

ANNUAL REPORT

2021



পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড

PADMA ISLAMI LIFE INSURANCE LIMITED

فدما إسلامى لائف إنشورنس لميٲيد

(مشروخ اسلامى كامل بموافقة الشريعة الاسلامية)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

ANNUAL REPORT 2021



Padma Islami Life Insurance Limited

Registered Office:

Padma Life Tower, 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000.

Email: info@padmaislamilife.com, Web: www.padmaislamilife.com

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BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/185

BAPLC

Date of Issue : March 21, 2022

Renewed Certificate

This is to certify that

PADMA ISLAMI LIFE INSURANCE LIMITED

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

This certificate remains current until 31st December 2022.



[Signature]
Secretary General



পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড Padma Islami Life Insurance Limited

Transmittal letter

All Shareholders of Padma Islami Life Insurance Limited
Insurance Development and Regulatory Authority
Registrar of Joint Stock Companies and Firms, Bangladesh
Bangladesh Securities and Exchange Commission (BSEC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)
Central Depository Bangladesh Limited (CDBL)
All Other Stakeholders

Sub: Annual Report for the year ended on December 31, 2021.

Dear Sir,

We are pleased to enclose a copy of the Annual Report 2021 together with the Audited Financial Statements including Balance Sheet, Revenue Account, Cash Flow Statement and Notes to the Accounts for the year ended on December 31, 2021 for your kind information and record.

Sincerely Yours,

Md. Morshed Alam Siddiqui
Company Secretary (Acting)

Padma Islami Life Insurance Limited

Registered Office: Padma Life Tower

115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000.

Email: info@padmaislamilife.com, Web.: www.padmaislamilife.com

NOTICE OF THE 22ND ANNUAL GENERAL MEETING (VIRTUAL MEETING) OF PADMA ISLAMI LIFE INSURANCE LTD.

Notice is hereby given that the 22nd Annual General Meeting (AGM) of Padma Islami Life Insurance Limited will be held on Sunday, June 19, 2022 at 11.00 am Virtually using Digital Platform through the Link <http://padmaislamilife.bdvirtualagam.com> to transact the following businesses:

AGENDA

01. To receive, consider and adopt the Directors' and the Auditors' Report and the Audited Accounts of the Company for the year ended December 31, 2021.
02. To declare Dividend for the year ended on December 31, 2021, as recommended by the Board of Directors.
03. To elect/re-elect Directors.
04. To appoint Statutory Auditors of the Company for the year 2022 and to fix their remuneration.
05. To appoint Compliance Auditors of Corporate Governance for the year 2022 and to fix their remuneration.
06. To transact any other business with the permission of the Chair.

By Order of the Board of Directors



Md. Morshed Alam Siddiqui

Company Secretary (Acting)

Date: May 26, 2022

Notes:

- 1) The **"Record Date"** was fixed on **May 29, 2022**. The Shareholders, whose names will appear in the Depository (CDBL) Register on that date, shall be entitled to participate in the 22nd AGM through digital platform.
- 2) Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMRC/94-231/91 dated 31 March 2021, the AGM will be a virtual meeting of the members, which will be conducted via live webcast by using digital platform. The Shareholders will join the virtual AGM through the Link <http://padmaislamilife.bdvirtualagam.com>. They will be able to submit their questions/comments electronically before 24 (twenty-four) hours of commencement of the AGM through this link and during the AGM, for logging into the system the Members need to put their 16-digit Beneficiary Owners (BO) Account Number.
- 3) A Member is entitled to attend and vote at this virtual AGM, may appoint a proxy to (such proxy will be a member of the Company) attend and vote on his/her behalf. The Proxy form, a specimen of which is enclosed, duly filled, signed and stamped of Tk. 20 (Revenue stamp) must be send through email to share@padmaislamilife.com not later than 24 hours before commencement of AGM.
- 4) The Members are encouraged to login to the system prior to the meeting at 11.00 a.m on June 19, 2022 (Sunday). The webcast will start 11.00 a.m. Members may contact Mobile No. 01671717576 for any IT related guidance and share related issues in accessing the virtual meeting.
- 5) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June 2018, the soft copy of the Annual Report 2021 has already been sent to the e-mail addresses of the members available in their Beneficiary Owner (BO) accounts maintained with the Depository. These are also available in the Company's website at: www.padmaislamilife.com

Corporate information

Company Name	:	Padma Islami Life Insurance Limited
Year of Establishment	:	2000
Authorized Capital	:	Tk. 1000 million
Paid-up Capital	:	Tk. 388.00 million
Nature of Business	:	Life Insurance Business
✎ Incorporation of the Company	:	April 26, 2000
✎ Commencement of Business	:	April 26, 2000
✎ License issued by Chief Controller of Insurance:	:	April 30, 2000
✎ Conversion to Islami Life	:	2002
✎ First Policy Issued	:	June 12, 2000
✎ Initial Public Offering (IPO)		
▪ Letter of Consent	:	November 29, 2011
▪ Publication of Prospectus	:	December 01, 2011
▪ Subscription opened	:	February 22, 2012
▪ Subscription Closed	:	February 26, 2012
▪ Lottery held for Allotment of Shares	:	March 22, 2012
✎ Listed with Dhaka Stock Exchange Ltd.	:	April 08, 2012
✎ Listed with Chittagong Stock Exchange Ltd.	:	March 14, 2012
✎ Trading of shares on Dhaka Stock Exchange Ltd.	:	April 18, 2012
✎ Trading of shares on Chittagong Stock Exchange Ltd.:	:	April 18, 2012
✎ Authorized capital increased to BDT 1000 million	:	December 31, 2010

Support Services Provider

Actuarial Consultant		Auditor	
Mr. Zafar Halim Emporia Park View Flat # 9A, House # 1/C, Road # 86 North Gulshan, Dhaka -1212.		Kazi Zahir Khan & Co. Chartered Accountants Shamsunnar Complex, 8 th Floor (2 nd Lift), Flat-9B, 31/C/1, Topkhana Road Segunbagicha, Dhaka-1000.	
		Re-insurer	
		BARENTS REINSURANCE SA, Luxembourg Brance, 6 Rue du Fort Bourbon L-1249 Luxembourg.	
		Medical Consultant	
		Dr. Abdus Salam Khan MBBS, FCGP STC (Medicine)	
Bankers			
Shahjalal Islami Bank Ltd. Exim Bank Ltd. Islami Bank Bangladesh Ltd. The First Security Islami Bank Ltd. Agrani Bank Ltd. AB Bank Ltd. Al-Arafah Islami Bank Ltd. Jamuna Bank Ltd. Bangladesh Krishi Bank Bank Asia Ltd. Dhaka Bank Ltd. DBBL Janata Bank Ltd.			Social Islami Bank Ltd. Mercantile Bank Ltd. Mutual Trust Bank Ltd. National Credit and Comm. Bank Ltd. National Bank Ltd. One Bank Ltd. Prime Bank Ltd. Premier Bank Ltd. Pubali Bank Ltd. Rupali Bank Ltd. Sonali Bank Ltd. City Bank Ltd. Uttara Bank Ltd. Bangladesh Commerce Bank Ltd.

Board of Directors



Mohammed Fakrul Islam
Chairman



Mrs. Zaman Ara Begum
Vice Chairman



Professor Md. Sarware Alam
Director



Mejor (Retd) Dr. Mohammad
Towfiqur Rhaman, Director



Mr. AKM Shariat Ullah, FCA, ACCA
Director



Dr. Md. Nurul Aktar Chowdhury
Independent Director



Md. Belal Hussain, FCA
Independent Director



Dr. Mohammad Nayeem Abdullah
Independent Director



Prof. Dr. Serajul Hoque
Independent Director



Mohammad Hemayet Ullah
Chief Executive Officer

OUR BOARD COMPOSITION AND ITS OPERATION

Our Board comprises renowned personalities and veteran professionals with long and diverse professional experience. They all have proven track records of company management. As a matter of fact, out of nine directors, two directors are professional Chartered Accountants, two are PhD Degree holders and two are renowned physicians. Rest three directors are also eminent personalities having tertiary level of academic qualification and corporate exposure. As on end of December 2021, our Board composition was as follows:

Sl. No.	Name of Directors	Position
01	Mr. Mohammed Fakrul Islam (Representative of Unitex Petroleum Ltd.)	Chairman
02	Mrs. Zaman Ara Begum (Representative of Affinity Assets Ltd.)	Vice Chairman
03	Professor Md. Sarware Alam (Representative of Crest Holdings Ltd.)	Director
04	Mr. AKM Shariat Ullah, FCA, ACCA (Representative of Unitex LP Gas Ltd.)	Director
05	Major Dr. Towfiqur Rahman (Retd) (Representative of Pavilion International Ltd.)	Director
06	Dr. Md. Nurul Aktar Chowdhury	Independent Director
07	Dr. Mohammad Nayeem Abdullah	Independent Director
08	Professor Dr. Serajul Hoque	Independent Director
09	Md. Belal Hussain, FCA	Independent Director

Expertise and diversity of our Board

In a rapidly changing business atmosphere, Directors' expertise is very crucial, as the Board is constantly required to make strategic decisions that can have short, medium and long-term impacts.

Our rich Board diversity provides varied perspectives that enrich the quality of our decision making process and the decision itself. Particularly, Directors with professional background leverage their expertise and skills in key areas, including, core business, finance, accounts, audit, law, administration, human resources and ESG (environment, social and governance) to contribute to the Board's informed and objective decision-making process.

Independence and transparency of our Board

Our Board makes independent judgments and decisions, with Directors appointed through a transparent and regulatory-compliant procedure. To enhance the independence of our Board, we have ensured that our Board is adequately represented by Independent Directors.

Out of nine Directors in the Board, four Directors are Independent Directors. In the spirit of transparency and compliance, this meets the requirements prescribed under BSEC guidelines, which states that Independent Directors must constitute one-fifth of the total strength of the Board of a publicly listed company.

Separation of supervision and execution role

As a measure of embracing enhanced transparency, we have also separated the role of the Chairman of the Board and the Chief Executive Officer (CEO). This is in line with the provision of Corporate Governance Code issued by BSEC.

Sub-committees of the Board

The Board has established seven sub-committees, in accordance with BSEC guidelines and as a matter of transparency and openness. Each committee is mandated with the responsibility of stipulating its own organization, operations and authority in accordance with the regulations of the committees established under the Board.

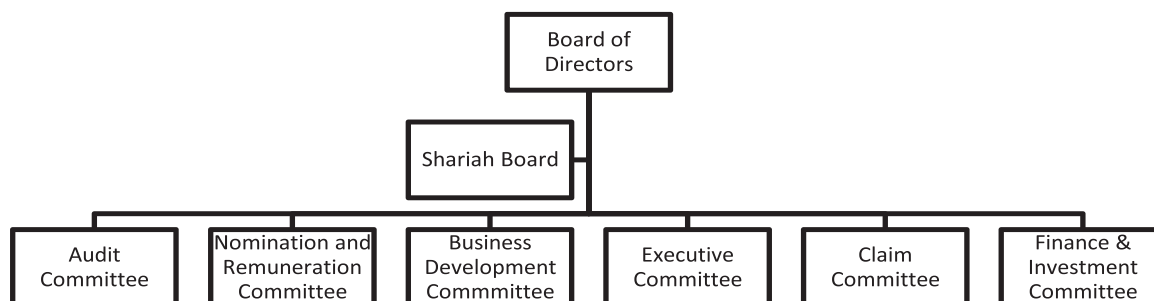


Figure 1 Board and Sub-Committees

Committee Charter

All the Board Committees have a written charter that addresses the Committees' purposes, duties and responsibilities, quorum and proceedings.

Meetings

The Board requires holding at least 4 (four) meetings each year. In the year 2021, 06 (six) Board meetings were held to discuss scheduled businesses of the Company. Sub-committees also held required nos. of meetings on a timely manner.

Tenure and Retirement of Directors

The office of Directors is subject to retirement as per Articles. At least one-third of the Directors from each group shall retire by rotation in every Annual General Meeting. The Independent Directors are appointed for a period of 3 (three) years, which may be extended for 1 (one) term only.

Directors' Responsibility

Each Director uses his or her best efforts to attend all the meetings of the Board and the Committees to which such Director is appointed. The Directors are responsible for developing and upgrading the Company's Corporate Governance, Policies & Principles, Code of Business Conduct and the Charter of each Committee in which such Directors are engaged. For review, materials are provided to the members in advance of Board and various Committee meetings.

Director Compensation

None of the Director holds any position and does not receive any remuneration other than fees for attending the Board/Committee meetings. The maximum fees payable to Directors is Tk. 8,000 for attending each meeting.

Contact to Directors

Interested parties may communicate with any Director by sending letter to such Directors giving attention to the Company Secretary, regarding any matter related to the company affairs to the following address:

Padma Islami Life Insurance Ltd.

PadmaLifeTower (Lift floor-3)

115, Kazi Nazrul Islam Avenue

Bangla Motor, Dhaka-1000.

E-mail: info@padmaislamilife.com

Web: www.padmaislamilife.com

Members of Shariah Board

Mufti Moulana Sayed Ahmed Muzaddade	Chairman, Shariah Board, Padma Islami Life Insurance Ltd. Grand Mufti- Darussalam Madrasha, Mirpur, Dhaka.
Moulana Jafor Ahmad (Abu Jafor)	Member, Shariah Board, Padma Islami Life Insurance Ltd. Imam & Khatib- Masjid Baitush Sharaf, Farmgate, Dhaka.
Mr. Syed Emran Hossain, Barrister at law	Member, Shariah Board, Padma Islami Life Insurance Ltd. Member- Dhaka Bar Association & Supreme Court Bar Association
Mufti Moulana Md. Harun or Rashid	Member, Shariah Board, Padma Islami Life Insurance Ltd. Head of Mohaddis, Dhaka Aliya Madrasha Khatib, Bansree Central Jame Masjid
Prof. Moulana ABM Masum Billah	Member Secretary, Shariah Board, Padma Islami Life Insurance Ltd. Secretary General, Central Shariah Council for Islamic Insurance of Bangladesh. Founder & Secretary General, Dr. Sheikh Redwan Al-madani Complex, Bauful, Patuakhali.
Mohamed Fakrul Islam	Member, Shariah Board, Padma Islami Life Insurance Ltd. Chairman, Board of Directors, Padma Islami Life Insurance Ltd.
Professor Sarware Alam	Member, Shariah Board, Padma Islami Life Insurance Ltd. Vice Chairman, Board of Directors, Padma Islami Life Insurance Ltd.

Corporate Management

Mr. Mohammad Hemayet Ullah

Chief Executive Officer

Mr. Md. Morshed Alam Siddiqui

Additional Managing Director

Head of Finance & Accounts

Mr. Shakhawat Hossain, DVP

Incharge- Internal Audit

Mr. Jahangir Alam Chowdhury, SVP

Head of Customer Service

Mr. Harun Or Rashid, DVP

Incharge- Information & Communication Technology

Mr. Anwar Hossain, Sr. Manager

Incharge- Development Administration

Mr. Md. Aminul Islam, Sr. Manager

Board Affairs

Md. Morshed Alam Siddiqui
Company Secretary (Acting)

Incharge- HR & Admin

Mr. Ahmed Kabir, Manager

Incharge- Group Insurance

Mr. Mohammad Nurul Alam, DM

Incharge- Logistics

Mr. Jainul Abdin, AM

Public Relations

Mohammad Saifuddin Ahmed, SEO

Development & Marketing

Deputy Managing Director (DMD)

Mr. M.A Jalil

Md. Hefzur Rahman

Md. Ibrahim

General Manager (G.M)

Mr. Farid Ahmed Sarker

Mr. Golam Zakaria Mandol

Mr. Mohammad Mesbahuz Zaman

Mr. Md. Omar Faroque

Mr. Mosharof Hossain Khondakar

Mr. Md. Mohibur Rahman

Mr. Md. Ali Ahmed Talukdar

Mr. Md. Mahfuz Khondokar

Mr. Md. Sabjul Alam

Mr. Md. Abdur Rahim Shikder

Mr. Md. Habibur Rahman

Deputy General Manager (D.G.M)

Mr. Md. Mahbub

Mr. Md. Moksed Ali

Mr. Md. Mojibul Haque

Mr. Md. Abdullah Al-Mamun

Mr. Rahmat Ullah

Mr. Abul Hasan

Mr. Md. Moshiur Rahman

Mr. Shak Mohammad

Mr. Md. Zakir Hossain

Mr. Md. Abdur Rahim Shikder

PERFORMANCE OF THE PILIL AT A GLANCE

FIVE YEARS' FINANCIAL HIGHLIGHTS

Amount in Lac Taka					
Particulars	2021	2020	2019	2018	2017
First year Premium	753.77	903.19	1,316.71	827.52	4,213.28
Renewal Premium	1875.97	3,326.01	4,598.48	4,708.30	6,463.93
Group Insurance Premium	1006.64	656.67	705.88	351.99	175.99
Gross Premium	3636.39	4,885.88	6,621.09	5,887.82	10,853.20
Investment Income	393.23	619.94	696.51	796.69	726.79
Claims	3216.13	6,504.93	6,875.24	10,659.53	19,282.27
Management Expenses					
a) Commission	466.52	565.66	714.81	777.25	1,834.24
b) Admin Expenses	974.34	1,166.48	1,833.09	3,123.97	3,858.20
Assets	31487.60	22,463.32	22,388.77	22,386.66	23,894.04
Life Fund	1246.30	1,314.03	2,097.85	4,539.67	12,882.57
Claims to Premium (%)	88%	133%	102%	181%	177.66%
Management Expenses to Premium (%)	39.62%	35.52%	27.60%	67.56%	52.36%
Dividend on face value of share					
a) Cash	2%				
b) Stock					

Business Growth

Particulars	2021	2020	2019	2018	2017
Premium (1 st year)%	-16.61%	-31.49%	13%	-80.20%	-20.53%
Management Expenses	-16.86%	-32.89%	-60%	-30%	-12.77%
Maturity Claims (%)	-50.55%	-5.40%	-37%	-40%	117.36%
Life Fund (%)	-5.15%	-37.33%	-55%	-60%	-52.82%

Investment Portfolio

Amount in Crore Taka					
Particulars	2021	2020	2019	2018	2017
Fixed Deposit	3.55	9.48	4.06	8.32	8.60
Investment on Govt. Securities, Bond & Mutual Fund	23.77	29.77	30.77	31.77	59.67
Shares & debenture	23.32	20.47	10.96	6.81	3.26
Land, Building & others	169.08	82.55	90.34	91.08	96.77
Total	219.72	142.27	136.13	137.98	168.30

Message from the Chairman



Bismillahir Rahmanir Rahim

Assalamu Alaikum Wa Rahmatullah.

Dear Shareholders,

It is my great honor and privilege to welcome you all to the 22nd Annual General Meeting and present to you the Annual Report along with the Audited Financial Statements of Padma Islami Life Insurance Limited (PILIL) for the year ended December 31, 2021.

Valued Shareholders,

As you all know, I, the undersigned, have joined the Board of Director (BOD) of the Company on 20 April 2022 and have been elected as the Chairman of the BOD on 14.05.2022 in the 181st BOD Meeting. And along with me Mrs. Zaman Ara Begum, Director was elected as the Vice Chairperson of the company on the same day. Professor Md. Sarware Alam (Representative of Crest Holdings Ltd.), Mr. AKM Shariat Ullah, FCA, ACCA (Representative of Unitex LP Gas Ltd.) and Major Dr. Towfiquir Rahman (Retd) (Representative of Pavilion International Ltd.) has joined the BOD on the same in peplacing predecessors. As a consequence, all Committees were reconstituted and Professor Md. Sarware Alam, Mr. AKM Shariat Ullah, FCA, ACCA and Major Dr. Towfiquir Rahman (Retd) were selected the Chairman of Executive, Claim and Finance Committee repectively.

The Board is determined to continue the business of Padma Islami Life Insurance Ltd. with utmost honesty and transparency within the purview of ethical, Shariah and legal framework. The top priority of the Board at this time is to settle outstanding claims. We would like to assure everyone that we will pay off 50% of legitimate Claim within December 2022 and the rest within next 06 months respective

ly, Inshaa-Allah. Our other priorities are to enhance business capabilities, recruit promising business leaders and workers, optimize operational costs and ensure control at all levels of the Company's affair effectively. To this end the Board and the professional management team have been working tirelessly to attain a robust and noticeable business result.

Dear Friends,

It is also worth mentioning that when the present Sponsors took over in October 2018, the Company was facing a lot of high risks and extreme challenges at that time. Those were, among others, declining business, severe liquidity crisis, huge unsettled claims, overstaffing, wanton mishandling of assets, mismanagement etc. which led the Company to lose its market share in the life insurance industry of Bangladesh.

By the grace of Allah SWT, within this short time, we have established a positive organizational transformation through structural changes, policy improvement, operational and financial control measures, rationalizing manpower requirement, closure of perennially loss making Branches,

augmentation of agency network, implementation of online integrated full-featured ERP software, and above all payment of outstanding claims. The Board, in cooperation with management have so far been successful to implement the above mentioned steps substantially to bring life back to the company. Going forward, these exercises are intended to continue relentlessly, Insha-Allah.

Dear Shareholders,

As you know, global pandemic COVID 19 caused, without exception, havoc to the lives of people and economies of the entire world, particularly smaller economies like ours resulting in thousands of deaths and a near-total shut down of all economic activities. The whole country went under complete lock down for a number of months. Even after withdrawal of lock down, restrictions and difficulties remained. Among all other industries, the life insurance sector was affected the most.

During that time, we could not collect premium as expected, and such was the case for other companies. There was a growth in Group Insurance business. We have earned Tk. 10.06 crore in 2021 whereas in 2020 it was Tk. 6.56 Crore. Growth rate is 53.12%. We have also made a commendable gain in trading shares. And we continued to pay off claims even during that crucial time. We have paid against claim Tk. 32.16 crore during 2021. We have also reduced the management cost by 16.81% over last year with a concerted effort. We had also reduced the management cost in the year 2019 by 34.85% over the year 2018.

My Friends,

We are determined to establish corporate governance, discipline, integrity, transparency and management accountability in your Company. We always welcome your prudent views, suggestions and guidance as owners of the Company for better management.

I would like to extend our sincere thanks and deep appreciation to Insurance Development & Regulatory Authority, Bangladesh Securities & Exchange Commission, Dhaka & Chittagong Stock Exchanges for their wisdom, continued guidance and cooperation during this critical time.

Finally, I am endlessly grateful to Allah SWT for everything and thankful to my colleagues for their sincere effort and invaluable stewardship of the Company since their appointment to the Board. On behalf of the Board and on my personal behalf, I would like to express my sincere thanks to all of our employees, clients, suppliers, welwishers and other stakeholders for providing their continuous valuable support in achieving our corporate goals.

May Allah SWT protect us all.



Mohammed Fakrul Islam
Chairman of the Board

মুখ্য নির্বাহী কর্মকর্তার বার্তা

বিসমিল্লাহির রাহমানির রাহিম



সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম ওয়ারাহুমা তুলাহু।

পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিঃ এর ২২তম বার্ষিক সাধারণ সভায় আপনাদেরকে জানাই আন্তরিক অভিনন্দন ও শুভেচ্ছা। সুদীর্ঘ ২১ বছরের পথ সফলভাবে অতিক্রম করে পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড আজ ২২তম বর্ষে পদার্পণ করেছে। এই দীর্ঘ পথ পাড়ি দিতে সার্বক্ষণিক আমাদের সাথে ছিলেন সম্মানিত শেয়ারহোল্ডার, বীমাহ্রাহক, উন্নয়ন ও দাপ্তরিক কর্মী এবং কর্মকর্তাবৃন্দ। আপনাদের আন্তরিক সহযোগিতা ও অংশগ্রহণের মাধ্যমে প্রতিষ্ঠানটি ক্রমান্বয়ে এগিয়ে যাচ্ছে। এজন্য পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড এর পক্ষ থেকে আপনাদেরকে জানাই আন্তরিক ধন্যবাদ।

আপনারা নিশ্চয়ই অবগত আছেন যে, ২০১৮ সালে কোম্পানীর পরিচালনা পর্ষদে পরিবর্তন এসেছে। আমরা অত্যন্ত আনন্দিত ও গর্বিত যে বাংলাদেশে প্রথম ইসলামী বীমার সফল কর্ণধার, সুদক্ষ প্রজ্ঞাবান উচ্চ শিক্ষিত সফল ব্যক্তিত্বের সমন্বয়ে গঠিত পরিচালনা পর্ষদের মাধ্যমে বর্তমানে পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড পরিচালিত হচ্ছে। ইসলামী শরীয়াহ ভিত্তিতে পরিচালিত প্রতিষ্ঠানটি পরিচালনার ক্ষেত্রে দূরদৃষ্টি সম্পন্ন বিজ্ঞ পরিচালনা পর্ষদের অকুণ্ঠ সমর্থনের জন্য আমি আন্তরিকভাবে কৃতজ্ঞতা জ্ঞাপন করছি।

ইসলামী শরীয়ার সকল নিয়মনীতি অনুসরণ করে প্রতিষ্ঠান পরিচালনার জন্য দেশের বিশিষ্ট আলেমদের নিয়ে গঠন করা হয়েছে শরীয়াহ বোর্ড। ইসলামী শরীয়াহ মোতাবেক কার্যক্রম পরিচালনার জন্য শরীয়াহ বোর্ডের সম্মানিত সদস্যগণ নিয়মিত পরামর্শ দিয়ে আসছেন।

বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ (আইডিআরএ) সৃষ্ট, স্বচ্ছ ও সুন্দর ব্যবস্থাপনার মাধ্যমে বীমা শিল্পের উন্নয়ন এবং প্রসারের জন্য নানামুখী পদক্ষেপ ও কর্মসূচী গ্রহণ করেছে। এ শিল্পকে এগিয়ে নিতে গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের নির্দেশনাগুলো সার্বক্ষণিক সৃষ্ট তদারকির মাধ্যমে অত্যন্ত কার্যকরভাবে বাস্তবায়ন করছে। গণপ্রজাতন্ত্রী বাংলাদেশ সরকার কর্তৃক ২০২০ সাল থেকে ০১ মার্চকে জাতীয় বীমা দিবস হিসেবে ঘোষণা করা হয়েছে যা জাতীয়ভাবে প্রতিবছর পালিত হচ্ছে। বীমা সার্বজনীন করতে সরকারের বিভিন্ন কর্মসূচীর মধ্যে বঙ্গবন্ধু শিক্ষাবীমা চালু অত্যন্ত প্রশংসনীয় এবং বঙ্গবন্ধু আশার আলোও একটি প্রশংসনীয় উদ্যোগ। আমরা আশা করছি ভবিষ্যতে বীমা শিল্প সর্বাধিক জনপ্রিয় সেক্টর হিসেবে প্রতিষ্ঠা লাভ করবে।

আপনারা সকলে জানেন যে, বৈশ্বিক মহামারী কোভিড-১৯ এর প্রাদুর্ভাবের পরপর ইউট্রেন যুদ্ধের কারনে সারাবিশ্বে অর্থনৈতিক মন্দা দেখা দিয়েছে। প্রায় প্রতিটা খাতে, বিশেষ করে বীমা শিল্পে এর নেতিবাচক প্রভাব পড়েছে। এই প্রতিকূল অবস্থার মধ্যেও প্রতিষ্ঠানের উন্নয়নের জন্য বৈশ্বিক অর্থনীতির কথা বিবেচনায় রেখে নানামুখী পদক্ষেপ গ্রহণ করা হয়েছে :

- ১ম বর্ষ প্রিমিয়াম বৃদ্ধির জন্য নতুন নতুন সংগঠন তৈরী করে প্রশিক্ষণের মাধ্যমে তাদেরকে পেশাগতভাবে দক্ষ হিসেবে তৈরী করা।
- নবায়ন প্রিমিয়াম বৃদ্ধি করে কোম্পানী আর্থিক ভিত মজবুত করার লক্ষে পদক্ষেপ নেয়া।
- গ্রাহকদের আমানত নিশ্চিত করার লক্ষে ই-রিসিট চালু করা হয়েছে।
- ইন্ট্রিগ্রেটেড সফটওয়্যারের মাধ্যমে অফিসের কার্যক্রম পরিচালনা ও গ্রাহক সেবা নিশ্চিতকরা।
- গ্রুপ বীমা সম্প্রসারণে নানামুখী পদক্ষেপ গ্রহণ করা।
- অধিকতর লাভজনক খাতে বিনিয়োগের মাধ্যমে মুনাফা বৃদ্ধি করা।
- তামাদী পলিসি চালুকরণের মাধ্যমে নবায়ন প্রিমিয়াম অর্জনের জন্য সরাসরি গ্রাহকের সাথে কাস্টমার কেয়ার এর মাধ্যমে যোগাযোগ করে পলিসি চালুর ব্যবস্থা করা।
- ব্যয় সংকোচনের সর্বাঙ্গিক প্রচেষ্টা অব্যাহত রেখে সৃষ্টভাবে অফিস পরিচালনা করা।
- দাপ্তরিক কর্মচারী ও কর্মকর্তাদেরকে বিভিন্ন প্রশিক্ষণের মাধ্যমে আরও দক্ষ ও যুগোপযোগী করে তৈরী করা।
- পূর্ণাঙ্গরূপে ইসলামী শরীয়াহ মোতাবেক কোম্পানীকে পরিচালনার প্রচেষ্টা অব্যাহত রাখা।

আমরা আশা করছি আপনাদের আন্তরিক সহযোগিতা ও আমাদের গৃহীত পদক্ষেপ পদ্মা ইসলামী লাইফ ইনসিওরেন্স এর ব্যবসায়িক সাফল্যকে আরও গতিশীল করবে। ব্যবসা সম্প্রসারণের জন্য আমরা সারা দেশের প্রত্যন্ত অঞ্চলে নতুন সংগঠন সৃষ্টি ও অফিস স্থাপন করার কার্যক্রম শুরু করেছি। দক্ষ ও যোগ্য কর্মী বাহিনী গঠন করে পদ্মা ইসলামী লাইফ ইনসিওরেন্সকে দেশের প্রথম সারির বীমা কোম্পানীতে উন্নীত করতে সক্ষম হবো, ইনশাআল্লাহ।

সর্বোপরি, কোম্পানীর সার্বিক উন্নয়নের জন্য শেয়ারহোল্ডার, পরিচালনা পর্ষদ ও সকল স্তরের কর্মকর্তা/কর্মচারীগণের আকুণ্ঠ সমর্থন, অক্লান্ত পরিশ্রম ও আন্তরিক সহযোগিতার জন্য আমি ধন্যবাদ জ্ঞাপনের পাশাপাশি সকলের সুস্বাস্থ্য ও দীর্ঘায়ু কামনা করছি।

মোহাম্মদ হেমায়েত উল্লাহ
মুখ্য নির্বাহী কর্মকর্তা

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Assalamu Alaikum wa Rahmatullah.

The Board of Directors (BoD) of your company **Padma Islami Life Insurance Limited (PILIL)**, welcome you to the 22nd Annual General Meeting (AGM) and would like to thank you for your continued patronage and support over the years. We are pleased to present before you the Annual Report along with the Auditors' Report and audited Financial Statements for the year ended December 31, 2021 for kind consideration and adoption.

This Report has been prepared in compliance with the provisions of relevant Acts, Rules, Regulations, Notifications, etc. issued by the Regulatory Bodies wherein the Directors have made relevant disclosures and explanations pertaining to compliance, transparency and sound corporate governance along with the details of the business performance, operations and achievements of the company for the year ended December 31, 2021. In fact, the year 2021 is very significant for the company in terms of performance, achievements and a new constructive transformation in all sphere of the company.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT IN THE INDUSTRY

Despite lingering concerns about COVID-19 variants, most insurers expect an accelerating economic recovery and additional digital technology investments in 2022. The demand for insurance is expected to keep rising worldwide.

The challenges insurers face range from economic hurdles such as the potential for sustained inflation; to sustainability concerns including climate risk, diversity, and financial inclusion; to rapidly evolving consumer product and purchase preferences.

Insurers are increasingly dependent on emerging technologies and data sources to drive efficiency, enhance cybersecurity, and expand capabilities across the organization. However, most should also focus on improving the customer experience by both streamlining processes with automation as well as providing customized service where needed and preferred.

On a more fundamental level, many carriers can consider taking steps to bolster trust among stakeholders to boost retention and profitability. This might be achieved in part through greater transparency in how insurers collect and utilize personal data. They can also become more proactive in seeking comprehensive solutions to big picture societal problems—such as mitigating the financial impact of future pandemics and closing coverage gaps for natural catastrophes.

SEGMENT-WISE PERFORMANCE OF PILIL

The product wise break-up of premium income and management expenses with corresponding figure of 2021 is presented below:

Particulars	2021 (In crore Taka)	2020 (In crore Taka)	Increase/Decrease over 2020
First year premium:	7.53	9.03	-16.61%
Ekok Bima	6.78	7.87	-13.85%
DPS (Khudra Bima)	.75	1.16	-35.34%
Renewal Premium	28.81	33.26	-13.37%
Ekok Bima	16.04	29.77	-46.12%
DPS (Khudra Bima)	2.71	3.49	-22.34%
Group Insurance Premium:	10.06	6.57	53.12%
Gross Premium	36.34	48.86	-25.62%
Life Fund	12.46	13.14	-5.17%
Claims settlement	32.16	65.05	-50.56%
Management Expenses	14.40	17.32	-16.86%
Commission to Insurance Agents	3.97	3.74	6.14%
Allowances & Commission (Other than Commission included above)	.69	1.92	-64.06%
Administrative & other expenses	9.74	11.66	-16.46%

YEAR-WISE PERFORMANCE FOR THE LAST FIVE YEARS

Year-wise Performance of the company for last five years has been depicted in a separate statement under title “Five Years Financial Progression”. Some highlights are given in items below:

Amount in Lac Tk

Particulars	2021	2020	2019	2018	2017
First year Premium	753.77	903.19	1,316.71	827.52	4,213.28
Renewal Premium	1875.97	3,326.01	4,598.48	4,708.30	6,463.93
Group Insurance Premium	1006.64	656.68	705.88	351.99	175.99

Gross Premium	3636.39	4,885.88	6,621.09	5,887.82	10,853.20
Investment Income	393.23	619.94	696.51	796.69	726.79
Claims	3216.13	6,504.93	6,875.24	10,659.53	19,282.27
Management Expenses:					
a) Commission	466.53	565.66	714.81	777.25	1,834.24
b) Admin Expenses	974.34	1166.48	1,833.09	3,123.97	3,858.20
Assets	31,487.61	22,463.31	22,388.77	22,386.66	23,894.04
Life Fund	1,246.31	1,314.03	2,097.85	4,539.67	12,882.57
Claims to Premium (%)	88%	85%	102%	181%	177.66%
Management Expenses to Premium (%)	39.62%	35.52%	27.60%	67.56%	52.36%
Net Operating Cash Flows per share	9.75	7.80	8.71	(17.20)	(20.15)

KEY OPERATING AND FINANCIAL DATA

Life Fund:

Total life fund of the Company as at 31st December, 2021 stood at Tk. 12.46 crore as against Tk. 13.14 crore in the preceding year. Life Fund of the Company has been decreased due to maturity of significant amount of claims. The Board hopes that the life fund will increase gradually by virtue of building up consequential margin expected to be achieved from the initiatives taken so far.

Investment Portfolio:

The Investment of the Company for the year of 2021 was Tk. 225.72 crore. The comparative statement of the last five years' investment is given below:

Amount in crore Taka

Particulars	2021	2020	2019	2018	2017
Fixed Deposit	3.55	9.48	4.06	8.32	8.60
Investment on Govt. Securities, Bond & Mutual Fund	29.77	29.77	30.77	31.77	59.67
Share& Debenture	23.32	20.47	10.96	6.81	3.26
Land, Building & others	169.08	82.55	90.34	91.08	96.77
Total:	225.72	142.27	136.13	137.98	168.30

RISK AND CONCERN

Over the last decade, the business world has faced unprecedented changes and challenges. Specially, Insurances of all sizes are now more concerned than ever about risk and its management.

Importantly, risk management is a central part of the PILIL's strategic management focus. PILIL's risk management objectives ensure that strategic, operational and tactical risks are identified, documented, managed and controlled appropriately.

We have employed Enterprise Risk Management (ERM) **Framework** for our risk management system which enables us to act quickly and prudently in the event of risk occurrence, and also helps us create a library of our risk response initiatives developing our core competitive advantages.

DISCLOSURE REGARDING EXTRA-ORDINARY GAIN OR LOSS

There was no extra-ordinary gain or extra-ordinary loss during the year 2021.

DISCLOSURE REGARDING RELATED PARTY TRANSACTION

In ordinary course of business, related party transactions take place with other entities that fall within the term 'related party' as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 38 of the notes to the financial statements.

DISCLOSURE REGARDING UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR ANY OTHER INSTRUMENTS

During the year 2021, the Company did not issue any share or other instruments.

DISCLOSURE REGARDING VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

Statement of Quarterly Financial Statement is given separately. There were some variances in the financial results from quarter to quarter. But they are not very significant or material in nature.

DISCLOSURE ON REMUNERATION OF THE DIRECTORS

The Directors including Independent Directors, all being Non-Executive Directors, are given only Meeting Attendance Fee. During the year 2021, a total amount of BDT 8,71,200 was given to the Directors as Meeting Attendance Fee. However, in 2020 the amount was BDT 9,22,400.

DISCLOSURE ON PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Board of Directors places before you the financial statements for the year ended 31 December 2021 for their adoption. The Directors confirm, to the best of their knowledge, that-

- (i) The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes inequity;
- (ii) Proper books and accounts of the company have been maintained;
- (iii) Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- (iv) IAS/IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements;
- (v) As required by condition 6 of the guidelines, the Chief Executive Officer (CEO) and the Chief Financial Officer have jointly certified to the Board that-
 - (a) They have reviewed the financial statements of the company for the year ended 31 December 2021 and to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (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
 - (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violation of the company's code of conduct.

DISCLOSURE ON INTERNAL CONTROL SYSTEM

The Board states that the systems of internal control are sound in design and have been implemented and monitored effectively.

PILIL follows Committee of Sponsoring Organization (COSO) framework for evaluating internal controls in the organization. The COSO model defines internal control as “a process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance of the achievement of objectives in the following categories:

- ✓ Effectiveness and efficiency of operations
- ✓ Reliability of financial reporting
- ✓ Compliance with applicable laws and regulations”

However, the BoD is primarily responsible to establish and review the operational effectiveness of such controls in PILIL. As delegated by the Board, the Audit Committee of PILIL ensures through Internal, External, Compliance, Special and/or other Audits that the system of internal control is adequate and effective.

Internal Audit Unit of PILIL does have valuable contribution towards improving the effectiveness of its systems of internal control. Its risk-based audit approaches provide reasonable assurance to the Audit Committee and the Management about the adequacy and effectiveness of the internal control system in the company.

PROTECTION OF NON-CONTROLLING SHAREHOLDERS

The Board certifies that non-controlling 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.

SUBSIDIARY OPERATIONS

PILIL has no subsidiary and therefore, no disclosure is applicable hereto.

COMPANY’S ABILITY TO CONTINUE AS GOING CONCERN

The Directors declare that there are no significant doubts upon the company’s ability to continue as a going concern. For this purpose of assessment whether PILIL has ability to continue as a going concern, the following issues have been considered:

- ✓ The commitment towards the claims filed and its ability to meet contractual obligations as they become due;
- ✓ Liquidity-related actions and plans to stabilize the businesses and repay the outstanding debt;
- ✓ The level of PILIL’s realized and unrealized losses and the negative impact of these losses on shareholders’ equity, and

✓ Opinion of Financial and Compliance Auditors

While considering these issues, significant judgments and estimates with respect to the potentially adverse financial and liquidity effects of PILIL's risks and uncertainties have been made.

DIVIDEND

The Board has recommended 02% cash (interim) dividend as final dividend for the year 2021.

BUSINESS PLAN FOR 2022

Keeping in view the effect of pandemic and the above scenario, Padma Life has revised its business plan and strategy for survival and growth. As, due to restricted in-person interactions on account of the lockdown measures etc. and grave global economic recession, we assume that premium income against Individual (Ekok) and Micro (DPS) insurance may not grow sufficiently despite all possible measures.

Therefore, in addition to taking all necessary steps to boost up selling Individual (Ekok) and Micro (DPS) insurance, collecting renewal premium and reviving lapsed policies, our business plan redirects company's major efforts and focus on 'Group life Insurance' as opposed to individual schemes.

Under group insurance category, every attempt will be made, in addition to employees' life insurance schemes, to bring Banks' depositors and investors of some specific categories under group life insurance coverage. In this regard, considerable progress has already been made.

Our business plan also encompasses elimination of unnecessary costs and optimal use of resources. We are committed to continue our efforts as mentioned above to reduce excessive cost and make the business profitable.

We are hopeful, by the grace of Allah SWT, through implementing our well-crafted and pragmatic business and action plans we will be able to make PILIL one of the country's best life insurance company, Insha-Allah.

BOARD MEETINGS

The Directors of PILIL meet on a regular basis. A detail statement showing attendance of the Directors in the Board Meetings is placed as under:

Sl. No.	Name of Directors	Position	Meeting held	Attended
01	Professor N R M Borhan Uddin Ph.D, Representative of Pavilion International Ltd.	Chairman	06	06
02	Dewan Nurul Islam, FCA, MBA, Representative of Crest Holdings Ltd.	Vice Chairman	06	06
03	Mr. Humayun Bokhteyar, FCA, ACPA, Representative of Unitex LP Gas Ltd.	Director	06	06
04	Md. Zahirul Islam, Representative of Unitex Petroleum Ltd.	Director	06	05
05	Mrs. Zaman Ara Begum, Representative of Affinity Assets Ltd.	Director	06	06
06	Dr. Md. Nurul Aktar Chowdhury	Independent Director	06	06
07	Dr. Mohammad Nayeem Abdullah	Independent Director	06	06
08	Professor Dr. Serajul Hoque	Independent Director	06	06
09	Md. Belal Hussain, FCA	Independent Director	06	06

SHAREHOLDING PATTERN

Shareholding position of Directors and other related parties at the end of 2021 is as under:

Sl. No.	Directors	No. of shares held	Shareholding Ratio	Comments
01.	Professor N R M Borhan Uddin Ph.D, Representative of Pavilion International Ltd.	28,10,720	7.23%	
02	Dewan Nurul Islam, FCA, MBA, Representative of Crest Holdings Ltd.	26,98,120	6.94%	
03	Mr. Humayun Bokhteyar, FCA, ACPA, Representative of Unitex LP Gas Ltd.	30,93,600	7.96%	

04	Md. Zahirul Islam, Representative of Unitex Petroleum Ltd.	25,32,780	6.51%	
05	Mrs. Zaman Ara Begum, Representative of Affinity Assets Ltd.	23,88,320	6.14%	
06	Dr. Md. Nurul Aktar Chowdhury (Independent Director)	1,000	-	
07	Dr. Mohammad Nayeem Abdullah (Independent Director)	1,000	-	
08	Professor Dr. Serajul Hoque (Independent Director)	1,000	-	
09	Md. Belal Hussain, FCA (Independent Director)	-	-	
Total:		1,35,26,540	34.79%	

Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children, Executives & shareholders holding 10% or more

Sl. No.	Particulars	No. of shares held	Shareholding Ratio	Comments
b.1	Directors/Executives	1,35,26,540	34.79%	
b. 2	Chief Executive Officer	Nil	-	
b. 3	Chief Financial Officer	Nil	-	
b. 4	Head of Internal Auditor	Nil	-	
b.5	Company Secretary	Nil	-	
c	Executives	Nil	-	
d	Shareholders holding 10% or more voting rights	Nil		
Total:		1,35,26,540	34.79%	

RETIREMENT AND ELECTION/RE-ELECTION OF DIRECTORS

Sponsor Directors:

In accordance with the Articles 96 of the Articles of Association of the Company, two directors shall retire by rotation from office at the 22nd Annual General Meeting. The retiring directors are:

- i. Professor Md. Sarware Alam nominated by Creast Holdings Ltd.
- ii. Mr. AKM Shariat Ullah, FCA, ACCA nominated by Unitex LP Gas Ltd.

Being eligible they offered themselves for re-election.

Public Shareholder Directors:

In accordance with the provision under Article 96 of the Article of Association of the Company and as provided under Insurance Act & Rules, Public notification with regard to election of Public Subscribers' Director has been published in the 2 (two) national Dailies (The Daily Sonali Barta & The Daily Morning Observer), but no nomination papers were received from the shareholders for election.

Independent Directors:

As per the BSEC's Corporate Governance Guidelines dated 03 June 2018, (i) At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors, (ii) Independent Director(s) shall be appointment by the Board of Directors and approved by the shareholders in the Annual General Meeting(AGM), and (iii) 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.

APPOINTMENT/RE-APPOINTMENT OF AUDITORS**Financial Auditor:**

Pursuant to section 210 of company Act, 1994, the Company's statutory auditors Kazi Zahir Khan & Co., Chartered Accountants, shall retire & expired (Consecutive period exceeding three years as per BSEC notification) in the 22nd Annual General Meeting.

Islam Kazi Shafiq & Co. Chartered Accountants have expressed their interest as a statutory auditors for the year December 31, 2022 of the Company. The BoD has endorsed the recommendation of Audit Committee for appointment M/s. Islam Kazi Shafiq & Co. Chartered Accountants at a remuneration of BDT 130,000.00 including income tax. As such the matter is placed before the 22nd AGM for kind approval.

Compliance Auditor:

Shafiq Basak & Co., Chartered Accountants was the Corporate Governance Auditors for the year 2021. Since the said auditor is interested for reappointment as compliance auditor for the year 2022, the BoD has endorsed the recommendation of Audit Committee for reappointment at a fee of Tk. 25,000.00 including income tax and the matter is placed before the 22nd AGM for kind approval.

CORPORATE GOVERNANCE

The Directors of PILIL are committed in adopting the highest governance standard and implementing them in protecting the interests of shareholders, policy holders and all other stakeholders. The Company has complied with all necessary guidelines under BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. A certificate of Compliance required under the said Guidelines, as provided by Shafiq Basak & Co., Chartered Accountants, is annexed in the Annual Report 2021.

Audit Committee:

The Committee plays an important role to ensure transparency, accountability in the operations of the Company and confirming that the activities are conducted within the framework of principles and policies as laid down by the Board, as well as the guidelines of the Securities and Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018. The Audit Committee reviewed the financial statements of the company for the year ended 31st December, 2021 audited by the External Auditors stressing on the importance of the successful compliance within the company.

Nomination and Remuneration Committee (NRC):

In compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin and dated June 03, 2018 issued by the Bangladesh Securities & Exchange Commission, Padma Islami Life Insurance Ltd. formed a Nomination and Remuneration Committee (NRC). The NRC is responsible or accountable to the Board and to the Shareholders of the Company. One meeting of NRC was held during the year 2021.

DECLARATION OR CERTIFICATION BY THE CEO AND THE CFO TO THE BOARD

The Details of discussion of declaration by the CEO and Finance Controller is appended separately.

DECLARATION OR CERTIFICATION BY THE SHARIAH BOARD

A declaration by the Shariah Committee on compliance with Islamic Shariah is appended separately.

MANAGEMENT DISCUSSION & ANALYSIS ON THE COMPANY'S POSITION AND OPERATION

Services to Policyholders:

The reputation and progress of the company largely depend on rendering prompt and quality service to the policyholders. Keeping this in view, we have further strengthened our Services and launched a One-stop Service center. Additionally, the company has settled and paid off Survival Benefit up to the certain amount from Zonal Head Quarter to expedite services to the Policyholders. During the year, the Company has settled Maturity & Claims of significant amount totaling to Tk. 32.16 crores.

Human Resource Practices:

PILIL is committed to providing equal opportunities to all employees, irrespective of their gender, race, nationality, ethnic origin, or religion. PILIL is an inclusive employer and values diversity in its employees.

These extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal. Our corporate goal is to improve staff engagement by measuring and responding to staff members' views and willingness to exert extra effort to achieve business success.

We provide necessary support to staff in order to manage change effectively. We credit the strength of our people for our organization's success, their understanding of strategy and goals, as well as their satisfaction with the work they do and how it contributes, are of critical importance.

We continue our efforts to create and maintain a highly skilled and motivated workforce. Through our succession planning initiatives, leadership capacity is identified and developed to ensure ongoing success through adequate training and motivation. The Manpower strength of the company at the end of 2021 was 360.

Information Technology:

Information and Communication Technology (ICT) has become indispensable for Insurance Companies in ensuring smooth operation and providing efficient services. Recognized this fact the Board has adopted a comprehensive ICT policy for the company.

ICT system of PILIL has been revamped by strengthening and securing the automation of services. The highly experienced and trained ICT professionals are working on implementing and developing the company's online integrated full-featured ERP System and other ICT infrastructure and constantly innovating and writing in-house programs to meet the needs of the company. Local Area Network (LAN) and other technologies have been in operation in the Head office and Branch offices.

Corporate Social Responsibility:

The Directors are sincere to discharge corporate responsibilities to the society. As a part of discharging corporate social responsibilities, PILIL has initiated a number programs and has been sponsoring various welfare activities, besides patronizing cultural activities in the country since its inception.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I take this unique opportunity to thank all our honorable Shareholders, Directors, our valued policyholders and CEO, all employees of our Company for their continued support & co-operation. I also express my sincere gratitude to our Members of Shariah Board, the Office of the Insurance Development and Regulatory Authority, Concerned Ministries, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Office of Dhaka & Chittagong Stock Exchanges, our Bankers and other esteemed well-wishers for their tremendous co-operation, support & confidence.

On behalf of Board of Directors,



Mohammed Fakrul Islam
Chairman, Board of Directors



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

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shafiq@shafiqbasak.com

CERTIFICATE OF COMPLIANCE ON CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO
THE SHAREHOLDERS OF
PADMA ISLAMI LIFE INSURANCE LIMITED

[As required under the Bangladesh Securities and Exchange Commission (BSEC)]

We have examined the compliance status to the Corporate Governance Code by **Padma Islami Life Insurance Limited** for the year ended on 31 December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 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:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Place: Dhaka
June 05, 2022

Md. Shafiqul Islam, FCA
Partner
Enrolment # 595



INDEPENDENT MEMBER OF
ABACUS
WORLDWIDE

DHAKA OFFICE -(2): House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 01, Dhaka.
Phone : 88-02-9859602-3, 01819-285196, E-mail.mahmoods.bd@gmail.com

Padma Islami Life Insurance Limited

For the year ended 31st December 2021

STATUS OF COMPLIANCE OF CORPORATE GEVERNANCE CODE

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission vide notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

200 of the Bangladesh Securities and Exchange Ordinance, 1989 is presented below.

Condition	Title	Compliance status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company’s Board of Directors (hereinafter referred to as “Board”) shall not be less than 5 (five) and more than 20 (twenty).	✓		Total 09 (Nine) Board Members
1.(2)	Independent Directors			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the company’s board shall be independent directors.	✓		
1(2) (b) (i)	For the purpose of this clause “independent director” means a director) 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 shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-lawand daughter-in-law shall be considered as family members;	✓		
1(2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	✓		
1(2) (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2) (b)(v)	Who is not a member 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;	✓		
1(2) (b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company’s statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2) (b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1(2) (b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2) (b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(ii) c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(ii) d)	the post of independent director(s) remain vacant for more than 90 (ninety) days	✓		
1(2) (ii) e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	✓		

	Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:			
1(3)	Qualification of Independent Director.-			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)	Independent director shall have following qualifications:			
(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	N/A		
(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; or	N/A		
(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	N/A		
(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
(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 shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	None		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
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 themselves 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.	✓		
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act,1994 (Act No. XVIII of 1994):-	✓		
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if	N/A		

	any;			
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	N/A		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	None		
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;	None		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	None		
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.;	None		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	None		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	None		No doubt about going concern
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be high lighted 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;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:- (a) Parent or Subsidiary or Associated Companies and other related parties(name-wise details); (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); (c) Executives; and (d) Shareholders holding ten percent (10%) or more voting interest	✓		

	in the company (name-wise details);			
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:- (a) a brief resume of the director; (b) nature of his or her expertise in specific functional areas; and (c) names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1(5)(xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1(6)	Meetings of the Board of Directors: 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.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.	Governance of Board of Directors of Subsidiary Company.-	None		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	N/A		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall	N/A		

	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		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3(1)	(1) Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee.-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees: (i) Audit Committee; and (ii) Nomination and Remuneration Committee.	✓		
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs	✓		

	of the company and in ensuring a good monitoring system within the business;			
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
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 directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
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): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit 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 or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	None		
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;	None		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	None		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	None		
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	None		
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.	✓		
6.	Nomination and Remuneration Committee (NRC).-			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including	✓		

	an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	None		
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;	None		
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 otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC			
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.	✓		
7.	External or Statutory Auditors.-			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
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.	✓		
8.	Maintaining a website by the Company.-			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	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 attached, in the directors' report whether the company has complied with these conditions.	✓		

Date: 26.05.2022

The Board of Directors

Padma Islami Life Insurance Limited
Head office: Padma Life Tower
Dhaka-1000.

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

Dear Sirs,

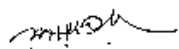
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. SEC/CMRCD2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Padma Islami Life Insurance Limited for the year ended on 31st December, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure 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 31st December, 2021 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,



(Mohammad Hemayet Ullah)



(Shakhawat Hossain)

Padma Islami Life Insurance Limited

AUDIT COMMITTEE REPORT

For the Year 2021

Pursuant to the Notification issued by BSEC on Code of Corporate Governance, the BoD of PILIL formed the Audit Committee (the Committee) with its ToR as below:

Sl. No.	Name of Members	Designation	Status
01	Mr. Md. Belal Hussain, FCA	Independent Director	Chairman
02	Md. Zahirul Islam	Director	Member
03	Mrs. Zaman Ara Begum	Director	Member
04	Prof. Dr. Serajul Hoque	Director	Member
05	Mohammad Saifuddin Ahmed	Company Secretary (Acting)	Secretary

TOR OF THE AUDIT COMMITTEE:

Constitution of the Audit Committee

1. The Audit Committee shall be composed of at least 3 (three) members, who shall be directors of the company, including at least 1 (one) independent director.
2. The Board of Directors shall appoint members of the Audit Committee. It shall also select 1 (one) member, who shall be an independent director, to be its Chairman. Qualification of the members shall conform to the requirements of the Corporate Governance Guidelines.
3. When the term of service of any member expires or there is any circumstance causing any member to be unable to hold office until expiration of the term of service, thus making the number of the members to be lower than 3 (three), the Board of Directors shall appoint new member(s) to fill the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) to ensure continuity of the performance of work of the Audit Committee.
4. The company secretary shall act as the Secretary of the Audit Committee.

Meetings of the Audit Committee

1. The meetings of the Audit Committee shall be presided over by its Chairman.
2. The quorum of a meeting of the Audit Committee shall constitute by majority of members and shall not constitute without at least 1 (one) independent director.
3. The Audit Committee shall hold at least 4 (four) meetings in a year to perform its duties and responsibilities.
4. The Audit Committee may invite the Chief Executive Officer, Head of Internal Audit or any other officials to attend the meeting.

1. The Audit Committee may request the internal and/or external auditors to submit valuation/evaluation report(s) on any specific issue.
2. All the observations/finding s/recommendations of the Audit Committee shall be recorded in the minutes of the Committee.
3. The Secretary shall minute the proceedings and resolutions of all committee meetings including the names of those present and in attendance and shall circulate the minutes of meetings of the Committee to all members of the Committee.

Duties and Responsibilities of the Audit Committee:

1. The Audit Committee shall be responsible for the following:
 - a. To oversee the financial reporting process of the company.
 - b. To monitor choice of accounting policies and principles.
 - c. To monitor Internal Control and Risk management processes.
 - d. To oversee hiring (appointment) of external auditors.
 - e. To oversee the performance of external auditors.
 - f. To review, along with the management, the annual financial statements before submission to the Board for approval.
 - g. To review, along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
 - h. To review the adequacy of Internal control and audit function.
 - i. To review statement of significant related party transactions submitted by the management.
 - j. To review Management Letters/ Management Report/ Letter of Internal Control Weakness issued by the statutory auditors.
 - k. To conduct a post -audit review of the audit findings including any significant suggestions for improvements provided to management by the statutory auditors.
2. The Audit Committee shall review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. framed/issued by the regulatory authorities have been complied with.
3. The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:
 - i. report on conflicts of interests;
 - ii. suspected or presumed fraud/ irregularity/ material defect in internal control system;
 - iii. suspected infringement of laws, including securities related laws, rules and regulations;

- iv. any other matter which shall be disclosed to the Board of Directors immediately.
4. The Audit Committee shall prepare a report on activities carried out by itself, including reporting to the Board of Directors, during the year and disclose such report to the Shareholders and General Investors through the annual report of the company.

REPORT ON ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE

In discharging its duties and responsibilities, during the year 2021, the Audit Committee of PILIL:

1. Held a total of 04 (four) meetings. Attendance status was as below:

Sl. No.	Name of Members	Designation	Meeting Held	Meeting Attended
01	Mr. Md. Belal Hussain, FCA	Chairman	04	04
02	Md. Zahirul Islam	Member	04	04
03	Mrs. Zaman Ara Begum	Member	04	04
04	Prof. Dr. Serajul Hoque	Member	04	04
05	Md. Morshed Alam Siddiqui	Chief Executive Officer (C.C)	04	04
06	Mohammad Saifuddin Ahmed	Company Secretary (Acting)/ Secretary	04	04
07	Mr. Shakhawat Hossain	Chief Financial Officer (CFO)	04	04
08	Mr. Harun Or Rashid	Head of Internal Audit	04	04

2. Reviewed the quarterly and annual financial statements of the year 2021 and recommended for approval;
3. Considered and made recommendation to the Board on the appointment and remuneration of financial and compliance auditors;
4. Approved the Internal Audit Plan, monitored progress and effected revisions when necessary;
5. Discussed Internal Audit reports and findings in detail with auditors and members of Management.

On behalf of the Audit Committee



Md. Belal Hussain, FCA

Chairman of the Audit Committee, PILIL

Dated: April 20, 2022

KEY FINANCIAL INDICATORS

Amount in Tk. (Million)

Sl. No.	Particulars	YEAR				
		2017	2018	2019	2020	2021
01	First Year Premium Income	421.33	82.75	131.67	90.32	75.37
02	Renewal Premium Income	646.39	470.83	459.85	332.60	187.60
03	Group & Health Insurance Premium	17.60	35.20	70.59	65.66	100.66
04	Gross Premium	1085.32	588.78	662.11	488.59	363.64
05	Reinsurance Premium	0.75	10.15	2.14	0.25	0.61
06	Net Premium (4-5)	1084.57	578.63	659.97	488.34	363.03
07	Retention Ratio (6/4) (%)	99.93%	98.28%	99.68	99.95	99.83
08	First Year Premium Income Growth (%)	(20.53)	(80.36)	59.12	(31.41)	(16.54)
09	Renewal Premium Income Growth (%)	(18.70)	(27.16)	(2.33)	(27.67)	(43.60)
10	Gross Premium Income Growth (%)	(18.44)	(45.75)	12.45	(26.21)	(25.57)
11	First Year Commissions Paid for acquisition of life insurance business	147.08	62.37	55.98	43.42	37.18
12	Second Year Commissions paid for acquisition of life insurance business	8.04	4.03	4.61	4.21	1.04
13	Third and Later Year Commissions paid for acquisition of life insurance business	28.30	11.38	10.89	8.93	8.43
14	Total Commissions paid of acquisition of life insurance business (11+12+13)	183.42	77.73	71.48	56.56	46.65
15	First Year Commissions/First Year Premium (%)	33.51%	34.65%	34.92%	31.46%	49.33%
16	Second Year Commissions/Second Year Renewal Premium (%)	10.00%	10.00%	10.00%	10.00%	9.78%
17	Third and Later Year Commissions/Third and Later Year Premium (%)	5.00%	5.00%	5.00%	5.00%	4.76%
18	Management Expenses	572.13	393.29	294.55	186.8	144.09
19	Allowable Management Expenses	479.67	264.32	252.06	107.63	118.97
20	Excess Management Expenses (18-19)	92.46	128.97	42.48	29.19	25.12
21	Excess Management Expenses Ration (%)	19.28%	48.79%	12.47%	18.52%	21.11%
22	Overall Management Expenses Ration (%)	52.72%	66.80%	39.12%	38.24%	17.43%
23	Renewal Expenses Ratio (%)	29.85%	21.38%	15.54%	23.68%	11.04%
24	Claims paid	1928.23	862.99	687.52	650.49	321.61
25	Claims/Gross Premium (%)	177.66%	180.91	103.84	133%	88.44%
26	Total Commission Expenses/Gross Premium (%)	16.90%	13.20%	10.80%	11.58%	12.83%
27	Investment Income	72.68	79.67	69.65	61.99	39.32
28	Investment Income/Gross Premium (%)	6.70%	13.53%	10.52%	12.69%	10.91%
29	Yield on Life Fund (%)	3.68%	6.18%	4.96%	4.50%	3.19%
30	Conservation Ratio (%)	48.58%	43.38%	78.10%	50.23%	38.42%
31	Second Policy Year Lapse Ratio (%) by number of Policies	50.83%	81.72	82.91%	87%	76%
32	Third Policy Year Lapse Ratio (%) by number of policies	65.01%	85.66	92.67%	90%	94%
33	Fourth Policy Year Lapse Ratio (%) by number of policies	65.21%	85.19	94.48%	93%	94%
34	Fifth Policy Year Lapse Ratio (%) by number of policies	57.44%	88.38	96.01%	95%	96%
35	Sixth Policy Year Lapse Ratio (%) by number of policies	78.68%	89.12%	97.00%	95%	96%
36	Second Policy Year Lapse Ratio (%) by Premium Amount	52.23%	80.16%	85.51%	73%	70%
37	Third Policy Year Lapse Ratio (%) by Premium Amount	64.78%	85.13%	93.18%	86%	95%
38	Fourth Policy Year Lapse Ratio (%) by Premium Amount	69.43%	84.41%	94.99%	90%	96%

39	Fifth Policy Year Lapse Ratio (%) by Premium Amount	72.87%	87.24%	96.66%	92%	97%
40	Sixth Policy Year Lapse Ratio (%) by Premium Amount	75.49%	88.36%	96.10%	93%	96%
41	Market Price per Share (in BDT) at year end	50.20	25.00	17.40	20.50	47.90
42	Dividend yield (%)	-	-	-	-	0.42%
43	Outstanding Premium as at 31st December	109.84	96.18	144.47	184.46	154.52
44	Total Investment as at 31st December	757.34	480.08	508.81	543.36	559.71
45	Life Fund as at 31st December	1288.26	453.97	209.79	131.40	124.63
46	Total Assets as at 31st December	2389.40	2238.66	2238.88	2246.33	3148.76
47	Paid Up Capital as at 31st December	388.80	388.80	388.80	388.80	388.80
48	Paid Up Capital/Total Asset (%)	16.27%	17.37%	17.14%	17.31%	12.35
49	Net cash flow from operating activities	-78.37	-66.87	338.60	315.98	380.38
50	Net cash flow from Investing activities	32.16	26.20	(66.03)	(28.26)	(16.46)
51	Net cash flow from Financing activities	-6.62	50.00	(449.09)	(310.49)	(329.39)
52	Net change in cash and cash equivalent	-52.83	9.43	(17.65)	(33.43)	34.53

53. First Year and Renewal Premium Income

Year	2017	2018	2019	2020	2021	Description
	438.927	65.205	131.671	86.429	68.369	Premium from new policies issued
2015	190.317	28.148	17.692	22.133	7.601	Renewal Premium out of the policies issued in 2017
2016	253.278	40.398	26.579	23.989	2.104	Renewal Premium out of the policies issued in 2018
2017	N/A	47.728	28.726	9.017	2.226	Renewal Premium out of the policies issued in 2019
2018	N/A	N/A	12.524	21.385	4.11	Renewal Premium out of the policies issued in 2020

54. Number of First Year and Renewal Policies

Year	2017	2018	2019	2020	2021	Description
	34174	9594	10398	120105	8152	Number of new policies issued
2015	16742	3515	1850	1947	844	Number of policies renewed out of the policies issued in 2017
2016	16969	5085	2753	1925	338	Number of policies renewed out of the policies issued in 2018
2017	N/A	5069	2512	979	376	Number of policies renewed out of the policies issued in 2019
2018	N/A	N/A	1757	1460	627	Number of policies renewed out of the policies issued in 2020

N.A=Not Applicable



শরীয়াহ বোর্ডের প্রতিবেদন ৩১ ডিসেম্বর ২০২১ সমাপ্ত বছরের জন্য



বিস্মিল্লাহির রাহমানির রাহীম।

মুহতারাম শেয়ারহোল্ডারবন্দ,

আলহামদুলিল্লাহি রাব্বিল আ'লামীন ওয়াসসালাতু ওয়াসসালামু আ'লা রাসুলিহিলকারীম ওয়া আ'লা আলিহী ওয়া আস্হাবিহী
আজমাদীন।

পদ্মা ইসলামী লাইফ ইন্স্যুরেন্স লিমিটেড এর শরীয়াহ বোর্ড ২০২১ সালে সভায় মিলিত হয়ে লাইফ ইনসিওরেন্স সংক্রান্ত সার্বিক কার্যক্রম, কাগজপত্র, ডকুমেন্টস ইত্যাদি পর্যবেক্ষণ ও পর্যালোচনা পূর্বক কোম্পানীর পক্ষ থেকে পেশকৃত বিভিন্ন বিষয়ে শরীয়া মতামত প্রদান এবং কোম্পানীর বীমা কার্যক্রমকে পরিপূর্ণভাবে শরীয়াহ সম্মত করার প্রয়োজনীয় দিক নির্দেশনা প্রদান করে।


শরীয়াহ বোর্ড লক্ষ করেছে যে, দেশে প্রচলিত বীমা আইনের অধীনে কোন কোন বিষয় পরিপূর্ণভাবে শরীয়াহ নীতিমালা অনুসরণ করা সম্ভব না হলেও কোম্পানী তাদের সার্বিক কার্যক্রমে যথাসম্ভব শরীয়াহ পরিপালনে সচেতন রয়েছে বলে প্রতীয়মান হয়েছে।


আইনগত কারণে চুক্তিপত্রে সন্নিবেসিত করা সম্ভব না হলেও কোম্পানী আভ্যন্তরীণভাবে তাকাফুল (তাবারুফ) তহবিল গঠন করে পৃথক হিসাবে সংরক্ষণ করছে।

সুদসহ প্রাপ্ত অন্যান্য সন্দেহজনক আয় পৃথক করে সাদাকা তহবিল গঠনের মাধ্যমে জনকল্যাণের জন্য উক্ত অর্থ আলাদা সংরক্ষণ করা হয়েছে।

শরীয়াহ বোর্ড আশা করে আইনগত বাধা দূর হলে শরীয়াহ পরিপালনে কোম্পানী তাদের সদিচ্ছার পূর্ণাঙ্গ বাস্তব প্রতিফলন ঘটাতে সক্ষম হবে, ইনশাআল্লাহ।

শরীয়াহ বোর্ড কোম্পানীর সার্বিক উন্নয়নের জন্য মহান আল্লাহ রাব্বুল আলামীনের দরবারে তৌফিক কামনা করছে।


(মুফতী মাওলানা ছাদ্দ আহমদ মুজাহিদী)
চেয়ারম্যান
শরীয়াহ বোর্ড
পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড


অধ্যাপক মাওঃ এবিএম মাহুম বিল্লাহ
সদস্য সচিব
শরীয়াহ বোর্ড
পদ্মা ইসলামী লাইফ ইনসিওরেন্স লিমিটেড

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

**PADMA ISLAMI LIFE INSURANCE LIMITED
For The Year 2021**



কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & Co.
Chartered Accountants
In Practice Since 1980

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**Independent Auditor's Report
To
The Shareholders of Padma Islami Life Insurance Limited.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Padma Islami Life Insurance Ltd. ('company') which comprise Balance Sheet (Statement of Financial Position) as at December 31, 2021, and the Life Revenue Account (Statement of Profit or Loss and other Comprehensive Income Account), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We 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), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

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 2021. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our Responsibility
Property, Plant & Equipment	
<p>The carrying value of property, plant & equipment amounts to Taka 1,690,875,916 This represents a significant amount in the company's statement of financial position as at 31 December 2021</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> determining which costs meet the criteria for capitalization; determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; the estimation of economic useful lives and residual values assigned to Fixed asset. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant & equipment included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values; Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization. Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents. We reviewed minutes of board meetings for approval of the total capitalization cost. We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the



	<p>capitalizations policy.</p> <ul style="list-style-type: none"> • We traced payments to supporting documents. • We assessed the adequacy of the disclosures of the financial statements
See note no 21.0 and Annexure to the financial statements.	
Valuation of Life Fund	
<p>Valuation of life fund involves complex and subjective judgments about future events, both internal and external to the business, for which small changes in assumptions can result in material impacts to the valuation of these liabilities.</p> <p>At 31 December 2021, the company reported total balance under the head of Life Insurance Fund of BDT 124,630,989.00 (2020: BDT 131,402,711.00).</p>	<p>The work to address the valuation of life fund included the following procedures:</p> <ul style="list-style-type: none"> • Understood the governance process in place to determine the life fund. • Reviewed the actuarial report and assessed the reasonableness of the assumptions used to estimate the liability. • Tested key judgment and controls over the liability, including the preparation of the manually calculated components. We focused on the consistency in treatment and methodology period-on-period. <p>Based on the work performed and the evidence obtained, we consider the assumption used to be appropriate.</p>
See note no. 7.00 to the financial statements	
Premium Income	
<p>Gross insurance premiums amount of Tk. 363,639,152.00 is comprising the net premiums amount of Tk. 363,025,305.00 is received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose</p>	<ul style="list-style-type: none"> • Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. • On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. • Ensured on a sample basis that the premium



high level of risk.	<p>income was being deposited in the designated bank account.</p> <ul style="list-style-type: none"> • Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. • For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium. • Applying specialist judgment ensured if there is any impairment of the reinsurer. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no. 23.00 to the financial statements	

Other information

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

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

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

We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of



that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Matter

- a) As per section 232 of Bangladesh Labor Act 2006 as amended up to 2013 every company should establish a Workers Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) within one month of being this chapter applicable if:
 - (i) The paid-up capital of the company as on the last day of its accounting year is one crore taka or more; and
 - (ii) The value of the fixed assets of the company at cost on last day of the accounting year is two crore or more.

The company is not doing the same as described in said compliance;
- b) The company reported in Note-23 as Turnover Tk. 363,025,305.00. Management should present this in VAT exempted column in VAT Return 9.1. Anyway we have verified the rest amount through normal audit procedure as well as alternative audit procedure;
- c) As disclosed in note 20.0 SND/STD & CD Accounts with Banks stated Taka 320,658,516.00 of which Taka 206,827,780.00 is continuation from previous years which were not reconciled yet the reporting date and the amount is subject to confirmation, which is the difference amount of actual bank balance and balance as per book and this amount is being carry forwarded as bank balance for the last more than five years. We also note that in December 31, 2018 the number on unreconciled bank account were 528 but during the last three years they have reconciled 402 bank accounts and the remaining 126 bank accounts reconciliation is under process. In this regards our suggestion is management should reconciled the remaining 126 bank accounts as soon as possible;
- d) As per Insurance Act 2010, Section-72 outstanding claim should be paid within 90 days from the date on which the payment become due or the claim complies with all formalities, whichever is later but Padma Islami Life Insurance Limited has outstanding claim Tk. 364,262,135.00 whereas the Life Fund is Tk. 124,630,989.00 & PILIL has not make any provision for interest;
- e) As disclosed in note 16.0 Advances, Deposits and Prepayments stated Sundry Debtors as Taka 46,412,825.00 is subject to confirmation. We also note that this amount is being carry forwarded since December 31, 2018;
- f) In our audit period we observed that the company should maintain solvency margin as per Insurance Act 2010, section 43;
- g) The management should comply with IFRS 16 "Leases" properly in respect of advance for office rent and other advance expenses;
- h) We refer to the Note 21 reads with Annexure-A, where the company reported Property, Plant and Equipment except Land and Building Tk. 187,410,339.00. Management should develop the tracing number properly in fixed asset register to verify the whereabouts of the said items.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- As per section 62(2) of the Insurance Act 1938 (amended in 2010), in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts and the of the Company;
- The information and explanations required by us have been received and found satisfactory.
- As per regulation 11 of part 1 of the third schedule of the Insurance Act 1938 (amended in 2010), in our opinion 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 Balance Sheet (Statement of Financial Position), and the Life Revenue Accounts (Statement of Profit and Loss and Comprehensive Income Account), Statement of Changes in Equity and



কাজী জহির খান এন্ড কোং
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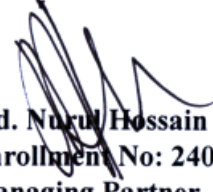
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Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns; and

- The expenditure was incurred for the purpose of the Company's business.
- The company has complied with relevant laws and regulations pertaining to reserves.

Place: Dhaka
Dated : April, 24, 2022
DVC: 2204240240AS305003


Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants



PADMA ISLAMI LIFE INSURANCE LTD.
BALANCE SHEET
AS AT 31 DECEMBER 2021

CAPITAL AND LIABILITIES	Notes	Amount in Taka	
		2021	2020
SHAREHOLDERS' CAPITAL			
Authorised Capital			
100,000,000 Ordinary Shares of Tk.10/- each		1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up			
38,880,000 Ordinary Shares of Tk.10/- each	5.0	388,800,000	388,800,000
Balance of Fund and Accounts			
Revaluation Reserve	6.0	889,663,515	-
Life Insurance Fund	7.0	124,630,989	131,402,711
Sadaka Fund (Padma Welfare Fund)	8.0	43,422,132	24,349,202
Amount due to other persons or bodies Carrying on Insurance Business	9.0	345,055	246,733
Liabilities and Provisions		1,701,899,162	1,701,533,155
Estimated Liabilities in Respect of Outstanding claims whether due or intimated.	10.0	364,262,135	348,693,558
Sundry Creditors	11.0	97,637,027	110,848,597
Premium Deposits	12.0	-	1,991,000
Long Term Borrowing (Non-cost Bearing)	13.0	1,240,000,000	1,240,000,000
Total Capital and Liabilities		3,148,760,853	2,246,331,801

Annexed notes form an integral part of these Financial Statements.


Chief Executive Officer


Director

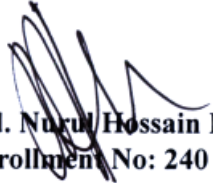

Director


Chairman

Signed as per annexed report of even date

Place: Dhaka
Dated : April, 24, 2022




Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

PADMA ISLAMI LIFE INSURANCE LTD.
BALANCE SHEET
AS AT 31 DECEMBER 2021

PROPERTY AND ASSETS	Notes	Amount in Taka	
		2021	2020
Loan on Policies			
Within their surrender value	14.0	342,445	395,987
Investments	15.0	559,714,947	543,360,535
Un-realized Loss on Investment		2,188,116	-
Outstanding Premium	16.0	154,515,708	184,464,665
Profit, Dividend & Rent Accrued but not Due	17.0	17,229,424	21,614,293
Advances, Deposits and Prepayments	18.0	365,604,193	347,141,794
Cash, Bank and Other Balances		356,919,869	322,215,877
Fixed Deposit with Banks	19.0	35,492,172	94,848,570
SND & CD with Banks	20.0	320,771,083	226,471,864
Cash in Hand		656,614	895,443
Other Assets		1,692,246,150	827,138,650
Padma Life Tower & other Fixed Assets (At Cost Less Depreciation)	21.0	1,690,875,916	825,511,993
Printing, Stationery & Stamps in Hand	22.0	1,370,234	1,626,657
Total Property and Assets		3,148,760,853	2,246,331,801

Annexed notes form an integral part of these Financial Statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per annexed report of even date

Place: Dhaka
Dated : April, 24, 2022



Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

PADMA ISLAMI LIFE INSURANCE LTD.
LIFE REVENUE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Balance of Fund at the Beginning of the Year		131,402,711	209,785,977
		131,402,711	209,785,977
Premium Less Re-Insurance	23.0		
Total First Year Premium		75,377,560	90,319,271
First Year Premium (Ekok Bima)		67,838,198	78,741,798
First Year Premium (Khudra Bima)		7,539,362	11,577,473
Total Renewal Premium		187,597,321	332,601,198
Renewal Premium (Ekok Bima)		160,440,545	297,696,269
Renewal Premium (Khudra Bima)		27,156,776	34,904,929
Total Conventional Premium (First Year +Renewal)		262,974,881	422,920,469
Total Group Insurance Premium		100,664,271	65,667,973
Group Insurance Premium		100,664,271	65,667,973
Gross Premium (Conventional + Group)		363,639,152	488,588,442
Less: Re-Insurance premium		613,847	246,733
Net Premium		363,025,305	488,341,709
Total Other Income		151,370,813	69,499,989
Profit, Dividend and Rent	24.0	39,323,048	61,994,452
Other Income	25.0	112,047,765	7,505,537
Total Income (Current Year)		514,396,118	557,841,698
Grand Total (Beginning Fun + Current Year Income)		645,798,829	767,627,675
First Year Premium, Where the Maximum Premium Paying Period is -			
Single		16,833,121	15,377,031
Two Years		22,470	51,033
Three Years		1,156,288	997,456
Four Years		1,320,353	-
Five Years		-	3,585
Six Years		1,205,006	25,992
Seven Years		137,205	4,288
Eight Years		8,925,301	8,385,254
Nine Years		-	9,000
Ten Years		3,255,076	17,831,924
Eleven Years		158,940	35,076
Twelve Years or over		42,363,800	47,598,632
(Including Throughout Life)		-	-
		75,377,560	90,319,271



Particulars	Notes	Amount in Taka	
		2021	2020
Claim Under Policies (Including Provision for Claim Due or Intimated) Less Re-Insurance		337,181,875	416,344,223
By Death		18,829,642	17,254,740
By Maturity		236,550,286	383,650,729
By Survival Benefit		80,912,200	12,563,254
By Surrender		889,747	2,875,500
Expenses of Management		144,087,713	173,214,510
Commission Expenses		46,652,922	56,566,409
(a) Commission to Insurance Agents (less that on Re-Insurance)		39,703,079	37,352,385
(b) Allowances and Commission other than Commission Included in Sub-Item (a) above		6,949,843	19,214,024
Other Management Expenses		97,434,791	116,648,101
Salaries & Allowance (other than to agents and those contained in the allowances and commission)		60,102,231	85,352,368
Conveyance Bill		1,126,627	1,072,637
Board & Other Meeting Fees		871,200	922,400
Audit Fees		1,392,000	209,750
Shariah Meeting Fees		61,600	44,000
Medical Expenses		-	6,100
Professional Fees & Legal Expenses		51,500	310,200
Registration & Renewal Fees		578,676	761,425
Advertisement & Publicity Expenses		174,870	103,092
Printing Expenses		1,466,871	1,098,770
Stationery Expenses		749,541	963,386
Policy Stamp Expenses		167,730	314,692
Revenue Stamp Expenses		299,935	269,155
Postage & Courier Expenses		371,949	714,928
Telephone & Fax Expenses		119,573	101,592
Mobile & Internet Expenses		1,247,006	1,317,223
UMP (IDRA) Expenses		945,273	760,633
Training & Recruitment Expenses		6,225	283,235
Office Rent Expenses		12,520,342	10,905,922
Service Charge against Office Rent Expenses		2,652,625	1,226,903
Office Maintenance Expenses		2,105,464	1,676,738
Gas, Water & Electricity Expenses		5,290,939	3,468,505
Expenses agt. Electronic Items		120,842	55,249
Car Fuel Expenses		464,173	504,907
Car Repair & Maintenance Expenses		570,106	646,096
Car Renewal, Registration & Insurance Expenses		157,155	430,594
Bank Charges & Others Expenses		725,653	770,100
Entertainment Expenses		931,850	943,394
Fees, Donation & Subscription Expenses		1,278,269	1,117,432
Security House Charge		2,808	6,614
Trade License Expenses		67,371	91,234
Annual General Meeting Expenses		62,500	60,000
IT Expenses		38,913	20,000
Actuarial Valuation Fee		678,500	-
Cleaning & Washing Expenses		34,236	99,007
Others		239	19,820



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Particulars	Notes	Amount in Taka	
		2021	2020
OTHER EXPENSES		32,122,253	46,666,231
Depreciation on Fixed Assets		32,122,253	33,063,886
Realized Loss on Sale of Share		-	13,602,345
Appropriation			
Interim Dividend		7,776,000	-

Total Expenses (Current Year)	521,167,840	636,224,964
Current Year Fund	(6,771,722)	(78,383,266)
Balance of Fund at the End of the Year as Shown in the Balance Sheet 2021	124,630,989	131,402,711
Grand Total (Closing Fund + Current Year Expenses)	645,798,829	767,627,675

Annexed notes form an integral part of these Financial Statements.



Chief Executive Officer

M. Bruce

Director

~~Handwritten signature~~

Director

RLD

Chairman

Signed as per annexed report of even date

Place: Dhaka
Dated : April, 24, 2022

Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants



PADMA ISLAMI LIFE INSURANCE LTD.
STATEMENT OF LIFE INSURANCE FUND
AS AT 31 DECEMBER 2021
(As per Sub-Section-2 of Section-26 of Insurance Act 2010)

Particulars	Amount in Taka	
	2021	2020
A. ASSETS		
Loan on Insurer's policies within their surrender value	342,445	395,987
Investments	559,714,947	543,360,535
Un-realized Loss on Investment	2,188,116	-
Outstanding Premium	154,515,708	184,464,665
Profit, Dividend & Rent accrued but not due	17,229,424	21,614,293
Advances, Deposits & Prepayments	365,604,193	347,141,794
Cash, Bank and Other Balances	356,919,869	322,215,877
Fixed Assets (at cost less depreciation)	1,690,875,916	825,511,993
Printing & Stationery Stamps in Hand	1,370,234	1,626,657
	3,148,760,853	2,246,331,801
B. LIABILITIES		
Amount due to other persons or bodies carrying on insurance business	345,055	246,733
Estimated Liabilities in Respect of Outstanding claims whether due or intimated	364,262,135	348,693,558
Revaluation Reserve	889,663,515	-
Sundry Creditors	97,637,027	110,848,597
Sadaka Fund (Padma Welfare Fund)	43,422,132	24,349,202
Long Term Loan	1,240,000,000	1,240,000,000
Premium Deposit	-	1,991,000
	2,635,329,864	1,726,129,090
C. Gross Fund (A - B)	513,430,989	520,202,711
D. Shareholder's Capital (Paid-up Capital)	388,800,000	388,800,000
E. Life Insurance Fund as at 31 December 2021 (C - D)	124,630,989	131,402,711

Annexed notes form an integral part of these Financial Statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per annexed report of even date

Place: Dhaka
Dated : April, 24, 2022



Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

PADMA ISLAMI LIFE INSURANCE LTD.
FORM "AA"
CLASSIFIED SUMMARY OF THE ASSETS
AS AT 31 DECEMBER 2021

Class of Assets	Book Value	Market Value	Remarks
INVESTMENTS	561,903,063	559,714,947	Realizable Value
CASH, BANK & OTHER BALANCES	356,919,869	356,919,869	
Cash in Fixed Deposit with Banks	35,492,172	35,492,172	Book Value
Current & STD Accounts with Banks	320,771,083	320,771,083	Book Value
Cash in Hand	656,614	656,614	Book Value
Interest, Dividend & Rent Accrued but not due	17,229,424	17,229,424	Realizable Value
OTHER ASSETS	2,212,708,496	2,212,708,496	
Outstanding Premium	154,515,708	154,515,708	Realizable Value
Printing, Stationery & Stamps in Hand	1,370,234	1,370,234	At Cost
Advances, Deposits & Prepayments	365,604,193	365,604,193	Realizable Value
Loan on policies	342,445	342,445	Realizable Value
Fixed Assets (At cost less depreciation)	1,690,875,916	1,690,875,916	Written Down Value
TOTAL	3,148,760,853	3,146,572,737	

Annexed notes form an integral part of these Financial Statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per annexed report of even date

Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants



Place: Dhaka
Dated : April, 24, 2022

PADMA ISLAMI LIFE INSURANCE LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2021						
Particulars	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total Taka
Equity as on 01 January 2021	388,800,000	-	-	-	-	388,800,000
Addition during the year (Bonus Share)	-	-	-	-	-	-
Equity as on 31 December 2021	388,800,000	-	-	-	-	388,800,000

For the year ended December 31, 2020						
Particulars	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained Earnings	Total Taka
Equity as on 01 January 2020	388,800,000	-	-	-	-	388,800,000
Addition during the year (Bonus Share)	-	-	-	-	-	-
Equity as on 31 December 2020	388,800,000	-	-	-	-	388,800,000

Annexed notes form an integral part of these Financial Statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per annexed report of even date

Place: Dhaka
Dated : April, 24, 2022



Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

PADMA ISLAMI LIFE INSURANCE LTD.
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2021

Particulars	Notes	Amount in Taka	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Collection from Premium	26.0	395,579,109	448,595,891
Investment Income and other Income Received	27.0	96,840,982	73,139,913
Payment for Management Expenses and others	28.0	(112,038,787)	(205,758,642)
Net Cash Flows from Operating Activities		380,381,304	315,977,162
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase/Disposal of Fixed Assets	29.0	(3,779,001)	(596,993)
Proceeds from Sale of Fixed Asset	30.0	1,485,451	6,891,807
Investment Made during the Period	31.0	(14,166,296)	(34,554,742)
Net Cash Flows Used by Investing Activities		(16,459,846)	(28,259,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Claims		(321,613,298)	(650,493,285)
Payment of Cash Dividends		(7,776,000)	-
Increase/ Decrease in Long Term Borrowing		-	340,000,000
Net Cash Flows Used by Financing Activities		(329,389,298)	(310,493,285)
Net Increase/Decrease in Cash and Cash Equivalents		34,532,160	(22,776,051)
Cash and Cash Equivalents at the Beginning of the Period		322,215,877	344,991,928
Cash and Cash Equivalents at the End of the Period		356,748,037	322,215,877

Annexed notes form an integral part of these Financial Statements.



Chief Executive Officer



Director



Director



Chairman

Signed as per annexed report of even date

Place: Dhaka
Dated : April, 24, 2022



Md. Nurul Hossain Khan FCA
Enrollment No: 240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Padma Islami Life Insurance Limited
Notes to the Financial Statements
As at & for the Year Ended December 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

Padma Islami Life Insurance Limited was incorporated on April 26, 2000 as a Public Limited Company under the Companies act 1994 and was registered with the Department of Insurance on April 30, 2000. The Company is engaged in Life Insurance Business.

The Company went for Public issue in March 2012 and the Shares of the Company are listed in both Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.

2. Components of the Financial Statements

The Financial Statements include the following Components:

- i) Balance Sheet
- ii) Life Revenue Account
- iii) Statement of Cash Flows
- iv) Changes in Shareholders Equity and
- v) Accounting Policies and Explanatory Notes
- vi) Classified Summary of assets (Form AA)
- vii) Statement Life Insurance Fund.

3. Basis of Presentation and Statement of Compliance

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

- Going concern
- Accrual unless stated otherwise (except branch office)
- Historical cost Convention
- The Insurance Act. 2010 as amended
- The Insurance Rule 1958
- The Companies Act. 1994
- The Securities and Exchange Commission Rules-1987
- The Income Tax Ordinance 1984
- The International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountant of Bangladesh (ICAB)
- Any other applicable legislation.



4. Significant Accounting Policies

4.01 Revenue recognition

New business premiums are recognized once the related policies/First Premium Receipts (FPR) have been issued and the premiums received by the Company. Premium received before issuance of FPR are recognized as liability. Renewal outstanding premium under the policies are recognised as income within financial period of which premium are subsequently received.

4.02 Investments

i) Investment in Govt. Securities

Investments in Govt. Securities are recognized as per the guidelines of IFRS-39. Profit on investments is accounted for on accrual basis.

ii) Investment in Shares

Investment in Shares is considered at cost price at Balance Sheet date. Unrealized loss due to fall of Market Price i.e.; Difference between cost price and market price is considered separately as Unrealized Gain/(Loss) on Investment.

4.03 Depreciation on Fixed Assets

Depreciation on Fixed Assets has been calculated adopting diminishing balance method on all classes and on the estimated useful life of Fixed Assets. Methods and rates of providing depreciation are consistently applied in relation to previous year (s).

Category of Fixed Assets	Rate of Depreciation
Padma Life Tower Building	5%
Flat and Building	5%
Furniture & Fixtures	15%
Office Decoration	20%
Office Equipment	15%
Motor Vehicles	20%
Electric Installation	10%
Telephone Installation	10%
Sign Board	20%
Computer & Printer	15%

4.04 Inventories

Inventories comprising of Printing Materials, Stocks of Stationery and Stamps have been valued at lower of cost and net realizable value as outlined in IAS-2.



4.05 Taxation

Provision for taxation is based on taxable income determined under the Fourth Schedule of the Income Tax Ordinance on the basis of Actuarial Valuation Report and the Accounts.

Tax provision has not been made in the financial statements during the year due to business recession and no actuarial valuation has been conducted since 2017.

As the profits and gains from Life Insurance Business are determined under the 4th Schedule of the ITO, the Management feels it is not necessary to make estimate of deferred Tax Assets/Liabilities at this stage as per provision of IAS-12.

4.06 Commission

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

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

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

4.08 Statement of Cash Flows

Statement of Cash Flows is prepared on Direct Method in accordance with IAS-7.

Cash Flows from Operating Activities have been presented under Direct Method as outlined in the Securities and Exchange Rules 1987.

Cash and Cash equivalents comprise of cash in hand, Cash at Banks including Fixed Deposits and other balances which were available for use of the Company without any restriction and it also includes Collection in hand which are fully collected subsequently.

4.09 Employees' Benefit Plans IAS-19

i) Provident Fund

The Company operates a recognized contributory Provident Fund for all its regular employees. The Provident Fund is administered by the Board of Trustees and is funded both by contributions from employees and from the Company @ 10% of the basic pay.



ii) Gratuity

According to management decision Gratuity Fund Payable amounting Tk. 32,648,642.00 will be transfer to Gratuity Fund near future.

4.10 Responsibility for Preparation and presentation of Financial Statements

The Management of the Company is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act. 1994 and as per the provision of The Framework for the preparation and presentation of Financial Statements issued by the international Accounting Standards Committee (IASC) as adopted by the institute of the Chartered Accountants of Bangladesh (ICAB).

4.11 Claims

Survival Benefit, claims and annuities are accounted for when due for payment. Death claims and all others claims are accounted for when intimated. Provision for outstanding death claims has been made based on the intimation of the death claims received up to 31 December 2021.

4.12 Reporting period

Financial Statement of the Company covers one Calendar year from January 01 to December 31, 2021.

4.13 Comparative

Comparative information have been disclosed in respect of the previous years 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.

4.14 Re-Arrangement

Previous years figure has been re-arranged whenever considered necessary to ensure better comparability with the current year presentation without causing any impact on the profit and value of assets and liability as reported in the Financial Statement.

4.15 Reporting currency

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



Particulars	Amount in Taka	
	2021	2020

5.0 SHARE CAPITAL

Authorized Capital

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

1,000,000,000 **1,000,000,000**

Issued, Subscribed & Paid-up

38,880,000 Ordinary Shares of Tk.10 each fully paid-up

388,800,000 **388,800,000**

Distribution Schedule of Paid-up Capital

Category of Shareholders	Share holding(%)	2021	2020
Sponsor	0.35	135,265,400	135,265,400
General Public	0.65	253,534,600	253,534,600

As per listing Regulations 20(2) of the Stock Exchange regarding shareholding position of different categories of investors and the number of shareholders and percentage as on 31 December 2020 is given below:

Category of Share Holders	Share Holding Range	No. of Shares	No. of Share Holders	Share Holding %
Sponsor	501-300000	3000		3 0.0077%
	300001-400000	-	-	-
	400000-700000	-	-	-
	700001-1000000	-	-	-
	1000001-2000000	-	-	-
	2000001-2500000	2,388,320	1	6.14%
	2500001-3000000	8,041,620	3	20.683%
	3000001-3500000	3,093,600	1	7.957%
	Sub Total	13,526,540	8	34.79%
General Public	001-5000	4,355,966	4,867	11.20%
	5001-10000	1,562,494	207	4.02%
	10001-20000	1,808,214	129	4.65%
	20001-30000	918,554	37	2.36%
	30001-50000	1,363,741	34	3.51%
	50001-100000	1,217,625	18	3.13%
	100001-500000	2,888,523	14	7.43%
	500001-1000000	3,000,304	4	7.72%
	1000001-1500000	4,690,039	4	12.06%
	1500001-2000000	3,548,000	2	9.13%
	Sub Total	25,353,460	5,316	65.21%
	Total	38,880,000	5,324	100.00%

6.0 As per decision of the 179th meeting of Board of Directors held on 24 March, 2022 Padma Tower (14 storied Head Office Building situated in 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000) was revalued at an amount of tk. 1,445,208,625 as per valuation report (attached in Annexure-B) with effect from against book value of TK. 555,545,110 as on 31 December, 2021 posting a revaluation surplus of TK. 889,663,515.

7.0 LIFE INSURANCE FUND

This consists of accumulated balance of revenue surplus

Opening Balance

131,402,711 209,785,977

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

(6,771,722) (78,383,266)

124,630,989 **131,402,711**

8.0 Sadaka Fund (Padma Welfare Fund)

Opening Balance

24,349,202 24,349,202

Add: Transfer from BGTB Profit

19,072,930 -

43,422,132 **24,349,202**



Particulars	Amount in Taka	
	2021	2020

9.0 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

The amount represents the balance due to Barents Reinsurance SA, Luxembourg Branch on account of share of re-insurance commission and share of claim after adjustment of re-insurance premium due to them. The balance to Barents RReinsurance SA, Luxembourg Branch has been accounted for the year ended 31 December 2021.

Opening Balance	246,733	1,007,931
Add: Intimated during the year	465,905	246,733
	712,638	1,254,664
Less: Paid during the year	367,583	281,657
Less: Prior year adjustment during the year	-	726,274
	345,055	246,733

10.0 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED

a) Death Claims

Opening Balance	27,389,176	36,676,478
Add: Claim intimated during the year	18,829,642	17,254,740
	46,218,818	53,931,218
Less: Re-Insurance claim received	-	-
	46,218,818	53,931,218
Less: Paid during the year	22,537,369	26,542,042
Closing Balance	23,681,449	27,389,176

b) Maturity Claims

Opening Balance	312,852,683	534,169,204
Add: Claim intimated during the year	236,550,286	383,650,729
	549,402,969	917,819,933
Less: Paid during the year	218,621,562	604,967,250
Closing Balance	330,781,407	312,852,683

c) Survival Benefit

Opening Balance	1,475,462	6,755,184
Add: Claim intimated during the year	80,912,200	12,563,254
	82,387,662	19,318,438
Less: Paid during the year	79,611,492	17,842,976
Closing Balance	2,776,170	1,475,462

d) Surrender Claims

Opening Balance	6,976,237	5,241,754
Add: Claim intimated during the year	889,747	2,875,500
	7,865,984	8,117,254
Less: Paid during the year	842,875	1,141,017
Closing Balance	7,023,109	6,976,237

Total

364,262,135 348,693,558

11.0 SUNDRY CREDITORS

Audit Fees Payable	178,250	166,750
Company's Reg. & Ren. Fees Payable	661,876	561,876
Telephone & Internet Bill Payable	34,282	18,782
Electricity, Gas & Water Bills Payable	682,683	260,158
Printing & Stationery Bill Payable	70,900	48,900
Office Rent Payable	655,750	714,900
Agency Commission Payable	1,860,114	7,344,506
Certificate & License Fee Payable	3,819,046	3,517,681
Staff Security Deposit Payable	5,692,428	6,377,428
Security for Motor Car	1,123,450	1,123,450



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Particulars	Amount in Taka	
	2021	2020
Security Deposit of Enlisted Supplier	294,379	294,379
Security for Office Rent	1,916,748	5,092,109
Other Security Deposit (Third Party) Payable	161,546	153,416
Travelling & Conveyance Bill Payable	133,784	117,879
Medical Expenses Payable	23,320	23,320
Repair & Maintenance Bill Payable	46,960	17,960
Provision for Annual General Meeting Expense	70,000	60,000
Advance against Car Sales	5,756,420	4,816,013
Tax at Source Payable	30,079,487	31,317,578
VAT at Source Payable	195,713	217,301
Office Expenses Payable	506,069	445,569
Gratuity Fund	27,988,642	32,648,642
Provision for Income Tax	15,510,000	15,510,000
Unclaimed Dividend	175,180	-
Total	97,637,027	110,848,597

12.0 PREMIUM DEPOSIT

Balance break-up is as under:

Opening Balance

Add: Addition during the year (1st year Premium)

Less: Realized & adjusted during the year

Closing Balance

1,991,000	1,991,000
-	-
1,991,000	1,991,000
1,991,000	-
-	1,991,000

13.0 LONG TERM Borrowing (Non-cost Bearing)

Unitex Petroleum Limited

Unitex LP Gas Limited

Crest Holding Limited

Pavilion Intl. Limited

Affinity Assets Limited

Total

248,000,000	248,000,000
248,000,000	248,000,000
248,000,000	248,000,000
248,000,000	248,000,000
248,000,000	248,000,000
1,240,000,000	1,240,000,000

14.0 LOAN ON POLICIES

This balance represent the amount sanctioned to policy holders against policies within their surrender value.

Opening Balance

Add: Payment during the year

Less: Realized & adjusted during the year

Closing Balance

395,987	559,889
-	-
395,987	559,889
53,542	163,902
342,445	395,987

15.0 INVESTMENTS

Investment in Bangladesh Govt. Treasury Bond (Note: 15.01)

Investment in Shares

At Cost /Market Price, which ever is Lower (Note: 15.02)

Investment in Others

Al-Manar Hospital

Mutual Fund (UFS)

Nuvista Pvt. Ltd.

Total

237,700,000	237,700,000
231,014,947	204,660,536
231,014,947	204,660,536
91,000,000	101,000,000
21,000,000	21,000,000
50,000,000	60,000,000
20,000,000	20,000,000
559,714,947	543,360,536



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Particulars	Amount in Taka	
	2021	2020

15.01 Investment in Bangladesh Govt. Treasury Bond	237,700,000	237,700,000
Statutory Deposit with Bangladesh Govt. Treasury Bond	15,000,000	15,000,000
Additional Investment in Bangladesh Govt. Treasury Bond	222,700,000	222,700,000

In compliance with section 23(1) of Insurance Act 2010, the amount of BDT 1,40,00,000 has been deposited into Bangladesh Bank for which the Bank has issued 10 years Bangladesh Govt. Treasury Bond dated 13.06.2012 in favor of the Company with interest @ 11.60% per annum and the amount of BDT 10,00,000 has been deposited into Bangladesh Bank for which the Bank has issued 15 years Bangladesh Govt. Treasury Bond dated 29.07.2015 in favor of the Company with interest @ 10.06% per annum.

In addition to an amount of BDT 22,27,00,000 has been invested into Bangladesh Bank for which that the Bank has issued 15 years Bangladesh Govt. Treasury Bond dated 27.04.2016 in favor of the Company with interest @ 7.79% per annum.

15.02 INVESTMENT IN SHARES

Name of the Company	Face Value Per Share (Tk.)	No of Unit	Avg. Cost Per Unit (Tk.)	Cost Price (Tk.)	Market Price (Tk.)
ESQUIRINT	10	100,000	39.56	3,956,347	3,500,000
AGNISYSL	10	240,511	25.45	6,120,015	5,074,781
APOLOISPAT	10	70,000	13.75	962,208	588,000
BEXIMCO	10	40,000	165.35	6,613,870	5,936,000
BXPHERMA	10	88,000	230.68	20,299,528	16,957,600
FIRSTSBANK	10	686,861	13.91	9,552,778	8,860,507
ISLAMIINS	10	164,000	73.28	12,017,477	10,660,000
NORTHRNINS	10	255,067	62.94	16,054,686	13,722,605
PREMIERCEM	10	10,000	84.79	847,946	651,000
SAIFPOWER	10	40,000	38.79	1,551,560	1,532,000
BBSCABLES	10	42,000	75.64	3,177,051	2,347,800
BSRMLTD	10	15,000	121.35	1,820,177	1,549,500
DOREENPWR	10	28,000	76.20	2,133,729	1,898,400
GENEXIL	10	612,318	133.70	81,868,528	101,277,397
LHBL	10	631,000	91.11	57,490,434	44,864,100
SIMTEX	10	150,761	24.23	3,653,571	2,562,937
BEXIMCO	10	57,726	73.08	4,218,599	8,566,538
Bashundhara Paper Mills Ltd.	10	10,807	80.00	864,560	465,782
Total				233,203,064	231,014,947

16.0 OUTSTANDING PREMIUM

Opening Balance	184,464,665	144,472,114
Add. Outstanding Premium for the year	154,515,708	184,464,665
	338,980,373	328,936,779
Less. Realized & Adjusted During the year	184,464,665	144,472,114
	154,515,708	184,464,665

17.0 PROFIT, DIVIDEND & RENT ACCRUED BUT NOT DUE

Bangladesh Bank (BGTB)	12,694,279	12,694,279
Exim Bank Ltd. (MTDR)	998,454	690,434
Social Islami Bank Ltd. (MTDR)	-	660,000
First Security Islami Bank Ltd. (MTDR)	-	1,858,493
Re-Insurance Profit Commission	60,000	50,000
Office Rent Receivable	3,476,691	5,661,087
Total	17,229,424	21,614,293



Particulars	Amount in Taka	
	2021	2020

18.0 ADVANCES, DEPOSITS AND PREPAYMENTS

Salary (Admin.)	68,000	-
Advance Paid against Office Rent	1,160,324	1,431,743
Adv. Income Tax (deduction at sources)	124,642,346	120,418,768
Receivable from Development Staff	27,200,115	27,348,543
Advance against Other Dev. Expenses	399,514	374,741
Advance Against Travelling & Conv. (Dev. & Admin)	-	21,671
Advance Against Works	902,171	665,887
Advance Against Padma Life Tower & other Fixed Assets	141,594,575	136,155,127
Sundry Debtors	69,637,148	60,725,314
Total	365,604,193	347,141,794

19.0 FIXED DEPOSIT WITH BANKS

a) MTDR AGAINST GENERAL FUND

Exim Bank Bangladesh Ltd.	4,400,000	4,756,397
Exim Bank Bangladesh Ltd., Motijheel Branch, Dhaka.	4,400,000	4,756,397

Social Islami Bank Ltd.	-	7,859,429
Social Islami Bank Ltd., New Eskaton Branch, Dhaka	-	7,859,429

b) MTDR AGAINST TAKAFUL FUND

First Security Islami Bank Ltd.	31,092,172	82,232,744
First Security Islami Bank Ltd., Mohammadpur Branch, Dhaka.	31,092,172	82,232,744
Total	35,492,172	94,848,570

20.0 SND/STD & CD ACCOUNTS WITH BANKS

Bank Balances (of 50 nos. of Active Bank Accounts & 172 nos. of Inactive Bank Accounts) (Note: 20.01)	85,215,508	4,303,612
Bank Reconciliation under Process (of 126 nos. of Closed Bank Accounts) (Note: 20.02)	206,827,780	211,514,422
Deposit with Securities Houses (Note: 20.03)	28,727,796	10,653,830
	320,771,083	226,471,864

20.01 The bank balance consisting of number of SND/STD and number of CD Bank Accounts maintained with different banks through the country.

20.02 The amount under the head Bank Reconciliation under Process TK, 206,827,780 represents the balances of bank accounts, reconciliation of which is under process and this balance has been carried forward for the last more than six years (before 21.10.2018) from previous Management.

20.03 Deposit with securities house has been included in bank balances in this year as they are highly liquid in formed relevant rearrangement has been made in the balance of last year



Particulars	Notes	Amount in Taka	
		2021	2020

21.0 PADMA LIFE TOWER & OTHER FIXED ASSETS SCHEDULE
(At Cost less Accumulated Depreciation)

A. COST:

Opening Balance	1,241,173,742	1,253,793,349
Add: Addition during the year	8,127,201	596,993
Add: Revaluation Surplus	889,663,515	-
	2,138,964,458	1,254,390,342
Less: Disposal/Adjustment during the year	4,348,200	13,216,600
Closing Balance	2,134,616,258	1,241,173,742

B. ACCUMULATED DEPRICIATION:

Opening Balance	415,661,749	393,139,502
Add: Addition during the year	32,122,253	33,063,886
	447,784,002	426,203,388
Less: Disposal/Adjustment during the year	4,043,660	10,541,639
Closing Balance	443,740,342	415,661,749

Fixed Asset (At cost less depreciation) (A-B)

1,690,875,916	825,511,993
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Details are given in the fixed assets schedule(ANNEXURE - A).

22.0 PRINTING, STATIONERY & STAMPS IN HAND

Printing Materials in Hand	827,638	1,175,959
Stationery in Hand	267,900	95,032
Stamps in Hand	274,696	355,666
Total	1,370,234	1,626,657

23.0 PREMIUM INCOME LESS RE-INSURANCE

Sl. No.	Type of Premium	Gross Premium	Re-Insurance	Net Premium
i	First Year Premium (Ekok Bima)	67,838,198	613,847	67,224,351
ii	First Year Premium (Khudra Bima)	7,539,362		7,539,362
iii	Renewal Premium (Ekok Bima)	160,440,545		160,440,545
iv	Renewal Premium (Khudra Bima)	27,156,776		27,156,776
v	Group Premium	100,664,271		100,664,271
	Total 2021	363,639,152	613,847	363,025,305
	Total 2020	488,588,442	246,733	488,341,709
	Total 2019	662,109,389	2,142,904	659,966,485

24.0 PROFIT, DIVIDEND & RENT

Profit on Fixed Deposit with Banks	7,935,861	10,695,245
Profit on STD A/C with Banks	85,082	2,270,888
Profit on BGTB /SIBL Bond	177,534	20,004,978
Dividend Income	3,410,144	1,726,059
Income from Office Rent	27,633,668	26,975,569
Re-Insurance Profit Commission	80,759	321,713
Total	39,323,048	61,994,452

25.0 OTHER INCOME

Gain on Sale of Fixed Assets	1,180,911	4,314,475
Gain on Sale of Share	105,534,247	-
Service Charge	5,127,613	3,064,181
Printing Materials, Forms & Stamps	122,392	67,780
Miscellaneous	82,602	59,101
Total	112,047,765	7,505,537



Particulars	Notes	Amount in Taka	
		2021	2020
26.0 Collection from Premium			
Gross Premium		363,639,152	488,588,442
Decrease of Outstanding Premium		(29,948,957)	39,992,551
Decrease of Premium Deposits		(1,991,000)	-
Total		395,579,109	448,595,891
27.0 Investment Income and other Income			
Received			
Other Income		151,370,545	69,499,989
Increase in Sadaka Fund		19,072,930	-
Decrease of Profit, Dividend & Rent Accrued but not Due		(4,384,869)	(674,551)
Gain on Sale of Fixed Assets		(1,180,911)	4,314,475
Gain on Sale of Share		(76,806,451)	-
Total		96,840,982	73,139,913
28.0 Payment for Management Expenses and others			
Expenses of Management		144,084,057	173,214,510
Amount due to other persons or bodies Carrying on Insurance Business		98,322	(761,198)
Decrease of Creditors		(13,991,118)	(22,021,576)
Increase in Advances, Deposits and Prepayments		18,462,439	929,296
Decrease of Printing, Stationery & Stamps in Hand		(256,423)	298,160
Decrease of Loan on Policies Within their surrender value		(53,542)	(163,902)
Total		(112,038,787)	(205,758,642)
29.0 Purchase/Disposal of Fixed Assets			
Increase in Cost of Asset		893,442,516	(596,993)
Less: Revaluation Surplus		889,663,515	-
Total		(3,779,001)	(596,993)
30.0 Proceeds from Sale of Fixed Asset			
Disposal During the Year		4,348,200	13,216,600
Depreciation Disposal During the Year		(4,043,660)	10,541,639
Gain on Sale of Fixed Assets		1,180,911	4,216,846
Total		1,485,451	6,891,807
31.0 Investment Made During the Period			
Increase in Investment		16,354,412	34,554,742
Un-realized Loss on Investment		(2,188,116)	-
Total		(14,166,296)	(34,554,742)

32.0 CAPITAL EXPENDITURE COMMITMENT

The Board of Directors of the Company in its 126th Board Meeting held on November 23, 2014 approved for purchasing of 2 nos. of floors comprising (5831.73*2)=11,663.46 square feet@Tk. 13,000 per square feet from the land owner of Padma Life Tower which comes to Tk. 151,624,980. Payment made Tk 130,000,000 up to 31st December, 2020 and the balance of Tk. 21,624,980 remains outstanding as on 31.12.2021.

33.0 CONTINGENT LIABILITY AND CONTINGENT ASSET - BAS-37

There is no Contingent Liability and Contingent Asset of the Company as at 31.12.2021

34.0 CREDIT FACILITY AVAILABLE TO THE COMPANY

There was no credit facility available to the Company under any contract as on December 31, 2021 other than trade credit available in the ordinary course of Business



Particulars	Notes	Amount in Taka	
		2021	2020

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

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

317	456
-	-

36.0 PAYMENT IN FOREIGN CURRENCY

Payment for Re-Insurance Operation during the year.

613,847	281,657
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37.0 POST BALANCE SHEET EVENTS

There is no significant event that has occurred between the Balance Sheet date and the date when the Financial Statements were authorized for issue by the Board of Directors except the following:

The company assuming significant impact of Covid-19 pandemic in its business in the subsequent period. Due to country wide lockdown business development team including the field officers had difficulties to reach existing and potential policy holder, which has adversely affected quality of business. The company is trying to overcome the challenges to maintain normal business.

38.0 Related Party Disclosure (IAS - 24)

As per International Accounting Standards (IAS) - 24 "Related Party Disclosure" 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 party in making financial and operating decision.

Related Party Transactions:

Name of the Party	Relationship	Nature of transaction	Transaction value for the year ended December 31		Balance outstanding as at December 31	
			2021	2020	2021	2020
Pavilion International Ltd.	Shareholder	Non cost Borrowing	68,000,000	180,000,000	248,000,000	18,000,000
Crest Holdings Ltd.	Shareholder		68,000,000	180,000,000	248,000,000	18,000,000
Unitex LP Gas Ltd.	Shareholder		68,000,000	180,000,000	248,000,000	18,000,000
Unitex Petroleum Ltd.	Shareholder		68,000,000	180,000,000	248,000,000	18,000,000
Affinity Assets Ltd.	Shareholder		68,000,000	180,000,000	248,000,000	18,000,000

39.0 PAYMENTS / PERQUISITES TO DIRECTORS / OFFICERS

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

Particulars	Amount in Taka					
	2021			2020		
	Managing Director	Directors	Officers	Managing Director	Directors	Officers
Board & Com. Meeting Fee	-	932,800		-	966,400	-
Basic Salary	1,224,000	-	27,895,645	1,152,000	-	50,059,420
House Rent	612,000	-	10,902,190	460,800	-	22,997,566
Other Allowances	204,000	-	7,210,465	307,200	-	10,375,382
Total	2,040,000	932,800	46,008,300	1,920,000	966,400	83,432,368

GENERAL

- (i) Figures have been rounded off to the nearest Taka.
(ii) Last year's figures have been re-arranged wherever necessary to conform to the current year's presentation.



PADMA ISLAMI LIFE INSURANCE LIMITED
FIXED ASSETS SCHEDULE
(At Cost less Accumulated Depreciation)
As at December 31, 2021

Annexure - A

Sl No	Name of Assets	Cost					Depreciation Rate (%)	Depreciation				Written Down Value (Tk.)
		Opening	Addition during the year	Revaluation Surplus	Disposal During the Year	T ctial		Opening	During the year	Disposal During the Year	T ctial	
0	1	2	3		4	5 = (2+3-4)	6	7	8	9	10 = (7+8-9)	11 = (5-10)
Padma Life Tower :												
1	Land	122,232,000	-	889,663,515	-	1,011,895,515	0%	-	-	-	-	1,011,895,515
2	Building	690,503,450	-	-	-	690,503,450	5%	234,384,387	22,805,953	-	257,190,340	433,313,110
Sub Total		812,735,450	-	889,663,515	-	1,702,398,965		234,384,387	22,805,953	-	257,190,340	1,445,208,625
3	Other Land & Land Development	164,288,404	-	-	-	164,288,404	0%	-	-	-	-	164,288,404
4	Other Flat & Building	80,518,550	-	-	-	80,518,550	5%	29,109,108	2,570,472	-	31,679,580	48,838,970
5	Furniture & Fixture	56,624,579	19,765	-	2,403,200	54,241,144	15%	48,189,596	1,232,114	2,162,547	47,259,163	6,981,981
6	Office Equipment	2,435,395		-		2,435,395	15%	1,984,222	67,676		2,051,898	383,497
7	Office Decoration	16,733,856	21,000	-		16,754,856	20%	14,084,994	533,972	-	14,618,966	2,135,890
8	Motor Vehicles	63,354,339		-	1,945,000	61,409,339	20%	53,235,813	2,010,928	1,881,113	53,365,628	8,043,711
9	Electronic Installation	5,062,724	27,321	-		5,090,045	10%	2,695,370	239,468	-	2,934,838	2,155,208
10	Telephone Installation	2,121,716	52,121	-		2,173,837	10%	1,408,915	76,492	-	1,485,407	688,430
11	Signboard	5,711,521		-	-	5,711,521	20%	4,867,111	168,882		5,035,993	675,528
12	Computer & Printer	31,587,208	7,056,994	-		38,644,202	15%	25,702,233	1,941,295		27,643,528	11,000,674
13	Software	-	950,000	-		950,000	50%	-	475,000		475,000	475,000
Total		1,241,173,742	8,127,201	889,663,515	4,348,200	2,134,616,258		415,661,749	32,122,253	4,043,660	443,740,342	1,690,875,917





পদ্মা ইসলামী লাইফ ইন্সুরেন্স লিঃ এর নতুন বোর্ড এর
দায়িত্ব গ্রহণ ১৪/০৫/২০২২ হোটেল র্যাডিসন ব্লুজ, চট্টগ্রাম।



ইসলামী ব্যাংক বাংলাদেশ লিঃ এর এমপ্লয়ীদের গ্রুপ বীমার চেক প্রদান।



Padma Islami Life Insurance Limited

Registered Office: Padma LifeTower, 115, Kazi Nazrul Islam Avenue, Dhaka-1000.

Proxy Form

I/We.....
of.....
being a member of Padma Islami Life Insurance Limited do hereby appoint Mr./Mrs./Miss.....
of.....
as my/our Proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held virtual by using digital platform on June 19, 2022 at 11.00 am. to transact the following business.
Signed this:.....day of2022.

.....
Signature of Proxy

Revenue
Stamp
Tk. 20/-

.....
Signature of the Shareholder

BO ID No

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

Dated..... Dated.....

Note: The Proxy form should reach the Corporate Office of the Company not less than 72 hours before the time fixed for the meeting.

.....
Signature Verified
Authorized Signatory
Padma Islami Life Insurance Ltd.

.....



Padma Islami Life Insurance Limited

Registered Office: PadmaLifeTower, 115, Kazi Nazrul Islam Avenue, Dhaka-1000.

SHAREHOLDERS ATTENDANCE SLIP

I hereby record my attendance at the 22nd Annual General Meeting of the Company to be held virtual by using digital platform on June 19, 2022 at 11.00 am. to transact the following business.

Name of Member/Proxy.....

BO ID No

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

Number of shares hold

--

Signature.....

Dated.....

Important:

- (1) To facilitate registration formalities at the meeting place Members are requested to please fill in and bring the Attendance Slip at the Meeting.
- (2) Member are also requested to note that the Annual General Meeting can only be attended by the honorable Members or properly constituted Proxy. Therefore any friend or children accompanying with honorable Members or Proxy can not be allowed into the meeting.



কোম্পানীর কক্সবাজার সম্মেলন ২০১১ এর একটি চিত্র।



পদ্মা ইসলামী লাইফ ইশুরেন্স লিঃ এ উন্নয়ন সভায় মাননীয় চেয়ারম্যান মহোদয়কে ক্রেস্ট প্রদান।



মাননীয় চেয়ারম্যান মহোদয় কর্তৃক গ্রাহকের বীমা দাবী পরিশোধ।

