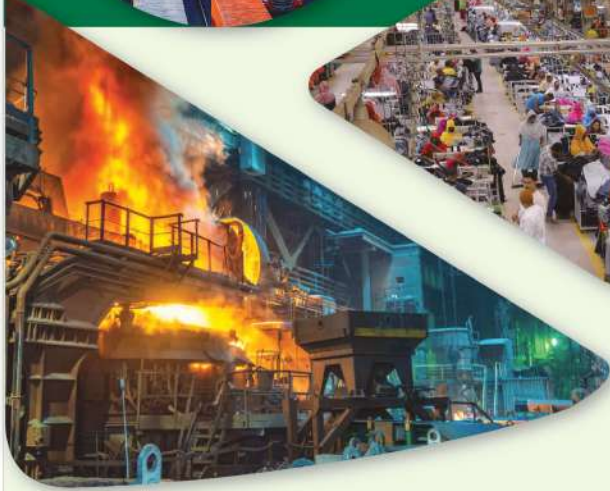




# Annual Report 2025



মার্কেন্টাইল ইসলামী ইন্স্যুরেন্স পিএলসি  
**MERCANTILE ISLAMI INSURANCE PLC**

ইসলামী শরী'য়াহ ভিত্তিক পরিচালিত



# মার্কেন্টাইল ইসলামী ইন্স্যুরেন্স পিএলসি MERCANTILE ISLAMI INSURANCE PLC

ইসলামী শরী'য়াহ ভিত্তিক পরিচালিত



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# Letter of Transmittal



Mercantile Islami Insurance PLC

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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, 2025**

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, 2025 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, 2025 for your kind information & record.

With best regards

Your's Faithfully

**Abdur Rahman**  
DMD & Company Secretary





## Notice of the 30<sup>th</sup> Annual General Meeting

Annual Report 2025

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting (AGM) of Mercantile Islami Insurance PLC will be held Virtually using Digital Platform on Tuesday 30 June 2026 at 11:00 a.m. through the link <https://miiplc.bdvirtualagm.com> to transact the following business:-

1. To receive consider and adopt the Audited Financial Statements for the year ended 31 December 2025, 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 2025 as recommended by the Board of Directors.
3. To elect/Re-elect Directors as per the relevant legislation.
4. To appoint Statutory Auditors for the year 2026 and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2026 and to fix their remuneration.
6. To appoint Insurer's Corporate Governance Guidelines (ICGG) Compliance Auditors for the year 2026 and to fix their remuneration.
7. To transact any other business of the Company with the permission of the Chair.

On behalf of the Board of Directors

(Abdur Rahman)  
DMD & Company Secretary

Dated, Dhaka  
30 April, 2026

### Notes:

1. The Record date is 01 June 2026 the Shareholders whose name will be appeared in the depository register of the company on the record date, will be eligible to attend the Annual General Meeting (AGM) and entitled to receive the dividend.
2. A member entitled to attend and vote at this virtual AGM may appoint a Proxy to attend and vote in his/her stead. The scanned copy of "Proxy Form" duly filled, signed and stamped at BDT 20/- must be sent through email to [info@miiplc.com](mailto:info@miiplc.com) no later than 48 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 MIIPLC shares, as on record date with details of shareholders' name, BO ID, Shareholding position, Cash dividend receivable, Income tax etc. within 23 June 2026, along with the name of the contact person to the Share Department of the Company or at [info@miiplc.com](mailto:info@miiplc.com), otherwise dividend will be paid to bank account of the member whose name would appear on the Record Date.
4. The members will be able to submit their questions/comments and vote electronically 48 hours before commencement of the AGM. For logging into the system, the members' need to put their 16-digit BO ID/Folio Number and other credential as proof of their identity through the mentioned E-mail.
5. Shareholders are requested to login the system prior to starting of the meeting. The webcast will start at 10:30am. Full login process to the digital platform of meeting will also be available in the Company's website [www.miiplc.com](http://www.miiplc.com). For any technical difficulties in accessing the virtual meeting, the members are requested to contact at the Head Office 02-223387467, 223387463 and 41054787 within office hours from 09.00 am to 5.00 pm sharp.
6. The soft copy of Annual Report-2025 will be forwarded to the email address of the shareholders available in their BO account maintained with Depository Participant (DP). The Annual Report- 2025 and Proxy Form will be available in the Company's website at [www.miiplc.com](http://www.miiplc.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.
Registered with the Department of Insurance	March 19, 1996
Commencement of Business	May 5, 1996
Registered & Head Office	Red Crescent House (1st Floor), 61, Motijheel C/A, Dhaka – 1000
Telephone No.	02223387467, 02223387463, 41054787
Type of Organization	Non-Life Insurance Company
Company's TIN	736522558961
Company's BIN	000419221-0202
E-mail	info@miiplc.com, mercantileins2017@gmail.com
Chairman	<b>Abdul Haque</b>
Chief Executive Officer	Firoz Ahmed
DMD & Company Secretary	Abdur Rahman
Deputy 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 PLC	7 December 2004
Start of Trading with CSE PLC	21 May 2009
Statutory Auditors	<b>Kazi Zahir Khan &amp; Co.</b> Chartered Accountants Home Town Apartment (Flat-C), Level-15, 87, New Eskaton Road, Dhaka
Compliance Auditor (BSEC)	<b>Mak &amp; Co.</b> Chartered Accountants BSEC Bhaban (Level-11) 102, Kazi Nazrul Islam Avenir, Kawran Bazar, Dhaka-1215
Compliance Auditor (IDRA)	<b>Ahmed Zaker &amp; Co.</b> Chartered Accountants 89 Kakrail, Green City Edge (Level-10) Dhaka-1000
Credit Rating Company	<b>Alpha Credit Rating Limited</b> Shadaran Bima Bhaban-2, (8th & 2nd floor), 139 Motijheel C/A, Dhaka-1000
Tax Adviser	<b>Talukder &amp; Associates</b> Eastern Mansion, 67/9, Kakrail, (2nd Floor) Room No. 05, Dhaka – 1000. Bangladesh
Website	www.miiplc.com





## *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 and Allied Perils Insurance
- ✓ Industrial All Risks (IAR)
- ✓ Property All Risks (PAR) Insurance

### Marine Insurances

- ✓ Marine Cargo Insurance
- ✓ Marine Hull Insurance

### Motor Insurances

- ✓ Motor Comprehensive Insurance
- ✓ Motor Act Liability Insurance
- ✓ Commercial Vehicle Insurance
- ✓ Private Vehicle 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)

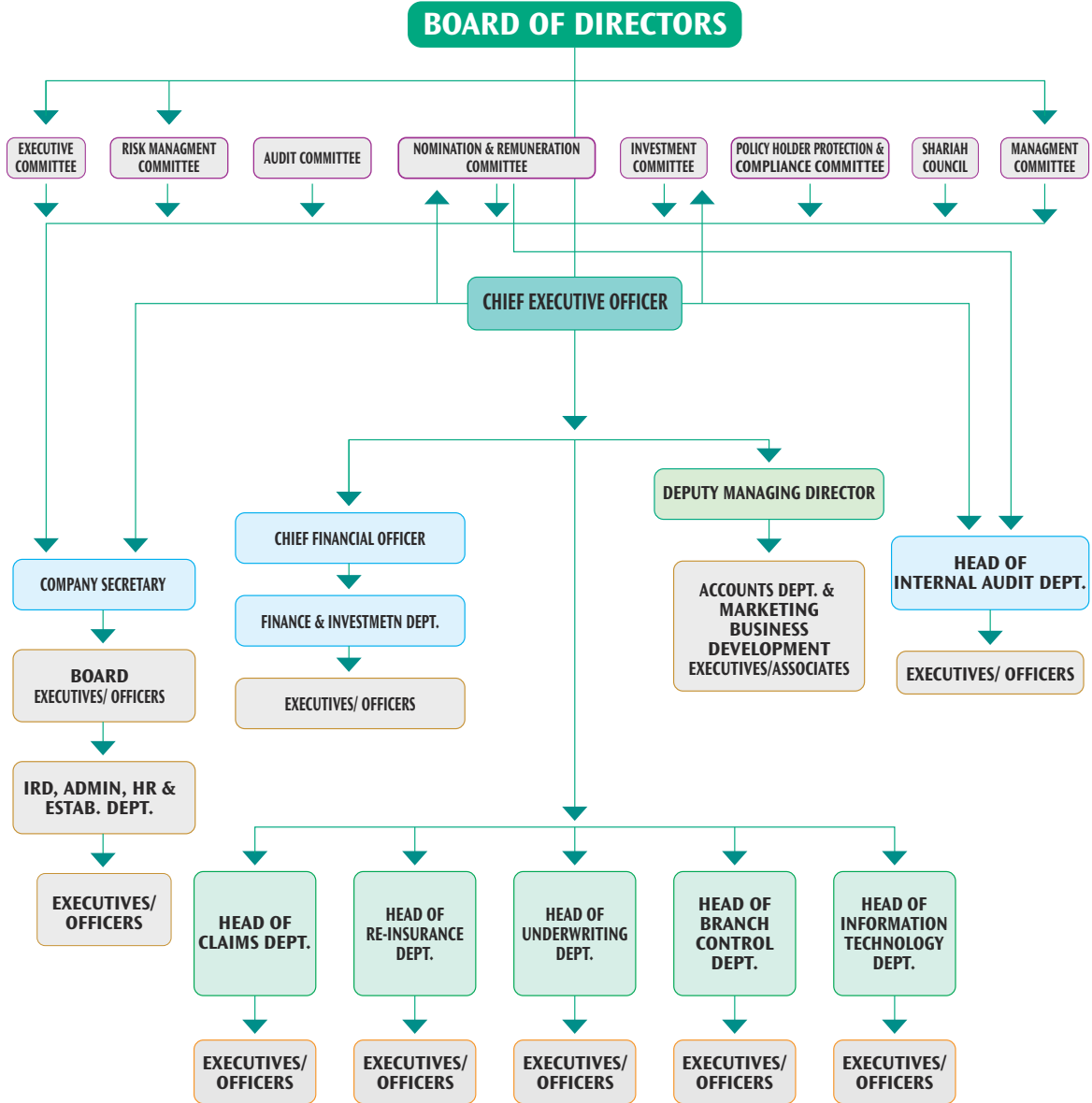
### Overseas Mediciclaim

- ✓ Overseas Mediciclaim Insurance (Schgen, Non Schgen Countries)

### Miscellaneous Insurance

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





## CHAIRMAN

Abdul Haque

## ADVISER

M. Kamal Uddin

## VICE-CHAIRMAN

A. M. Ershad Chowdhury

## CHAIRMAN, EXECUTIVE COMMITTEE

Mohammad Nabi Ullah

## CHAIRMAN, RISK MANAGEMENT COMMITTEE

Al-haj Abdul Mannan Mazumder

## CHAIRMAN, NOMINATION & REMUNERATION COMMITTEE

Md. Salam Obaidul Karim

Independent Director

## CHAIRMAN, AUDIT COMMITTEE

Hasan Uddin Sikder

Independent Director

## DIRECTOR

Md. Serajul Islam

Md. Mizanur Rahman Ph.D

Abdur Rahman

Al-haj Mohammed Solaiman

Shajjad Mustafa

Nurul Azim Sunny

Azad Mustafa

Mohiuddin Ibnul Arabi

Ahmed Rafee Alif

Shafique Ahmed

Monjura Shehely (Independent)

## MANAGING DIRECTOR & CEO

Firoz Ahmed





# Brief Profile of Directors



## Brief Profile of Director



Mercantile Islami Insurance PLC

Annual Report 2025



### **Abdul Haque** *Chairman*

Abdul Haque is a distinguished businessman and entrepreneur from Dhaka, belonging to a long-established family with a respected legacy in commerce and industry. Guided and inspired by his father, Late Haji Abdul Kader, he commenced his entrepreneurial journey in 1973 through the import and trading of dyes and chemicals. His business activities subsequently expanded into textile printing and finishing, where he developed extensive expertise and a comprehensive understanding of the industry.

In pursuit of advanced technical knowledge and international exposure, Mr. Haque undertook professional training and specialization at the renowned ICI Laboratories in Manchester, United Kingdom, CIBA Laboratories in Basel, Switzerland, and Bayer in Leverkusen, Germany. These experiences significantly contributed to the strengthening of his technical proficiency and business leadership capabilities.

Over the decades, Mr. Haque has successfully established and expanded a diversified business conglomerate with interests spanning real estate development, insurance, telecommunications, capital markets, and media enterprises. He is a major sponsor of Mercantile Islamic Insurance PLC and has maintained active involvement in the capital markets through the Dhaka Stock Exchange.

Mr. Haque also holds substantial interests in Shamol Bangla Media Ltd, the parent company of BanglaVision, one of Bangladesh's leading 24-hour satellite television channels. Since the company's incorporation in 2005, he has served as Chairman of the organization, playing a significant role in the development of the country's electronic media industry. In addition, he serves as the Chairman of M.M Communications Limited, a leading Interconnection Exchange (ICX) operator in Bangladesh's telecommunications sector.

Simultaneously, Mr. Haque has remained actively engaged in industry leadership and representation. Since its formation, he has served as an elected Member of the Executive Committee of the Association of Television Channel Owners (ATCO).

In the insurance sector, Mr. Haque has been consecutively elected Chairman of Mercantile Islamic Insurance PLC for more than a decade, reflecting the confidence and respect he commands within the industry. His contributions to the capital market of Bangladesh have likewise been significant and longstanding. He was elected Vice Chairman of the Dhaka Stock Exchange in 1996, Senior Vice Chairman in 2002, and subsequently President in 2008. Furthermore, he served as an elected Board Member of the Dhaka Stock Exchange for nearly two decades.

Mr. Haque has participated in numerous international conferences and forums relating to capital markets and global commerce and is widely travelled. In addition to his professional achievements, he is also recognized for his philanthropic contributions and continued support for charitable, educational, and social welfare initiatives in Bangladesh.



ইসলামী শরী'আহ ভিত্তিক পরিচালিত



**M. Kamal Uddin**  
*Adviser*

Mr. M. Kamal Uddin was born in 1955 at Chattogram in a prestigious Muslim family. He is an eminent personality widely known in the business arena at home and abroad. Mr. Kamal Uddin is an Honorable sponsor of Mercantile Islami Insurance PLC. Formerly he was the elected Chairman of Board of Directors of Mercantile Islami Insurance PLC. for consecutive 09 (Nine) years and contributed vital role for the establishment, development & continuous 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, CBM Consortium, CBM Housing Ltd., MABA Ltd. and South Green Ltd.

He is the Advisor of Mercantile Islami Insurance PLC.

He is an influential 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 kinds of business and well reputed Organizations which has up lift him a forward looking and progressive business man 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*

### PROFESSIONAL OVERVIEW

A. M. Ershad Chowdhury is a financial services and technology professional with over 19 years of international experience spanning banking, insurance, capital markets, and information systems across Bangladesh and the United Kingdom. He specialises in data-driven transformation, corporate governance, risk management, and the strategic use of technology to strengthen financial institutions.

### CURRENT ROLE & INTERNATIONAL EXPERIENCE

Mr Chowdhury serves as Vice Chairman of Mercantile Islami Insurance PLC, providing strategic leadership, board-level governance, and direction on sustainable insurance and re-insurance operations. Previously a Senior Consultant at Deloitte in London, he contributed to Lloyd's of London's Blueprint Two initiative, delivering technology-led solutions that improved speed, transparency, and operational resilience across the market. His international career includes advisory engagements with RBS, UBS, Aviva, AXA, Friends Life, SONY, General Electric, Equiniti, and RSA Insurance Group, spanning regulatory compliance, financial optimisation, and large-scale institutional transformation.

### INSURANCE EXPERTISE

Mr Chowdhury brings comprehensive insurance expertise across Bangladesh and the United Kingdom. As Vice Chairman of Mercantile Islami Insurance PLC, he has led strategic planning, maintained 100% IDRA regulatory compliance, managed a diversified investment portfolio achieving good annual return and introduced innovative products including cyber insurance. His international career includes roles at RSA Insurance Group and Aviva Insurance PLC, where he managed global reinsurance data, conducted EML and PML exposure assessments, and oversaw end-to-end policy administration systems.

### BANKING SECTOR STRATEGY — BANGLADESH

Committed to advancing Bangladesh's banking sector, Mr Chowdhury champions sound governance and growth strategies rooted in Islamic finance principles. He strengthens financial stability through robust FDR portfolios, competitive ROI structures, and well-structured LC frameworks supporting domestic trade and diaspora engagement. His investment philosophy optimises allocations across Shariah-compliant instruments — Sukuk, equities, and real estate — for long-term, sustainable institutional growth.

### RISK MANAGEMENT & SME EMPOWERMENT

Mr Chowdhury advocates for robust credit risk frameworks, data-driven lending decisions, and early warning systems to improve asset quality and minimise non-performing investments. He places strong emphasis on disciplined loan appraisal, proactive portfolio monitoring, and structured recovery strategies. He is equally passionate about empowering SMEs through accessible financing and entrepreneurial advisory, believing SME growth to be a cornerstone of employment, economic expansion, and lasting financial inclusion.

### ACADEMIC BACKGROUND & ENTREPRENEURIAL ACTIVITIES

Mr Chowdhury holds an MBA in Finance from the University of Glasgow and a BSc (Hons) in Information Systems from the University of Greenwich, England. Beyond his corporate career, he operates a real estate business in the United Kingdom and functions as an independent stockbroker, actively investing across the London Stock Exchange and global capital markets.





**Mohammad Nabi Ullah**  
*Chairman, Executive Committee*

Mr. Mohammad Nabi Ullah is the immediate Past Chairman of Mercantile Islami Insurance PLC. He is 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 a long. He is acquainted with the organiser of many Socio-economic and Islamic Institute like Madrasa, Mosque, Hospital etc. His generous hands contribute towards the helpless, distress & poor communities is remarkable. 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 such as China, Singapore, Malaysia, Taiwan, Thailand, USA, UAE, Australia, Indonesia and the Middle East for business promotion and development of the country.





### **Al-haj Abdul Mannan Mazumder** *Chairman, Risk Management 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.

Mr. Mazumder is actively associated with a number of socio-cultural organizations. He is the Chairman of Radhanagar High School at Chagalnaiya Feni, Founder of North Adharmanik Madrasha & 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 for many times.



### **Al-haj Mohammed Solaiman** *Director*

Al-haj Mohammed Solaiman, son of Late Al-haj AhmedurRahman, was born in a respectable Muslim family of Chattogram in the year 1958. After completing his education, he embarked on a successful business career and established himself as a prominent businessman, corporate leader, and social contributor in Bangladesh.

He obtained his Bachelor of Arts (Honours) degree and subsequently completed his Master's degree in Public Administration. Through his dedication, leadership qualities, and business acumen, he has earned recognition in the fields of insurance, healthcare, trading, and education.

Al-haj Mohammed Solaiman is a Director of Mercantile Islami Insurance PLC. He previously served as the Chairman of the company and was elected Chairman for three consecutive years, contributing significantly to the company's growth and development.

He is also the Chairman of HURDCO International School and the Managing Director of Paradise Corporation (Pvt.) Ltd., operating in greater Dhaka and Chattogram. Under his leadership, the organization has expanded its reputation and business activities successfully.

In addition to his corporate responsibilities, he serves as Director of several renowned healthcare institutions, including Central Hospital Ltd., Eden Multicare Hospital Ltd., Epic Health Care, and Dhaka Imperial Hospital. He is actively involved in diversified business sectors such as insurance, trading, medical services, and electronics.

Al-haj Mohammed Solaiman is associated with several prestigious social and recreational organizations. He is member of Chittagong Club, Army Golf Club Dhaka, and Chittagong Boat Club. His contributions to socio-cultural and professional activities are widely appreciated.

He is also Life Member of ChattogramSomittee Dhaka, BNSB Chittagong, Diabetic Association Chittagong, and SHAIK, Metropolitan Shooting Club Chattogram.

Apart from his professional and social engagements, Al-haj Mohammed Solaiman has traveled extensively around the world. He has visited numerous countries, including China, India, Singapore, Thailand, the United Kingdom, the United States of America, Hong Kong, and Saudi Arabia.

Through his longstanding professional achievements, leadership, and social commitment, Al-haj Mohammed Solaiman continues to contribute meaningfully to the business community and society at large.





### **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 from the University of Dhaka 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 World Business Conferences in Asia, Europe and USA.





### **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 UK, USA, Australia, Germany, Switzerland etc.





**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 has a brilliant academic career. He obtained Master of Business Administration and secured 1st class 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. and Merchant Auto Ltd. He is also the Proprietor of Buildtec Corporation.

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





### **Nurul Azim Sunny** *Director*

Mr. Nurul Azim Sunny is a Director of Mercantile Islami Insurance PLC. He is the son of Al-haj MD 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 his BBA from North South University, Dhaka, Bangladesh and Master of Accounting from Macquarie University of Australia.

Mr. Azim has travelled in many countries of the world 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.



**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.





**Ahmed Rafee Alif**  
*Director*

Mr. Ahmed Rafee 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.





### **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.





### **Ms. Monjura Shehely** *Female Independent Director*

Ms. Monjura Shehely is a female independent director of Mercantile Islami Insurance PLC.

Ms. Monjura Shehely was born in a reputed Muslim family at Chuadanga on 1972. She completed her graduation from Chuadanga.

Ms. Monjura Shehely is the chairman of Molla Import Export Company (PVT) Ltd. She is also the proprietor of Monjura International Trading. Ms. Monjura Shehely is involve in trading business for many years. She also visited many countries for trade promotion and business purposes.





**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 The Board of Directors



Mercantile Islami Insurance PLC

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In compliance with the Articles of Association of the Company and regulatory guidelines, the Board has constituted 8 (Eight) 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) Shariah Council, Management Committee 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. is constituted Headed by Mr. Abdul Haque alongwith 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.

## 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 04 (four) 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:**

### **INVESTMENT COMMITTEE (IC)**

- **CHAIRMAN**  
Shajjad Mustafa
- **MEMBER**  
Ahmed Rafee Alif  
Mohiuddin Ibnul Arabi  
Nurul Azim Sunny  
Shafique Ahmed

### **RISK MANAGEMENT COMMITTEE (RMC)**

- **CHAIRMAN**  
Al-Haj Abdul Mannan Mazumder
- **MEMBER**  
Md. Salam Obaidul Karim  
Nurul Azim Sunny  
Shajjad Mustafa



# Committees Under The Board of Directors



Mercantile Islami Insurance PLC

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## POLICYHOLDER PROTECTION & COMPLIANCE COMMITTEE (PPCC)

- **CHAIRMAN**  
Nurul Azim Sunny
- **MEMBER**  
Azad Mustafa  
Shafique Ahmed

## SHARIAH BOARD

- **CHAIRMAN**  
Barrister Nazbur Rahman Momen
- **MEMBER**  
Dr. Md. Ruhul Amin Rabbani  
Prof. Dr. Md. Shamsul Alam

## MANAGEMENT COMMITTEE

- **CONVENOR**  
Firoz Ahmed, MD & CEO
- **MEMBER**  
Abdur Rahman, DMD & CS  
Md. Azim Uddin, DMD  
Md. Abdus Salam, DMD & CFO  
Nurul Afsher, DVP



ইসলামী শরী'আহে ভিত্তিক পরিচালিত



**CHIEF EXECUTIVE OFFICER**

Firoz Ahmed

**ADDITIONAL MANAGING DIRECTOR**

Bazlur Rahman

**DEPUTY MANAGING DIRECTOR & COMPANY SECRETARY**

Abdur Rahman

**DEPUTY MANAGING DIRECTOR**

Md. Azim Uddin

Md. Rashedul Islam

**DEPUTY MANAGING DIRECTOR & CFO**

Md. Abdus Salam

**ASSISTANT MANAGING DIRECTOR**

Md. Rashedur Rahman

**EXECUTIVE VICE-PRESIDENT**

Md. Javed Akhter

Md. Helal Uddin

**SENIOR VICE-PRESIDENT**

Md. Imam Hossain Shikder

**VICE-PRESIDENT**

Md. Ismail

Sarwar Alam

Abdul Bari Chowdhury

Md. Nurul Alam

**DEPUTY VICE-PRESIDENT**

Hamidul Alam Chowdhury

Nayan Tara Saha

Md. Delwar Hossain

Giasuddin Mohammad Monsur

Rahim Hasan Turjo

Md. Ragib Abid

Nurul Afsher

Md. Abdur Rahim

**ASSTT. VICE-PRESIDENT**

Md. Habibur Rahman Chowdhury

Farhana Habib

Md. Moniruzzaman Khan

**SENIOR MANAGER**

Md. Kutub Uddin

Dewan Mofizur Rahman



**CHIEF EXECUTIVE OFFICER**

Firoz Ahmed

**DEPUTY MANAGING DIRECTOR & COMPANY SECRETARY**

Abdur Rahman

**DEPUTY MANAGING DIRECTOR**

Md. Azim Uddin

**DEPUTY MANAGING DIRECTOR & CFO**

Md. Abdus Salam

**SENIOR VICE PRESIDENT**

Md. Imam Hossain Shikder

**VICE-PRESIDENT**

Sarwar Alam

**DEPUTY VICE-PRESIDENT**

Nayan Tara Saha

Md. Delwar Hossain

Giasuddin Mohammad Monsur

Nurul Afsher

**ASSTT. VICE-PRESIDENT**

Md. Habibur Rahman Chowdhury

Farhana Habib

**DEPUTY MANAGER, IRD**

Nazma Akter





# Rating AA

AlphaRating

19 October, 2025

**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 From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
19 October 2025	27 September 2025	26 September 2026	11 <sup>th</sup> Surveillance	AA	ST-2	Stable

The long-term rating & short-term rating is valid up to 26 September, 2026. 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 PLC, while assigning this rating to Mercantile Islami Insurance PLC, hereby solemnly declare that:

- (i) We, Alpha Credit Rating PLC 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
- (ii) 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*  
**Abdul Mannan**  
Chief Executive Officer

**This letter is integral part of the credit rating report.**

Alpha Credit Rating Limited, Sadharan Bima Bhavan-2 (2nd & 8th Floor), 139 Motijheel C/A, Dhaka-1000.  
Tel: +880-2-2223353025, 2223353026, 2223352027, 2223353028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd



# List of Branches



Mercantile Islami Insurance PLC

Annual Report 2025

Name of Branch & Address	Branch in-charge	Phone/Mobile
<b>Gulshan Branch</b> Islam Mansion, House No. 39, Road No. 126 Circle-1, Gulshan, Dhaka-1212	<b>Bazlur Rahman</b> Additional Managing Director	(M) 01819-174274 58815073 (R) 58815075 (Off)
<b>Mogh Bazar Branch</b> 17 Mogh Bazar (4th floor) New Eskaton Road. Dhaka-1000	<b>Md. Rashedul Islam</b> Deputy Managing Director	(M) 01741-775544 41030155, 41032240 Fax: 48322361
<b>Rangpur Branch</b> Chayanika Cloth Centre (3rd Floor) Taltala Road, Rangpur	<b>Md. Rashedur Rahman</b> Asst. Managing Director	(M) 01713-224466 (0521)-55626
<b>Jashore Branch</b> Jess Tower, M.K.Road (3rd Floor), Jashore	<b>Md. Javed Akhter</b> Executive Vice-President	(M) 01711329290 02-477760166 Fax: 0421-68818
<b>Agrabad Branch</b> 18. Sk. Mujib Road Agrabad, Chattogram	<b>Md. Helal Uddin</b> Executive Vice-President	(M) 01716-429627 02333326631, 02333326632 Fax: 031-726632
<b>Bangshal Branch</b> 121/2, North South Road (4 th floor West), Bangshal, Dhaka	<b>Md. Ismail</b> Vice-President	(M) 01817-092043 (02) 223386895 Fax: 7175729
<b>B. B. Avenue Branch</b> 29, B.B. Avenue Hamid Mansion (3rd Floor), Dhaka	<b>Abdul Bari Chowdhury</b> Vice-President	(M) 01711-147488 02-223389224 Fax: 02-95550489
<b>Uttara Branch</b> House- 16(2nd floor), Kushol Center Plot-29, Sector-03, Uttara C/A, Dhaka-1230	<b>Md. Nurul Alam</b> Vice-President	(M) 01755-503829
<b>Jubilee Road Branch</b> 573, Jubilee Road Enayet Bazar, Chattogram	<b>Hamidul Alam Chowdhury</b> Deputy Vice-President	(M) 01711-903003 (031) 635167, 624067 Fax: 031-624067
<b>Pabna Branch</b> 380/383 MA Hamid Road Pabna Sadar, Pabna	<b>Ragib Abid Shihab</b> Deputy Vice-President	(M) 01711-302986
<b>Dinajpur Branch</b> Al-amin Plaza, 2nd Floor, Goneshtola Sadar, Dinajpur-5200	<b>Rahim Hasan Turjo</b> Deputy Vice-President	(M) 01740-600600
<b>Hatkhola Branch</b> 33/1 Road Sayed Nazrul Islam Sarak (Hatkhola) Jakaria Bhaban (2nd Floor), Dhaka - 1203	<b>Md. Abdur Rahim</b> Deputy Vice-President	(M) 01712-982833 47110861, 9515754 (M) 01712-982833
<b>Mirpur Branch</b> Plot-13, Road-01, Section-06, Block-KHA Mirpur, Dhaka-1216	<b>Moniruzzaman Khan</b> Asst. Vice-President	(M) 01715-028401 5805230 (M) 01923-089899
<b>Motijheel Branch</b> 61 Motijheel C/A (10th Level) Dhaka-1000	<b>Md. Kutub Uddin</b> Senior Manager	(M) 01712-226996 02-223390279, 02-2233902397 Fax: 02-9571286
<b>Narayangonj Branch</b> 26 (New) S. M. Maleh Road (4th Floor) Tanbazar, Narayangonj	<b>Dewan Mofizur Rahman</b> Senior Manager	(M) 01818-269212 02224432440 01552440142, 01324737931
<b>Bogura Branch</b> 2 No Rail Gate, Jhowtola Bogura Town, Bogura	<b>Babor Ali</b> Seniro Manager	(M) 01711-317116 02589902034 02588815235
<b>Khatungonj Branch</b> 774, Asadgonj Main Road, M.A. Salam Market (3rd Floor), Chattogram	<b>Abdul Awal</b> Manager	(M) 01818-510170





## Audit Committee Report for the year 2025

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. Hasan Uddin Sikder	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 2025, 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 2025.
- \* Review of the auditors' report and audited financial statements for the year 2025.
- \* Review of the management's discussion and analysis on the financial statements of 2025.
- \* Review of the Report on activities of the Audit Committee for the year 2025.
- \* Review of the management letter from external auditors on financial statements for the year 2025.
- \* Review of the proposal of external auditor and recommend the name of auditor for the year 2025 to the Board for their recommendations.
- \* Review of the un-audited first quarter, second quarter and third quarter financial statements of 2025. 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 2025.
- \* 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 2025



Mercantile Islami Insurance PLC

Annual Report 2025

- iv. Reviewed the Financial Accounts for the year 2025 as compiled and placed by the management and recommended the same for approval of the Board.
- v. 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.

*Hasan Uddin Sikder*  
**Hasan Uddin Sikder**  
Independent Director  
&  
Chairman  
Audit Committee





Financial statements are normally prepared on the basis that a company is a going concern and will continue in operation for the foreseeable 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.





The Nomination and Remuneration Committee comprises with following 04 (four) non-executive directors-

- |     |                         |          |
|-----|-------------------------|----------|
| 01. | Md. Salam Obaidul Karim | Chairman |
| 02. | Mohiuddin Ibnul Arabi   | Member   |
| 03. | Azad Mustafa            | Member   |
| 04. | Nurul Azim Sunny        | Member   |

The Chief Executive Officer of the Company attended at meetings as an invitee. Wherein, DMD & Company Secretary was also present as member Secretary to note the activities of the meeting.

During the year 2025, the committee conducted 2 (Two) 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.

**Md. Salam Obaidul Karim**  
Independent Director  
Chairman NRC

**Abdur Rahman**  
Company Secretary &  
Member Secretary of NRC



## Directors Declaration-2025



Mercantile Islami Insurance PLC

Annual Report 2025

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 2024 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 2024-2025.

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 stockholders interest.

The company adopted IFRS-9. Financial instruments in shares at fair value as at 31 December 2025. 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 2025.

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. 01 June 2026 for the year ended 31 December 2025.





24 May 2026  
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 2025.

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 2025 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 2025 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 2025

### FIGURES IN MILLION (TAKA)

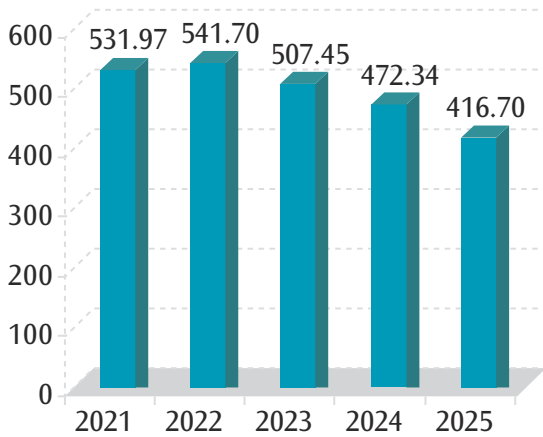
Financial Performance	2025	2024	2023	2022	2021
Gross Premium Income	416.70	472.34	507.45	541.70	531.97
Net Premium Income	273.76	388.61	308.87	315.79	296.54
Underwriting Profit	24.98	4.16	(29.66)	46.27	50.44
Investment & Others Income	77.42	96.06	95.80	82.02	76.97
Net Profit before Tax	85.10	95.25	47.77	108.66	118.73
Reserve & Fund	527.63	475.20	459.22	479.36	460.93
Investments & FDR	1,243.10	1401.95	1546.64	1474.80	1392.79
Paid up Capital	430.95	430.95	430.95	430.95	430.95
Shareholders' Equity	935.27	829.22	851.21	895.43	878.40
Total Assets	2,389.46	2491.72	2508.60	2479.73	2419.93
Dividend	43.10	43.10	43.10	43.10	43.10
Dividend Percentage	10%	10%	10%	10%	10%
	Cash	Cash	Cash	Cash	Cash
No. of Shares (restated)	43,095,360	43,095,360	43,095,360	43,095,360	43,095,360
No. of Branches	17	19	19	18	15
Earnings per Share	1.65	1.94	1.15	1.95	2.08
Net Asset Value Per Share (NAVPS)	21.70	19.24	19.75	20.78	20.38

Credit Rating	2025	2024	2023	2022	2021
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

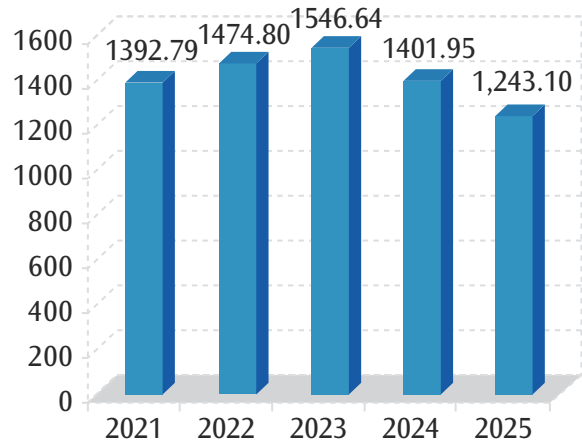


## FIGURES IN MILLION (TAKA)

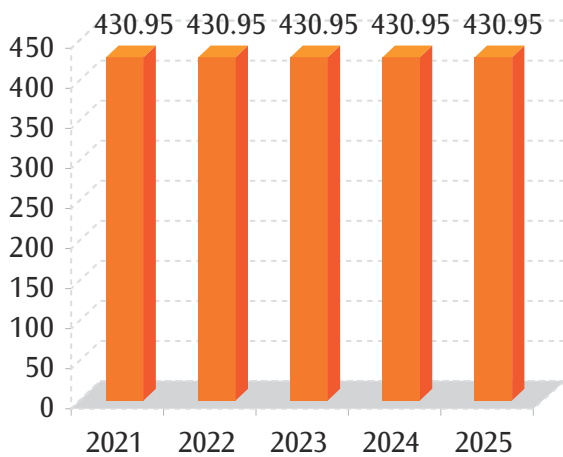
### GROSS PREMIUM



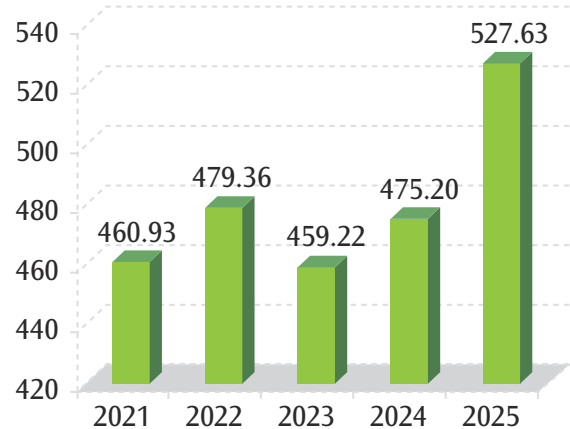
### INVESTMENT & FDR



### PAID UP CAPITAL

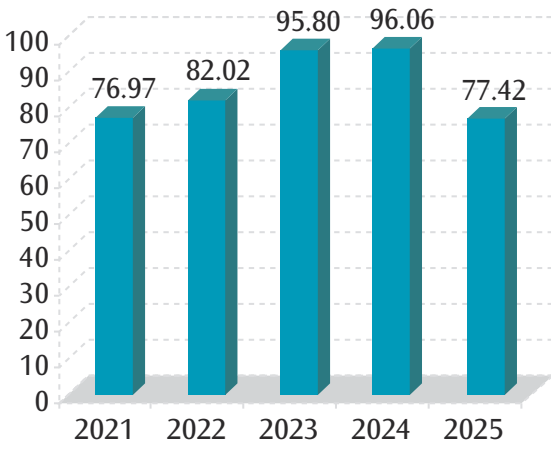


### TOTAL RESERVE & FUND

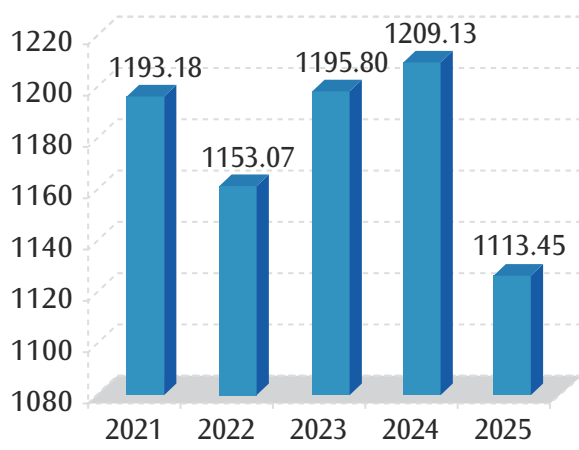


## FIGURES IN MILLION (TAKA)

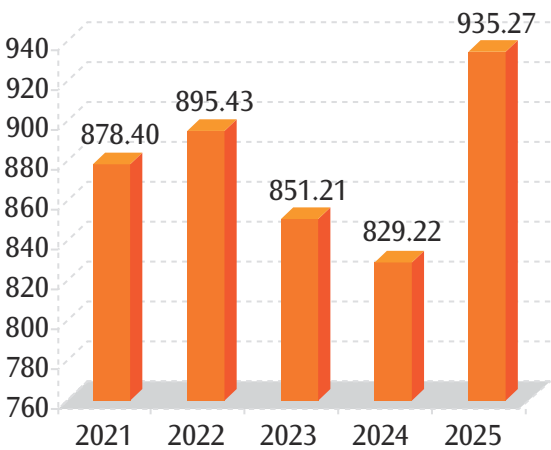
### INVESTMENT & OTHER INCOME



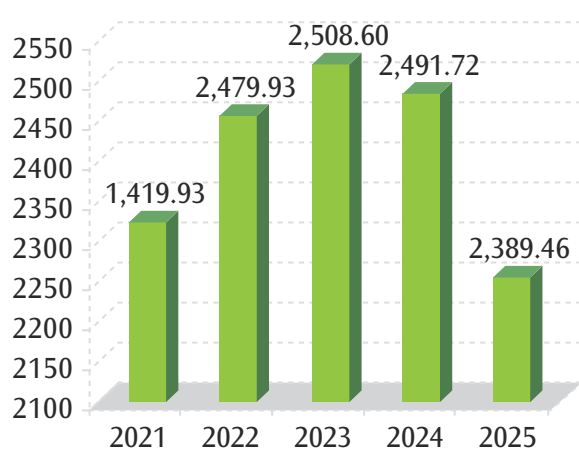
### CASH & BANK BALANCES



### 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, 2025 the Board of Directors held 11 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, 2025 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	Shafique Ahmed (South Green Limited)	863000	2.00%
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 Rafeae Alif (Merchant Securities Ltd.)	1000000	2.32%
15	Mahmood Rahman	287302	0.67%
	<b>Total</b>	<b>13545273</b>	<b>31.43%</b>

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, Deputy Managing Director & CFO	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.



# Speech of the Hon'ble Chairman in the 30<sup>th</sup> AGM



Mercantile Islami Insurance PLC

Annual Report 2025

In the Name of Allah. The Most Beneficent The Most Merciful  
Dear Shareholders and Policy holders.

It is with great pleasure I am presenting you the Annual Report 2025 of Mercantile Islami Insurance PLC. As we reflect on the past year, I am proud to report that MIIPLC has demonstrated resilience, innovation, and unwavering commitments to all of its stakeholders, despite a dynamic and challenging economic situation. The global and national economy in the year 2025 presented both opportunities and challenges. While the insurance sector faced various risks and uncertainties, MIIPLC remained steadfast in its mission to provide secure and innovative non-life insurance solution. Our prudent risks management strategic, customer centric approach and robust financial discipline have enabled us to maintain stable performance throughout 2025.



I am pleased to report that MIIPLC has achieved steady financial growth, with increased premium income, improved underwriting performance and prudent investment strategies. Our commitment to operational excellence and efficiency has strengthened our balance sheet and enhanced shareholders value. In this, we have successfully maintained a strong solvency position ensuring our ability to meet claims efficiently.

Innovation remains a cornerstone of our business strategy. We have introduced digital enhancements, streamlined claims processing and expanded our product portfolio to meet the ever-changing needs of our customers. Our investments in technology have improved accessibility, transparency and overall service quality, reinforcing our reputation as a reliable and forward-thinking insurer.

MIIPLC upholds the highest standard of corporate governance, ensuring transparency, accountability and ethical business practices. During 2025, we further strengthened our compliance framework to align with regulatory requirements and global best practices. Additionally, we have actively participated in corporate social responsibility initiatives by reinforcing our commitment to community development and environmental sustainability.

Looking ahead, we remain optimistic about the future of your company. With increasing awareness, technological advancements and regulatory developments, we foresee significant growth opportunities. MIIPLC will continue to adapt and innovate to remain at the forefront of the industry by safeguarding the interests of our policyholders and maximizing returns for our shareholders.

I extend my sincere gratitude to our valued policyholders, shareholders, regulators and business partners for their trust in our venture and request that they continue their support in the years ahead. I also acknowledge the hard work of our management, employees and our support staff, which has been the driving force for success of your Company.

Thank you all for your continued confidence in our Company.

**Abdul Haque**

Chairman

Mercantile Islami Insurance PLC

ইসলামী শরী'আহ ডিভিক পরিচালিত





**REPORT OF THE BOARD OF DIRECTORS OF MERCANTILE ISLAMI INSURANCE PLC THE YEAR ENDED 31st DECEMBER 2025**

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 30th 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 2025 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 2025.

**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 2025 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 5.74% in FY-25 against 5.82% in FY-24.

**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 Completed 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 2026. The International Monetary Fund (IMF) has lowered the projection of gross domestic products growth for Bangladesh to 3.9% for the first half year of 2026. 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 2025.

**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. 97.36 million against Tk. 138.55 million in 2024. After ceding of the re-insurance premium, the net premium is Tk. 44.94 million against Tk. 90.18 million in 2024. The Company earned an underwriting loss of Tk. (144.19) million from this class against Tk. (164.56) million losses in 2024.

**MARINE INSURANCE BUSINESS**

The Company has underwritten gross premium income of Tk. 209.16 million against Tk. 234.71 million in 2024. After ceding of the re-insurance premium, the net premium of Tk. 160.36 million against Tk. 205.20 million in 2024. The Company earned an underwriting profit of Tk. 124.21 million against Tk. 134.07 million in 2024.

**MOTOR INSURANCE BUSINESS**

In Motor, the Company has underwritten gross premium income of Tk. 4.30 million against Tk. 4.49 million in 2024. 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 4.20 million against



Tk. 4.27 million in 2024. The Company earned an underwriting profit of Tk. 2.47 million in 2025 against Tk. 4.31 million in 2024.

### MISCELLANEOUS INSURANCE BUSINESS

In Miscellaneous, the Company has underwritten gross premium income of Tk. 105.88 million against Tk. 94.58 million in 2024. After ceding of the re-insurance premium, the net premium of Tk. 64.26 million against Tk. 88.96 million in 2024. The Company earned an underwriting profit of Tk. 42.49 million in 2025 against Tk. 30.34 million in 2024.

### INCOME FROM INVESTMENT

Interest income derived from banks and non-banking financial institutions increase to Tk. 143.19 million from Tk. 103.48 million in 2024. The dividend income Tk. 2.30 million from Tk. 13.59 million in 2024.

### PROFIT AND LOSS ACCOUNT

Particulars	BDT 2025	BDT 2024
Gross Premium	416,700,898	472,336,601
Net Premium	273,761,624	388,608,715
Underwrite Profit	24,977,878	4,162,370
Interest Income	140,806,240	89,889,339
Dividend Income	2,301,696	13,591,930
Profit before tax	527,628,644	95,249,280
Provision for tax	12,936,422	16,421,579
Divisible profit	44,055,151	43,378,257

### DIVIDEND

Subject approval of the Annual General Meeting from the retained earnings/divisible profit of 2025 the Board of Directors of the company recommended 10% Cash dividend for the year ended 2025.

### ASSETS

The assets of the company decreased to Tk. 2,389.46 million from Tk. 2,491.72 million in 2024. The value of the assets was decreased by 0.95% from previous year.

### DIRECTORS

#### *Sponsor Directors:*

According to the Articles of Association of the company, the following directors retire at the 30th Annual General Meeting and being eligible they offer themselves for re-election:

1. Abdur Rahman
2. Al-haj Abdul Mannan Mazumder
3. Al-haj Mohammed Solaiman
4. Azad Mustafa

#### **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





**Kazi Zahir Khan & Co.** Chartered Accountants, has been appointed as Statutory Auditors for the year-2025 in the 29th Annual General Meeting of the company.

**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. Mak & Co.** Chartered Accountants was appointed. **Ahmed Zaker & Co.** Chartered Accountants, was appointed to Audit and Report on the Status of Compliance with the Insurer's Corporate Governance Guideline 2023 (CGG-2023) of IDRA for the year ended 31st December-2025.

**PROSPECTS FOR 2025**

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, 11 (Eleven) Board of Directors 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 03 June 2018.



## 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 RRCD/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 RRCD/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 3 June 2018.

### 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

**Abdul Haque**  
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.





- 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 (%)
2024	29 <sup>th</sup>	26-06-2025	-	10%
2023	28 <sup>th</sup>	27-06-2024	-	10%
2022	27 <sup>th</sup>	26-06-2023	-	10%
2021	26 <sup>th</sup>	23-06-2022	-	10%
2020	25 <sup>th</sup>	30-06-2021	-	10%
2019	24 <sup>th</sup>	27-09-2020	-	07%
2018	23 <sup>th</sup>	30-06-2019	-	10%
2017	22 <sup>nd</sup>	30-06-2018	-	10%
2016	21 <sup>st</sup>	29-06-2017	-	10%
2015	20 <sup>th</sup>	26-06-2016	-	10%
2014	19 <sup>th</sup>	09-06-2015	-	10%
2013	18 <sup>th</sup>	16-06-2014	-	10%
2012	17 <sup>th</sup>	26-06-2013	12%	-
2011	16 <sup>th</sup>	27-06-2012	10%	-
2010	15 <sup>th</sup>	27-06-2011	12%	-
2009	14 <sup>th</sup>	28-06-2010	10%	-
2008	13 <sup>th</sup>	23-06-2009	-	10%
2007	12 <sup>th</sup>	29-06-2008	-	10%
2006	11 <sup>th</sup>	28-06-2007	-	10%
2005	10 <sup>th</sup>	29-06-2006	-	10%
2004	9 <sup>th</sup>	28-06-2005	-	10%

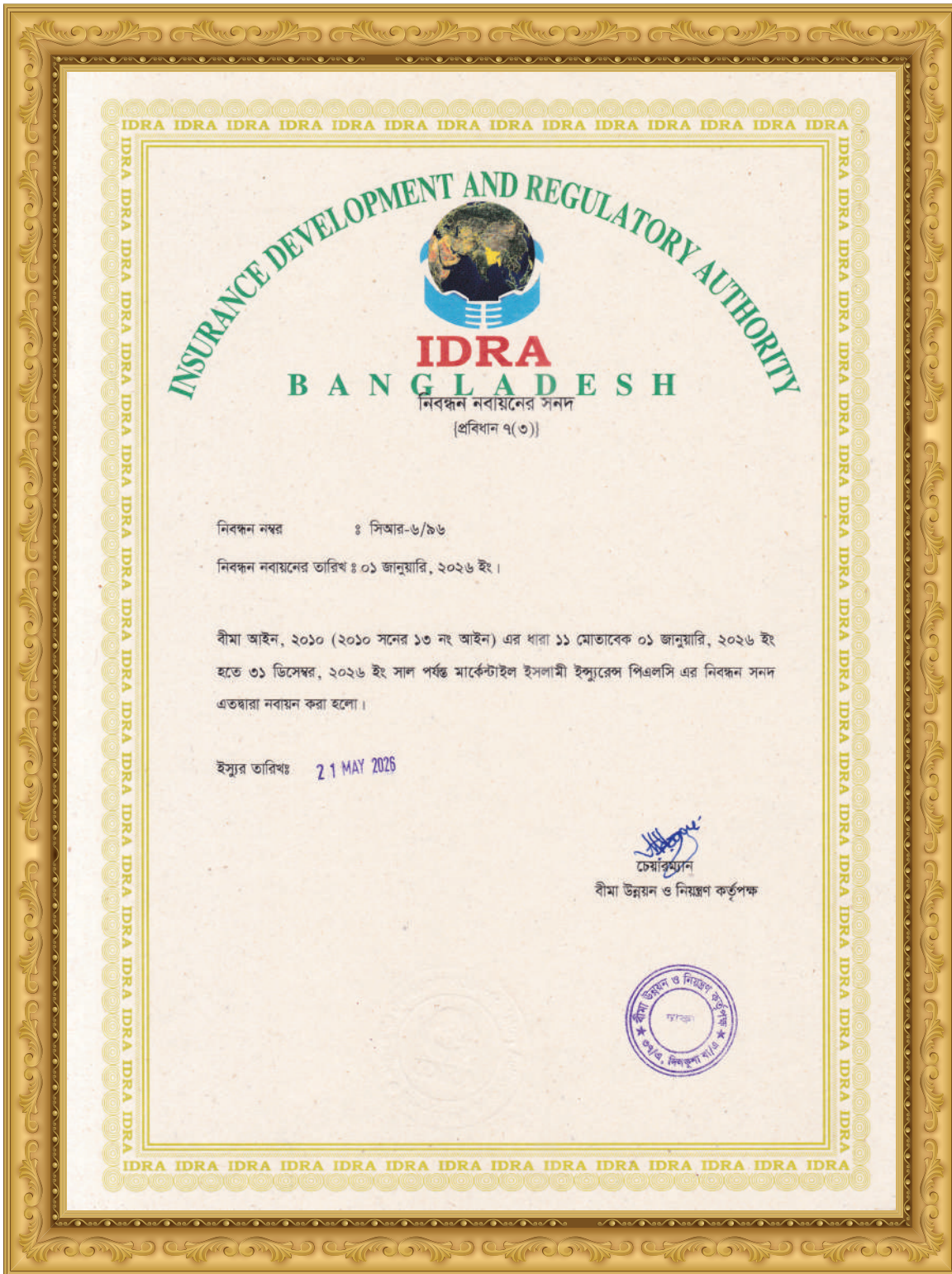


# Certificate of Renewal of Registration of IDRA



Mercantile Islami Insurance PLC

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ইসলামী শরী'আহ ভিত্তিক পরিচালিত





## বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন Bangladesh Insurance Association

সূত্র : বিআইএ-১(৩৪)/২০২৫-২৩৬

তারিখ : নভেম্বর ১১, ২০২৫

### 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 ২০২৬ 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



(মোঃ ফারুক, এনডিসি)  
সেক্রেটারী

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 222226378, 88 02 48310179, E-mail: biadhaka1988@gmail.com, Web : www.biabd.org





# Directors' Certificate

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, 2024 and in our belief, the said assets have been setforth in the Balance Sheet at amounts not exceeding their realisable or market value under the several headings as enumerated in the annexed from.
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

**Al-haj Abdul Mannan Mazumder**  
Director

**Mohammad Nabi Ullah**  
Director

**Abdul Haque**  
Chairman

Place: Dhaka  
Dated: May 05, 2026



## Mak & Co. Chartered Accountants

**Certificate on Compliance on the Corporate Governance Code**  
[Issued under condition # 1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018]

We have examined the compliance status to the Corporate Governance Code by “Mercantile Islami Insurance PLC” for the year ended on 31 December, 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.

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 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:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except as specify in compliance status checklist;
- (b) 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;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws as mentioned in the statutory audit report of same period; and
- (d) The Governance of the company is satisfactory except as stated in the remark's column in the Corporate Governance code check list.



**Mohammad Ali Kawsar, FCA**  
Partner,  
ICAB Enrollment No: 1290  
Mak & Co., Chartered Accountants

Place: Dhaka  
14 JUN 2026



BSEC Bhaban (Level - 11)  
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## Corporate Governance Compliance Report

## ANNEXURE-C

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

Status of compliance for the year ended 31 December, 2025 with conditions imposed by the Commission's Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors</b>			
1(1)	The total number of members of a company's Board of Directors (here in after referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		The MIPLC Board is comprised of 18 Directors Including Managing Director.
<b>1(2)</b>	<b>Independent Directors</b>			
1(1)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company		√	As on 31 December, 2025, the Board has 3 independent directors against the required 4 (one-fifth of a 18-member Board).
<b>1(2)(b)</b>	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the company's any sponsor or director or nominated director or share holder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or other wise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		



# Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies.	√		
1(2)(b)(ix)	who has not been 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)	Who has not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)(i)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):	√		
1(2)(c)(ii)	Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;		√	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days		√	
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	√		
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent director shall be a Knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)	<b>Independent Director shall have following Qualification.</b>			
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;		√	Mr. Hasan Uddin Sikder and Ms. Monjura Shehely do not meet the prescribed qualification requirements for Independent Directors.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;		√	



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# Corporate Governance Compliance Report

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
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: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or		√	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not; or		√	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;		√	
1(3)(c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);		√	Mr. Hasan Uddin Sikder and Ms. Monjura Shehely do not meet the prescribed qualification requirements.
1(3)(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.		√	
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer: -</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of them selves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1(5)</b>	<b>Directors' Report to Shareholders: -</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		

ইসলামী শরী'আহ, বিধানক পালনকারিত



# Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		Only aggregate directors' remuneration disclosed in the financial statements; no director-wise details provided.
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		



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# Corporate Governance Compliance Report

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
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;	√		
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	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</b>				
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and 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)	<b>In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:</b>			
1(5)(xxiv)(a)	A brief resume of the Director;	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	<b>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:</b>			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A

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# Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
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 there of;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and			No such reportable incidence arose
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification there of, 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;	√		
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 specification related to products or services, which have business confidentiality.	√		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		√	

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# Corporate Governance Compliance Report

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			N/A
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors 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.			
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
<b>3.0</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)(i)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(c)(ii)	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;			N/A
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		



# Corporate Governance Compliance Report



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings:-</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√		The Head of Internal Audit and Compliance (HIAC) did not attend the Board of Directors' meetings as required
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
<b>3(3)(a)</b>	<b>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:</b>			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee:-</b>			
	<b>For ensuring good governance in the company, the Board shall have atleast following sub-committees:</b>			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5</b>	<b>Audit Committee:-</b>			
<b>5(i)</b>	<b>Responsibility to the Board of Directors.</b>			
5(i)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(i)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(i)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		



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# Corporate Governance Compliance Report

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, which ever is higher, where presence of an independent director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
	<b>The audit committee shall:-</b>			
5(5)(a)	Oversee the financial reporting process;	√		

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# Report on Compliance



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors.	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval 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 along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	√		
5(5)(h)	Review the adequacy of internal audit function.	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-</b>			
5(6)(a)(ii)(a)	Report on conflicts of Interests.			No such reportable incidence arose
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such reportable incidence arose

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such reportable incidence arose
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such reportable incidence arose
5(6)(b)	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, which ever is earlier.			No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors: - Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC).</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	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 shall have authority to remove and appoint any member of the Committee;	√		



# Report on Compliance



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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or other wise, other than Director's fees or honorarium from the company.	√		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		Company chairman attended to all queries of the shareholders
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, which ever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
<b>7</b>	<b>External or Statutory Auditors.</b>			
<b>7(1)</b>	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-</b>			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		



# Report on Compliance



Mercantile Islami Insurance PLC

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Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company.</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance.</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

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**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

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**COMPLIANCE CERTIFICATE  
TO  
MERCANTILE ISLAMI INSURANCE PLC**

**[Issued under Guideline No. 19(2) of Corporate Governance Guidelines for Insurer-2023 issued by Insurance Development and Regulatory Authority (IDRA)]**

We have examined the compliance status with the Corporate Governance Guidelines for Insurer-2023 of "MERCANTILE ISLAMI INSURANCE PLC" for the year ended on 31 December 2025. The said Guidelines are circulated by Insurance Development and Regulatory Authority (IDRA) vide Letter No. 53.03.0000.075.22.025.2020.230 dated 19 October, 2023.

Such compliance with the Corporate Governance Guidelines for Insurer is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance with the conditions of the Corporate Governance Guidelines for Insurer-2023.

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;

- (a) The Company has complied with the conditions of the Corporate Governance Guidelines for Insurer as stipulated in the above-mentioned Corporate Governance Guidelines for Insurer-2023 as issued by IDRA (see attached checklist); and
- (b) The Governance of the Company is satisfactory, subject to as referred in Annexure-A.

Place: Dhaka, Bangladesh  
Date: June 14, 2026

**Ahmed Zaker & Co.**  
Chartered Accountants

Md. Arifur Rahman  
Partner  
Enrol: 1221



GGI INDEPENDENT MEMBER  
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# Compliance status of Corporate Governance Guidelines issued by IDRA



Mercantile Islami Insurance PLC

## Annexure-A

Status of compliance - IDRA' Corporate Governance Guidelines 2023 (CGG-2023)  
Circular No. 53.03.000.075.22.025.2020.230 dated 19 October 2023;  
Year ended 31st December 2025

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CGG Clause No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>5</b>	<b>Governance Framework:</b>			
	Governance framework should have a system which ensures the rights of shareholders and policyholders through designing appropriate policy.	√		
<b>6</b>	<b>The Board and its Directors</b>			
<b>6.1</b>	<b>Composition of the Board:</b>			
	The Board shall consist of at most 20 members with minimum 2 independent directors.	√		
<b>6.2</b>	<b>Board of Directors and its Directors:</b>			
	The Company should have a policy for appointing/reappointing directors per Insurance Act, 2010, including disqualification criteria, Chairman and Vice-Chairman selection, and recording reasons for their absence.	√		
<b>6.3</b>	<b>Independent Director:</b>			
	A. Prerequisites for selecting independent directors. B. Board appointment & ratification; vacancy not to remain for >90 days; tenure 3 years (extendable by 1 term). C. Qualifications and experience requirements.		√	
	<b>Role of the Board</b>			
	Core responsibility is to guide efficient and effective management toward long-term goals; formulate policies and governance guidelines. Code of Conduct of the Board The Board shall formulate a code of conduct for all employees including Chairman, Directors, and CEO.	√		
<b>7</b>	<b>Committees of the Board</b>			
<b>7.1</b>	<b>Board Committees:</b>			
	The Board should have: (1) Audit Committee, (2) Nomination & Remuneration Committee, (3) Investment Committee, (4) Risk Management Committee, and (5) Policyholder Protection & Compliance Committee.	√		
<b>7.2A</b>	<b>Audit Committee - Role</b>			
	Shall review financial statements and oversee internal and external auditors.	√		
<b>7.2B</b>	<b>Audit Committee -Formation</b>			
	3 members; 1 Non-executive director (not Board Chairman)+ 1 Independent Director; accounting literacy required; 1 member with 10 yrs experience; vacancy filled within 1 month; Company Secretary as Secretary.	√		



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## Compliance status of Corporate Governance Guidelines issued by IDRA

CGG Clause No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
7.2C	<b>Audit Committee Chairman</b>			
	1. Independent director shall be chairmen of the committee absence provisions apply; Chairman to attend AGM.	√		
7.2D	<b>Audit Committee - Meetings</b>			
	Minimum 4 meetings per year; quorum = 2/3 members including 1 Independent Director.	√		
7.2E	<b>Audit Committee - Role (TOR)</b>			
	Board shall form a Term of Reference (TOR) per guidelines.	√		
7.2F	<b>Audit Committee - Rights</b>			
	Committee shall have access to information related to its functions.	√		
7.2G	<b>Audit Committee - Reporting</b>			
	Report to Board on regular activities and sensitive issues; report to authority in appropriate cases; report to shareholders and publish in Annual Report.	√		
8A	<b>Nomination &amp; Remuneration Committee (NRC) - Role</b>			
	Committee Assist Board in evaluating roles and remuneration of employees including senior management.	√		
8B	<b>NRC-Formation</b>			
	Appointed by Board; atleast 4 members including 1 Independent Director; Board Chairman may be member but not Chairman; vacancy filled within 180 days; Company Secretary shall act as Secretary of the committee.	√		
8C	<b>NRC Chairperson</b>			
	Board appoints 1 director as Chairman; absence provisions apply; Chairperson attends AGM.	√		
8D	<b>NRC-Meetings</b>			
	Min 2 meetings per year; emergency meetings allowed; quorum 2/3 members including 1 Independent Director.	√		Partially complied. 1 meeting minutes found
8E	<b>NRC Role (TOR)</b>			
	Board shall form a Term of Reference (TOR) per guidelines.	√		
9A	<b>Investment Committee- Role</b>			
	Sub-committee to oversee the investment portfolio of the company.	√		
9B	<b>Investment Committee - Composition &amp; Meetings</b>			
	Min 5 members including a Chairman; quorum = 3; CEO as ex-officio member; CFO, CIO, CRO may be invited.	√		



# Compliance status of Corporate Governance Guidelines issued by IDRA



Mercantile Islamic Insurance PLC

Annual Report 2025

CGG Clause No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>9C</b>	<b>Investment Committee - Role (TOR)</b>			
	Board shall form a Term of Reference per guidelines.	√		
<b>10A</b>	<b>Risk Management Committee - Role</b>			
	(TOR) Sub-committee to assist the Board in minimising risk.	√		
<b>10B</b>	<b>Risk Management Committee- Composition &amp; Meeting</b>			
	Min 3 members including 1 Independent Director; 1 from Audit Committee; quorum = 2; CEO as ex-officio; Company Secretary as Secretary.	√		
<b>10C</b>	<b>Risk Management Committee - Role</b>			
	Board shall form a Term of Reference per guidelines.	√		
<b>11A</b>	<b>Policyholder Protection &amp; Compliance Committee Role</b>			
	Sub-committee to oversee the investment portfolio of the company.	√		
<b>11B</b>	<b>Policyholder Protection &amp; Compliance Committee - Composition</b>			
	Min 3 members including 1 Independent Director; 1 from Audit Committee; quorum = 2; Company Secretary as Secretary.	√		
<b>11C</b>	<b>Policyholder Protection &amp; Compliance Committee- Role (TOR)</b>			
	Board shall form a Term of Reference per guidelines.	√		
<b>12</b>	<b>Senior Management &amp; Key Personnel:</b>			
	Appoint CEO, CFO, CS, CIO, CRO and HIAC; qualified persons; Board to determine roles; not to hold executive positions in other companies.	√		
<b>12.1</b>	<b>Managing Director/Chief Executive Officer:</b>			
	CEO shall be appointed by the Board per Insurance Companies (Appointment and Disposal) Rules-2012.	√		
<b>12.2</b>	<b>Responsibilities of Senior Management &amp; Key Personnel:</b>			
	Board shall determine and implement charters of duties for CEO, CS, CFO, CIO, CRO, HIAC and other senior management.	√		
<b>12.3</b>	<b>Appointment of Actuaries</b>		√	
<b>13</b>	<b>Other Committees:</b>			
	CSR, ESG, Integrity & Ethics, Reinsurance & Restoration, and Asset Liability Management Committees.		√	
<b>14</b>	<b>Disclosure- Board &amp; Committees:</b>			
	Record board proceedings; publish code of conduct; disclose meeting counts, committee names, director remuneration, and other relevant information.	√		Partially Complied
<b>15</b>	<b>Related Party Transactions:</b>			
	Policy to identify and conduct related party transactions.	√		



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## Compliance status of Corporate Governance Guidelines issued by IDRA

CGG Clause No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
<b>16</b>	<b>Corporate Social Responsibility:</b>			
	CSR activities to be published in Annual Report.	√		
<b>17.1</b>	<b>Whistle Blowing Policy</b>	√		
<b>17.2</b>	<b>Other Policies:</b>			
	Asset Liability Management, Underwriting, Reinsurance, Claim Settlement, Code of Conduct, CSR, Suddachar, Gender Equality, HR Management, Anti-Corruption, Disparity Prevention, ICT Policy.	√		Partially Complied
<b>18</b>	<b>Disclosure Initiatives:</b>			
	Company website with Annual Report, insurance policy features, key contact information, and other Authority-advised information.	√		Company website: <a href="http://www.miiplc.com/">http://www.miiplc.com/</a>
<b>19</b>	<b>Annual Corporate Governance Compliance Statement:</b>			
	Submit annual compliance statement to the authority by 31st January of the following year.			To be Complied in due course.



# Auditors' Report to the Shareholders



## Opinion

We have audited the financial statements of Mercantile Islami Insurance PLC ("the company") which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, consolidated revenue account, fire insurance revenue account, marine insurance revenue account, miscellaneous insurance revenue account, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and others explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of financial position of the company as at 31 December 2025, and its financial performance and its statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSS) and International Accounting Standards (IASS), the Companies Act 1994, the Insurance Act 2010, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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 opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of financial statements for the year 2025. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our Response to the Risk
<b>Premium Income</b>	
<p>The Company has reported premiums income (Premium less Re-insurance) of taka 273,761,624 for the year ended 31 December 2025 whereas premium less re-insurance was of Taka 388,608,715 for the year ended 31 December 2024. Premium's income comprises of the gross premium received during the accounting period</p>	<p>We have tested the design and operating effectiveness of key controls in respect of various types of insurance focusing on the followings:</p> <ul style="list-style-type: none"> <li>• Checked the design and operating effectiveness of key controls around premium income recognition process;</li> <li>• Carried out analytical procedures and recalculated premium income for the period on sample basis;</li> <li>• Carried out cut-off testing to ensure unearned premium income has not been included in the premium income;</li> </ul>





# Auditors' Report to the Shareholders

for which insurance policy has been issued by contracts with the Company less total re-insurance ceded.

Due to high level of risk involved in premium income in connection with other items to the financial statements, it has been considered as a significant area of concern which requires special consideration.

- 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;
- We tested the process of confirming premium income amounts through banking channels and noted a discrepancy between the amounts confirmed and the bank received from premium income as recorded in the company's cash flows. It was also noted that not all premium collections are received through banking channels.
- We Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan;
- We tested the outstanding premium balances carried forward from the prior year, along with the additions for the current year. Procedures were performed to assess the recoverability of these amounts and to ensure that any un-received premiums are accurately recorded and properly disclosed in the financial statements.
- 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;
- Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

See Note no. 2 (K) & 21.00 (i) to the financial statements.

### Re-insurance

The Company has reported Re-insurance ceded amount of Taka 142,939,274 and Commission earned on R/I 24,889,929 occurred for the whole accounting period.

Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.

With respect to Re-Insurance, we carried out the following procedures:

- Carried out analytical procedures and recalculated re-insurance ceded & commission for the period;
- The design and operating effectiveness of key controls around re-insurance ceded & commission process;
- Carried out cut-off testing to ensure the re-insurance ceded & commission occurred during the year;
- Tested on a sample basis to see that related Taxation was being considered; and



# Auditors' Report to the Shareholders



Mercantile Islami Insurance PLC

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	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>See Note No. 21 (i) &amp; (ii) to the financial statements.</p>	
<p><b>Estimated liability in Respect of outstanding claims whether due or intimated and claim payment</b></p>	
<p>This account represents the claim due or We tested the design and operating effectiveness of intimated from the insured and involves controls around the due and intimated claim recording significant management judgment and risk of process. understatement. In an extreme scenario this item may have going concern implications for the company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process:</p> <p>We also checked the claims paid by the Company on a test basis using manual documents that was made available to us.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> <li>• Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis;</li> <li>• Obtained a sample of claimed policy copy and cross check it with claim;</li> <li>• Obtained a sample of survey reports cross checked those against respective ledger balances and incase of discrepancy carried out further investigation;</li> <li>• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate;</li> <li>• Reviewed the claim committee meeting minutes about decision about impending claims;</li> <li>• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger; and</li> <li>• 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.</li> </ul>
<p>See Note no. 21 (iii) to the financial statements.</p>	

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## Taxation

The Company's financial statements include Current Tax & Deferred Tax. The computation and recognition of these amounts involve complex interpretations of tax laws.

The calculation of current tax provisions & deferred tax requires significant management judgment in determining taxable income, allowable deductions, and tax exemptions in accordance with the Income Tax Act 2023 and relevant SROS applicable.

Due to the complexity of the applicable tax framework, frequent changes in tax regulations, and significant judgment involved, we considered this a key audit matter.

Our audit procedures included, among others:

- Evaluating the design and implementation of controls related to tax computation and provisioning processes;
- Reviewing the tax computations prepared by management and comparing them with applicable tax laws, rules, and circulars specific to life insurance and Islami finance;
- Engaging tax specialists to assess the appropriateness of current and deferred tax recognition and measurement;
- Evaluating the adequacy of disclosures in the financial statements in accordance with IAS 12: Income Taxes and local regulatory requirements.

See Note no. 2 (k) (xix), 10.01 & 12.00 to the financial statements.



# Auditors' Report to the Shareholders



Mercantile Islami Insurance PLC

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## Property, Plant & Equipment

The carrying value of property, plant & equipment amounts to Taka 32,018,579. This represents a significant amount in the statement of financial position as at 31 December 2025.

There is a risk of:

- determining which costs meet the criteria for capitalization;
- determining the date on which the assets is recognized to property, plant and equipment and depreciation commences;
- the estimation of economic useful lives and residual values assigned to Fixed asset.

We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.

Our audit procedures to assess the carrying value of property, plant & equipment included the following:

- Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values;
- Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization.
- Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment.
- Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.
- We reviewed minutes of board meetings for approval of the total capitalization cost.
- We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy.
- We traced payments to supporting documents.
- We assessed the adequacy of the disclosures of the financial statements.

See Note no. 2 (k) (vii) and Schedule-A to the financial statements.





## Investment in Shares

The company made a number of investments in the listed Company in capital market with required regulatory permission. Income generated from the investments (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain or loss if any is transferred to the Equity statement subsequently or as per the policy of the company.

This item has significant impact on the earnings performance of the company and return to the shareholders and 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.

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 and challenged 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 CDBL 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 to its Financial Statements.

## Emphasis of Matters

We drew attention to the following notes of the Financial Statements.

- The entity has payable & receivable balance with Shadharan Bima Corporation & Other Insurance Companies for long. We didn't receive sufficient & appropriate evidence with the balance and did not receive any confirmation refer to Note No. 9.00 & Note No. 15.00 of the financial statements.
- As per BB Circular: BRD/12-Resoulation/2025-753 the company maintains Fixed Deposit Receipts (FDRs) with non-viable banks, which may cast doubt on time bound the recoverability of these funds. Furthermore, partial balance confirmations and related reconciliations were obtained of FDR, CD and STD accounts refer to Note No. 18.00 of the financial statements.
- Refer to Note No. 10.01 "Provision for Income Tax" and Note No. 17.00 "Advance income tax" in the financial statements as at 31st December 2025 which were unsettled for long due to the assessment pending and writ to high court from the entity. The entity need to consider the ITA 2023 in consistent to the related year provisions.
- The entity partly complies with the provision of Circular No. Gen-29/2011(Dated 24 Nov 2011) and Circular No. Gen-32/2012 (Dated 01 April 2012). However, claim expenses have been recognized on a settlement basis instead of an accrual basis (due or intimation of claims), as referred to in Note No. 21 (iii). The company also needs to consider Section 72 of the Insurance Act 2010. Furthermore, commission expenses were remitted to branches for the respective agents to pay, as referred to in Note No. 21.00 (ii) to the financial statements.



## Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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 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.

## 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.





## Auditors' Report to the Shareholders

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor'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 Securities and Exchange Rules, 2020, and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that except emphasis of matter:

- 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;



# Auditors' Report to the Shareholders



Mercantile Islami Insurance PLC

Annual Report 2025

- In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company and the Company so far as it appeared from our examinations of those books;
- The Company management has followed relevant provisions of laws and rules in managing the affairs of 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;
- As per section 62(2) of the Insurance Act 1938 (amended in 2010), in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts and the of the Company;
- As per regulation 11 of part 1 of the third schedule of the Insurance Act 1938 (amended in 2010), in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid any commission in any outside Bangladesh in respect of any its Business re-insured abroad;
- The Statement of Financial Position, the statement of profit or loss and other comprehensive income, consolidated revenue account, fire insurance revenue account, marine insurance revenue account, miscellaneous insurance revenue account, statement of changes in equity, statement of cash flows of the Company dealt with by the report are in agreement with the books of account and returns; and
- The expenditure was incurred for the purpose of the Company's business.

**Kazi Zahir Khan & Co.,**  
**Chartered Accountants**  
FRC Registration # CAF-001-116

**Mohammed Alamgir Kabir FCA**  
Partner  
Enrolment No. 1483

Place: Dhaka  
Dated: 30 APR 2026  
DVC: 2604301483AS941880





Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-24
<b>Shareholders Equity &amp; Liabilities :</b>			
<b>Share Capital</b>			
Authorised Capital		1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-Up Capital	3.00	430,953,600	430,953,600
Share Premium (Less issue expense & taxes)		74,814,125	74,814,125
Reserve for Exceptional Losses	4.00	340,207,274	312,831,112
General Reserve	5.00	26,100,000	25,100,000
Fair Value Reserve for Investment of Share	6.00	19,689,588	(58,538,680)
Profit or Loss Appropriation Account	7.00	43,509,939	44,055,151
<b>Total Shareholders Equity:</b>		<b>935,274,526</b>	<b>829,215,308</b>
<b>Balance of Fund &amp; Accounts:</b>			
Fire Insurance Business		17,975,984	36,072,448
Marine Insurance Business		80,204,496	103,544,600
Motor Insurance Business		1,681,028	1,707,143
Miscellaneous Insurance Business		41,770,274	54,479,017
<b>Liabilities &amp; Provision:</b>		<b>1,312,550,203</b>	<b>1,466,702,735</b>
Premium Deposit	8.00	70,472,762	56,005,292
Lease Liability	31.02	12,944,630	6,402,134
Estimated liability in respect of outstanding claims whether due or intimated	21 (iii)	293,358,744	357,040,320
Amount due to other person or bodies carrying on insurance business	9.00	752,525,176	885,216,408
Sundry Creditors	10.00	180,374,589	160,332,721
Unclaimed Dividend Accounts	11.00	2,874,302	1,705,860
<b>Total Shareholders Equity &amp; Liabilities :</b>		<b>2,389,456,512</b>	<b>2,491,721,250</b>
<b>Assets:</b>			
<b>Non-Current Assets:</b>			
Property, Plant & Equipment	Annexure-A	32,018,579	33,729,533
Bangladesh Govt. Treasury Bond		60,770,000	35,000,000
Right of Use of Assets (ROU)	31.01	11,317,761	6,022,797
Deferred Tax Assets	12.00	9,145,280	10,377,648
<b>Current Assets:</b>		<b>2,276,204,892</b>	<b>2,406,591,272</b>
Investment in Shares	13.00	180,419,385	232,010,599
Accrued Interest	14.00	14,530,740	15,088,541
Amount due from other persons or bodies carrying on insurance business	15.00	754,885,246	771,446,434
Sundry Debtors	16.00	37,891,224	36,189,368
Advance Income Tax	17.00	174,975,485	142,649,765
Cash and Bank Balance	18.00	1,113,448,060	1,209,138,860
Stamps in Hand		54,752	67,705
<b>Total Assets:</b>		<b>2,389,456,512</b>	<b>2,491,721,250</b>
<b>Net Assets Value Per Share (NAVPS)</b>	29.00	<b>21.70</b>	<b>19.24</b>

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: 30 APR 2026  
DVC: 2604301483AS941880



Kazi Zahir Khan & Co.,  
Chartered Accountants  
FRC Registration # CAF-001-116

  
Mohammed Alamgir Kabir FCA  
Partner  
Enrolment No. 1483



# Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025



Mercantile Islami Insurance PLC

Annual Report 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-2024
<b>Operating Profit/(loss) Transferred From:</b>		24,977,878	4,162,373
Fire Insurance Revenue Account		(144,194,920)	(164,556,809)
Marine Insurance Revenue Account		124,212,285	134,066,169
Miscellaneous Insurance Revenue Account		44,960,512	34,653,012
<b>Non-Operating Income (Not applicable to any fund or Account):</b>		77,416,028	96,057,257
Interest & Dividend Income	19.00	143,195,896	103,481,269
Profit On Sale of Share	19.01	(65,959,868)	(7,604,012)
Rent Income	20.00	180,000	180,000
<b>Total Income:</b>		<b>102,393,906</b>	<b>100,219,630</b>
<b>Expenses of Management (Not applicable to any fund or Account):</b>		17,298,804	4,970,350
Registration & Renewal		1,174,876	1,858,875
Directors' Fees	25.00	1,909,600	2,100,000
Audit Fees	26.00	969,000	325,000
Depreciation	Annexure-A	5,362,296	-
Depreciation on Lease		6,735,532	-
Depreciation & Subscription		563,000	357,000
Legal & Professional Fees		584,500	329,475
Net Profit/(Loss) transferred to Profit or Loss Appropriation Account		85,095,102	95,249,280
<b>Total:</b>		<b>102,393,906</b>	<b>100,219,630</b>
<b>Earnings per Share (EPS)</b>	27.00	1.65	1.94

## Profit or Loss Appropriation Account

For the year ended December 31, 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-2024
Opening Balance of appropriation accounts		44,055,151	43,378,257
Net Profit/(Loss) transferred from Consolidated Revenue Account		85,095,102	95,249,280
<b>Total</b>		<b>129,150,252</b>	<b>138,627,537</b>
<b>Appropriation:</b>		85,640,314	94,572,386
Stock Dividend issued/Cash dividend		43,095,360	43,095,360
Reserve for exceptional losses	4.00	27,376,162	38,860,871
General Reserve	5.00	1,000,000	1,000,000
Provision for Income Tax	22.00	12,936,422	16,421,579
Deferred Tax (Income)/Expenses	12.01	1,232,369	(4,805,424)
Undistributed Balance transferred to Balance sheet		43,509,939	44,055,151
<b>Total:</b>		<b>129,150,252</b>	<b>138,627,537</b>

## Other Comprehensive Income

For the year ended December 31, 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-2024
Profit After Tax	27.00	70,926,310	83,633,125
Other Comprehensive Income	13.01	19,689,589	(58,538,680)
Changes in Fair Value of the Shares Available for Sale		90,615,900	25,094,445
<b>Total Comprehensive Income</b>			

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.

Kazi Zahir Khan & Co.,  
Chartered Accountants  
FRC Registration # CAF-001-116

  
Mohammed Alamgir Kabir FCA  
Partner  
Enrolment No. 1483

Place: Dhaka  
Dated: 30 APR 2026  
DVC: 2604301483AS941880



**Consolidated Revenue Account**

For the year ended December 31, 2025

Annual Report 2025

Particulars	Notes	Amount in Taka	
		31-Dec-2025	31-Dec-2024
Opening balance of Reserve for unexpired risks		195,803,207	157,156,780
Premium Less Re-insurance	21 (i)	273,761,624	388,608,715
Commission on Re-insurance Ceded	21 (ii)	24,889,929	26,651,769
<b>Total:</b>		<b>494,454,761</b>	<b>572,417,264</b>
<b>Claims under policies less Re-insurance</b>		<b>173,680,839</b>	<b>182,339,617</b>
Paid during the year	21 (iii)	237,362,415	20,542,537
Claims outstanding at the end of the year	21 (iii)	293,358,744	357,040,320
Claims Outstanding at the end of the previous year	21 (iii)	(357,040,320)	(195,243,240)
Agency Commission	21 (ii)	46,212,936	55,286,430
Expenses of Management	21 (iv)	107,951,326	134,825,637
<b>Profit/(Loss) transferred to Profit or Loss Account</b>		<b>24,977,878</b>	<b>4,162,373</b>
Closing balance of Reserve for unexpired risks		141,631,783	195,803,207
<b>Total:</b>		<b>494,454,761</b>	<b>572,417,264</b>

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: 30 APR 2026  
DVC: 2604301483AS941880



Kazi Zahir Khan & Co.,  
Chartered Accountants  
FRC Registration # CAF-001-116

  
Mohammed Alamgir Kabir FCA  
Partner  
Enrolment No. 1483



# Fire Insurance Revenue Account

For the year ended December 31, 2025



Mercantile Islami Insurance PLC

Annual Report 2025

Particulars	Notes	Amount in Taka	
		31-Dec-2025	31-Dec-2024
Opening Balance of Reserve for Unexpired Risks		36,072,448	32,261,846
Premium Less Re-insurance	21 (i)	44,939,961	90,181,119
Commission on Re-insurance Ceded	21 (ii)	9,650,220	11,584,861
<b>Total:</b>		<b>90,662,629</b>	<b>134,027,826</b>
<b>Claims under policies less Re-insurance</b>		<b>181,730,206</b>	<b>201,515,842</b>
Paid during the year	21 (iii)	231,420,757	29,272,845
Claims outstanding at the end of the year	21 (iii)	237,257,849	286,948,400
Claims Outstanding at the end of the previous year	21 (iii)	(286,948,400)	(114,705,403)
Agency Commission	21 (ii)	9,929,759	16,447,457
Expenses of Management	21 (iv)	25,221,599	44,548,888
Profit/(Loss) transferred to Profit or Loss Account		(144,194,920)	(164,556,809)
Closing Balance of Reserve for unexpired risks @ 40% of Premium Income of the year		17,975,984	36,072,448
<b>Total:</b>		<b>90,662,629</b>	<b>134,027,826</b>

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: 30 APR 2026  
DVC: 2604301483AS941880



Kazi Zahir Khan & Co.,  
Chartered Accountants  
FRC Registration # CAF-001-116

  
Mohammed Alamgir Kabir FCA  
Partner  
Enrolment No. 1483

**Marine Insurance Revenue Account**

For the year ended December 31, 2025

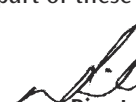
Annual Report 2025

Particulars	Notes	Marine Cargo	Marine Hull	Amount in Taka	
				31-Dec-2025	31-Dec-2024
Opening Balance of Reserve for Unexpired Risks		101,657,106	1,887,494	103,544,600	90,926,605
Premium Less Re-insurance	21 (i)	160,305,272	51,860	160,357,132	205,201,706
Commission on Re-insurance Ceded	21 (ii)	11,857,715	597,847	12,455,562	10,552,529
<b>Total:</b>		<b>273,820,093</b>	<b>2,537,201</b>	<b>276,357,294</b>	<b>306,680,840</b>
<b>Claims under policies less Re-insurance</b>		<b>(9,025,941)</b>	<b>183,011</b>	<b>(8,842,930)</b>	<b>(19,379,859)</b>
Paid During The Year	21 (iii)	6,872	183,011	189,883	(10,664,995)
Claims Outstanding at the end of the year	21 (iii)	28,012,457	-	28,012,457	37,045,270
Claims Outstanding at the end of the previous year	21 (iii)	(37,045,270)	-	(37,045,270)	(45,760,134)
Agency Commission	21 (ii)	26,598,177	-	26,598,177	31,452,916
Expenses of Management	21 (iv)	53,902,564	282,702	54,185,266	56,997,014
Profit/(Loss) transferred to Profit or Loss Account		122,192,658	2,019,628	124,212,285	134,066,169
Closing Balance of Reserve for Unexpired Risks @ 50% of Marine Cargo Premium & 100% of Marine Hull Premium		80,152,636	51,860	80,204,496	103,544,600
Income of the year					
<b>Total:</b>		<b>273,820,093</b>	<b>2,537,201</b>	<b>276,357,294</b>	<b>306,680,840</b>

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: 30 APR 2026  
DVC: 2604301483AS941880



Kazi Zahir Khan & Co.,  
Chartered Accountants  
FRC Registration # CAF-001-116

  
Mohammed Alamgir Kabir FCA  
Partner  
Enrolment No. 1483



# Miscellaneous Insurance Revenue Account

For the year ended December 31, 2025



Mercantile Islami Insurance PLC

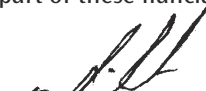
Annual Report 2025

Particulars	Notes	Motor	Misc.	Amount in Taka	
				31-Dec-2025	31-Dec-2024
Opening Balance of Reserve for Unexpired Risks		1,707,143	54,479,017	56,186,160	33,968,330
Premium Less Re-insurance	21 (i)	4,202,571	64,261,960	68,464,531	93,225,891
Commission on Re-insurance Ceded	21 (ii)	-	2,784,147	2,784,147	4,514,379
<b>Total:</b>		<b>5,909,714</b>	<b>121,525,124</b>	<b>127,434,838</b>	<b>131,708,600</b>
<b>Claims under policies less Re-insurance</b>		<b>275,563</b>	<b>518,000</b>	<b>793,563</b>	<b>203,635</b>
Paid During The Year	21 (iii)	2,763,310	2,988,465	5,751,775	1,934,688
Claims Outstanding at the end of the year	21 (iii)	9,542,653	18,545,785	28,088,438	33,046,650
Claims Outstanding at the end of the previous year	21 (iii)	(12,030,400)	(21,016,250)	(33,046,650)	(34,777,703)
Agency Commission	21 (ii)	368,049	9,316,951	9,685,000	7,386,057
Expenses of Management	21 (iv)	1,114,901	27,429,560	28,544,461	33,279,736
Profit/(Loss) transferred to Profit or Loss Account		2,470,173	42,490,339	44,960,512	34,653,012
Closing Balance of Reserve for Unexpired Risks @ 40% Motor, Health @ 100% & Misc. @50% of Premium Income of the year		1,681,028	41,770,274	43,451,302	56,186,160
<b>Total:</b>		<b>5,909,714</b>	<b>121,525,124</b>	<b>127,434,838</b>	<b>131,708,600</b>

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: 30 APR 2026  
DVC: 2604301483AS941880

Kazi Zahir Khan & Co.,  
Chartered Accountants  
FRC Registration # CAF-001-116

  
Mohammed Alamgir Kabir FCA  
Partner  
Enrolment No. 1483





# Statement of Changes in Equity

For the year ended December 31, 2025

Annual Report 2025

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	312,831,112	25,100,000	(58,538,680)	44,055,151	829,215,308
Profit after Tax during the year	-	-	-	-	-	70,926,310	70,926,310
Transfer to General reserve	-	-	-	1,000,000	1,000,000	(1,000,000)	-
Cash Dividend	-	-	-	-	-	(43,095,360)	(43,095,360)
Reserve for Exceptional Losses	-	-	27,376,162	-	-	(27,376,162)	-
Unrealized loss on share	-	-	-	-	78,228,268	-	78,228,268
As at December 31, 2025	430,953,600	74,814,125	340,207,274	26,100,000	19,689,588	43,509,939	935,274,526

# Statement of Changes in Equity

For the year ended December 31, 2024

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	273,970,241	24,100,000	3,996,622	43,378,259	851,212,848
Profit after Tax during the year	-	-	-	-	-	83,633,123	83,633,123
Transfer to General reserve	-	-	-	1,000,000	-	(1,000,000)	-
Cash Dividend	-	-	-	-	-	(43,095,360)	(43,095,360)
Reserve for Exceptional Losses	-	-	38,860,871	-	-	(38,860,871)	-
Unrealized loss on share	-	-	-	-	(62,535,302)	-	(62,535,302)
As at December 31, 2024	430,953,600	74,814,125	312,831,112	25,100,000	(58,538,680)	44,055,151	829,215,309

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.



# Statement Of Cash Flows

For the year ended December 31, 2025



Mercantile Islami Insurance PLC

Annual Report 2025

Particulars	Notes	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>A. Cash Flows from Operating Activities:</b>			
Collection from Premium and Commission		332,976,167	395,227,963
Management Expenses, Commission, Re-Insurance & Claims		(297,103,536)	(294,382,491)
Income tax paid		(32,325,721)	(21,798,260)
<b>Net Cash Provided by Operating Activities:</b>		<b>3,546,910</b>	<b>79,047,212</b>
<b>B. Cash Flows from Investing Activities:</b>			
Purchase of Share		(126,928,895)	(155,840,689)
Sale of Share		132,271,079	78,059,055
Interest/Dividend Received		2,301,696	13,591,930
Net Fund Adjustment		(191,501,478)	(39,007,063)
Acquisition of Property, Plant & Equipment		(3,651,343)	(1,819,498)
Others Investment Income		140,806,240	89,889,339
<b>Net Cash Used by Investing Activities:</b>		<b>(46,702,701)</b>	<b>(15,126,926)</b>
<b>C. Cash Flow from Financing Activities:</b>			
Dividend Paid		(43,095,360)	(43,095,360)
Payment of Lease Interest		(840,477)	(697,551)
Payment of Lease Rent		(8,599,171)	(6,788,176)
<b>Net Cash Used in Financing Activities:</b>		<b>(52,535,008)</b>	<b>(50,581,087)</b>
<b>D. Net Cash inflow/ outflow (A+B+C)</b>			
Cash & Cash Equivalents at the beginning of the year (01-01-2025)		(95,690,799)	13,339,199
Cash & Cash Equivalents at the end of the year (31-12-2025)	17.00	1,209,138,860	1,195,799,661
		<b>1,113,448,060</b>	<b>1,209,138,860</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	30.00	<b>Tk. 0.08</b>	<b>Tk. 1.83</b>

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

  
Chief Executive Officer

  
Director

  
Director

  
Chairman





## FORM "AA"

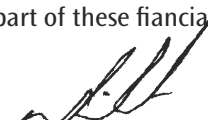
Sl. No.	Class of Assets	Book Value (Taka)
1	Bangladesh Govt. Treasury Bond	60,770,000
2	Shares	180,419,385
3	Fixed Deposit	1,062,679,029
4	Cash at Bank (STD & CD A/c)	33,278,013
5	Cash in Hand & Cash with BO A/c	17,491,018
6	Interest Accrued	14,530,740
7	Sundry Debtors (including advance, deposits & pre-payments)	37,891,224
8	Advance Income Tax	174,975,485
9	Amount due from other person or bodies carrying on Insurance business	754,885,246
10	Non-Current Assets (at cost less depreciation)	32,018,579
11	Lease Assets (ROU)	11,317,761
12	Deferred Tax Assets	9,145,280
13	Stamps in Hand	54,752
	<b>Total Taka</b>	<b>2,389,456,510</b>

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.

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

  
Chief Executive Officer

  
Director

  
Director

  
Chairman



# Notes to the Financial Statements

For the year ended December 31, 2025



Mercantile Islami Insurance PLC

Annual Report 2025

## 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 2024 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 International Financial Reporting Standards (IFRS). Disclosure of financial information as required by 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 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 Act 1938 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, 2025;





- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2025;
- iii) Statement of Profit and Loss Appropriation Account for the year ended December 31, 2025;
- iv) Consolidated Revenue Account for the year ended December 31, 2025;
- v) Fire Insurance Revenue Account for the year ended December 31, 2025;
- vi) Marine Insurance revenue Account for the year ended December 31, 2025;
- vii) Miscellaneous Insurance Revenue Account for the year ended December 31, 2025;
- viii) Statement of Changes in Equity for the year ended December 31, 2025;
- ix) Statement of Cash Flows for the year December 31, 2025;
- x) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2025;

**(d) Date of Authorization:**

The Board of Directors has authorized these financial statements on April 30, 2026.

**(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 Act, 2010, Insurance rules, 1958, the companies Act, 1994, the Securities and Exchange Rules, 1987, the listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd, and 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 2025 to 31 December 2025.

**(j) Branch Accounting:**

The company has 17th branches under its umbrella without having any overseas branch up to the year ended December 31, 2025. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meeting day to day cash expenses.

**(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 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 Sadharan Bima Corporation is received. The statements of accounting period from January 01, 2025 to December 31, 2025 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 7 to 10 years Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis. Interest on STD/SND/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.

**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. Management is in the process of updating and reconciling the register to ensure completeness, accuracy, and proper recording of all fixed assets in align to the financial records. Physical assets verified from the record as in the ledger year to year basis.

• **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 fully charged for whole year 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 Sundry Assets	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 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.

• **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 Insurance Company Ltd. 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 @ 40% of net premium income on Fire, un-expired risk @ 50% of net premium income on Marine Cargo, un-expired risk @ 40% of net premium income on Motor, un-expired risk @ 40% Miscellaneous, un-expired risk @ 100% of net premium income on Marine Hull, un-expired risk @ 100% of net premium income on Aviation and un-expired risk @ 100% of net premium income on Health Insurance.

**x) Allocation of Expenses of Management:**

As per section 40(C-2) of insurance Act 1938 as amended Insurance Law 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.



# Statement Of Cash Flows

For the year ended December 31, 2025



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## 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 (FRC), during the year 2013, 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.

• **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 239th Meeting held on April 30, 2026 decided to recommend payment of 10% cash dividend for All Shareholders only for the year 2025.

**(XXV) Transactions with Related Parties (LAS-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 deci-



# Statement Of Cash Flows

For the year ended December 31, 2025



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sions. 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. A sizeable amount has however been received in foreign currency.

### **(xxvii) Insurance Contracts:**

Mercantile Islami Insurance PLC (the "Company") has historically prepared its financial statements in accordance with the IDRA guidelines. The implementation of IFRS 17 represents a significant change in accounting for insurance contracts, including revised measurement models, presentation, and disclosure requirements. The transition may have a material impact on the Company's financial position, financial performance, and related disclosures. IFRS 17 Insurance Contracts is effective for annual reporting periods beginning on or after 1 January 2023 as per FRC. But the entity considers IDRA guidelines to comply with IFRS 17 and have plan to update the financial statements onward as per the instruction and pro-forma in accordance with the Insurance Act 2010. The quantitative impact of this transition has not yet been fully determined and, therefore, has not been recognized in these financial statements.





# Notes to the Financial Statements

For the year ended December 31, 2025

Amount in Taka	
31-Dec-25	31-Dec-24

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

**Authorised Capital:**

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

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

**Issued, Subscribed & Paid-up Capital:**

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

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

**Total:**

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

This is made up as follows

**2025**

Category of Shareholders	No. of Share	% of holding	Amount (Tk.)
1. Sponsors & Sponsor Directors	13,545,273	31.43%	135,452,730
2. Genral Public	15,661,884	36.34%	156,618,840
3. Institution	13,888,203	32.23%	138,882,030
<b>Total:</b>	<b>43,095,360</b>	<b>100%</b>	<b>430,953,600</b>

**2024**

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	14,248,963	33.06%	142,489,630
3. Institution	13,989,217	32.46%	139,892,170
<b>Total:</b>	<b>43,095,360</b>	<b>100%</b>	<b>430,953,600</b>

**Classification of Shareholders as per their share holdings**

**i) Sponsors & Directors**

**2025**

**2024**

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of Total Paid up Capital
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	10,784,993	13	74.69	74.69
1000001 and above	2,760,280	2	25.31	25.31
<b>Total of (i)</b>	<b>13,545,273</b>	<b>15</b>	<b>100</b>	<b>100</b>

**ii) General Public & Institutions**

**2025**

**2024**

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of holdings
001-500	208,385	1147	0.71	0.79
501-5000	2,451,718	1319	8.30	9.42
5001-10000	1,754,217	230	5.94	6.64
10001-20000	1,679,965	114	5.69	6.47
20001-30000	1,332,623	53	4.51	4.37
30001-40000	627,543	17	2.12	2.59
40001-50000	687,805	15	2.33	2.74
50001-100000	2,119,825	30	7.17	6.30
100001-1000000	11,214,748	36	37.95	34.21
1000001 and above	7,473,258	5	25.29	26.47
<b>Total of (i)</b>	<b>29,550,087</b>	<b>2,966</b>	<b>100</b>	<b>0</b>
<b>Grand Total (i+ii)</b>			<b>Nil</b>	<b>Nil</b>



# Notes to the Financial Statements

For the year ended December 31, 2025



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Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>4.00</b>	<b>Reserve for Exceptional Losses: Tk. 340,207,274</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Opening Balance	312,831,112	273,970,241
	Add: addition during the year	27,376,162	38,860,871
	Less: Adjustment	-	-
	<b>Closing balance:</b>	<b>340,207,274</b>	<b>312,831,112</b>
<b>5.00</b>	<b>General Reserve: Tk. 26,100,000</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Opening Balance	25,100,000	24,100,000
	Add: addition during the year	1,000,000	1,000,000
	<b>Closing balance:</b>	<b>26,100,000</b>	<b>25,100,000</b>
<b>6.00</b>	<b>Fair Value of Share on Investment: Tk. 19,689,588</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Opening Balance	(58,538,680)	3,996,622
	Add: addition during the year	(84,958)	15,777,924
		(58,623,638)	19,774,546
	Less: adjustment during the year	78,313,226	78,313,226
	<b>Total:</b>	<b>19,689,588</b>	<b>(58,538,680)</b>
<b>7.00</b>	<b>Profit or Loss Appropriation Accounts: Tk. 43,509,939</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Opening Balance	44,055,151	43,378,257
	Addition during the year	85,095,102	95,249,280
	Stock dividend/Cash dividend	(43,095,360)	(43,095,360)
	Reserve for exceptional losses	(27,376,162)	(38,860,871)
	General Reserve	(1,000,000)	(1,000,000)
	Income tax expenses	(12,936,422)	(16,421,579)
	Deferred Tax (Income)/Expenses	(1,232,369)	4,805,424
	<b>Closing balance:</b>	<b>43,509,939</b>	<b>44,055,151</b>
	This represents the balance of retained profit after provision of Reserve for exceptional losses, provision for Income Tax & General Reserve		
<b>8.00</b>	<b>Premium Deposit: Tk. 70,472,762</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Premium Deposit	70,472,762	56,005,292
	<b>Total:</b>	<b>70,472,762</b>	<b>56,005,292</b>
	The balance represents the amount received against cover-notes but risks have not been intimated within 31st December, 2025 but subsequently converted into Policies by 31 March, 2026		
<b>9.00</b>	<b>Amount due to other persons or bodies carrying on insurance business: Tk. 752,525,176</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Sadharan Bima Corporation & Others Insurance Company	752,525,176	885,216,408
	<b>Total:</b>	<b>752,525,176</b>	<b>885,216,408</b>





# Notes to the Financial Statements

For the year ended December 31, 2025

Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>10.00</b>	<b>Sundry Creditors: Tk. 180,374,589</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Value added Tax (VAT)	3,692,207	2,924,466
	Audit Fee Payable	495,000	200,000
	Income Tax & Vat Others	213,520	50,000
	Provident Fund Payable	7,358,466	3,650,414
	Salary & Allowances	-	146,716
	Provision for Income Tax	10.01 138,304,368	125,367,946
	Gratuity Payable	9,463,436	8,651,895
	Advance against Car Hire Purchase	20,606,668	19,106,668
	Other's Payable	240,924	234,616
	<b>Total:</b>	<b>180,374,589</b>	<b>160,332,721</b>
	VAT of Tk. 3,692,207 have since been paid off.		
<b>10.01</b>	<b>Provision for Income Tax: Tk. 138,304,368</b>		
	<b>Particulars</b>		
	Opening Balance	22.01 125,367,946	108,946,367
	Add: Provision made during the year	12,936,422	16,421,579
	Less: Adjustment made during the year closing balance	-	-
	<b>Total:</b>	<b>138,304,368</b>	<b>125,367,946</b>
<b>11.00</b>	<b>Unclaimed Dividend: Tk. 2,874,302</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Unclaimed Dividend	2,874,302	1,705,860
	<b>Total:</b>	<b>2,874,302</b>	<b>1,705,860</b>
	As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, total outstanding unclaim dividend represent the balance from the year 2020. The entity has partially complied with the requirement to transfer the unpaid dividend to CMSF Tk. 516,384 as at 30 April 2026(exclude any interest). The remaining amount will be paid onward in duly manner.		
<b>12.00</b>	<b>Deferred Tax Assets: Tk. 9,145,280</b>		
	<b>Particulars</b>		
	Opening Balance	10,377,649	5,572,225
	Add: Addition during the year	12.01 (1,232,369)	4,805,424
	Less: Adjustment during the year	9,145,280	10,377,649
	<b>Closing Balance</b>	<b>9,145,280</b>	<b>10,377,649</b>
<b>12.01</b>	<b>Deferred Tax Calculation: Tk. 1,232,369</b>		
	<b>Particulars</b>		
	Written down value as per Accounting base	27,224,743	21,034,467
	Written down value as per Tax base	(51,612,153)	(48,708,194)
	Taxable Temporary Difference	(24,387,410)	(27,673,727)
	Applicable Tax rate	37.50%	37.50%
	<b>Deferred Tax (Assets)/ Liability</b>	<b>(9,145,279)</b>	<b>(10,377,648)</b>
	Less: Opening balance of deferred tax (Assets)/Liability	10,377,648	5,572,224
	Deferred Tax Income	1,232,369	(4,805,424)



# Notes to the Financial Statements

For the year ended December 31, 2025



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Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024

## 13.00 Investment in Shares: Tk. 180,419,385

This is made up as follows

Name of the Company	2025		2024	
	Cost Value	Fair Market Value	Cost Value	Fair Market Value
CITYBANK	-	-	7,105,361	7,674,397
DHAKABANK	7,036,163	6,288,450	7,036,174	5,777,000
EXIMBANK	14,062,440	3,600,000	14,062,440	8,640,000
FEDERALINS	7,433,450	4,725,000	7,433,450	4,550,000
LANKABAFIN	82,298	17,318	82,298	26,188
MERCANBANK	3,407,494	1,606,500	3,407,494	2,206,260
NBL	39,174,499	35,216,000	131,491,561	83,623,233
NCCBANK	5,908,266	7,993,440	5,908,266	7,076,160
ONEBANKLTD	3,799,442	2,396,282	3,799,442	2,909,771
POPULARLIF	407,764	249,000	407,764	306,000
PREMIERBAN	7,812,118	2,985,000	6,806,174	5,262,125
PRIMEBANK	-	-	33,802,690	33,930,000
PRIMEINSUR	511,326	197,220	511,326	234,818
PRIMELIFE	1,991,411	1,104,675	1,991,411	1,044,420
SHAJABANK	7,059,849	6,370,485	4,516,071	4,320,447
SIBL	7,450,894	5,104,401	-	-
STANDBANKL	32,140,183	16,437,761	32,140,183	20,127,870
SAMORITA	8,586,482	8,592,227	-	-
TITAS GAS	2,796,597	2,255,250	-	-
GP	21,669,438	19,870,937	-	-
BATBC	15,357,290	15,052,979	-	-
ROBI	10,098,827	10,092,385	-	-
LHB	954,930	934,000	-	-
UTTARABANK	-	-	13,183,474	15,507,363
BEXGSUKUK	7,500,000	4,275,000	7,500,000	3,562,500
ROYALGREEN	2,000,000	2,000,000	2,000,000	2,000,000
ALARABANK	31,801,863	23,055,075	27,138,247	23,232,046
<b>TOTAL:</b>	<b>239,043,023</b>	<b>180,419,385</b>	<b>310,323,826</b>	<b>232,010,598</b>

## 13.01 Changes in fair value of the shares available for sale

### Particulars

Fair Value of the Investment	180,419,385	232,010,598
Less: Cost Price of the Investment	239,043,023	310,323,826
Fair Value Reserve as at 31 December 2025	(58,623,639)	(78,313,228)
Less: Fair Value Reserve as at 1 January 2025	78,313,228	19,774,548
Fair Value Adjustment for the year	<u>19,689,589</u>	<u>(58,538,680)</u>

## 14.00 Accrued Interest: Tk. 14,530,740

This is made up as follows:

### Particulars

Accrued Interest	14,530,740	15,088,541
<b>Total:</b>	<u>14,530,740</u>	<u>15,088,541</u>

The above amount represents FDR & BGTB interest accrued.





Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>15.00</b>	<b>Amount due from other persons or bodies carrying on insurance business: Tk. 754,885,246</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Sadharan Bima Corporation & others insurance company	754,885,246	771,446,434
	<b>Total:</b>	<b>754,85,246</b>	<b>771,446,434</b>
	This represents amount due from Sadharan Bima Corporation on Public Sector Business and other Insurance Companies on Co-Insurance Scheme.		
<b>16.00</b>	<b>Sundry Debtors: Tk. 37,891,224</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Advance against Office Rent	4,665,160	4,926,619
	Advance to Staff against car loan	26,044,736	24,081,421
	PSB (Outstanding Premium)	6,651,025	6,651,025
	Security deposit	530,303	530,303
	<b>Total:</b>	<b>37,891,224</b>	<b>36,189,368</b>
	Regular adjustments have been made on advance against office rent		
<b>16.01</b>	<b>Security deposit: Tk. 530,303</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	CDBL	300,000	300,000
	Bangladesh Red Crescent Society	230,303	230,303
	<b>Total:</b>	<b>530,303</b>	<b>530,303</b>
<b>17.00</b>	<b>Advance Income Tax: Tk. 174,975,486</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Opening balance	142,649,765	120,851,505
	Addition during the year	32,325,721	21,798,260
	<b>Total:</b>	<b>174,975,486</b>	<b>142,649,765</b>
	Adjustment during the year	-	-
	<b>CDBL</b>	<b>174,975,486</b>	<b>142,649,765</b>
	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.		
<b>18.00</b>	<b>Cash &amp; Bank balance: Tk. 1,113,448,060</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Cash In hand	3,535,014	4,485,807
	Cash with BO Account	13,956,004	8,635,170
	Fixed Deposit Receipt	1,062,679,029	1,169,943,879
	STD & CD Accounts	33,278,013	26,074,004
	<b>Total:</b>	<b>1,113,448,060</b>	<b>1,209,138,860</b>

"The Company maintains a total Nos. of 603 Fixed Deposit Receipts (FDRs) with various banks, along with 7 Short-Term Deposit (STD) accounts and 30 Current Deposit (CD) accounts. The Company does not operate any other bank accounts apart from those stated above."



# Notes to the Financial Statements

For the year ended December 31, 2025



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Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>19.00</b>	<b>Interest, Dividend &amp; Rent Income: Tk. 77,236,028</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Interest on FDR	138,033,891	86,561,545
	Interest on STD	349,199	122,494
	Interest on Bangladesh Govt. Treasury Bond	2,423,150	3,205,300
	Profit on Sale of Fixed Assets	87,960	-
	Dividend Received	2,301,696	13,591,930
		<b>143,195,896</b>	<b>103,481,269</b>
<b>19.01</b>	<b>Profit on Sale of Share</b>	(65,959,868)	(7,604,012)
	<b>Total:</b>	<b>77,236,028</b>	<b>95,877,257</b>
<b>20.00</b>	<b>Rent Income: Tk. 180,000</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Rent Income	180,000	180,000
	<b>Total:</b>	<b>180,000</b>	<b>180,000</b>





**21.00**

**Revenue Accounts:**

i) The summarized position of net underwriting profit earned during the year 2025 is as follows:

Particulars	Fire	Marine Cargo	Marine Hull	Motors	Misc.	31-Dec-25	31-Dec-24
<b>Revenue:</b>							
a) Direct Business: Own	66,198,393	177,321,179	-	2,453,659	62,113,007	308,086,238	368,576,194
Direct Business: SBC & Govt. Business	31,159,031	30,747,100	1,091,254	1,849,950	43,767,325	108,614,660	103,760,407
	<b>97,357,424</b>	<b>208,068,279</b>	<b>1,091,254</b>	<b>4,303,609</b>	<b>105,880,332</b>	<b>416,700,898</b>	<b>472,336,601</b>
b) Re-Insurance Premium: Own	22,468,815	21,375,192	-	-	-	43,844,007	73,065,327
Re-Insurance Premium: SBC & Govt. Business	29,948,648	26,387,815	1,039,394	101,038	41,618,372	99,095,297	10,662,559
	<b>52,417,463</b>	<b>47,763,007</b>	<b>1,039,394</b>	<b>101,038</b>	<b>41,618,372</b>	<b>142,939,274</b>	<b>83,727,886</b>
c) Net Premium (a-b)	<b>44,939,961</b>	<b>160,305,272</b>	<b>51,860</b>	<b>4,202,571</b>	<b>64,261,960</b>	<b>273,761,624</b>	<b>388,608,715</b>
<b>Direct Expenses:</b>							
d) Commission (Net) (ii)	279,539	14,740,462	(597,847)	368,049	6,532,804	21,323,007	28,634,661
e) Claims under policies less Re-insurance (iii)	181,730,206	(9,025,941)	183,011	275,563	518,000	173,680,839	182,339,618
f) Management Expenses	25,221,599	53,902,564	282,702	1,114,901	27,429,560	107,951,326	134,825,638
g) Total Direct Expenses (d+e+f)	<b>207,231,344</b>	<b>59,617,084</b>	<b>(132,134)</b>	<b>1,758,513</b>	<b>34,480,364</b>	<b>302,955,172</b>	<b>345,799,917</b>
h) Adjusted Fund Balance for Unexpired Risk (Opening Balance less Closing Balance)	18,096,464	21,504,470	1,835,634	26,115	12,708,743	54,171,425	(38,646,427)
Net Underwriting Profit (c-g+h)	<b>(144,194,920)</b>	<b>122,192,658</b>	<b>2,019,628</b>	<b>2,470,173</b>	<b>42,490,339</b>	<b>24,977,878</b>	<b>4,162,370</b>

ii) Commission (Net):

Particulars	Fire	Marine Cargo	Marine Hull	Motors	Misc.	31-Dec-25	31-Dec-24
Commission paid on Direct Business	9,929,759	26,598,177	-	368,049	9,316,951	46,212,936	55,286,430
Commission paid on Re- Insurance accepted	-	-	-	-	-	-	-
<b>Total</b>	<b>9,929,759</b>	<b>26,598,177</b>	<b>-</b>	<b>368,049</b>	<b>9,316,951</b>	<b>46,212,936</b>	<b>55,286,430</b>
Less: Commission Earned on Reinsurance	9,650,220	11,857,715	597,847	-	2,784,147	24,889,929	26,651,769
<b>Net Commission</b>	<b>279,539</b>	<b>14,740,462</b>	<b>(597,847)</b>	<b>368,049</b>	<b>6,532,804</b>	<b>21,323,007</b>	<b>28,634,661</b>

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-25	31-Dec-24
Gross Claim	232,678,908	13,332,278	875,213	2,763,310	4,854,137	254,503,846	715,235,730
Less Re-Insurance Claim	1,258,151	13,325,406	692,202	-	1,865,672	17,141,431	856,490,272
Recovery paid during the year	231,420,757	6,872	183,011	2,763,310	2,988,465	237,362,415	(141,254,542)
Add: Outstanding Claim at the end of the year whether due or intimated	237,257,849	28,012,457	-	9,542,653	18,545,785	293,358,744	357,040,320
Less: Outstanding Claim at the end of the previous year	468,678,606	28,019,329	183,011	12,305,963	21,534,250	530,721,159	215,785,778
	286,948,400	37,045,270	-	12,030,400	21,016,250	357,040,320	195,243,240
<b>Net Amount</b>	<b>181,730,206</b>	<b>(9,025,941)</b>	<b>183,011</b>	<b>275,563</b>	<b>518,000</b>	<b>173,680,839</b>	<b>20,542,538</b>

iv) Management Expenses:

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

Notes	Revenue Account	31-Dec-2025		31-Dec-2024	
		Percentage	Taka	Percentage	Taka
Fire		23.36	25,221,599	33.04	44,548,888
Marine Cargo		49.93	53,902,564	42.27	56,997,014
Marine Hull		0.26	282,702	-	-
Motor		1.03	1,114,901	0.95	1,282,459
Misc.		25.41	27,429,560	23.73	31,997,277
		<b>100.00</b>	<b>107,951,326</b>	<b>100.00</b>	<b>134,825,638</b>



# Notes to the Financial Statements

For the year ended December 31, 2025



Mercantile Islami Insurance PLC

Annual Report 2025

Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>22.00</b>	<b>Income Tax Expenses: Tk. 12,936,422</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Current year provision	22.01 12,936,422	16,421,579
	<b>Total:</b>	<u>12,936,422</u>	<u>16,421,579</u>
<b>22.01</b>	<b>Computation of Tax Liability:</b>		
	<b>Particulars</b>		
	Net Income as per Profit & Loss Account		
	Less: Reserve for Exceptional Loss (Exempted from Tax as per 4th Schedule Clause # 6(2) of ITO 1984)	85,095,102	94,734,929
		27,376,162	38,860,871
	<b>Total Income</b>		
	<b>Less:</b>	<u>57,718,939</u>	<u>55,874,058</u>
	Interest Income		
	Interest on Govt. Treasury Bond (exempted as per 6th schedule Part-A, para-24)	138,383,090	86,684,040
	Rental Income	2,423,150	3,205,300
	Dividend Income	180,000	180,000
	Profit on sale of shares	2,389,656	13,591,929
		(65,959,868)	(7,604,012)
	<b>Income/(Loss) from Insurance Business</b>	<u>77,416,028</u>	<u>96,057,257</u>
	Add: Accounting Depreciation	(19,697,089)	(40,183,199)
		5,362,295	5,471,772
	Less: Depreciation as per 3rd Schedule	(14,334,794)	(34,711,427)
	<b>Net Taxable income from business</b>	<u>8,783,580</u>	<u>8,195,695</u>
		(23,118,374)	(42,907,122)
	<b>Computation of Income Tax:</b>		
	i) Tax on Insurance Business Income		
	ii) Tax on Other Income	(8,669,390)	(16,090,171)
	iii) Tax on Rental Income	27,676,618	30,506,515
	iv) Tax on Dividend Income	47,250	47,250
	v) Tax on Profit on sale of shares	477,931	2,718,386
	<b>Total Tax Liability for the year ended December 31, 2025</b>	<u>(6,595,987)</u>	<u>(760,401)</u>
		<u>12,936,422</u>	<u>16,421,579</u>
<b>23.00</b>	<b>Transactions with Related Parties:</b>		
	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	2025
Mr. Abdul Haque	Common Director	Insurance	2,563,547
Nurul Azim Sunny	Common Director	Insurance	24,045,924
Mr. Md. Nabiullah	Common Director	Insurance	31,614,348
<b>Total</b>			<b>58,223,819</b>





# Notes to the Financial Statements

For the year ended December 31, 2025

Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>24.00</b>	<b>Disclosure of Key Management Personnel Compensation: Tk. 3,000,000</b>		
	<b>Particulars</b>		
	Salary	2,100,000	2,100,000
	Other Allowance	900,000	900,000
	<b>Total:</b>	<b>3,000,000</b>	<b>3,000,000</b>
	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		
	<b>Total:</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>25.00</b>	<b>Directors Fees: Tk. 1,909,600</b>		
	<b>Particulars</b>		
	Honorarium for Attending Meeting	1,909,600	2,100,000
	<b>Total:</b>	<b>1,909,600</b>	<b>2,100,000</b>
<b>26.00</b>	<b>Audit Fees: Tk. 969,000</b>		
	This is made up as follows:		
	<b>Particulars</b>		
	Audit Fees-2025	969,000	325,000
	<b>Total:</b>	<b>969,000</b>	<b>325,000</b>
<b>27.00</b>	<b>Calculation of Earning Per Share (EPS):</b>		
	<b>Particulars</b>		
	Profit Before Tax	85,095,102	95,249,280
	Less: Provision for Income Tax	12,936,422	16,421,579
	Less: Deferred Tax (Income)/Expenses	1,232,369	(4,805,424)
	<b>Profit After Tax Attributable to the Shareholders</b>	<b>70,926,310</b>	<b>83,633,124</b>
	Earning Attributable to the shareholder	70,926,310	83,633,124
	Number Ordinary Shareholders	43,095,360	43,095,360
	<b>Earning Per Share (EPS)</b>	<b>1.65</b>	<b>1.94</b>
<b>28.00</b>	<b>Reconciliation of Net Profit Before Tax to Net Operating Cash Flow:</b>		
	The details break-up is as follows:		
	<b>Particulars</b>		
	<b>Net Profit Before Tax</b>	<b>85,095,102</b>	<b>95,249,280</b>
	<b>Adjustment for Non-Cash Items:</b>		
	Unexpired Risk Reserve (Net)	54,171,425	(38,646,427)
	Depreciation	5,362,295	5,471,772
		<b>144,628,822</b>	<b>62,074,625</b>
	<b>Adjusted Profit</b>		
	<b>Changes in Working Capital:</b>		
	(Increase)/decrease of Sundry Debtors & Other Receivables	(5,193,699)	(12,397,292)
	Increase/(decrease) of Sundry Creditors & Accruals	(54,348,386)	(198,778,875)
	Increase/(decrease) of Outstanding Claim	(63,681,576)	161,797,080
	Increase/(decrease) of Deposit Premium	14,467,470	(8,017,355)
	Income Tax Paid	(32,325,721)	(21,798,260)
	<b>Net Cash Generated from Operating Activities</b>	<b>3,546,910</b>	<b>(17,120,077)</b>



# Notes to the Financial Statements

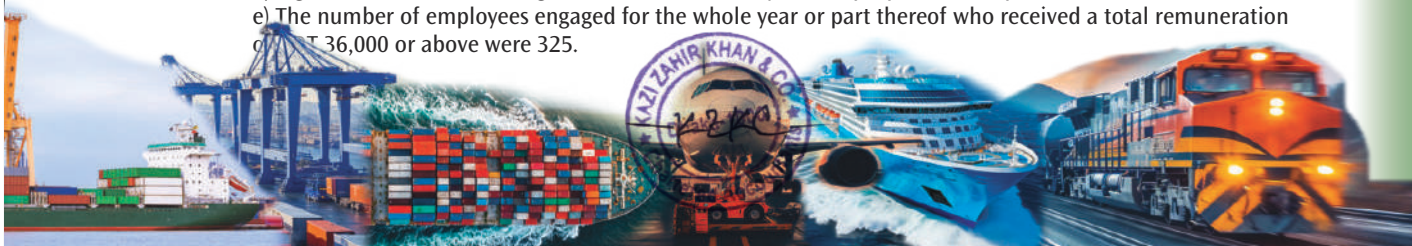
For the year ended December 31, 2025



Mercantile Islami Insurance PLC

Annual Report 2025

Notes	Particulars	Amount in Taka	
		31-Dec-2025	31-Dec-2024
<b>29.00</b>	<b>Calculation of Net Assets Value Per Share (NAVPS):</b>		
	<b>Particulars</b>		
	Total Assets	2,389,456,512	2,491,744,015
	Total Liabilities	1,454,181,986	1,662,528,707
	<b>Net Assets Value (NAV)</b>	<b>935,274,526</b>	<b>829,215,308</b>
	Number Ordinary Shareholders	43,095,360	43,095,360
	<b>Net Asset Value Per Share (NAVPS):</b>	<b>21.70</b>	<b>19.24</b>
<b>30.00</b>	<b>Calculation of Net Operating Cash Flow per Share (NOCFPS):</b>		
	<b>Particulars</b>		
	Net Cash provided by Operating Activities	3,546,910	79,047,212
	Number Ordinary Shareholders	43,095,360	43,095,360
	<b>Net Operating Cash Flow per Share (NOCFPS)</b>	<b>0.08</b>	<b>1.83</b>
<b>31.00</b>	<b>Lease:</b>		
	The company has adopted IFRS-16 Lease as on 31 December, 2025. 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 Xstandard for short-term leases. In such cases the lease are accounted for as office rent.		
<b>31.01</b>	<b>Right of Use of Assets (ROU)s:</b>		
	The details break-up is as follows:		
	<b>Particulars</b>		
	Opening PV of Lease Assets	6,022,797	8,940,482
	Add: Addition during the period	12,098,082	2,917,590
	Less: Depreciation	6,803,118	5,835,275
	<b>Closing Balance</b>	<b>11,317,761</b>	<b>6,022,797</b>
<b>31.02</b>	<b>Lease Liabilities:</b>		
	The details break-up is as follows:		
	<b>Particulars</b>		
	Opening PV of Lease Assets	6,402,135	9,635,130
	Add: Addition during the period	14,301,189	3,555,181
	Add: Interest	840,477	-
		21,543,801	13,190,311
	Less: Actual Lease Paid	8,599,171	6,788,176
	<b>Closing Balance</b>	<b>12,944,630</b>	<b>6,402,135</b>
<b>32.00</b>	<b>Subsequent Events:</b>		
	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.		
<b>33.00</b>	<b>General:</b>		
	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, 2025 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 T 36,000 or above were 325.		





Particulars	Cost				Rate of Dep.	Depreciation				Written down value as on 31.12.2025
	As on 01.01.2025	Addition during the year	Adjustment during the year	As on 31.12.2025		As on 01.01.2025	Charged during the year	Adjustment during the year	As on 31.12.2025	
Building & Floor Space	6,175,000	-	-	6,175,000	2.5%	1,258,245	122,919	-	1,381,164	4,793,836
Furniture & Fixture	16,237,097	82,800	-	16,319,897	10%	12,803,846	351,605	-	13,155,451	3,164,446
Electrical & Office Equipment	12,980,419	574,543	-	13,554,962	15%	8,346,676	781,243	-	9,127,919	4,427,043
Office Decoration	24,000,959	23,010	-	24,023,969	10%	18,203,391	582,058	-	18,785,449	5,238,521
Air-Cooler	2,955,387	133,400	-	3,088,787	15%	1,896,847	178,791	-	2,075,638	1,013,149
Motor & Other Vehicle	57,196,633	2,546,500	-	59,743,133	20%	43,589,238	3,230,779	-	46,820,017	12,923,116
Telephone Installation	1,785,710	291,090	-	2,076,800	20%	1,507,961	113,768	-	1,621,729	455,071
Sundry Assets	334,888	-	-	334,888	25%	330,358	1,133	-	331,491	3,398
<b>Total 2025</b>	<b>121,666,093</b>	<b>3,651,343</b>	<b>-</b>	<b>125,317,436</b>		<b>87,936,562</b>	<b>5,362,295</b>	<b>-</b>	<b>93,298,857</b>	<b>32,018,579</b>
<b>Total 2024</b>	<b>119,846,595</b>	<b>1,819,498</b>	<b>-</b>	<b>121,666,093</b>		<b>82,464,788</b>	<b>5,471,772</b>	<b>-</b>	<b>87,936,561</b>	<b>33,729,533</b>

*[Signature]*  
Chief Executive Officer

*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
Chairman





## 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 30<sup>th</sup> Annual General Meeting of the company to be held on **Tuesday, 30 June 2026 at 11:00 A.M.** Virtual through Digital Platform.  
AGM Link <https://miiplc.bdvirtualagm.com>

Signed on this ..... Day of.....2026

Signature of Proxy..... Signature of Shareholder.....

Folio No..... Folio No.....

BO A/C 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.

মার্কেন্টাইল ইসলামী ইন্স্যুরেন্স পিএলসি  
**MERCANTILE ISLAMI INSURANCE PLC**

ইসলামী শরী'য়াহ ভিত্তিক পরিচালিত

## ATTENDANCE SLIP

I hereby record my attendance at the 30<sup>h</sup> Annual General Meeting of the company to be held on **Tuesday, 30 June 2026 at 11:00 A.M.** Virtual through Digital Platform.  
AGM Link <https://miiplc.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 confirm 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.





Annual Report 2025

ইসলামী শরী'য়াহ ভিত্তিক পরিসংখিত





মার্কেন্টাইল 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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E-mail: info@miiplc.com