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INDEPENDENT AUDITORS' REPORT

TO THE MANAGEMENT OF JIBAN BIMA CORPORATION

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Jiban Bima Corporation** (the Corporation), which comprise the Balance Sheet as at 31 December 2019, and the Life Revenue Account, Life Insurance Fund and Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, **except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report**, the financial statements present fairly, in all material respects, the financial position of Jiban Bima Corporation as at 31 December 2019, 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 1938 (as amended in 2010) and other applicable laws and regulations.

Basis for Qualified Opinion

1. Reference to the Note # 12 to the financial statements, Investment in Shares of Listed Companies has been shown at BDT 22.17 crore which is stated at cost as per JBC's own policy. The portfolio statement of ICB Securities Trading Company Limited as on 31 December 2019 shows the cost of such investment of Jiban Bima Corporation at BDT 26.83 crore. The JBC's policy is to recognize share investment at cost. The reason for the difference of BDT 4.65 crore between the investment shown in the financial statement and the figure that appears in the portfolio statement could not be made available to us. Moreover, as per the requirement of IFRS 9, Investment in Shares should be recognized at fair value through Profit or Loss and Other Comprehensive Income depending on the Business Model and purpose of holding such investment. The fair market value of the investment is BDT 41.33 crore as on the reporting date as per the above portfolio statement.
2. Reference to the Note # 15 & 15.01 to the financial statements, an amount of BDT 16.04 crore is shown as Outstanding Rent Receivables from different tenants of Jiban Bima Corporation (JBC). Out of this total amount, an amount of BDT 6.02 crore is appeared to be irrecoverable as related tenants left their occupied offices long ago. The balance amount has also been carried forward in the financial statements since long. IFRS 09 requires to measure and recognize lifetime Expected Credit Loss (ECL) for the financial assets with significantly increased credit loss. However, no such loss allowance has been measured and recognized in the financial statements of the corporation as on 31 December 2019 although there is a significant credit loss is evident against the receivable.



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 Corporation in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 Companies Act 1994, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 1938 (as amended in 2010) we also report that:

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



- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Corporation;
- c) 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 corporation transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts of the Corporation;
- d) the information and explanations required by us have been received and found satisfactory;
- e) 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 corporation during the year under report has not paid any persons any commission in any form outside Bangladesh in respect of any its business re-insured abroad;
- f) the Balance Sheet, the Life Revenue Account, the Life Insurance Fund and the Statement of Cash Flows of the Corporation 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; and
- h) the Corporation has complied with relevant laws and regulations pertaining to reserves.


Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

DVC: 2101111591AS769544


MABS & J Partners

Chartered Accountants

Signed by: Jagadish Chandra Biswas FCA

Partner

DVC: 2101110199AS344265

Dated, Dhaka

December 09, 2020

JIBAN BIMA CORPORATION

Balance Sheet

As at December 31, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
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	155,759,000
Balance of life insurance fund	6.00	20,493,708,191	19,258,047,782
Estimated liabilities in respect of outstanding claims whether due or intimated	7.00	399,412,057	479,332,233
Amount due to other persons or bodies carrying on insurance business	8.00	2,859,127	2,549,013
Sundry creditors (including outstanding & accruing expenses and taxes)	9.00	418,494,421	295,170,976
Premium deposit	10.00	703,688,074	691,362,073
Inter office balance	20.02	-	-
Total Capital and Liabilities		<u>22,223,920,870</u>	<u>20,932,221,077</u>
Property and Assets			
Loan – secured	11.00	2,846,786,575	2,573,981,549
Investment :	12.00	6,809,547,907	5,500,268,501
In securities, shares and debentures		6,504,693,829	5,188,093,829
In house properties and land in Bangladesh at cost less accumulated depreciation		304,854,078	312,174,672
Agents' balance	13.00	595,264	569,142
Outstanding premium-Renewal	14.00	498,823,414	469,053,590
Interest, dividend and rent outstanding & accruing	15.00	1,449,208,228	1,283,339,031
Amount due from other persons or bodies carrying on insurance business	16.00	4,253,612	4,131,406
Sundry debtors	17.00	1,208,446,230	1,203,392,815
Cash and bank balances	18.00	9,310,803,074	9,828,770,713
Other assets	19.00	95,456,566	68,714,330
Other doubtful assets	20.00	-	-
		<u>22,223,920,870</u>	<u>20,932,221,077</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.


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner


MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner

Dated, Dhaka
December 09, 2020

JIBAN BIMA CORPORATION
Life Revenue Account
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Income			
Balance of life insurance fund at the beginning of the year		19,258,594,023	18,522,791,503
Life fund at the beginning of the year		19,258,035,154	18,522,854,067
Add/Less : Previous year's adjustment		558,869	(62,564)
Premium less reinsurances		5,682,844,706	5,095,800,805
First year premium		1,156,742,167	1,085,327,253
Renewal premium		4,115,458,384	3,603,912,682
Mediclaime		157,226	201,946
Group insurance premium		410,486,928	406,358,924
Interest, dividend & rent	21	1,532,381,469	1,296,861,256
Interest on policy loan		142,411,010	129,596,170
Interest on deposit		1,239,008,958	1,015,008,095
Dividend		28,278,602	37,899,321
Rent-net		122,682,899	114,357,670
Other income		29,260,186	264,544,683
Miscellaneous receipts		8,698,864	31,001,300
Profit commission on reinsurances		15,726,256	10,615,520
Mediclaime commission		424,371	465,382
Profit on sale furniture		311,436	15,330
Incomplete proposal expenses recovery		3,147,250	-
Sale of corporation's publication forms		50,550	4,119,505
Interest of other loan of Bangladesh		-	1,007,533
Excess provision of written back		-	510,569
Recovery from staff		881,584	558,373
Old Claims by death & maturity (O/3 years) w/back		19,875	216,251,171
First year premium where the maximum paying period is within Bangladesh			
Three Years		74,610	-
Five years		11,768,315	11,722,775
Six years		5,895,414	4,766,383
Seven years		6,594,849	5,916,439
Eight years		9,582,984	5,989,336
Nine years		9,401,905	7,960,164
Ten years		30,069,335	32,782,037
Eleven years		41,051,200	39,328,288
Twelve years and over		1,042,303,555	974,287,041
(including throughout life)Tk.		1,156,742,167	1,082,752,463
		26,503,080,384	25,179,998,247



JIBAN BIMA CORPORATION
Life Revenue Account
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Expenditure			
Claims under policies (including provision for Claims whether due or intimated less reinsurances)		3,555,745,668	3,436,283,855
By Death		295,764,922	287,901,033
Individual		104,133,865	110,957,845
Group		191,631,057	176,943,188
By Maturity		1,571,210,148	1,552,447,906
Individual		1,501,328,162	1,536,294,761
Group		69,881,986	16,153,145
By Surrender (including surrender of bonus less reinsurances)		364,159,369	334,957,409
Individual		363,985,694	334,844,147
Group		173,675	113,262
		1,324,611,228	1,260,977,507
Annuity less reinsurances		45,850	56,000
Pension		715,572,726	636,435,449
Bonus in cash less reinsurances		607,318,152	614,135,181
Group medical benefit		1,674,500	8,923,600
Premium refund on group policies		-	1,427,277
Management Expenses	22	2,368,115,875	2,204,676,369
Other expenses		85,510,650	280,990,241
Contribution to Bangladesh Insurance Academy		800,000	800,000
Share of profit to Govt. a/c		-	155,759,000
Corporations tax.		84,710,650	101,000,000
Govt. security Bond Interest		-	15,127,223
Govt. security Bond Premium		-	8,304,018
Balance of life Insurance fund at the end of the year as shown in the balance sheet		20,493,708,191	19,258,047,782
		26,503,080,384	25,179,998,247

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


Managing Director

Signed in terms of our separate report of even date.


Chairman


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner

Dated, Dhaka
December 09, 2020


MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner

JIBAN BIMA CORPORATION
Life Insurance Fund
As at December 31, 2019

Particulars	Amount in Taka	
	31.12.2019	31.12.2018
Property and Assets		
Loan – secured	2,846,786,575	2,573,981,549
Investment	6,809,547,907	5,500,268,501
In securities, shares and debentures	6,504,693,829	5,188,093,829
In house properties and land in Bangladesh at cost less accumulated depreciation	304,854,078	312,174,672
Agents' balance	595,264	569,142
Outstanding premium-Renewal	498,823,414	469,053,590
Interest, dividend and rent outstanding & accruing	1,449,208,228	1,283,339,031
Amount due from other persons or bodies carrying on insurance business	4,253,612	4,131,406
Sundry debtors	1,208,446,230	1,203,392,815
Cash and bank balances	9,310,803,074	9,828,770,713
Other assets	95,456,566	68,714,330
Other doubtful assets	-	-
	<u>22,223,920,870</u>	<u>20,932,221,077</u>
Capital and Liabilities		
Estimated liabilities in respect of outstanding claims whether due or intimated	399,412,057	479,332,233
Amount due to other persons or bodies carrying on insurance business	2,859,127	2,549,013
Sundry creditors (including outstanding & accruing expenses and taxes)	418,494,421	295,170,976
Premium deposit	703,688,074	691,362,073
Inter office balance	-	-
	<u>1,524,453,678</u>	<u>1,468,414,295</u>
Gross Fund(Assts-Liabilities)	20,699,467,191	19,463,806,782
Less: Paid up Capital	50,000,000	50,000,000
Reserve for Paid up Capital	155,759,000	155,759,000
Life Insurance fund at the end of the year	<u>20,493,708,191</u>	<u>19,258,047,782</u>

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 Cash Flows
For the year ended December 31, 2019

Particulars	Amount in Taka	
	31.12.2019	31.12.2018
Cash flow from operating activities		
Operating surplus for the year	(241,016,837)	(545,159,419)
Add depreciation on operating assets	13,438,370	10,701,741
Cash flow from operation before working capital changes	(227,578,467)	(534,457,679)
Changes in working capital		
Increase (decrease) in Reserve for Paid up Capital	-	155,759,000
Increase (decrease) in outstanding claim	(79,920,177)	(223,481,467)
Increase (decrease) in amount due to other persons or bodies carrying on insurance business	310,114	(413,409)
Increase (decrease) in sundry creditors	123,323,444	(12,018,845)
Increase (decrease) in premium deposit	12,326,001	(29,677,231)
(Increase) decrease in loan	(272,805,026)	(74,057,839)
(Increase) decrease in investments	(1,316,600,000)	(71,334,000)
(Increase) decrease in agent's balances	(26,122)	(30,394)
(Increase) decrease in outstanding premium	(29,769,824)	18,295,408
(Increase) decrease in outstanding interest, dividend & rent	(165,869,197)	(227,828,026)
(Increase) decrease in sundry debtors	(5,053,416)	30,043,124
(Increase) decrease in inventory of printing building materials & stamp	1,008,550	(3,215,549)
(Increase) decrease in Motor Cycle loan	(21,592,967)	4,815,765
(Increase) decrease in amount due from other persons or bodies carrying on insurance business	(122,206)	-
(Increase) decrease Furniture & Fixture & Office Equipment	(6,157,818)	(10,334,605)
Net change in cash flow due to change in Working Capital	(1,760,948,643)	(443,478,068)
Cash flow from non operating activities:-		
Other income, Written back & Other expenditure	(69,701,462)	(27,147,298)
Previous year's adjustment	558,869	(62,564)
Net cash flow from non operating activities:-	(69,142,593)	(27,209,862)
Cash flow from investing activities		
Investment income for the year	1,532,381,469	1,296,861,256
Add depreciation on investing assets	7,320,594	7,508,302
Net cash flow from investing activities	1,539,702,063	1,304,369,558
Net cash increase from operating investing and other activities	(517,967,639)	299,223,949
Cash and equivalents at the beginning of the year	9,828,770,713	9,529,546,764
Cash and cash equivalents at the end of the year	9,310,803,074	9,828,770,713

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

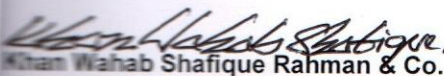
Class of Assets	Book Value Amount Tk.	Market Value Amount Tk.	Remarks
Government securities	6,172,850,017	-	At Cost
Government approved securities	7,499,952	-	At Cost
SE Mutual Fund	826,730	-	At Cost
Debentures	2,917,438	-	At Cost
Finance advance	5,572,000	-	At Cost
SE liberation shares	3,073,610	144,747,473	At Cost
Govt liberation shares	121,926,580	198,111,684	At Cost
Bangladesh mutual fund	100,000,000	100,000,000	At Cost
SE shares	100,629,900	70,466,150	At Cost
Loan on mortgage of properties	625,788,016	-	Realizable Value
Loan on insurer's policies within their surrender value	2,220,998,559	-	Realizable Value
House properties and land in Bangladesh at cost	627,579,951	-	Realizable Value
Bank balance on deposit accounts	8,915,143,650	-	Realizable Value
	18,904,806,403	513,325,307	
Less: Provision for doubtful Investment	10,602,398	-	
	18,894,204,005	513,325,307	
Others			
Cash in hand and at bank in CD accounts	395,659,424	-	Realizable Value
Fixed assets at cost less accumulated depreciation	42,504,328	-	Realizable Value
Agent's balance	595,264	-	Realizable Value
Outstanding premium	498,823,414	-	Realizable Value
Interest, dividend and rent receivable	1,449,208,228	-	Realizable Value
Motor car	40,371,068	-	Realizable Value
Motor cycle/Bi-cycle loan	2,007,839	-	Realizable Value
Amount due from general department	4,253,612	-	Realizable Value
Sundry debtors	1,208,446,230	-	Realizable Value
Stock of building materials	448,539	-	Realizable Value
Stamps in hand	4,147,122	-	At Cost
Stock of printing and stationery	5,977,669	-	At Cost
	3,652,442,738	-	


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.


Khan Wahab Shafique Rahman & Co.


MABS & J Partners

Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner

Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner

Dated, Dhaka
December 09, 2020

JIBAN BIMA CORPORATION
HEAD OFFICE, DHAKA.

MANAGEMENT EXPENSES CERTIFICATE

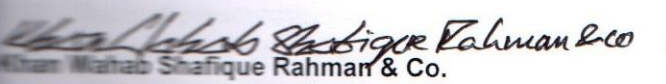
We hereby certify that the all expenses of management amounting to 2,368,115,875 in respect of life insurance business transacted by the corporation in Bangladesh wherever incurred, whether directly or indirectly have been fully charged to the revenue Account as expenses.




Manager Director



Chairman



Kiban Mahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner



MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner

Dated, Dhaka
December 09, 2020

Jiban Bima Corporation
Notes to the Financial Statements
As at and for the year ended December 31, 2019

1.01: Legal status and nature of business

1.02: Establishment and Status of the Corporation

Jiban Bima Corporation was established on the 14th May, 1973 under the Corporation Act 1973 (Act No. 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 Bhavan, 24 Motijheel Commercial Area, Dhaka-1000, Bangladesh. The business of the corporation is being carried out through office located all over the country.

1.03: 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 8 Regional, 13 Corporate, 71 Sales and 398 Branch offices.

1.04: Basis of presentation and Statement of Compliance

1.05: 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
- Historical 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,&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.



12.1 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).

12.2 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.

12.3 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.

12.4 Summary of Significant Accounting Policies

12.4.1 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.

12.4.2 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 2019 for which grace period has not expired and previous installments have been paid, are recognized as revenue.

12.4.3 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.



3.2.2 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.

3.2.3 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.

3.3 Rental Income on investment property

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

3.4 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 Life Revenue Account 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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 marker 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.

1.28 Fixed Assets

1.28.1 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.



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.

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.

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.

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.

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.

Risk minimization Strategies

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.

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.

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.

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).

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.

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 assumed to the extent that re-insurer does not meet the obligations ultimately under the reinsurance agreements.

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.

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.

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.

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

Comparative information

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

Retirement benefit scheme

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

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	
31.12.2019	31.12.2018

Share capital		
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.

Issued, subscribed and fully share capital	<u>50,000,000</u>	<u>50,000,000</u>
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This represents the contribution made by the Government of Bangladesh in cash capital of the Corporation.

Reserve for Paid up Capital Tk. 155,759,000 to increase Capital as per Act.

Balance of life insurance fund

The office-wise and unit-wise break up of life fund is as follows:

Central Accounts & Finance Division	9,714,165,805	9,112,141,016
Dhaka Regional Office	1,524,071,328	1,458,047,384
Chittagong Regional Office	3,382,469,211	3,192,841,573
Rajshahi Regional Office	987,125,341	960,671,634
Moulvibazar Regional Office	1,150,154,740	1,101,890,026
Banshal Regional Office	320,229,470	295,946,680
Sylhet Regional Office	(130,451,612)	(52,184,500)
Rangpur Regional office	25,432,745	(7,838,951)
Wymensingh regional office	92,738,477.67	32206778.37
Engineering & Real Estate Division	1,933,805,911	1,810,062,270
Group Insurance Division	1,493,966,774	1,354,263,871
	<u>20,493,708,191</u>	<u>19,258,047,782</u>

Estimated liabilities in respect of outstanding claims whether due or intimated

Central Accounts & Finance Division		
Dhaka Regional Office	162,309,462	108,132,564
Chittagong Regional Office	125,428,227	244,682,176
Rajshahi Regional Office	11,384,660	28,731,562
Moulvibazar Regional Office	21,657,588	24,933,728
Banshal Regional Office	18,505,424	8,276,745
Sylhet Regional Office	20,198,833	20,198,833
Rangpur regional office	-	-
Wymensingh regional office	1,159,788	3,953,245
Group Insurance Division	38,768,075	40,423,380
	<u>399,412,057</u>	<u>479,332,233</u>

Amount due to other persons or bodies carrying on insurance business

Amount due to general department(Sadaran Bima Corporation) pre-liberation:

Dhaka regional office	2,048,495	2,048,495
Chittagong regional office	-	-
Central Accounts and Finance Division.	-	-
Hanover Reinsurance Company	-	-
Tojser And co.	810,632	500,518
	<u>2,859,127</u>	<u>2,549,013</u>

Sundry creditors (including outstanding and accruing expenses and taxes)

Central Accounts & Finance Division	113,450,759	44,364,024
Dhaka Regional Office	85,411,262	69,043,745



	Amount in Taka	
	31.12.2019	31.12.2018
Chittagong Regional Office	75,442,264	54,372,780
Rajshahi Regional Office	22,624,430	18,686,293
Mohata Regional Office	21,875,268	18,488,829
Bansal Regional Office	7,027,713	7,850,566
Sylhet Regional Office	6,670,751	5,214,282
Rangpur Regional office	16,446,301	13,948,762
Wynensingh Regional office	9,330,927	9,990,012
Engineering & Real Estate Division	59,387,514	52,750,258
Group Insurance Division	827,231	461,426
	418,494,421	295,170,976

Account-wise breakup are as follows:

Head of accounts for expenses:

Outstanding management expenses	8,445,186	6,437,100
Bonus payable	83,868,473	52,022,533
Agency commission payable	129,753,091	118,213,489
Security deposit payable	2,484,813	2,299,311
Provision for employees pension	-	-
Officers welfare association	80,234	78,854
Beneficial fund	492,576	822,375
Provision for audit fees	1,566,000	1,626,000
Provision for actuarial fees	-	-
Provision for corporate tax	-	-
Miscellaneous creditor	2,655,191	2,532,985
Employees group claim unpaid	49,000	2,149,000
Provision for Lunch subsidy & Telephone bill	211,243	-
Production bonus payable	149,475	148,960
Development officers welfare association	1,351,770	1,762,638
Club subscription	50	50
Provision for Motor car.	26,195,000	-
Provision for bus fare	935,580	550,167
Water charges payable	398,956	570,525
Electricity charges payable	2,471,065	2,184,083
Stamp tax payable	315,056	2,460,187
Calendar	89,167	143,837
Building Maintenance payable	4,851,400	4,851,400
	266,363,325	198,853,494
For Advance receipts:		
Advance rent received	7,091,121	2,063,237
For Deposits:		
Security deposit payable	5,035,968	5,035,968
Security deposit against house rent	30,527,828	29,809,687
Security deposit against house shops	2,974,811	2,974,811
Earned money	4,251,489	3,525,319
	42,790,097	41,345,785
Others:		
Suspense account	2,920	2,920
Agents license fees	8,035,989	6,271,412
Provident fund trustees account	3,159,548	1,616,964
Group insurance premium-Office staff	1,105,125	627,448
Group insurance premium-Development	8,801,208	8,671,535
Group insurance premium-HBL	4,116,659	2,349,742
Policy holder maturity claim tax	5,790,204	2,956,746
Employers agent balance	88,466	56,902
Tax deduction on agency commission	7,571,119	4,219,976



	Amount in Taka	
	31.12.2019	31.12.2018
Bus fare deduction	121,495	151,000
House building loan recovery	833,727	834,237
Union subscription	156,342	156,505
P.F. deduction-Development staff	243,819	332,766
House Building Loan Saction But not Paid	61,610,000	22,975,000
VAT deducted at source	609,882	1,681,933
CR commission payable	3,376	3,376
	102,249,878	52,908,461
	418,494,421	295,170,976
Premium deposits:		
Particulars:		
Dhaka Regional Office	87,508,674	90,882,168
Dhading Regional Office	356,905,995	377,245,340
Rajshahi Regional Office	11,850,624	2,684,520
Muhaha Regional Office	58,785,604	59,312,585
Sisal Regional Office	64,097	741,903
Sylhet Regional Office	107,913,315	86,619,513
Rangpur Regional office	66,755,006	69,269,527
Womensah Regional office	12,797,816	4,606,517
Group Insurance Division	1,106,942	-
	703,688,074	691,362,073
Loan – secured		
Loan on mortgage of property to employees	625,788,016	559,731,072
Loan on insurance policies within their surrender value	2,220,998,559	2,014,250,477
	2,846,786,575	2,573,981,549
Investments		
In securities, shares and debentures	6,515,296,227	5,198,696,227
Less: Provision for Doubtful Investment (12.01)	10,602,398	10,602,398
	6,504,693,829	5,188,093,829
In land and buildings in Bangladesh at cost	627,579,951	627,579,951
Less: Accumulated depreciation	(322,725,873)	(315,405,279)
	304,854,078	312,174,672
	6,809,547,907	5,500,268,501
Investment in shares has been presented at cost value amounting to Tk. 22,35,17,130 following circular no.ife/04/2012 dated june 11,2012 issued by IDRA and the fair market value of which as at December 31, 2019 stood to Tk. 41,33,25,307.00 .		
In securities, shares and debentures		
Government securities	6,172,850,017	4,856,250,017
Government approved securities	7,499,952	7,499,952
Bangladesh mutual fund	100,000,000	100,000,000
ICE mutual fund	826,730	826,730
	6,281,176,699	4,964,576,699
Debentures	2,917,438	2,917,438
Less: Provision for doubtful (12.01.02)	2,917,438	2,917,438
	-	-
Bridge finance advance	5,572,000	5,572,000
Less: Provision for doubtful (12.01.01)	5,572,000	5,572,000
	-	-



	Amount in Taka	
	31.12.2019	31.12.2018
Pre-liberation shares	3,073,610	3,073,610
Less: Provision for doubtful (12.01.03)	1,248,410	1,248,410
	1,825,200	1,825,200
Post-liberation shares	121,926,580	121,926,580
Less Provision for doubtful (12.01.03)	864,550	864,550
	121,062,030	121,062,030
ICB share	100,629,900	100,629,900
	6,504,693,829	5,188,093,829
12.01.0 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
12.01.0: 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
12.01.0: 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
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	(322,725,873)	(315,405,279)
	304,854,078	312,174,672
13.00 Agents' balance :-		
Agents' balance (13.01)	216,752	190,630
Employer of agents' balance (13.02)	378,512	378,512
	595,264	569,142



		Amount in Taka	
		31.12.2019	31.12.2018
13.01	Agents' balance:-		
	Dhaka Regional Office	58,183	32,061
	Rajshahi Regional Office	126,667	126,667
	Barishal Regional Office	31,902	31,902
		216,752	190,630
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	147,780,797	135,007,776
	Chittagong Regional Office	148,340,380	131,785,010
	Rajshahi Regional Office	44,337,774	50,652,149
	Khulna Regional Office	65,683,255	62,000,241
	Barisal Regional Office	28,063,863	24,093,149
	Sylhet Regional Office	15,708,306	15,711,225
	Rangpur Regional office	25,151,828	21,317,337
	Mymensingh Regional office	7,830,464	4,100,566
	Group Insurance Division	15,926,748	24,386,137
		498,823,414	469,053,590
15.00	Interest, dividend and rent outstanding & accruing		
	Outstanding 15.01	1,313,690,270	1,165,393,441
	Accruing but not due 15.02	135,517,958	117,945,590
		1,449,208,228	1,283,339,031
15.01	Outstanding		
	Office/Division wise outstanding balance are as follows:		
	Central Accounts & Finance Division	934,409,607	799,244,273
	Dhaka Regional Office	73,818,657	67,403,860
	Chittagong Regional Office	-	53,171,224
	Rajshahi Regional Office	27,841,633	14,580,779
	Khulna Regional Office	80,921,401	63,118,822
	Barisal Regional Office	15,735,222	8,227,891
	Sylhet Regional Office	10,842,574	6,423,212
	Rangpur Regional Office	9,163,664	8,624,489
	Mymensingh Regional office	507,822	506,481
	Engineering & Real state division.	160,449,692	144,092,411
		1,313,690,270	1,165,393,441
	Account/Category wise details are as follows:		
	Head of accounts		
	Interest on policy loan	218,830,971	222,056,757
	Interest on mortgage loan of employees	336,866,351	312,720,007
	Interest on fixed deposit	597,543,256	486,524,307
	Rent	160,449,692	144,092,411
		1,313,690,270	1,165,393,482
15.02	Accruing but not due		
	Central Accounts & Finance Division:		
	Interest on 3 Years Jatio Biniyog Bond (JBB)	135,517,958	117,945,590
		135,517,958	117,945,590



Amount in Taka	
31.12.2019	31.12.2018

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

Amount due from general department (16.01)

4,253,612	4,131,406
4,253,612	4,131,406

16.01 Amount due from general department

Sadharan Bima Corporation
Chittagong Regional Office

4,253,612	71,500
-	4,059,906
4,253,612	4,131,406

17.00 Sundry debtors

Office/Division wise sundry debtors are as follows :-

Central Accounts & Finance Division	961,264,235	981,148,810
Dhaka Regional Office	15,905,930	15,006,793
Chittagong Regional Office	5,884,880	6,152,669
Rajshahi Regional Office	3,109,443	2,770,251
Khulna Regional Office	8,064,469	8,100,783
Barisal Regional Office	1,594,495	1,627,074
Sylhet Regional Office	76,065,539	56,526,279
Rangpur Regional office	956,834	893,035
Mymensingh Regional office	73,374	76,255
Group Insurance Division	1,932,604	1,478,861
Engineering & Real state division.	133,594,428	129,612,007
	1,208,446,230	1,203,392,815

Account/Category wise details are as follows:-

For Advance

Advance against salaries	613,589	613,590
Advance salaries-Development	515,625	515,625
Advance against TA	625,941	675,093
Advance against purchase	3,490,565	4,232,851
Advance against hospitalization	1,495,957	1,622,265
Advance against car repairing	596,566	732,672
Advance against legal charges	1,153,235	1,017,035
Controller of insurance	15,106	15,106
Adv. Against revenue	135,739	140,739
Advance against house rent ceiling	7,080	7,080
Advance against office rent	3,851,715	2,856,312
Advance against General charges	-	-
Group Claim	-	-
Advance petroliam	14,118	32,618
Miscellaneous advance	59,928	105,948
Tax deduction on Agency commission deduction	117,082	
Vat	250,299	72,861
Advance against building project	12,447,776	7,447,776
Advance Fanrking machine	12,414	12,414
	25,402,736	20,099,985

For Deposits:

Security deposit	81,578	81,578
Short deposit of premium collection	184,264	184,264
	265,842	265,842



Amount in Taka	
31.12.2019	31.12.2018

For Others :

Income tax deducted at source-Opening	1,056,717,719	1,094,833,558
Add: Addition during the year	72,868,445	62,884,161
	1,129,586,164	1,157,717,719
Less: Corporate tax	84,710,650	101,000,000
Closing Balance	1,044,875,514	1,056,717,719

House building loan recovery suspense A/C	313,717	134,403
Suspens a/c	1,755	1,755
Advance Group ins premium	27,322,789	27,407,797
Outstanding electricity charges recoverable	14,406,677	20,681,648
Outstanding water charges recoverable	4,823,170	6,378,116
Premium adjusted by corporation	90,887,751	71,567,759
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	57,931	45,931
	1,182,777,653	1,183,023,476
	1,208,446,230	1,203,392,815

18.00 Cash and bank balances:-

Bank balances on fixed deposit accounts (18.01)	8,028,093,559	8,634,768,559
Bank balances on short term deposit accounts (18.02)	887,050,091	769,490,648
Bank balances on current accounts (18.03)	395,396,582	424,304,966
Cash in hand (18.04)	262,842	206,540
	9,310,803,074	9,828,770,713

18.01 Bank balances on fixed deposit account

Central Accounts & Finance Division	8,028,093,559	8,634,768,559
	8,028,093,559	8,634,768,559

18.02 Bank balances on short term deposit account:-

Central Accounts & Finance Division	29,861,481	96,851,063
Dhaka Regional Office	199,153,717	155,017,242
Chittagong Regional Office	206,016,843	158,829,579
Rajshahi Regional Office	71,466,810	67,266,287
Khulna Regional Office	90,185,868	76,145,157
Barisal Regional Office	47,504,093	47,995,142
Sylhet Regional Office	38,001,555	35,788,308
Rangpur Regional office	82,322,008	40,335,060
Mymensingh Regional office	58,313,589	29,863,263
Group Insurance Division	41,977,308	42,524,924
Engineering & Real state division.	22,246,820	18,874,623
	887,050,091	769,490,648

18.03 Bank balances on current account

Central Accounts & Finance Division	2,596,821	4,691,061
Dhaka Regional Office	128,163,694	140,117,800
Chittagong Regional Office	104,031,761	73,357,918
Rajshahi Regional Office	42,956,733	35,309,596
Khulna Regional Office	56,282,573	63,846,114
Barisal Regional Office	34,652,562	27,126,633



		Amount in Taka	
		31.12.2019	31.12.2018
	Sylhet Regional Office	2,451,410	8,498,834
	Rangpur Regional office	-	25,526,859
	Mymensingh Regional office	-	26,833,224
	Group Insurance Division	24,261,029	10,991,449
	Engineering & Real state division.	-	8,005,476
		395,396,582	424,304,966
18.04	Cash in hand		
	Central Accounts & Finance Division	7,950	9,634
	Dhaka Regional Office	156,484	122,909
	Chittagong Regional Office	7,625	6,386
	Rajshahi Regional Office	6,567	4,774
	Khulna Regional Office	47,359	42,094
	Barisal Regional Office	10,888	6,420
	Sylhet Regional Office	3,548	2,184
	Rangpur Regional office	2,348	3,806
	Mymensingh Regional office	-	461
	Group Insurance Division	299	193
	Engineering & Real state division.	19,775	7,680
		262,842	206,540
19.00	Other Assets		
	Stamps in hand (19.01)	4,147,122	4,958,296
	Stock of printing and stationery (19.02)	5,977,669	6,175,045
	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)	42,504,328	36,346,510
	Office Motor Car at cost less accumulated depreciation (19.05)	40,371,068	17,720,235
	Motor Cycle/Bi-cycle (19.06)	2,007,839	3,065,706
		95,456,566	68,714,331
19.01	Stamps in hand		
	Central Accounts & Finance Division	34,660	26,970
	Dhaka Regional Office	1,260,958	862,945
	Chittagong Regional Office	209,175	259,839
	Rajshahi Regional Office	850,454	855,221
	Khulna Regional Office	101,044	622,345
	Barisal Regional Office	586,004	194,975
	Sylhet Regional Office	228,885	263,493
	Rangpur regional office	290,409	582,495
	Mymensingh Regional office	584,760	1,278,910.00
	Group Insurance Division	753	1,043
	Engineering and Real Estate Division	20	10,060
		4,147,122	4,958,296
19.02	Stock of printing and stationery		
	Central Accounts & Finance Division	3,315,775	3,277,197
	Dhaka Regional Office	1,159,125	1,226,552
	Chittagong Regional Office	440,967	542,046
	Rajshahi Regional Office	460,521	464,387
	Khulna Regional Office	19,136	20,908
	Barisal Regional Office	326,412	338,315
	Sylhet Regional Office	130,939	99,352
	Rangpur Regional office	40,512	27,669
	Mymensingh Regional office	84,282	178,618
		5,977,669	6,175,045



		Amount in Taka	
		31.12.2019	31.12.2018
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	25,301,335	20,610,333
	Dhaka Regional Office	5,660,749	4,984,745
	Chittagong Regional Office	4,415,649	4,203,656
	Rajshahi Regional Office	1,943,228	1,641,039
	Khulna Regional Office	2,276,568	2,114,785
	Barisal Regional Office	1,358,585	1,324,267
	Sylhet Regional Office	540,253	506,193
	Rangpur Regional office	847,655	810,072
	Mymensingh Regional office	92,106	77,861.00
	Engineering and Real Estate Division	31,006	33,643
	Group Insurance Division	37,196	39,917
		42,504,328	36,346,510
19.05	Motor Car at cost less accumulated depreciation		
	Central Accounts & Finance Division	40,361,046	17,707,555
	Rajshahi Regional Office	77	97
	Khulna Regional Office	-	152
	Barisal Regional Office	1	1
	Rangpur Regional office	9,943	12,429
	Engineering and Real Estate Division-	1	1
		40,371,068	17,720,235
19.06	Motor Cycle /Bi-cycle loan.		
	Central Accounts & Finance Division	3,100	3,100
	Dhaka Regional Office	537,172	1,055,260
	Chittagong Regional Office	442,306	616,491
	Rajshahi Regional Office	375,575	620,298
	Khulna Regional Office	113,653	113,653
	Barisal Regional Office	352,648	433,923
	Rangpur regional office	127,111	127,111
	Mymensingh Regional office	56,274.00	95,870.00
		2,007,839	3,065,706
20.00	Other doubtful assets		
	A. Doutful 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 di	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



	Amount in Taka	
	31.12.2019	31.12.2018
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)	12,270,278,870	11,391,460,362
	12,270,278,870	11,391,460,362
	-	-
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		
Interest on policy loan	142,411,010	129,596,170
Interest on deposit	1,239,008,958	1,015,008,095
Dividend	28,278,602	37,899,321
Investment income (A)	1,409,698,570	1,182,503,586
Rent - income	202,499,468	194,003,121
Less : Expenses:	-	-
Rates and taxes	13,157,983	17,487,486
Rent for offices owned & occupied by the Corporation	-	-
Contribution to Pension	-	-
Electricity charges, Water charges & Gas Bill	-	-
Maintenance charges	-	-
Basic Salary	19,491,379	18,169,493
Leave encashment to staff	1,586,755	235,830
House rent	6,738,785	6,267,073



	Amount in Taka	
	31.12.2019	31.12.2018
Recreation leave	1,305,780	87,490
Bonus to Staff & Officers	3,058,596	2,509,751
Bangla new year allownce	-	347,976
Medical Allownce	742,500	712,500
Washing allownce	19,936	23,723
Entertainment allownce	33,055	3,868
Lunch Subsidy	2,244,600	2,454,400
Education allownce	269,000	256,500
Conveyance allownce	97,200	97,800
Incentive bonus	1,776,885	1,153,900
Other office expenses	21,970,883	22,326,440
Depreciation on furniture, fixture and office equipment	2,637	2,920
Depreciation on building	7,320,594	7,508,302
Total expenses	79,816,569	79,645,451
Net income from property (B)	122,682,899	114,357,670
Total (A+B)	1,532,381,469	1,296,861,256

21.1 The year-wise details are as follows:

Particulars		
Interest on policy loan	142,411,010	129,596,170
Interest on deposit	1,239,008,958	1,015,008,095
Dividend	28,278,602	37,899,321
Rent(Gross)	202,499,468	194,003,121
	1,612,198,038	1,376,506,707
Less: Expenses	79,816,569	79,645,451
	1,532,381,469	1,296,861,256

22 Management Expenses

A) Commission to insurance agents (less that on reinsurances) :

Commission to reinsurances	(9,302,088)	(3,759,038)
First year Commission	339,392,621	321,994,251
Renewal Commission	199,053,620.40	174,906,072
Group Commission	1,828,295	2,133,726
	530,972,448	495,275,011

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

Basic Salaries	294,955,802	265,184,663
House rent allownce	153,844,752	119,442,314
Festival bonus	70,579,077	62,679,098
Bangla new year allownce	974,268	315,684
Medical allownce	34,270,050	29,515,762
Lunch Subsidy	9,334,994	9,523,585
Incentive Bonus	15,704,798	20,872,913
Production bonus	5,467,692	4,856,963
Conveyance allownce	4,309,658	2,864,248
Policy Bima stamp	17,876,452	15,507,752
Seminar, confarence expenditure	3,879,353	4,786,786
Policy holders medical expense	3,570,279	3,367,988
	614,767,174	538,917,757



Amount in Taka	
31.12.2019	31.12.2018

C) Salary to Office staffs

Basic Salaries to officers	227,918,082	204,775,185
Leave encashment to officers	21,164,061	12,315,701.04
Basic Salaries to staffs	116,820,341	128,602,195.54
Leave encashment to staff	484,985	6,167,682.47
House rent allowance	163,818,129	155,343,155.57
Recreation leave allowance	17,839,625	275,120.00
Bonus to Staff & Officers	63,543,209	66,011,167
Bangla new year allowance	4,634,229	3,912,116.00
Medical allowance	20,220,260	19,477,406.67
Hill allowance	72,000	69,000.00
Washing allowance	314,556	212,730.00
Entertainment allowance	32,675	47,376.00
Lunch Subsidy	51,113,345	49,436,443
Education allowance	7,655,533	8,139,477.30
Charge Allowance	37,500	34,200.00
Conveyance allowance	1,487,520	1,419,762.00
Car maintenance allowance MD & GM	710,484	875,000.00
Incentive bonus	33,650,229	30,364,953
Total	731,516,764	687,478,671

D) Service & Supply

Travelling Expenses	4,998,964	5,464,219
Overtime to staff	4,611,024	4,494,024
Office rent	34,784,820	30,187,693
Car tax	169,305	179,520
Other tax	19,087	70,011.00
Vat on cash purchaes	3,125	
Postage & Telegram	1,699,066	1,112,756
Revenue	4,269,579	3,733,194
Mobile Bill	25,000	25,500.00
Telephone Expenses	2,894,729	2,375,978
ISP charges/Internet	2,067,164	1,702,275
Water charge	503,366	731,461.00
Electricity Charges	7,337,226	5,326,031
Gas & fuel	4,177,009	4,528,719
POL	1,567,306	1,939,663.45
Bank Charges	5,113,204	5,529,471
Insurance Premium Expenses (Car & others)	608,157	530,466
Subscription & donation	25,000	83,434.00
Printing	4,023,641	3,554,780
Stationery	4,112,824	3,527,047.78
Books & Periodicals	561,703	586,611
Advertisement	9,269,932	9,864,182
Uniform	344,462	402,582
Training Expenses (home)	1,991,432	2,930,371
Training Expenses (abroad)	3,520,138	
Claim investigation expense	68,335	168,522.00
Entertainment Expenses	1,774,645	921,779
Staff bus expense	11,346,412	9,256,656
Prize & contest	42,000	146,350.00
Wages	20,057,009	21,317,957.00
Medical Expense	237,314	5,000



	Amount in Taka	
	31.12.2019	31.12.2018
Law Charges	822,845	1,291,035
Director fee	296,000	310,000
Honoriam/fee/remuneration	1,355,350	3,063,330.00
Acturial fee	1,551,180	-
Retainers fee	1,556,300	668,100.00
Audit fee	800,000	846,000
Conveyance Expenses	1,248,889	1,150,226.09
Car Repairs	2,188,636	2,772,406
Repairs of Furniture & Fixture	899,962	1,051,480.11
Repairs of Computer (with parts)	699,413	859,730.81
Software service charge	886,100	1,122,655
Buildings repairs	1,545,186	1,227,087.67
Corporate tax Court fee	1,200	200.00
Employee Recruitment exp.	31,482	10,017,740.00
Depreciation Vehicle	3,544,014	4,429,104.66
Depreciation office Equipment	8,408,769	5,251,211.79
Depreciation Furniture & Fixture	1,485,587	1,021,424
Staff welfare	723,780	558,060
Contribution to Pension a/c.	323,110,628	320,474,535
Fund transfer to EE department	3,778,557	3,025,470
Others/General Charges	3,702,631	3,168,881
Total	490,859,488	483,004,930
Total Management Expenses (A+B+C+D)	2,368,115,875	2,204,676,369

23.00 Classified summary of assets (Form – AA)

Summary

Investment, loans, properties & deposits	18,894,204,005	17,793,914,536
Others	3,652,442,738	3,453,711,822
	22,546,646,743	21,247,626,358

Class of assets (Form AA)

Investment in securities, shares and Debentures within Bangladesh :

Government securities	6,172,850,017	4,856,250,017
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	121,926,580
Bangladesh mutual fund	100,000,000	100,000,000
ICB shares	100,629,900	100,629,900
Loan on mortgage of properties	625,788,016	559,731,072
Loan on insurer's policies within their surrender value	2,220,998,559	2,014,250,477
House properties and land in Bangladesh at cost	627,579,951	627,579,951
Bank balance on deposit accounts	8,915,143,650	9,404,259,207
	18,904,806,403	17,804,516,934
Less; Provision for doubtful Investment	(10,602,398)	(10,602,398)
	18,894,204,005	17,793,914,536



Amount in Taka	
31.12.2019	31.12.2018

Others

Cash in hand and at bank in CD accounts	395,659,424	424,511,506
Fixed assets at cost less accumulated depreciation	42,504,328	36,346,510
Agent's balance	595,264	569,142
Outstanding premium	498,823,414	469,053,590
Interest, dividend and rent receivable	1,449,208,228	1,283,339,031
Motor car	40,371,068	17,720,235
Motor cycle/Bi-cycle loan	2,007,839	3,065,706
Amount due from general department	4,253,612	4,131,406
Sundry debtors	1,208,446,230	1,203,392,815
Stock of building materials	448,539	448,539
Stamps in hand	4,147,122	4,958,296
Stock of printing and stationery	5,977,669	6,175,045
	3,652,442,738	3,453,711,822

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 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. 32,27,25,873 account of accumulated depreciation.

23.01 Assets represents of Life fund:-

Category of assets

Investment -	18,894,204,005	17,793,914,536
Outstanding & Others	1,599,504,187	2,199,326,960
Total Life fund -	20,493,708,191	19,993,241,496

23.02 Investment (Including Loan and Deposits):

Loan (Note 11)	2,846,786,575	2,573,981,549
Investment (Note-12 & Accu. Depr. Of Building)	7,132,273,780	5,744,339,780
Bank Deposit Account (Note 18.1 & 18.2)	8,915,143,650	9,404,259,207
	18,894,204,005	17,722,580,536



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, 2019 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, 2019.

	Amount in Taka	
	2019	2018
First year premium income	1,156,742,167	1,085,327,253
Renewal Premium income	4,115,458,384	3,603,912,682
Medicclaim	157,226	201,946
Group insurance premium	410,486,928	406,358,924
Total Premium income	5,682,844,706	5,095,800,805
Less: Management expenses	2,368,115,875	2,204,676,369
Net premium income over management expenses	3,314,728,831	2,891,124,436
Net increase/decrease of premium over previous year	423,604,395	200,119,826
Percentage of net increase/decrease in premium income	14.65%	7.44%

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

Khan Wahab Shafique Rahman & Co.
Khan Wahab Shafique Rahman & Co.

Chartered Accountants
 Signed by: Faruk Ahmed FCA
 Partner

Dated, Dhaka
 December 09, 2020

mabs&j
MABS & J Partners

Chartered Accountants
 Signed by: Jagadish Chandra Biswas FCA
 Partner

Jiban Bima Corporation
Head Office

Schedule of Fixed Assets and its Depreciation for the year 2019 as at December 31, 2019

Annexure-A

Particulars	Balance as on 01-01-2019	Addition during the year	Disposal during the year	Total cost as at 31-12-2019	Rate of Depreciation	Charged during the year	W.D.V. as at 31-12-2019
Furniture & Fixture	16,578,582	2,826,147		19,404,729	6%	1,134,221	18,270,508
Office Equipments	19,734,285	13,228,513	-	32,962,798	15%-30%	8,760,136	24,202,662
Motor car & Vehicles	17,720,233	26,195,000	-	43,915,233	20%	3,544,016	40,371,217
TOTAL	54,033,100	42,249,660	-	96,282,759		13,438,373	82,844,387
EE Div.EF& Equip.	33,644			33,644		2,638	31,006
TOTAL	54,066,744	42,249,660	-	96,316,403		13,441,011	82,875,393
Land & Building	312,174,671			312,174,671	2.50%	7,320,594	304,854,078
TOTAL	312,174,671			312,174,671		7,320,594	304,854,078

