



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS



Rahman Mostafa Alam & Co.
Chartered Accountants

Independent Auditors' Report

To The Shareholders of Jiban Bima Corporation (JBC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jiban Bima Corporation (hereinafter referred to as the Corporation) which comprise the Balance Sheet as at December 31, 2018, the Life Revenue Account, the Statements of Cash Flows, Statement of Life Insurance Fund and Classifying summary of the Assets in Bangladesh for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Balance Sheet of the Jiban Bima Corporation as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The Corporation Act 1973, the Insurance Act 1938 (as amended in 2010), and other applicable laws and regulations.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion we draw attention to the fact disclosed in note 12 regarding valuation of Investment in Shares of the Corporation.





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Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, The Corporation Act 1973, the Insurance Act 1938 (as amended in 2010) 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one





resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 Corporation'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 Corporation 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. 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 Corporation Act 1973 and Insurance Act 1938 (as amended in 2010), we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;



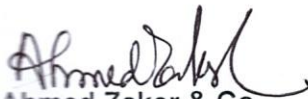


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- b) in our opinion, proper books of account as required by law have been kept by the corporation as far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c) as per Section 62 (2) of the insurance Act 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of the life insurance business of Jiban Bima Corporation transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts of the corporation;
- d) the information and explanations required by us have been received and found satisfactory;
- e) the Balance Sheet and the Life Revenue Account have been prepared in accordance with the regulations contained in Part I and Part II (form A) of the first schedule and Part I and Part II (form D) of the third schedule of Insurance Act, 2010. As per regulation 11 of Part I of the third schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the corporation during the year under report has not paid any person any commission in any form to outside Bangladesh and that the regional office during the year under report has not received outside Bangladesh from any person any commission in any form in respect of any of its business re-insured abroad;
- f) the Balance Sheet, and Life Revenue Accounts and Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- g) the expenditure was incurred for the purpose of the Corporation's business;
- h) the Corporation has complied with relevant laws and regulations pertaining to reserve.



Ahmed Zaker & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019





Rahman Mostafa Alam & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019





JIBAN BIMA CORPORATION
Balance Sheet
As at December 31, 2018

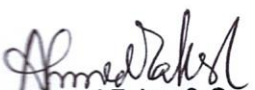
Particulars	Notes	Amount in Taka	
		31.12.2018	31.12.2017
Capital and Liabilities			
Shareholders Capital			
Authorised	5.01	<u>200,000,000</u>	<u>200,000,000</u>
Share Capital	5.02	50,000,000	50,000,000
Reserve for Paid up Capital	5.03	155,759,000	-
Balance of life insurance fund	6.00	19,258,047,782	18,522,854,067
Estimated liabilities in respect of outstanding claims whether due or intimated	7.00	479,332,233	702,813,700
Amount due to other persons or bodies carrying on insurance business	8.00	2,549,013	2,962,422
Sundry creditors (including outstanding & accruing expenses and taxes)	9.00	295,170,976	307,189,821
Premium deposit	10.00	691,362,073	721,039,304
Inter office balance	20.02	-	-
Total Capital and Liabilities		<u>20,932,221,077</u>	<u>20,306,859,314</u>
Property and Assets			
Loan – secured	11.00	2,573,981,549	2,499,923,710
Investment :	12.00	5,500,268,501	5,436,442,803
In securities, shares and debentures		5,188,093,829	5,116,759,829
In house properties and land in Bangladesh at cost less accumulated depreciation		312,174,672	319,682,974
Agents' balance	13.00	569,142	538,748
Outstanding premium-Renewal	14.00	469,053,590	487,348,998
Interest, dividend and rent outstanding & accruing	15.00	1,283,339,031	1,055,511,005
Amount due from other persons or bodies carrying on insurance business	16.00	4,131,406	4,131,406
Sundry debtors	17.00	1,203,392,815	1,233,435,939
Cash and bank balances	18.00	9,828,770,713	9,529,546,764
Other assets	19.00	68,714,330	59,979,941
Other doubtful assets	20.00	-	-
		<u>20,932,221,077</u>	<u>20,306,859,314</u>

The annexed notes 01 to 23 and annexure- A form an integral part of these financial statements.


Managing Director


Chairman

Signed in terms of our separate report of even date.


Ahmed Zaker & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019




Rahman Mostafa Alam & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019



JIBAN BIMA CORPORATION
Life Revenue Account
For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Income			
Balance of life insurance fund at the beginning of the year		18,522,791,503	17,846,480,267
Life fund at the beginning of the year		18,522,854,067	17,828,135,064
Add/Less : Previous year's adjustment		(62,564)	18,345,203
		5,095,800,805	4,713,356,660
Premium less reinsurances			
First year premium		1,085,327,253	955,614,610
Renewal premium		3,603,912,682	3,327,574,260
Mediclaime		201,946	214,052
Group insurance premium		406,358,924	429,953,738
		1,296,861,256	1,341,215,706
Interest, dividend & rent	21		
Interest on policy loan		129,596,170	95,797,526
Interest on deposit		1,015,008,095	1,085,743,526
Dividend		37,899,321	35,429,035
Rent-net		114,357,670	124,245,619
		264,544,683	20,684,051
Other income			
Miscellaneous receipts		31,001,300	5,110,344
Profit commission on reinsurances		10,615,520	12,053,240
Mediclaime commission		465,382	385,293
Profit on sale furniture		15,330	-
Incomplete proposal expenses recovery		-	-
Sale of corporation's publication forms		4,119,505	2,749,795
Interest of other loan of Bangladesh		1,007,533	-
Excess provision of written back		510,569	1,000
Recovery from staff		558,373	384,379
Old Claims by death & maturity (O/3 years) w/back		216,251,171	-
		1,082,752,463	955,614,610
First year premium where the maximum paying period is within Bangladesh			
One Years		-	59,407.00
Five years		11,722,775	198,387
Six years		4,766,383	3,078,225
Seven years		5,916,439	3,893,756
Eight years		5,989,336	5,256,191
Nine years		7,960,164	5,326,388
Ten years		32,782,037	23,113,868
Eleven years		39,328,288	13,323,966
Twelve years and over		974,287,041	901,364,422
(including throughout life)Tk.		25,179,998,247	23,921,736,683



JIBAN BIMA CORPORATION
Life Revenue Account
For the year ended December 31, 2018

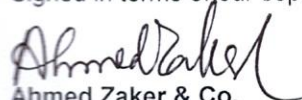
Particulars	Notes	Amount in Taka	
		2018	2017
Expenditure			
Claims under policies (including provision for Claims whether due or intimated less reinsurances)		3,436,283,855	3,203,033,550
By Death		287,901,033	280,885,280
Individual		110,957,845	95,582,020
Group		176,943,188	185,303,260
By Maturity		1,552,447,906	1,514,771,817
Individual		1,536,294,761	1,493,041,599
Group		16,153,145	21,730,218
By Surrender (including surrender of bonus less reinsurances)		334,957,409	266,836,538
Individual		334,844,147	266,775,582
Group		113,262	60,956
		1,260,977,507	1,140,539,914
Annuity less reinsurances		56,000	75,000
Pension		636,435,449	612,330,723
Bonus in cash less reinsurances		614,135,181	516,988,405
Group medical benefit		8,923,600	5,483,460
Premium refund on group policies		1,427,277	5,662,326
Management Expenses	22	2,204,676,369	2,022,352,050
Other expenses		280,990,241	173,497,016
Contribution to Bangladesh Insurance Academy		800,000	800,000
Share of profit to Govt. a/c		155,759,000	-
Corporations tax.		101,000,000	148,010,650
Govt. security Bond Interest		15,127,223	16,271,248
Govt. security Bond Premium		8,304,018	8,415,118
Balance of life Insurance fund at the end of the year as shown in the balance sheet		19,258,047,782	18,522,854,067
		25,179,998,247	23,921,736,683

The annexed notes 01 to 23 and annexure- A form an integral part of these financial statements.


Managing Director


Chairman

Signed in terms of our separate report of even date.


Ahmed Zaker & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019



JIBAN BIMA CORPORATION
Statement of Cash Flows
For the year ended December 31, 2018

Particulars	Amount in Taka	
	31.12.2018	31.12.2017
Cash flow from operating activities		
Operating surplus for the year	(545,159,419)	(512,028,940)
Add depreciation on operating assets	10,701,741	6,494,185
Cash flow from operation before working capital changes	(534,457,679)	(505,534,755)
Changes in working capital		
Increase (decrease) in Reserve for Paid up Capital	155,759,000	-
Increase (decrease) in outstanding claim	(223,481,467)	(50,892,006)
Increase (decrease) in amount due to other persons or bodies carrying on insurance business	(413,409)	(8,950,635)
Increase (decrease) in sundry creditors	(12,018,845)	66,213,027
Increase (decrease) in premium deposit	(29,677,231)	(6,098,770)
(Increase) decrease in loan	(74,057,839)	(132,441,382)
(Increase) decrease in investments	(71,334,000)	(261,753,440)
(Increase) decrease in agent's balances	(30,394)	-
(Increase) decrease in outstanding premium	18,295,408	(85,000,963)
(Increase) decrease in outstanding interest, dividend & rent	(227,828,026)	(2,504,679)
(Increase) decrease in sundry debtors	30,043,124	49,050,624
(Increase) decrease in inventory of printing building materials & stamp	(3,215,549)	1,141,547
(Increase) decrease in Motor Cycle loan	4,815,765	(16,893,884)
(Increase) decrease in amount due from other persons or bodies carrying on insurance business	-	-
(Increase) decrease Furniture & Fixture & Office Equipment	(10,334,605)	1,651,255
Net change in cash flow due to change in Working Capital	(443,478,068)	(446,479,307)
Cash flow from non operating activities:-		
Other income, Written back & Other expenditure	(27,147,298)	(159,307,150)
Previous year's adjustment	(62,564)	18,345,203
Net cash flow from non operating activities:-	(27,209,862)	(140,961,947)
Cash flow from investing activities		
Investment income for the year	1,296,861,256	1,341,215,706
Add depreciation on investing assets	7,508,302	7,700,822
Net cash flow from investing activities	1,304,369,558	1,348,916,528
Net cash increase from operating investing and other activities	299,223,949	255,940,519
Cash and equivalents at the beginning of the year	9,529,546,764	9,273,606,245
Cash and cash equivalents at the end of the year	9,828,770,713	9,529,546,764

The annexed notes 01 to 23 and annexure- A form an integral part of these financial statements.


Managing Director


Chairman



JIBAN BIMA CORPORATION
Statement of Life Insurance Fund
As at December 31, 2018

Particulars	Amount in Taka	
	31.12.2018	31.12.2017
Property and Assets		
Loan – secured	2,573,981,549	2,499,923,710
Investment:	5,500,268,501	5,436,442,803
In securities, shares and debentures	5,188,093,829	5,116,759,829
In house properties and land in Bangladesh at cost less accumulated depreciation	312,174,672	319,682,974
Agents' balance	569,142	538,748
Outstanding premium-Renewal	469,053,590	487,348,998
Interest, dividend and rent outstanding & accruing	1,283,339,031	1,055,511,005
Amount due from other persons or bodies carrying on insurance business	4,131,406	4,131,406
Sundry debtors	1,203,392,815	1,233,435,939
Cash and bank balances	9,828,770,713	9,529,546,764
Other assets	68,714,330	59,979,941
Other doubtful assets	-	-
	20,932,221,077	20,306,859,314
Capital and Liabilities		
Estimated liabilities in respect of outstanding claims whether due or intimated	479,332,233	702,813,700
Amount due to other persons or bodies carrying on insurance business	2,549,013	2,962,422
Sundry creditors (including outstanding & accruing expenses and taxes)	295,170,976	307,189,821
Premium deposit	691,362,073	721,039,304
Inter office balance	-	-
	1,468,414,295	1,734,005,247
Gross Fund(Assts-Liabilities)	19,463,806,782	18,572,854,067
Less: Paid up Capital	50,000,000	50,000,000
Reserve for Paid up Capital	155,759,000	
Life Insurance fund at the end of the year	19,258,047,782	18,522,854,067

The annexed notes 01 to 23 and annexure- A form an integral part of these financial statements.


Managing Director




Chairman



JIBAN BIMA CORPORATION
Form " AA "
Classified Summary of Assets in Bangladesh

Class of Assets	Book Value Amount Tk.	Market Value Amount Tk.	Remarks
Government securities	4,856,250,017	-	At Cost
Government approved securities	7,499,952	-	At Cost
ICB Mutual Fund	826,730	-	At Cost
Debentures	2,917,438	-	At Cost
Bridge finance advance	5,572,000	-	At Cost
Pre liberation shares	3,073,610	145,692,288	At Cost
Post liberation shares	121,926,580	241,467,683	At Cost
Bangladesh mutual fund	100,000,000	100,000,000	At Cost
ICB shares	100,629,900	690,033,600	At Cost
Loan on mortgage of properties	559,731,072	-	Realizable Value
Loan on insurer's policies within their surrender value	2,014,250,477	-	Realizable Value
House properties and land in Bangladesh at cost	627,579,951	-	Realizable Value
Bank balance on deposit accounts	9,404,259,207	-	Realizable Value
	17,804,516,934	1,177,193,571	
Less; Provision for doubtful Investment	10,602,398	-	
	17,793,914,536	1,177,193,571	
Others			
Cash in hand and at bank in CD accounts	424,511,506	-	Realizable Value
Fixed assets at cost less accumulated depreciation	36,346,510	-	Realizable Value
Agent's balance	569,142	-	Realizable Value
Outstanding premium	469,053,590	-	Realizable Value
Interest, dividend and rent receivable	1,283,339,031	-	Realizable Value
Motor car	17,720,235	-	Realizable Value
Motor cycle/Bi-cycle loan	3,065,706	-	Realizable Value
Amount due from general department	4,131,406	-	Realizable Value
Sundry debtors	1,203,392,815	-	Realizable Value
Stock of building materials	448,539	-	Realizable Value
Stamps in hand	4,958,296	-	At Cost
Stock of printing and stationery	6,175,045	-	At Cost
	3,453,711,822	-	

The annexed notes 01 to 23 and annexure- A form an integral part of these financial statements.


Managing Director


Chairman

Signed in terms of our separate report of even date.


Ahmed Zaker & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019





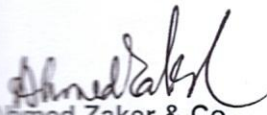
**JIBAN BIMA CORPORATION
HEAD OFFICE, DHAKA.**

MANAGEMENT EXPENSES CERTIFICATE

We hereby certify that the all expenses of management amounting to 2,204,676,369 in respect of life insurance business transacted by the corporation in Bangladesh wherever incurred, whether directly or indirectly have been fully charged to the revenue Account as expenses.


Managing Director


Chairman


Ahmed Zaker & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019





Jiban Bima Corporation
Notes to the Financial Statements
As at and for the year ended December 31, 2018

1.00 Legal status and nature of business

1.01 Establishment and Status of the Corporation

Jiban Bima Corporation was established on the 14th May, 1973 under the Corporation Act 1973 (Act VI of 1973) with authorized capital of Tk. 5 crore which has subsequently been increased to TK. 20 Crore duly approved by the Government. The Corporation is engaged in life insurance business in Bangladesh since its inception.

The registered Head office of the corporation is located at its own building named Jiban Bima Bhaban, 24 Motijheel Commercial Area, Dhaka-1000, Bangladesh. The business of the corporation is being carried out through office located all over the country.

1.02 Nature of business

The Corporation is engaged in life insurance business mainly in ordinary life and group insurance business. It offers 29 different types of life insurance schemes. These are whole life assurance, endowment assurance, child protection policy, children endowment, anticipated endowment assurance, pension scheme policy, single payment policy, mortgage protection policy, group term insurance policy, group endowment policy, group variable endowment policy, group pension policy, grameen bima policy, joint life endowment policy and progressive premium policy. It has the largest network all over the country with 7 Regional, 9 Zonal, 13 Corporate, 71 Sales and 398 Branch offices.

2.00 Basis of presentation and Statement of Compliance

2.01 Statement of Compliance

The financial statements have been prepared on a going concern and accrual basis on historical cost basis and therefore, do not take into consideration of the effect of inflation. The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements.

- Going Concern
- Accrual unless stated otherwise except for Cash Flow Statement
- History of cost convention
- The Insurance Corporation Act, 1973
- The Insurance Act, 2010 and 1938 (Where applicable)
- The Insurance Rules, 1958;
- Income Tax Ordinance 1984;
- The International Accounting Standards (IASs) 1,2,7,8,10,16,19,24,27,37,39&40 which have been adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- The International Financial Reporting Standards (IFRSs);
- These financial statements have been prepared on the format of financial statements prescribed in the Insurance Act/Rules 1958.
- Any other applicable legislation in Bangladesh and practice generally followed by the insurance sector.

2.02 The functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Corporation operates.

The financial statements are presented in Bangladeshi Taka, which is the Corporation's functional and presentation currency.





2.03 Risk and uncertainties for use of estimates in preparation of financial statements

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

2.04 Reporting Period

The financial statements of the Corporation cover one year **from January 01 to December 31** of the calendar year and is followed consistently.

2.05 Structure, Components and presentation of the Financial Statements

Being the general purpose of financial statements, the financial statements are prepared in line with the requirements on the Insurance Act 2010 and International Financial Reporting Standards (IFRSs) and presented on the basis of IAS-1 "Presentation of Financial Statements". The Financial Statements comprises:

The financial statements include the following components:

- i) Balance Sheet
- ii) Life Revenue Account
- iii) Statement of Cash Flows
- iv) Statement of Life Insurance Fund
- v) Classified summary of the Assets (Form AA) in Bangladesh and
- vi) Notes to the Accounts, comprising significant accounting policies and other explanatory information.

3.00 Summary of Significant Accounting Policies

3.01 Basis of presentation

The Balance sheet has been prepared in accordance with the regulations as contained in Part I of the First Schedule and as per Form "A" as set forth in part II of the First Schedule. Life Revenue Account has been prepared in accordance with the regulations as contained in Part I of the Third schedule and as per Form "D" as set forth in Part II of Third Schedule of the Insurance Act, 1938. The classified Summary of the Assets has been prepared in accordance with Form "AA" as set forth in Part II of the First Schedule.

3.02 Revenue recognitions

Revenue is recognized according to the guideline set out in "IFRS-4, Insurance Contract" first year premium is recognized when premium is received and the relevant policy is issued. Collectible amount of premiums due and outstanding in the month of December 2018 for which grace period has not expired and previous installments have been paid, are recognized as revenue.

3.02.1 Individual life policies

Individual life first year and renewal are recognized once the related policies are issued/renewed against receipt and realization of premium.

However, Provision for outstanding premium for the accounting year is estimated on basis of collection in the following three (3) months taking into consideration the nature and practice in the insurance industry rental income on investment property. Uncollected premium from lapsed policies is not recognized as income until such policies are revived.





3.02.2 Group Life Policies

The premiums of Group Policies are recorded after receipt of the premiums and in certain circumstances premiums falling due under the policies within the financial period are also recognized if these premiums are subsequently received.

3.02.3 Reserved for unexpired risk-group business

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed and received are held as reserve for unexpired risk.

3.03 Rental Income on investment property

Rental Income is recognized on accrual basis, except for the case that is under litigation.

3.04 Interest, Dividend and rents

Interest income is recognized on accrual basis unless otherwise stated. Realized gains and losses in respect of financial instruments, such as, equity securities, units of mutual fund and corporate bonds listed in the stock exchange are calculated as the difference between the net sales proceeds and their costs using the weighted average method, that is profit or loss on sale of the listed financial instruments are recognized in the Income Statement on cost basis.

Interest income on bank deposit (FDRs) is recognized on accrual basis

Dividend income is recognized when the Corporation's right to receive dividend is established.

Interest and dividend are accounted at gross value (before deduction of income tax).

Policy loans are allowed to the policy holders to the extent of surrender values of their respective policies provided the policies are in force for not less than two years. Interest on policy loan is accounted on accrual basis subject to the provisions of the Insurance Act/Rules.

Profit or loss on sale of securities/equities is taken to revenue only in the year of sale.

3.05 Provision

A Provision is recognized in the balance sheet date if, as a result of past events, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

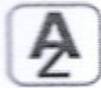
3.06 Re-insurance

The Corporation has reinsurance arrangement with Hannover and Toyser & Co. Reinsurance premium is recorded as expense evenly throughout the period of the reinsurance contract and set off against the premium income of respective year. The claim recoveries arising out of reinsurance contracts are set off against the claims expenses of respective year.

3.07 Claims costs

Claims cost consists of the policy benefit amount and claim settlement costs, where applicable. Death claims are accounted for on receipt of intimation. Annuity benefits and Maturity benefits are accounted when due. Surrenders are accounted for on the receipt of consent from the insured to the quote prescribed in the policy deed provided by the Corporation. Maturity claims also include amounts payable on lapsed policies which are





accounted for on the date of maturity of policies. Re-insurance claims receivable are accounted for in the period in which claims are settled.

3.08 Investments

Investments are made in accordance with the provision of the Insurance Act/Rules 1958 and the circulars/notifications issued by the controller of Insurance/IDRA in this context from time to time.

a) Classification of investment

Investments with fixed or determinable payments and fixed maturity, where the Corporation has positive intent and ability to maturity, are classified as Held-to-Maturity. Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity or change in mark-up/interest rates are classified as Available-For-Sale.

b) Valuation of investments

(i) Investment property

Investment property represents land or building held for investment purpose investment property is valued at historical cost plus revaluation, if any.

Cost of investment property includes their acquisition cost and cost of various phases of construction works including advance to contractors which have been completed at the balance sheet date.

(ii) Debt Securities

Debt securities with fixed income (Bangladesh Govt. Treasury Bond), Private and Public Bonds and Debentures are categorized by class and are accounted for "held to maturity" and have been valued at cost. The discount in respect of the debt securities which is the difference between the purchase price and the redemption amount is amortized and recognized in the Revenue Account on straight line basis over the remaining period to maturity of these securities. For fair presentation, Premium, if any premium on acquisition of those bonds and debentures are however charged to Revenue in the year of acquisition.

(iii) Financial instruments stated at fair value

Financial instruments such as equities, mutual funds and corporate bonds have been disclosed at cost value which is based on their quoted market price at the purchase date without any deduction for transaction costs.

Unrealized gains and losses arising due to changes in fair value of financial instruments have been disclosed under the head "Fair Value Change Accounts".

(iv) Loans are valued at historical cost (less repayments), subject to provision for impairment, if any.

(v) All other investments are recognized at cost including their acquisition charges, if any, less impairments, if any.

3.09 Fixed Assets

3.09.1 Recognition

The Corporation recognized the cost of an item of property as an asset when the probable future economic benefits associated with the item will flow to the entity and the cost of the item is measureable reliably. Normal replacement cost due to wear and tear of the assets has been recognized as revenue expenditure.





3.09.2 Measurement

All fixed assets are measured at cost and disclosed deducting accumulated depreciation as per "IAS-16 : Property, Plant and Equipment". The cost of acquisition comprises its purchase price including duties and taxes (if any) and other direct cost to bring the asset in operation.

3.09.3 Depreciation on fixed assets

Depreciation on fixed assets except on land has been calculated on reducing balance method at varying rates depending on the class and their estimated useful life as stated below. Method and rate of providing depreciation are consistently applied in relation to the previous year. Proportionate depreciation on day to day basis is charged on additions when the related assets are put into use.

Particulars	Rate (%)
Furniture and fixtures	6%
Motor vehicle	20%
Office equipment	15%
Computer	30%
Building	2.5%

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

3.09.4 Impairment

As Per "IAS- 36: Impairment of Assets" the carrying amounts of the Corporation's non-current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is indication of impairment. Considering the present conditions of the assets, management concludes that there is no such indications exist.

3.10 Taxation

Current Tax

Provision for Taxation is based on taxable income determined under the Fourth Schedule of the Income Tax Ordinance 1984 and best judgment of the management.

Charge for the current tax is calculated following the accepted method of income assessment and the using tax rate enacted at the balance sheet date and includes adjustments, where considered necessary relating to prior years.

3.11 Stock of stamp, printing and stationery

Stationery, stamps and printed materials have been valued at cost and such valuation has been certified by the management.

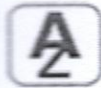
3.12 Risk minimization Strategies

3.12.1 Individual life business

Insurance underwriting risk is the risk that the Corporation will suffer losses due to economic situation or the rate of occurrence of an incident contrary to the forecast made at the time of setting up of the premium rate.

The underwriting risk arises from death and sometimes due to permanent disability and critical illness. The Corporation may get exposed to poor risk due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection,





fraudulent claims or poor persistency. The Corporation may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Corporation faces the risk of under pricing particularly due to nature of long-term contract. In addition to this, due to poor persistency, the Corporation would be unable to recover expenses of policy acquisition. The Corporation manages these risks through its underwriting, reinsurance, claims handling policy and other related control mechanisms. The Corporation has a well defined policy and avoids selling policies to high risk individuals. Underwriting procedures have been enhanced and rules have been structured to enable the Corporation to strike a balance between mitigating risk, ensuring control and providing better service. This puts a check on anti-selection.

The Corporation seeks to reduce its risk exposure by reinsuring certain levels of risk with renowned re-insurance HANOVER and TOYSER & Co.

The Corporation provides quality service to the policyholders and checks to minimize miss-selling and avoid poor persistency. A regular monitoring of lapsation rate is conducted. The Corporation has procedures in place to ensure avoidance of payment of fraudulent claim. The Claim Committee reviews all sum assured and early claims for verification and detailed investigation of all doubtful and early claims are conducted. The Corporation maintains adequate liquidity to cater for potentially sudden and high cash requirement.

3.12.2 Group life

The major risk underwritten by the Corporation is death which depends on mortality. Other risks underwritten include disability and major disease.

Risk increases as a result of catastrophic events, business procurement without following underwriting guidelines business procurement at low premium rate due to tough market competition and fraudulent claims. Non-receipt of premium in due time is an additional factor. The Corporation manages this risk through proper underwriting, reinsurance, effective claims handling and other claim control mechanism. The Corporation also avoids underwriting group business with employees exposed to hazardous profession. Pricing is done in line with actuarial guideline, experience and the mortality exposure the concerned group faces. Moreover, premium rates of existing groups are also reviewed from time to time on the basis of claim experience. Reinsurance arrangements are made by the Corporation with renowned re-insurer to limit the risk at affordable level. Beside, the Corporation avoids payment of fraudulent claims through claim investigation. Strict monitoring is in place to keep the outstanding balances of premium at a minimum.

3.12.3 Liquidity risk

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

3.12.4 Interest rate risk

The Corporation invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Corporation is the risk of changes in market. Interest rate reducing the overall returns on its interest basis securities. The Corporation limits interest risk by monitoring changes in interest rates in the money market and by diversifying into various institutions (issuers' of securities).





3.12.5 Market risk (investment pattern)

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

The Corporation is exposed to market risk with respect to its investment.

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

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

3.12.6 Reinsurance risk

The Corporation seeks to reduce its risk exposure by reinsuring certain levels of risk with re-insurer. Re-insurer ceded does not relieve the Corporation from its obligation to policyholders and as a result, the Corporation also remains liable for the portion of outstanding claims reinsured to the extent that re-insurer does not meet the obligations ultimately under the reinsurance agreements.

In order to minimize the risk, the Corporation has obtained reinsurances cover from a renowned re-insurer, HANOVER and mediclaim policy with TOYSER & Co. with proven sound financial health.

3.12.7 Credit risk

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

3.13 Commission

Commission to insurance agents (less that on reinsurance) represents first year commission and renewal commission. Allowances and commission (other than commission to insurance agents less that on reinsurances) represent field officers salary and allowances including bonuses.

3.14 Cash flow statement

Cash Flow statements are prepared in accordance with IAS-7 and Cash Flow from operating activities has been presented under indirect method. For the purpose of Cash Flow Statements, cash and cash equivalents include the following.

- * Cash at bank in current and SND accounts
- * Term deposits (FDRs) with commercial banks
- * Cash in hand and in transit

3.15 Comparative information

Relevant comparative information has been disclosed in respect of the year for all numerical information in the financial statements.





3.15 Retirement benefit scheme

The Corporation, through the trustees has been maintaining a recognized contributory provident fund for all its eligible permanent employees.

4.00 General

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Amounts presented have been rounded to the nearest Taka.



		Amount in Taka	
		31.12.2018	31.12.2017
5.00	Share capital		
5.01	Authorized capital	<u>200,000,000</u>	<u>200,000,000</u>
The above amount represents authorized capital of Jiban Bima Corporation which is determined as per circular No. 175-2186 of 14 June 1986 of the Ministry of Commerce, Government of the Peoples' Republic of Bangladesh.			
5.02	Issued, subscribed and fully share capital	<u>50,000,000</u>	<u>50,000,000</u>
This represents the contribution made by the Government of Bangladesh in cash capital of the Corporation.			
5.03	Reserve for Paid up Capital Tk. 155,759,000 to increase Capital as per Act.		
5.00	Balance of life insurance fund		
The office-wise and unit-wise break up of life fund is as follows:			
	Central Accounts & Finance Division	9,112,141,016	8,845,213,227
	Dhaka Regional Office	1,458,047,384	1,282,922,130
	Chittagong Regional Office	3,192,841,573	3,213,822,646
	Rajshahi Regional Office	960,671,634	961,668,125
	Khulna Regional Office	1,101,890,026	1,122,038,455
	Barisal Regional Office	295,946,680	277,301,533
	Sylhet Regional Office	(52,184,500)	(2,643,793)
	Rangpur Regional office	(7,838,951)	(40,445,059)
	Mymensingh regional office	32,206,778.37	
	Engineering & Real Estate Division	1,810,062,270	1,694,709,988
	Group Insurance Division	1,354,263,871	1,168,266,815
		<u>19,258,047,782</u>	<u>18,522,854,067</u>
7.00	Estimated liabilities in respect of outstanding claims whether due or intimated		
	Central Accounts & Finance Division		
	Dhaka Regional Office	108,132,564	237,937,193
	Chittagong Regional Office	244,682,176	338,923,410
	Rajshahi Regional Office	28,731,562	28,731,562
	Khulna Regional Office	24,933,728	21,167,279
	Barisal Regional Office	8,276,745	8,881,315
	Sylhet Regional Office	20,198,833	20,198,833
	Rangpur regional office	-	(10,390)
	Mymensingh regional office	3,953,245	
	Group Insurance Division	40,423,380	46,984,498
		<u>479,332,233</u>	<u>702,813,700</u>
8.00	Amount due to other persons or bodies carrying on insurance business		
Amount due to general department(Sadaran Bima Corporation) pre-libaration:			
	Dhaka regional office	2,048,495	2,048,495
	Chittagong regional office	-	-
	Central Accounts and Finance Division.	-	-
	Hanover Reinsurance Company	-	-
	Toyser And co.	500,518	913,927
		<u>2,549,013</u>	<u>2,962,422</u>
9.00	Sundry creditors (including outstanding and accruing expenses and taxes)		
a) New unit			
	Central Accounts & Finance Division	44,364,024	75,708,926
	Dhaka Regional Office	69,043,745	75,205,359
	Chittagong Regional Office	54,372,780	41,954,305
	Rajshahi Regional Office	18,686,293	16,035,037
	Khulna Regional Office	18,488,829	15,798,373
	Barisal Regional Office	7,850,566	8,702,447



Sylhet Regional Office
Rangpur Regional office
Mymensingh Regional office
Engineering & Real Estate Division
Group Insurance Division

Amount in Taka	
31.12.2018	31.12.2017
5,214,282	5,496,848
13,948,762	15,943,345
9,990,012	
52,750,258	51,523,343
461,426	821,838
295,170,976	307,189,821

b) Account-wise breakup are as follows:

Head of accounts for expenses:

Outstanding management expenses	6,437,100	5,608,341
Bonus payable	52,022,533	78,010,083
Agency commission payable	118,213,489	77,758,657
Sundry deposit payable	2,299,311	1,114,601
Provision for employees pension	-	-
Officers welfare association	78,854	78,855
Benevolent fund	822,375	720,875
Provision for audit fees	1,626,000	1,600,000
Provision for actuarial fees	-	-
Provision for corporate tax	-	-
Miscellaneous creditor	2,532,985	2,932,985
Employees group claim unpaid	2,149,000	1,169,000
Tax deduction on bank interest	-	-
Production bonus payable	148,960	313,737
Development officers welfare association	1,762,638	1,624,807
Club subscription	50	5,550
Provision for Motr car.	-	18,117,000
Provision for bus fare	550,167	887,317
Water charges payable	570,525	488,100
Electricity charges payable	2,184,083	3,504,609
Source tax payable	2,460,187	450,470
Calander	143,837	704,470
Building Maintenance payable	4,851,400	4,851,400
	198,853,494	199,940,857

For Advance receipts:

Advance rent received

2,063,237	615,675
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For Deposits:

Security deposit payable	5,035,968	5,035,968
Security deposit against house rent	29,809,687	27,563,464
Security deposit against house shops	2,974,811	2,974,811
Earnest money	3,525,319	3,782,518
	41,345,785	39,356,761

Others:

Suspense account	2,920	2,920
Agents license fees	6,271,412	4,718,741
Provident fund trustees account	1,616,964	1,663,581
Group insurance premium-Office staff	627,448	1,788,748
Group insurance premium-Development	8,671,535	11,215,170
Group insurance premium-HBL	2,349,742	1,054,302
Policy holder maturity claim tax	2,956,746	779,296
Employers agent balance	56,902	30,780
Tax deduction on agency commission	4,219,976	6,221,541
Bus fare deduction	151,000	152,782
House building loan recovery	834,237	1,571,568
Union subscription	156,505	144,130
P.F. deduction-Development staff	332,766	332,766
House Building Loan Saction But not Paid	22,975,000	37,450,000
VAT deducted at source	1,681,933	740,635
OR commission payable	3,376	3,376



		Amount in Taka	
		31.12.2018	31.12.2017
		52,908,461	67,870,336
		295,170,976	307,783,629
10.00	Premium deposits:		
	Particulars:		
	Dhaka Regional Office	90,882,168	109,206,337
	Chittagong Regional Office	377,245,340	384,467,538
	Rajshahi Regional Office	2,684,520	15,215,456
	Khulna Regional Office	59,312,585	43,509,969
	Barisal Regional Office	741,903	3,504,698
	Sylhet Regional Office	86,619,513	70,690,921
	Rangpur Regional office	69,269,527	76,837,976
	Mymensingh Regional office	4,606,517	-
	Group Insurance Division	-	17,606,409
		691,362,073	721,039,304
11.00	Loan – secured		
	Loan on mortgage of property to employees	559,731,072	585,094,619
	Loan on insurance policies within their surrender value	2,014,250,477	1,914,829,091
		2,573,981,549	2,499,923,710
12.00	Investments		
	In securities, shares and debentures	5,198,696,227	5,127,362,227
	Less: Provision for Doubtful Investment (12.01)	10,602,398	10,602,398
		5,188,093,829	5,116,759,829
	In land and buildings in Bangladesh at cost	627,579,951	627,579,951
	Less: Accumulated depreciation	(315,405,279)	(307,896,977)
		312,174,672	319,682,974
		5,500,268,501	5,436,442,803

The Corporation presents investment in shares at cost value amounting Tk. 329,388,340, whereas IFRS- 9: Financial Instruments, para- 5.2.1 requires Investment in Shares should be presented at fair market value and the fair market value of Investment in shares as at December 31, 2018 stood Tk. 1,177,193,571.

Insurance Development & Regulatory Authority (IDRA), prime regulator of insurance business in Bangladesh issued a circular no. Life 04/2012 dated June 11, 2012 which advised in section 1 that "Under the circumstances life insurers are advised not to show investment in stocks and shares in the balance sheet at amounts exceeding its market value. They are also advised that their balance sheet should contain a certificate signed by the same persons as are required by the Insurance Act, 1938 to sign the balance sheet, certifying that the values of all the assets have been reviewed as the date of the balance sheet, and that in their belief the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings.

Hence, the Corporation did not show investment in stock and shares in the balance sheet at amounts exceeding its market value i.e. the entity presents investment in shares at cost or market value whichever is low.

To comply with the circular of IDRA JBC has deviated from the requirement of IFRS- 9.

12.01	In securities, shares and debentures		
	Government securities	4,856,250,017	4,784,250,017
	Government approved securities	7,499,952	7,499,952
	Bangladesh mutual fund	100,000,000	100,000,000
	ICB mutual fund	826,730	826,730
		4,964,576,699	4,892,576,699
	Debentures	2,917,438	2,917,438
	Less: Provision for doubtful (12.01.02)	2,917,438	2,917,438
		-	-



		Amount in Taka	
		31.12.2018	31.12.2017
Bridge finance advance		5,572,000	5,572,000
less: Provision for doubtful (12.01.01)		5,572,000	5,572,000
		-	-
Pre-liberation shares		3,073,610	3,073,610
Less: Provision for doubtful		1,248,410	1,248,410
		1,825,200	1,825,200
Post-liberation shares		121,926,580	122,592,580
Less Provision for doubtful (12.01.03)		864,550	864,550
		121,062,030	121,728,030
ICB share		100,629,900	100,629,900
		5,188,093,829	5,116,759,829
12.01.01 Bridge finance advance :			
Nowapara Jute Mills Ltd		950,000	950,000
Purbachal Jute Mills Ltd		825,000	825,000
Broad Burlop Industries		325,000	325,000
Allied Jute Mills Ltd		700,000	700,000
Taj Jute Backing Co Ltd		850,000	850,000
Sultana Jute Mills Ltd		350,000	350,000
Metex Cotton Mills Ltd		47,000	47,000
SKM Jute Mills Ltd		600,000	600,000
Mashreque Jute Mills		750,000	750,000
Crescent Paper Mills		175,000	175,000
		5,572,000	5,572,000
12.01.02 Debentures :			
Bawani Jute Mills Ltd		700,000	700,000
Latif Bawani Jute Mills Ltd		1,500,000	1,500,000
Allied Jute Mills Ltd		300,000	300,000
National Jute Mills Ltd		250,000	250,000
Bawani Jute Mills Ltd		18,353	18,353
Agrabad hotel Ltd.		149,085	149,085
		2,917,438	2,917,438
12.01.03 Pre-liberation shares :			
Eastern Insurance Company Ltd		1,000	1,000
Janata Insurance Company Ltd.		150,000	150,000
National Insurance Company Ltd.		150,000	150,000
Bengal steel works.		1,500	1,500
Eastern life insurance company		945,910	945,910
		1,248,410	1,248,410
Post liberation shares:-			
Calico cotton mill		14,550	14,550
Mohsen jute mill		850,000	850,000
		864,550	864,550
		1,729,100	1,729,100



		Amount in Taka	
		31.12.2018	31.12.2017
12.02	Land and buildings in Bangladesh at cost less accumulated depreciation		
	Engineering & Real Estate Division	627,579,951	627,579,951
	Total cost of house properties & land	627,579,951	627,579,951
	Less: Accumulated depreciation	(315,405,279)	307,896,977
		312,174,672	319,682,974
13.00	Agents' balance :-		
	Agents' balance (13.01)	190,630	160,236
	Employer of agents' balance (13.02)	378,512	378,512
		569,142	538,748
13.01	Agents' balance:-		
	Dhaka Regional Office	32,061	1,667
	Rajshahi Regional Office	126,667	126,667
	Barishal Regional Office	31,902	31,602
		190,630	159,936
13.02	Employer of agents' balance:-		
	Dhaka Regional Office	327,640	327,640
	Rajshahi Regional Office	50,872	50,872
		378,512	378,512
14.00	Outstanding Premium-Renewal		
	Dhaka Regional Office	135,007,776	132,484,648
	Chittagong Regional Office	131,785,010	126,520,416
	Rajshahi Regional Office	50,652,149	46,094,571
	Khulna Regional Office	62,000,241	57,987,271
	Barisal Regional Office	24,093,149	18,834,162
	Sylhet Regional Office	15,711,225	14,196,611
	Rangpur Regional office	21,317,337	16,753,838
	Mymensingh Regional office	4,100,566	-
	Group Insurance Division	24,386,137	74,477,481
		469,053,590	487,348,998
15.00	Interest, dividend and rent outstanding & accruing		
	Outstanding 15.01	1,165,393,441	902,581,256
	Accruing but not due 15.02	117,945,590	152,929,749
		1,283,339,031	1,055,511,005
15.01	Outstanding		
	Office/Division wise outstanding balance are as follows:		
	Central Accounts & Finance Division	799,244,273	586,769,822
	Dhaka Regional Office	67,403,860	45,891,982
	Chittagong Regional Office	53,171,224	44,385,004
	Rajshahi Regional Office	14,580,779	39,943,350
	Khulna Regional Office	63,118,822	55,431,675
	Barisal Regional Office	8,227,891	6,032,722
	Sylhet Regional Office	6,423,212	3,120,190
	Rangpur Regional Office	8,624,489	5,708,031
	Mymensingh Regional office	506,481	-
	Engineering & Real state division.	144,092,411	133,340,670
		1,165,393,441	920,623,446



Amount in Taka	
31.12.2018	31.12.2017

Account/Category wise details are as follows:

Head of accounts

Interest on policy loan	222,056,757	200,512,954
Interest on mortgage loan of employees	312,720,007	258,268,920
Interest on fixed deposit	486,524,307	328,500,902
Rent	144,092,411	133,340,670
	1,165,393,482	920,623,446

15.02 Accruing but not due

Central Accounts & Finance Division:

Interest on 3 Years Jatio Biniyog Bond (JBB)	117,945,590	152,929,749
	117,945,590	152,929,749

16.00 Amount due from other persons or bodies carrying on insurance business

Amount due from general department (16.01)	4,131,406	4,131,406
	4,131,406	4,131,406

16.01 Amount due from general department

Sadharan Bima Corporation	71,500	71,500
Chittagong Regional Office	4,059,906	4,059,906
	4,131,406	4,131,406

17.00 Sundry debtors

Office/Division wise sundry debtors are as follows :-

Central Accounts & Finance Division	981,148,810	1,026,310,681
Dhaka Regional Office	15,006,793	15,881,338
Chittagong Regional Office	6,152,669	6,320,949
Rajshahi Regional Office	2,770,251	3,072,453
Khulna Regional Office	8,100,783	8,401,409
Barisal Regional Office	1,627,074	1,833,680
Sylhet Regional Office	56,526,279	53,802,599
Rangpur Regional office	893,035	1,708,868
Mymensingh Regional office	76,255	-
Group Insurance Division	1,478,861	1,439,338
Engineering & Real state division.	129,612,007	114,664,624
	1,203,392,815	1,233,435,939

Account/Category wise details are as follows:-

For Advance

Advance against salaries	613,590	613,590
Advance salaries-Development	515,625	515,625
Advance against TA	675,093	874,145
Advance against purchase	4,232,851	3,933,174
Advance against hospitalization	1,622,265	2,229,269
Advance against car repairing	732,672	904,637
Advance against legal charges	1,017,035	1,063,975
Controller of insurance	15,106	15,106
Adv. Against revenue	140,739	142,739
Advance against house rent ceiling	7,080	307,580
Advance against office rent	2,856,312	4,397,956
Advance against General charges	-	4,000
Group Claim	-	3,000
Advance petroliam	32,618	36,685



	Amount in Taka	
	31.12.2018	31.12.2017
Miscellaneous advance	105,948	105,948
Tax deduction on Agency commission deduction		765,253
Vat	72,861	120,798
Advance against building project	7,447,776	562,526
Advance Fanrking machine	12,414	51,030
	20,099,985	16,647,036
For Deposits:		
Security deposit	81,578	81,578
Short deposit of premium collection	184,264	184,264
	265,842	265,842
For Others :		
Income tax deducted at source-Opening	1,094,833,558	1,167,182,577
Add: Addition during the year	62,884,161	75,661,631
	1,157,717,719	1,242,844,208
Less: Corporate tax	101,000,000	148,010,650
Closing Balance	1,056,717,719	1,094,833,558
House building loan recovery suspense A/C	134,403	134,403
Suspens a/c	1,755	1,755
Advance Group ins premium	27,407,797	25,371,413
Outstanding electricity charges recoverable	20,681,648	17,556,522
Outstanding water charges recoverable	6,378,116	9,605,205
Premium adjusted by corporation	71,567,759	68,887,075
Insurance premium deduction	95	95
Security deposit against gas connection	44,450	44,450
Ist year premium deposit from agency commission.	43,803	43,803
Jbc calander	45,931	44,781
	1,183,023,476	1,216,523,060
	1,203,392,815	1,233,435,939
18.00 Cash and bank balances:-		
Bank balances on fixed deposit accounts (18.01)	8,634,768,559	8,648,993,559
Bank balances on short term deposit accounts (18.02)	769,490,648	582,399,911
Bank balances on current accounts (18.03)	424,304,966	297,921,879
Cash in hand (18.04)	206,540	231,414
	9,828,770,713	9,529,546,764
18.01 Bank balances on fixed deposit account		
Central Accounts & Finance Division	8,634,768,559	8,648,993,559
	8,634,768,559	8,648,993,559
18.02 Bank balances on short term deposit account:-		
Central Accounts & Finance Division	96,851,063	9,610,513
Dhaka Regional Office	155,017,242	222,412,935
Chittagong Regional Office	158,829,579	134,783,780
Rajshahi Regional Office	67,266,287	48,121,710
Khulna Regional Office	76,145,157	65,607,666
Barisal Regional Office	47,995,142	44,129,531
Sylhet Regional Office	35,788,308	17,034,354
Rangpur Regional office	40,335,060	24,923,813
Mymensingh Regional office	29,863,263	-
Group Insurance Division	42,524,924	15,014,302
Engineering & Real state division.	18,874,623	761,307
	769,490,648	582,399,911
	9,404,259,207	9,231,393,470



		Amount in Taka	
		31.12.2018	31.12.2017
18.03	Bank balances on current account		
	Central Accounts & Finance Division	4,691,061	15,682,382
	Dhaka Regional Office	140,117,800	38,335,960
	Chittagong Regional Office	73,357,918	79,720,177
	Rajshahi Regional Office	35,309,596	31,165,011
	Khulna Regional Office	63,846,114	53,764,471
	Barisal Regional Office	27,126,633	22,786,231
	Sylhet Regional Office	8,498,834	14,332,724
	Rangpur Regional office	25,526,859	17,926,974
	Mymensingh Regional office	26,833,224	-
	Group Insurance Division	10,991,449	3,904,736
	Engineering & Real state division.	8,005,476	20,303,213
		424,304,966	297,921,879
18.04	Cash in hand		
	Central Accounts & Finance Division	9,634	15,427
	Dhaka Regional Office	122,909	123,318
	Chittagong Regional Office	6,386	18,124
	Rajshahi Regional Office	4,774	4,141
	Khulna Regional Office	42,094	39,698
	Barisal Regional Office	6,420	7,480
	Sylhet Regional Office	2,184	1,388
	Rangpur Regional office	3,806	4,600
	Mymensingh Regional office	461	-
	Group Insurance Division	193	389
	Engineering & Real state division.	7,680	16,849
		206,540	231,414
19.00	Other Assets		
	Stamps in hand (19.01)	4,958,296	2,675,162
	Stock of printing and stationery (19.02)	6,175,045	5,242,630
	Stock of building materials-spare parts for lifts (19.03)	448,539	448,539
	Furniture & fixture and office equipment at cost less accumulated depreciation (19.04)	36,346,510	26,011,905
	Office Motor Car at cost less accumulated depreciation (19.05)	17,720,235	22,149,339
	Motor Cycle/Bi-cycle (19.06)	3,065,706	3,452,366
		68,714,331	59,979,941
19.01	Stamps in hand		
	Central Accounts & Finance Division	26,970	23,145
	Dhaka Regional Office	862,945	216,365
	Chittagong Regional Office	259,839	254,490
	Rajshahi Regional Office	855,221	855,221
	Khulna Regional Office	622,345	496,495
	Barisal Regional Office	194,975	606,832
	Sylhet Regional Office	263,493	132,720
	Rangpur regional office	582,495	83,075
	Mymensingh Regional office	1,278,910	-
	Group Insurance Division	1,043	3,814
	Engineering and Real Estate Division	10,060	3,005
		4,958,296	2,675,162



		Amount in Taka	
		31.12.2018	31.12.2017
19.02	Stock of printing and stationery		
	Central Accounts & Finance Division	3,277,197	2,804,166
	Dhaka Regional Office	1,226,552	983,979
	Chittagong Regional Office	542,046	630,716
	Rajshahi Regional Office	464,387	512,423
	Khulna Regional Office	20,908	19,616
	Barisal Regional Office	338,315	154,723
	Sylhet Regional Office	99,352	111,351
	Rangpur Regional office	27,669	25,656
	Mymensingh Regional office	178,618	-
		6,175,045	5,242,630
19.03	Stock of building material		
	Engineering and Real Estate Division	448,539	448,539
		448,539	448,539
19.04	Furniture & fixture and office equipment at cost less accumulated depreciation		
	Central Accounts & Finance Division	20,610,333	11,572,769
	Dhaka Regional Office	4,984,745	4,309,710
	Chittagong Regional Office	4,203,656	3,826,229
	Rajshahi Regional Office	1,641,039	1,708,603
	Khulna Regional Office	2,114,785	1,912,560
	Barisal Regional Office	1,324,267	1,324,032
	Sylhet Regional Office	506,193	547,417
	Rangpur Regional office	810,072	731,149
	Mymensingh Regional office	77,861	-
	Engineering and Real Estate Division	33,643	36,563
	Group Insurance Division	39,917	42,873
		36,346,510	26,011,905
19.05	Motor Car at cost less accumulated depreciation		
	Central Accounts & Finance Division	17,707,555	22,134,442
	Rajshahi Regional Office	97	121
	Khulna Regional Office	152	152
	Barisal Regional Office	1	1
	Rangpur Regional office	12,429	14,622
	Engineering and Real Estate Division-	1	1
		17,720,235	22,149,339
19.06	Motor Cycle /Bi-cycle loan.		
	Central Accounts & Finance Division	3,100	3,100
	Dhaka Regional Office	1,055,260	1,045,584
	Chittagong Regional Office	616,491	899,802
	Rajshahi Regional Office	620,298	776,219
	Khulna Regional Office	113,653	113,653
	Barisal Regional Office	433,923	486,897
	Rangpur regional office	127,111	127,111
	Mymensingh Regional office	95,870.00	-
		3,065,706	3,452,366



		Amount in Taka	
		31.12.2018	31.12.2017
20.00	Other doubtful assets		
	A. Doughtful assets in Bangladesh		
	Loan on mortgage of properties	1,870,767	1,870,767
	Loan on insurers policies within their surrender value	1,454	1,454
	Agents' balance	7,449,230	7,449,230
	Outstanding premium	6,958	6,958
	Interest, dividend & rent outstanding and accruing but not due	26,926,255	26,926,255
	Sundry debtors	5,011,356	5,011,356
		41,266,020	41,266,020
	Cash in hand and at bank		
	In hand	3,705	3,705
	In banks on deposit account	287,587	287,587
	At banks on current account	10,769	10,769
		302,061	302,061
	Other assets		
	Stamps in hand	8,618	8,618
	Stock of printing and stationery	2,816	2,816
	Motor car and vehicles	8,048	8,048
	Motor Car loan	91,349	91,349
		110,831	110,831
		41,678,912	41,678,912
	B. Outside Bangladesh :		
	Sundry debtors	14,438	14,438
		14,438	14,438
	Cash in hand and at bank:		
	In hand	36,905	36,905
	In banks on deposit account & interest thereon	139,461	139,461
	At banks on current account	148,893	148,893
		325,259	325,259
		339,697	339,697
	Total other doubtful assets (A+B)	42,018,609	42,018,609
	Less: Provision for other doubtful assets	42,018,609	42,018,609
		-	-
20.01	Office wise break – up of other doubtful assets are as under :		
	Central Accounts & Finance Division	27,016,360	27,016,360
	Dhaka Regional Office	9,673,599	9,673,599
	Chittagong Regional Office	1,406,367	1,406,367
	Rajshahi Regional Office	1,102,908	1,102,908
	Khulna Regional Office	495,904	495,904
	Barisal Regional Office	49,378	49,378
	Engineering and Real Estate Division	2,274,093	2,274,093
		42,018,609	42,018,609
20.02	Inter office balance (per contra)	11,391,460,362	10,877,087,658
		11,391,460,362	(10,877,087,658)
		-	-



21.00

Interest, dividend & rent

Rent income has been arrived at after deducting related expenses of the Engineering and Real Estate Division for maintaining land and buildings are as follows :

Particulars

	Amount in Taka	
	31.12.2018	31.12.2017
Interest on policy loan	129,596,170	95,797,526
Interest on deposit	1,015,008,095	1,085,743,526
Dividend	37,899,321	35,429,035
Investment income (A)	1,182,503,586	1,216,970,087
Rent - income	194,003,121	198,575,551
Less : Expenses:	-	
Rates and taxes	17,487,486	10,966,998
Rent for offices owned & occupied by the Corporation	-	222,912
Contribution to Pension	-	2,039,494
Electricity charges, Water charges & Gas Bill	-	80,952
Maintenance charges	-	12,834,792
Basic Salary	18,169,493	39,417,153
Leave encashment to staff	235,830	-
House rent	6,267,073	-
Recreation leave	87,490	-
Bonus to Staff & Officers	2,509,751	-
Bangla new year allownce	347,976	-
Medical Allownce	712,500	-
Washing allownce	23,723	-
Entertainment allownce	3,868	-
Lunch Subsidy	2,454,400	-
Education allownce	256,500	-
Conveyance allownce	97,800	-
Incentive bonus	1,153,900	-
Other office expenses	22,326,440	1,063,568
Depreciation on furniture, fixture and office equipment	2,920	3,242
Depreciation on building	7,508,302	7,700,823
Total expenses	79,645,451	74,329,933
Net income from property (B)	114,357,670	124,245,619
Total (A+B)	1,296,861,256	1,341,215,706

21.1 The year-wise details are as follows:

Particulars

Interest on policy loan	129,596,170	95,797,526
Interest on deposit	1,015,008,095	1,085,743,526
Dividend	37,899,321	35,429,035
Rent(Gross)	194,003,121	198,575,551
	1,376,506,707	1,415,545,639
Less: Expenses	79,645,451	74,329,933
	1,296,861,256	1,341,215,706

22 Management Expenses

a) **Commission to insurance agents (less that on reinsurances) :**

Commission to reinsurances	(3,759,038)	(3,500,076)
First year Commission	321,994,251	263,240,155
Renewal Commission	174,906,072.32	164,137,625
Group Commission	2,133,726	-
	495,275,011	423,877,704



Amount in Taka	
31.12.2018	31.12.2017

b) Development officers' salaries and allowances (other than commission included above-a):

Basic Salaries	265,184,663	400,143,278
House rent allowance	119,442,314	-
Festival bonus	62,679,098	39,616,569
Bangla new year allowance	315,684	-
Medical allowance	29,515,762	-
Lunch Subsidy	9,523,585	9,142,040
Incentive Bonus	20,872,913	32,407,658
Production bonus	4,856,963	4,678,696
Conveyance allowance	2,864,248	-
Policy Bima stamp	15,507,752	11,867,793
Seminar, confarence expenditure	4,786,786	3,570,305
Policy holders medical expense	3,367,988	3,654,234
	538,917,757	505,080,573

C) Salary to Office staffs

Basic Salaries to officers	204,775,185	527,819,436
Leave encashment to officers	12,315,701	-
Basic Salaries to staffs	128,602,196	-
Leave encashment to staff	6,167,682	-
House rent allowance	155,343,156	-
Recreation leave allowance	275,120	-
Bonus to Staff & Officers	66,011,167	58,300,092
Bangla new year allowance	3,912,116	-
Medical allowance	19,477,407	-
Hill allowance	69,000	-
Washing allowance	212,730	-
Entertainment allowance	47,376	-
Lunch Subsidy	49,436,443	49,577,234
Education allowance	8,139,477	-
Charge Allowance	34,200	-
Conveyance allowance	1,419,762	-
Car maintenance allowance MD & GM	875,000	-
Incentive bonus	30,364,953	41,333,788
Total	687,478,671	677,030,550

D. Service & Supply

Travelling Expenses	5,464,219	6,540,995
Overtime to staff	4,494,024	4,313,660
Office rent	30,187,693	27,584,415
Car tax	179,520	145,000
Other tax	70,011	-
Postage & Telegram	1,112,756	1,314,383
Revenue	3,733,194	3,352,884
Mobile Bill	25,500	-
Telephone Expenses	2,375,978	2,325,036
ISP charges/Internet	1,702,275	1,980,014
Water charge	731,461	-
Electricity Charges	5,326,031	5,085,946
Gas & fuel	4,528,719	5,860,289
POL	1,939,663	-
Bank Charges	5,529,471	3,855,739
Insurance Premium Expenses (Car & others)	530,466	817,385
Subcription & donation	83,434	-
Printing	3,554,780	8,722,735
Stationery	3,527,048	-



	Amount in Taka	
	31.12.2018	31.12.2017
Books & Periodicals	586,611	597,285
Advertisement	9,864,182	8,339,589
Uniform	402,582	975,173
Training Expenses (home)	2,930,371	2,214,307
Claim investigation expense	168,522	-
Entertainment Expenses	921,779	703,637
Staff bus expense	9,256,656	11,100,130
Prize & contest	146,350	-
Wages	21,317,957	-
Medical Expense	5,000	123,991
Law Charges	1,291,035	1,616,220
Director fee	310,000	334,400
Honoriam/fee/remuneration	3,063,330	-
Acturial fee	-	645,000
Retainers fee	668,100	-
Audit fee	846,000	750,000
Conveyance Expenses	1,150,226	-
Car Repairs	2,772,406	7,219,808
Repairs of Furniture & Fixture	1,051,480	-
Repairs of Computer (with parts)	859,731	-
Software service charge	1,122,655	1,206,836
Buildings repairs	1,227,088	-
Corporate tax Court fee	200	-
Employee Recruitment exp.	10,017,740	-
Depreciation Vehicle	4,429,105	-
Depreciation office Equipment	5,251,212	-
Depreciation Furniture & Fixture	1,021,424	6,494,185
Staff welfare	558,060	469,775
Contribution to Pension a/c.	320,474,535	294,557,960
Fund transfer to EE department	3,025,470	4,150,849
Others/General Charges	3,168,881	2,826,136
Total	483,004,930	416,363,222
Total Management Expenses (A+B+C+D)	2,204,676,369	2,022,352,050

23.00 Classified summary of assets (Form – AA)

Summary

Investment, loans, properties & deposits	17,793,914,536	17,475,656,960
Others	3,453,711,822	3,139,099,331
	21,247,626,358	20,614,756,291

Class of assets (Form AA)

Investment in securities, shares and

Debentures within Bangladesh :

Government securities	4,856,250,017	4,784,250,017
Government approved securities	7,499,952	7,499,952
ICB Mutual Fund	826,730	826,730
Debentures	2,917,438	2,917,438
Bridge finance advance	5,572,000	5,572,000
Pre liberation shares	3,073,610	3,073,610
Post liberation shares	121,926,580	122,592,580
Bangladesh mutual fund	100,000,000	100,000,000
ICB shares	100,629,900	100,629,900
Loan on mortgage of properties	559,731,072	585,094,619
Loan on insurer's policies within their surrender value	2,014,250,477	1,914,829,091
House properties and land in Bangladesh at cost	627,579,951	627,579,951
Bank balance on deposit accounts	9,404,259,207	9,231,393,470
	17,804,516,934	17,486,259,358
Less; Provision for doubtful Investment	(10,602,398)	(10,602,398)
	17,793,914,536	17,475,656,960



	Amount in Taka	
	31.12.2018	31.12.2017
Others		
Cash in hand and at bank in CD accounts	424,511,506	298,153,294
Fixed assets at cost less accumulated depreciation	36,346,510	26,011,905
Agent's balance	569,142	538,748
Outstanding premium	469,053,590	487,348,998
Interest, dividend and rent receivable	1,283,339,031	1,055,511,005
Motor car	17,720,235	22,149,339
Motor cycle/Bi-cycle loan	3,065,706	3,452,366
Amount due from general department	4,131,406	4,131,406
Sundry debtors	1,203,392,815	1,233,435,939
Stock of building materials	448,539	448,539
Stamps in hand	4,958,296	2,675,162
Stock of printing and stationery	6,175,045	5,242,630
	3,453,711,822	3,139,099,331

Note :

Tk 10,602,398 against investment and Tk. 41,678,912 (in Bangladesh) and Tk. 339,697 (outside Bangladesh), total Tk.42,018,609 against other assets have been considered by the management as doubtful of realization and therefore these have been fully provided for in these accounts. House properties and land in Bangladesh at cost is inclusive of TK. 315,405,279 account of accumulated depreciation.

3.01 Assets represents of Life fund:-

Category of assets

Investment -

Outstanding & Others

Total Life fund -

17,793,914,536	17,475,027,060
1,464,133,245	1,047,197,107
19,258,047,782	18,522,224,167

3.02 Investment (Including Loan and Deposits):

Loan (Note 10)

Investment (Note-11 & Accu. Depr. Of Building)

Bank Deposit Account (Note 17.1 & 17.2)

2,573,981,549	2,499,923,710
5,744,339,780	5,744,339,780
9,404,259,207	9,231,393,470
17,722,580,536	17,475,656,960





TO WHOM IT MAY CONCERN

We confirm having audited the Revenue Account and Balance Sheet of Jiban Bima Corporation for the year ended December 31, 2018 and also confirm having issued an audited report on the financial statements. Following figures are extracted from the financial statements for the purpose of working for the year ended December 31, 2018.

	Amount in Taka	
	2018	2017
First year premium income	1,085,327,253	955,614,610
Renewal Premium income	3,603,912,682	3,327,574,260
Medicclaim	201,946	214,052
Group insurance premium	406,358,924	429,953,738
Total Premium income	5,095,800,805	4,713,356,660
Less: Management expenses	2,204,676,369	2,022,352,050
Net premium income over management expenses	2,891,124,436	2,691,004,610
Net increase/decrease of premium over previous year	200,119,826	355,478,156
Percentage of net increase/decrease in premium income	7.44%	15.22%

On perusal of the Government circular No. 2(3)77 - Ins. 1 dated 4 February 1978 regarding payment of incentive bonus is entitlement to the officers and employees including development officer of Jiban Bima Corporation. The expenditure of incentive bonus is included.


Managing Director


Chairman


Ahmed Zaker & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants
Dated: Dhaka
December 10, 2019

