Short term employee benefits	3,000,000	3,000,000
	b) Long term employee benefits		
	Total:	3,000,000	3,000,000
25.00	Directors Fees: Tk. 1,896,000		
	Particulars		
	Honorarium for Attending Meeting	1,896,000	2,160,000
	Total:	1,896,000	2,160,000
26.00	Audit Fees: Tk. 125,000		
	This is made up as follows:		
	Particulars		
	Audit Fees-2023	125,000	125,000
	Total:	125,000	125,000
27.00	Calculation of Earning Per Share (EPS):		
	Particulars		
	Profit Before Tax	47,770,207	108,660,615
	Less: Provision for Income Tax	2,251,606	25,014,653
	Less: Deferred Tax (Income)/Expenses	(4,239,193)	(431,606)
	Profit After Tax Attributable to the Shareholders	49,757,794	84,077,568
	Earning Attributable to the shareholder	49,757,794	84,077,568
	Number Ordinary Shareholders	43,095,360	43,095,360
	Earning Per Share (EPS)	1.15	1.95
28.00	Reconciliation of Net Profit Before Tax to Net Operating Cash Flow:		
	The details break-up is as follows:		
	Particulars		
	Net Profit Before Tax		47,770,207
	Adjustment for Non-Cash Items:		
	Unexpired Risk Reserve (Net)		(1,149,620)
	Depreciation		6,449,544
	Adjusted Profit		53,070,132
	Changes in Working Capital:		
	(Increase)/decrease of Sundry Debtors & Other Receivables		(44,873,085)
	Increase/(decrease) of Sundry Creditors & Accruals		18,452,851
	Increase/(decrease) of Outstanding Claim		20,412,327
	Increase/(decrease) of Deposit Premium		7,548,751
	Income Tax Paid		(18,291,438)
	Net Cash Generated from Operating Activities		36,319,538



Notes to the Financial Statements

For the year ended December 31, 2023



Mercantile Islami Insurance PLC

Annual Report 2023

Notes	Particulars	Amount in Taka	
		31-Dec-2023	31-Dec-2022
29.00	Calculation of Net Assets Value (NAV) Per Share:		
	Particulars		
	Total Assets	2,508,601,704	2,512,432,350
	Total Liabilities	1,657,388,856	1,613,825,921
	Net Assets Value (NAV)	851,212,848	898,606,429
	Number Ordinary Shareholders	43,095,360	43,095,360
	Net Asset Value (NAV) Per Share	19.75	20.85
30.00	Calculation of Net Operating Cash Flow per Share (NOCFPS):		
	Particulars		
	Net Cash provided by Operating Activities	37,917,938	38,645,464
	Number Ordinary Shareholders	43,095,360	43,095,360
	Net Operating Cash Flow per Share(NOCFPS)	0.88	0.90
31.00	Lease:		
	The company has adopted IFRS-16 Lease as on 31 December, 2023. The company leases a number of office space in addition to service sites. Before the adoption IFRS-16, all lease contracts were classified as office rent. IFRS-16 requires all contracts that contain a lease to be recognized on the Balance Sheet as a right-of-use asset and lease liability. Only certain short-term lease are exempted.		
	In Compliance with the standard, the company has elected to use the recognition exemptions in the standard for short-term leases. In such cases the lease are accounted for as office rent.		
31.01	Lease Assets:		
	The details break-up is as follows:		
	Particulars		
	Opening PV of Lease Assets	11,082,999	17,412,793
	Add: Addition during the period Less: Depreciation	4,991,984	-
	Closing Balance	7,134,501	6,329,794
		8,940,482	11,082,999
31.02	Lease Liabilities:		
	The details break-up is as follows:		
	Particulars		
	Opening PV of Lease Assets	11,593,454	17,412,793
	Add: Addition during the period	5,113,360	-
	Add: Interest	794,846	870,640
		17,501,660	18,283,433
	Less: Actual Lease Paid	7,866,530	6,689,979
	Closing Balance	9,635,130	11,593,454
32.00	Subsequent Events:		
	There was no significant event that has occurred between the Balance sheet date and the date when the financial statements are authorised for issue by the Board of Directors.		
33.00	General:		
	a) There was no Bank Guarantee issued by the Company on behalf of their directors.		
	b) The Board of Directors received no remuneration from the Company other than fees for attending the Board meetings.		
	c) No credit facilities as on 31st December, 2023 availed by the Company under any contract other than trade credit available in course of business.		
	d) Figures have been re-arranged wherever necessary for the purpose of comparison.		
	e) The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 302.		





Notes to the Financial Statements

For the year ended December 31, 2023

Annual Report 2023

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as on 31.12.2023
	As on 01.01.2023	Addition during the year	Adjustment during the year	As on 31.12.2023		As on 01.01.2023	Charged during the year	Adjustment during the year	As on 31.12.2023	
Building & Floor Space	6,17,5000	-	-	6,175,000	2.5%	1,002,871	129,303	-	1,132,174	5,042,826
Furniture & Fixture	15,912,197	137,900	-	16,050,097	10%	12,028,334	402,176	-	12,430,511	3,619,586
Electrical & Office Equipment	11,146,714	974,631	-	12,121,345	15%	6,785,220	800,419	-	7,585,639	4,535,706
Office Decoration	23,355,669	460,136	-	23,815,805	10%	16,876,075	693,973	-	17,570,048	6,245,758
Air-Cooler	2,460,817	121,400	-	2,582,217	15%	1,601,211	147,151	-	1,748,362	833,855
Motor & Other Vehicle	57,114,133	82,500	-	57,196,633	20%	35,935,079	4,252,311	-	40,187,389	17,009,244
Telephone Installation	1,551,110	19,500	-	1,570,610	20%	1,459,619	22,198	-	1,481,817	88,793
Sundry Assets	334,888	-	-	334,888	25%	326,835	2,013	-	328,848	6,040
As on December 31, 2023	118,050,528	1,796,067	-	119,846,595		76,015,244	6,449,544	-	82,464,788	37,381,807
As on December 31, 2022	99,404,663	18,645,865	-	118,050,528		68,489,439	7,525,805	-	76,015,244	42,035,284

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our separate report on same date.



PROXY FORM

1/We.....
of.....
being a shareholder of Mercantile Islami Insurance PLC and a holder of (Number of Shares) Ordinary Shares do hereby appoint Mr./Mrs.....
of.....
as my/our proxy, to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the company to be held on **Thursday, 27 June 2024 at 11:00 A.M.** through hybrid system in combination of physical presence at “The Multipurpose Hall” The Institution of Diploma Engineers, Bangladesh, 160/A Kakrail, Dhaka-1000 and using Virtual/Digital Platform
AGM Link <https://micl.bdvirtualagm.com>

Signed on this Day of.....2024

Signature of Proxy.....

Folio No.....

BO A/C No.....



Signature of Shareholder.....

Folio No.....

BO A/C No.....

Notes:

- 1) The Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder should match with the Specimen Signature registered with the Company.

মার্কেটাইন ইসলামী ইন্স্যুরেন্স পিএলসি MERCANTILE ISLAMI INSURANCE PLC

ইসলামী শরী'য়াহ ভিত্তিক পরিচালিত

ATTENDANCE SLIP

I hereby record my attendance at the 28th Annual General Meeting of the company to be held on **Thursday, 27 June 2024 at 11:00 A.M.** through hybrid system in combination of physical presence at “The Multipurpose Hall” The Institution of Diploma Engineers, Bangladesh, 160/A Kakrail, Dhaka-1000 and using Virtual/Digital Platform

AGM Link <https://micl.bdvirtualagm.com>

Name of shareholder/Proxy.....

Folio or BO A/C No.

Signature Dated:

NOTE:

1. Shareholders attending the meeting in person or by proxy are requested to complete this Attendance Slip.
2. Signature of Shareholder or Proxy must conform to the specimen signature recorded with the Company.
3. Please bring this Attendance Slip with you. Admission into the Meeting Room may not be permitted without it.
4. Any friend or children accompanying with honorable shareholders/proxy will not be allowed to the meeting.

