

ANNUAL
REPORT

2018



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড

JANATA INSURANCE COMPANY LIMITED

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Letter of Transmittal

To

All Shareholders,
Insurance Development and Regulatory Authority,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies and Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Subject : Annual Report for the year ended December 31, 2018

Dear Sir(s)/Madam(s),

We are pleased to enclose a copy of the Annual Report 2018 together with the Audited Financial Statements and balance sheet as on December 31, 2018 including Statement of Financial Position, Statement of Comprehensive Income, Statements of change of shareholders Equity, Statements of Cash Flows for the year ended December 31, 2018 alongwith notes thereon of Janata Insurance Company Limited for kind information and record.

With best regards,

Yours sincerely,



Bashir Ahmed
Company Secretary (C.C)

**NOTICE
OF**

THE 33rd ANNUAL GENERAL MEETING

Notice is hereby given that the **33rd Annual General Meeting** of the shareholders of Janata Insurance Company Limited (JICL) will be held at **Dhaka South Sky Ball Room of Hotel Le Meridien Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229 on Tuesday, July 30, 2019 at 11.00 AM** to transact the following business :

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the year ended December 31, 2018 together with the Auditors' Report thereon;
2. To declare Dividend for the year 2018;
3. To elect / re-elect Director;
4. To appoint / re-appoint Auditors for the year 2019 and fix their remuneration;
5. To appoint compliance Auditor for the year 2019 and fix their remuneration;
6. Miscellaneous, if any;

- (a) Amended Clause 112 of the Articles of Association of the Company as per decision by the Board in its 178th Board Meeting to consider and if thought fit to pass with or without modification following resolution as special resolution;

Existing Clause - 112	Proposed Amendment Clause - 112
The Board of Directors of the Company shall elect one of the Directors as Chairman and one of the Directors as Vice Chairman from amongst the Directors for a period of one year who shall vacate the post on holding the General Meeting. They will however be eligible for re-election as chairman and Vice-Chairman. The Directors may terminate the appointment of Chairman and Vice-Chairman before expiry of their term of office if the Directors deem it fit by a decision of 3/4 th majority of the total number of Directors.	The Board of Directors of the Company shall elect one of the Directors as Chairman and one of the Directors as Vice Chairman from amongst the Directors for a period of three years who shall vacate the post on holding the General Meeting. They will however be eligible for re-election as chairman and Vice Chairman. The Directors may terminate the appointment of Chairman and Vice Chairman before expiry of their term of office if the Directors deem it fit by a decision of 3/4 th majority of the total number of Directors.

All honorable Shareholders are requested to attend the meeting on the date, time and place mentioned above.

By order of the Board of Directors

Dated: July 02, 2019
Dhaka


Bashir Ahmed
Company Secretary (cc)

Notes:

- a) May 26, 2019 was scheduled as Record Date. Shareholders, whose name were appeared on the Register of Members on the Record Date, will be eligible to attend the Meeting and qualify for dividend.
- b) Any member entitled to attend and vote at General meeting is entitled to appoint a proxy (as per Articles of Association proxy will be a member/shareholder of the company) to attend the meeting and vote on his/her behalf. The proxy Form duly completed, must be affixed with a revenue stamp of BDT.20/- and submitted at the registered office of the Company not later than 72 hours before the time of holding the meeting.
- c) Members are requested to notify their change of address, if any.

N.B. No Gift/Gift Coupon/Benefit in cash or Kind, shall be offered/paid to the shareholders in the 33rd AGM in compliance with the circular of Bangladesh Securities and Exchange Commission's SEC/CMRRCD/2009-193/154 dated 24 October, 2013.

COMPANY'S PROFILE

Background

Janata Insurance Company Limited (JICL) a first generation Non-Life Insurance Company in the private Insurance sector. The company was incorporated and commenced its business as a public limited company under Companies Act 1994 on 23rd September, 1986 with a view to run all types of Insurance business except Life-Insurance as per Insurance Act, 1938 (subsequently repealed by the Insurance Act 2010) in Bangladesh. JICL commenced its business operations from November 6, 1986 after obtaining registration Certificate from the office of the then Chief Controller of Insurance (CCI). JICL ventured its operation with a paid-up capital of Taka 30.00 million and authorized capital of Taka 100.00 million sponsored by a group of leading entrepreneurs/industrialist of our country having involvement in various socio-economical sectors. By the passage of time, the Authorized and the Paid-up capital of the company have been enhanced to Taka 1000 million and Taka 402.71 million respectively by December 31, 2018.

The Company was Initial Public Offered in 1994 and raised its paid-up capital by issuing rights shares in the year 2011. The Company's ownership is prudently distributed to Sponsor Directors 40.74%, Government 0%, Institute 20.68%, Foreign 0% and General Public 38.58%.

The Board of Directors comprises a good number of eminent entrepreneurs and personalities of the country. Members of the management team are highly qualified professionals. The Board is chaired by Mr. Belal Ahmed and steered by Mr. Saadat R. Khan, Cert CII (UK) as the Chief Executive Officer of the Company. The future plans of the company include increase of business volume by hiring of potential man power with technical know-how in the Non-Life Insurance business arena, implementing progressive marketing strategies and rendering quality services.



Vision, Mission, Core Values & Corporate Philosophy

Our Vision

- To operate in accordance with the law of the land.
- To build sound & dependable image.
- To ensure professionalism at the highest standard of customer service.
- To contribute to national growth both in depth and dimension.
- To extend a friendly hand to the clients at the time of need.

Our Mission

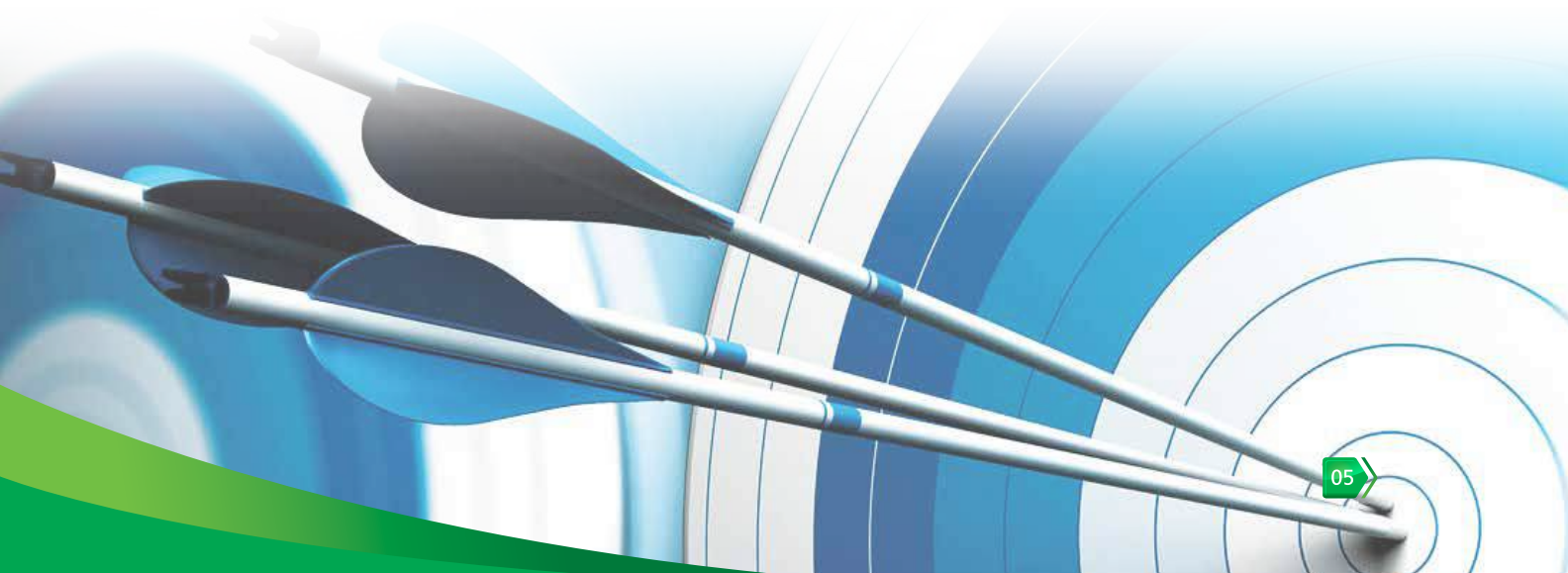
- Grow significantly.
- Aim to provide prompt and personalized services to the clients.
- Bring innovation in insurance product and selling techniques.
- Work to deliver optimum value to the shareholders, clients, employees and add value to the nation.
- Consciousness in social obligation.

Our Core Values

- Integrity.
- Customer Focus.
- Transparency.
- Result Focus.
- Professionalism & Excellence and
- Teamwork.

Corporate Philosophy

- Operating activities with optimum quality and Trust.
- Discharging duties & responsibilities with highest ethical value.
- Ensuring Safety & Security of Insured's Interest.



Corporate Information

Registered Name	Janata Insurance Company Limited
Legal Status	Public Limited Company
Date of Incorporation	23rd September 1986
Date of Commencement of Business	6th November 1986
Chairman	Belal Ahmed
Vice Chairman	Zafrul Islam Chowdhury
Chairman, Executive Committee	Aziz Al Masud
Chairman, RMCC	Makin-Ur-Rashid (Rossi)
Chairman, NRCC	Abu Hyder Chowdhury (Amzad)
Chairman, Audit Committee	Mezanoor Rahman, FCA
Chief Executive Officer (CEO)	Saadat R. Khan, Cert CII (UK)
Executive Director (ED)	Mukbul Hossain
Company Secretary (C.C)	Bashir Ahmed
Chief Financial Officer (CFO)	Md. Masud Rana
Date of Listing with DSE	12 October 1994
Date of Listing with CSE	10 October 1995
Authorized Capital	BDT 1000 million
Paid up Capital	BDT 402.71 million
No of Shareholders	3937
Total Manpower	143
Number of Branches	08
Auditors	ARTISAN Chartered Accountants Shah Ali Tower (6th & 7th floor) Kawran Bazar, Dhaka-1215.
Compliance Auditors	ATA Khan & Co Chartered Accountants 67, Motijheel C/A. Dhaka-1215.
Legal Retainer	Md. Rizwan Samad Barrister-at-Law Advocate, Supreme Court of Bangladesh
Tax Consultants	Kazi Halim & Associates
Rating Agency	Alpha Credit Rating Limited
Company Secretary (C.C) and Head of Share & Investment Deptt.	Bashir Ahmed
Registered Office	Janata Insurance Bhaban GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212.
Telephone	02-9854923, PABX: 02-9852181-82
Fax	880-2-9852183
E-mail	info@jiclb.com
Website	www.jiclb.com

Our Products & Services include

Fire Insurance



Fire Insurance (including Allied Perils)
Property All Risks Insurance
Industrial All Risks(IAR) Insurance
Power plant Operational package Insurance including
Business Interruption & Third Party Liability

Marine Insurance



Marine Cargo Insurance (Import/Export by Sea, Air,
Road including Inland transit)
Marine Hull Insurance

Engineering Insurance



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

Motor Insurance



Automobile Comprehensive Insurance
Automobile Act liability Insurance

Miscellaneous Insurance



Burglary Insurance
Money in ATM Booth Insurance
Money in Vault/Safe, Money in Transit, Money on Counter
(for Bank) Insurance
Cash in Private/Commercial Premises Insurance
Fidelity Guarantee Insurance
Workmen's Compensation Insurance
Personal Accident Insurance
Safe Deposit Box (Bank Lockers) All Risk Insurance
Hajj & Umrah Travel Insurance Policy
People's Personal Accident Insurance
Public Liability Insurance
Aviation Insurance
Banker's Blanket Bond & Electronic Computer Crime Insurance

Board of Directors

Composition of Board and its Committees

Chairman

Belal Ahmed

Vice Chairman

Zafrul Islam Chowdhury

Directors

Qamrun Nahar

Roxana Zaman

Aziz Al Masud

Sultana Hashem

Fahima Akhter

Savera H Mahmood

Kamruddin Parvez

Zannatul Ferdous Zeena

Farahnaz Chowdhury

Afroza Zaman

Farhana Zaman

Warasuzzaman Chowdhury

Shahidul Quader Chowdhury

Independent Directors

Abu Hyder Chowdhury (Amzad)

Makin-Ur-Rashid (Rossi)

Mezanoor Rahman, FCA

Badal Kanti Datta, FCA

Chief Executive Officer

Saadat R. Khan, Cert CII (UK)

Advisers

M.A. Hashem, Ex-MP

Chairman, Partex Group

Saifuzzaman Chowdhury, MP & Minister,
Ministry of Land, Government of
the People's Republic of Bangladesh.

Executive Committee

Chairman

Aziz Al Masud

Members

Qamrun Nahar

Roxana Zaman

Farhana Zaman

Shahidul Quader Chowdhury

Audit Committee

Chairman

Mezanoor Rahman, FCA

Members

Fahima Akhter

Afroza Zaman

Warasuzzaman Chowdhury

Kamruddin Parvez

Makin-Ur-Rashid (Rossi)

Risk Management & Claims Committee

Chairman

Makin-Ur-Rashid (Rossi)

Member

Zafrul Islam Chowdhury

Warasuzzaman Chowdhury

Nomination & Remuneration Committee

Chairman

Abu Hyder Chowdhury (Amzad)

Member

Sultana Hashem

Zannatul Ferdous Zeena



Brief profile of Directors



Brief profile of Directors



Belal Ahmed
Chairman

Mr. Belal Ahmed hails from a prominent Muslim family of Sylhet. His father late M. A Bari was an eminent businessman and social leader. Mr. Belal Ahmed is a dynamic and innovative entrepreneur. He is the pioneer in establishment of plastic and engineering base industry in the country. He is the Managing Director of export oriented industry Golden Son Limited. He is playing a vital role for industrial development of the country. He has travelled many countries for attending international business conferences and other purposes.



Zafrul Islam Chowdhury
Vice Chairman

Mr. Zafrul Islam chowdhury hails from a prominent Muslim family of Chattagram. His father late Sirajul Islam Chowdhury was an eminent industrialist and well known philanthropist. Mr. Zafrul Islam Chowdhury is the Managing Director of Islam Steel Mills Limited, Siraj Ano Ispat Limited, Anowara Jute Mills Limited, Eastern Engineer (Chatta) Limited, Siraj Ano Oxegen Limited and Siraj Ano Builders Limited. He is widely travelled man and has travelled to many countries for business and other purpose.

Brief profile of Directors



Aziz Al Masud
Director &
Chairman, Executive Committee

Mr. Aziz Al Masud hails from a prominent Muslim family of Noakhali. His father Mr. M A Hashem Ex. MP and veteran industrialist and Chairman of Partex Group. Mr. Aziz Al Masud is an entrepreneur in the area of Pulp and Paper, Duplex Board, Fashions and Real Estate. He is the Managing Director of Partex Paper Mills Limited, Partex Pulp & Paper Mills Limited, Partex Duplex Board Mills Limited, Partex Fashions Limited and City Heights Real Estate Limited. He is also a member Board of Trustees of IBAIS University and member of Gulshan Club Limited and Banani Club Limited.

As an Ernst and Young dynamic entrepreneur, he is playing a vital role for industrial development of our country. He has travelled to many countries and attended various international business conferences.



Mezanoor Rahman, FCA
Independent Director &
Chairman, Audit Committee

Mr. Mezanoor Rahman, FCA is a Fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently he has been serving as a Director at one of the most reputed chartered accountancy firm "ACNABIN". He is the director of Accountancy, Management & Training Service. He is playing a vital role as a member of different committees of "The Institute of Chartered Accountants of Bangladesh (ICAB)". Mr. Mezanoor Rahman has attended a number of international seminars for professional at home and abroad.

Brief profile of Directors



Makin-Ur-Rashid (Rossi)
Independent Director & Chairman
Risk Management and Claims Committee

Mr. Makin-Ur-Rashid (Rossi) is a dynamic young entrepreneur who was born in a prominent Muslim family in Noakhali. He is the director of Voicetel Limited and proprietor of A-One Enterprise and owner of Chowdhury International Agency. He has visited many countries. He is contributing much towards social activities and social institutions.



Abu Hyder Chowdhury (Amzad)
Independent Director & Chairman
Nomination and Remuneration Committee

Mr. Abu Hyder Chowdhury (Amzad) was born in a famed Muslim family of Chattagram. He is the Managing Director of Chumki Apparels Limited and former director of Chittagong Chamber of Commerce & Industries. He is also associated with various types of business enterprises, trading and social organization. He is the Chairman of Standing Committee of BGMEA and member of Chittagong Club Limited and life member of Diabetic Hospital, Chittagong. He has visited many countries for attending international business conferences and other purposes.

Brief profile of Directors



Qamrun Nahar
Director

Mrs. Quamrun Nahar hails from a prominent Muslim family of Noakhali. Her husband late Humayun Zahir was a dynamic entrepreneur, social leader and eminent lawyer. She is the Chairman of Ananta Group consisting Ananta Properties Limited, Ananta Apparels Limited, Ananta Fashion Limited, Ananta Casual Wear Limited, Ananta Denim Technology Limited etc. She is also former director of United Commercial Bank Limited and former chairman & present member of governing body of Dhaka Mohila College. She is a well known social leader and important member of many social & welfare organizations including Lions Club and contributed to enhancing the life quality of general people. She has traveled many countries of the world.



Roxana Zaman
Director

Mrs. Roxana Zaman was born in a highly glorious respectable Muslim family of Anowara thana under Chattagram District Her father late Aktaruzzaman Chowdhury Babu, Ex. MP was one of the organizer of great liberation war of Bangladesh and prudent political leader and renowned industrialist, businessman and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.

Brief profile of Directors



Sultana Hashem

Director

Mrs. Sultana Hashem hails from a prominent Muslim family of Noakhali. Her husband Mr. M A Hashem Ex. MP, renowned industrialist and Chairman of Partex Group. Mrs. Sultana Hashem is the chairman of Partex Star Group. Her work ethics inspire the members of the Partex Group, Partex Star Group & Amber Group of Industries to work towards for achieving their goals. She is associated with many social welfare activities. She has travelled many countries.



Fahima Akhter

Director

Mrs. Fahima Akhter hails from a prominent Muslim family of Narayangonj. Her father Mr. M A Sabur is a well known industrialist and director of United Commercial Bank Limited. Mrs. Fahima Akhter is the Chairperson of Masco Group of Industries and Director of Shanta Expression Limited and Concept knittng Limited. She is associated with a number of social and cultural organizations. She is typically travelled person and she has visited many countries of the world.

Brief profile of Directors



Kamruddin Parvez
Director

Mr. Kamruddin Parvez was born in a prominent Muslim family of Chattagram. His father late Haji Nur Mohammed was a well known businessman and social leader. Mr. Kamruddin Parvez is the Deputy Managing Director of the Nur Mohammed & Co. Ltd., and he is an Assistant Professor of Chittagong Independent University. A good number of publications on different topics are there in his acclaim. He has travelled many countries for attending international conferences and other purposes.



Zannatul Ferdous Zeena
Director

Mrs. Zannatul Ferdous Zeena is a member of Board of Trustees of IBAIS University. Her husband Mr. Aziz Al Masud is the Chairman of the Executive Committee of Janata Insurance Company Limited. She is actively involved in day to day business affairs and social activities. She has travelled several countries over the world.

Brief profile of Directors



Farahnaz Chowdhury
Director

Mrs. Farahnaz Chowdhury was born in a respectable Muslim family. Her father Mr Imtiaz Ahmed is Rtd. Brigadier General of Bangladesh Army. Her husband Mr. Showkat Aziz Russell is an entrepreneur and managing director of Amber Group of Industries. Mrs. Farahnaz Chowdhury is the managing director of Amber Lifestyle Limited, and director of Alo Communication Limited. She is also member of Board of Trustees of IBAIS University. She is engaged in many socio-cultural and benevolent activities. She visited many countries over the world.



Afroza Zaman
Director

Mrs. Afroza Zaman hails from a highly glorious respectable Muslim family of Anwara thana under Chattagram District. Her father late Aktaruzzaman Chowdhury Babu, Ex. MP was one of the organizer of great liberation war of Bangladesh and prudent political leader and renowned industrialist, businessman and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.



Farhana Zaman
Director

Mrs. Farhana Zaman was born in a highly glorious respectable Muslim family of Anwara thana under Chattagram District. Her father late Aktaruzzaman Chowdhury Babu, Ex.MP was one of the organizer of great liberation war of Bangladesh and prudent political leader and renowned industrialist, businessman and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.

Brief profile of Directors



Warasuzzaman Chowdhury
Director

Mr. Warasuzzaman Chowdhury was born in a prominent Muslim family of Chattagram. He is an ambitious and dynamic entrepreneur and playing a crucial role to contribute our economy. He is an independent director of Aramit Limited and proprietor of Citi Center, Chatteshwari Road, Chattagram and B. Zaman Trading. He is closely associated with many social organizations and always come forward with helping hand to needy people. He has travelled many countries.



Shahidul Quader Chowdhury
Director

Mr. Shahidul Quader Chowdhury comes from a prominent Muslim family of Chattagram. He is a son of renowned entrepreneur and well established businessman Late Abdul Gaffar Chowdhury, Ex-Chairman and Director of Janata Insurance Company Limited. Mr. Shahidul Quader Chowdhury is the managing director of Marine Food Limited. He is also associated with various types of business enterprise, trading and social organization.

Brief profile of Directors



Badal Kanti Datta, FCA
Independent Director

Mr. Badal Kanti Datta, FCA is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He completed Graduation with Hon's and Masters in Accounting from University of Chittagong. He has expertise in professional service like Financial reporting, Financial analysis, Internal & Management Audit, professional training on accounting, Internal controls. He is associated with many social and cultural organizations.



Saadat R. Khan, Cert CII (UK)
Chief Executive Officer

Mr. Saadat R. Khan, Cert CII (UK), Chief Executive Officer of the Company. He has vast experienced in Non-Life Insurance Sector, particularly in the fields of Accounts, Administration, Re-Insurance, Underwriting and Claims. He also attended various training programmes on Insurance and Re-insurance at home and abroad.

Brief profile of Advisers



M.A. Hashem

Adviser
Janata Insurance Company Limited

Chairmen
Partex Group

Director and Ex. Chairman
United Commercial Bank Ltd.

Life Member & Former Chairman
Board of Trustees,
North South University.

Member
Board of Trustees,
IBAIS University

Founder of
M.A. Hashem Diabetic Hospital
Chowmuhani
M.A. Hashem University College
Kazirhat, Begumgonj.
Al-haj Abdul Aziz Lillah
Boarding & Orphanage at
Chowmuhani, Noakhali.



Saifuzzaman Chowdhury

Adviser
Janata Insurance Company Limited

Minister
Ministry of Land
Government of the People's Republic of Bangladesh.

Key Management



Saadat R. Khan, Cert CII (UK)
Chief Executive Officer



Mukbul Hossain
Executive Director



Bashir Ahmed
Company Secretary (C.C.)



Md. Masud Rana
Chief Financial Officer

Management Team & Executives

Chief Executive Officer

Saadat R. Khan, Cert CII (UK)

Executive Director

Mukbul Hossain

Company Secretary (C.C)

Bashir Ahmed

Chief Financial Officer

Md. Masud Rana

Executive Vice President

Md. Towhid-ul-Amin Chowdhury
Md. Moniruzzaman

Senior Vice President

Chowdhury Md. Shemsher Nur
Md. Humayun Kabir

Deputy Senior Vice President

Md. Shahenur Hossain

Vice President

Syed Badrul Islam
Mohammad Mohsin Labid
Md. Shafiqur Rahman
Abdul Karim Chowdhury
Md. Badiul Alam
Md. Aminul Islam

Deputy Vice President

Md. Mahbubur Rahman

Senior Assistant Vice President

Md. Monjur Hossain

Assistant Vice President

A.K.M. Zahirul Alam
Md. Monirul Alam Chowdhury
A.T.M. Aman Ullah

First Assistant Vice President

Moshaddeque Sahariar
Md. Bazlur Rashid Shah
Bimal Chandra Das
Md. Zahoorul Tariq Khan



BRANCHES & HEAD OF BRANCHES

LOCAL OFFICE

Red Crescent House,
61, Motijheel C/A,
Dhaka-1000.
Contact # 01819-231466

Syed Badrul Islam
Vice President

PRINCIPLE BRANCH (PROPOSED)

GA/95/D, Link Road, Middle Badda,
Gulshan-1, Dhaka-1212.
Contact # 9852181-82,01818518400
Fax: 880-2-9852183

Md. Monirul Alam Chowdhury
Assistant Vice President

DILKUSHA BRANCH

76, Dilkusha C/A, Dhaka-1000.
Contact # 9565507, 9565582,
01715178150, Fax: 880-2-9565582

A.K.M. Zahirul Alam
Assistant Vice President

MIRPUR BRANCH

92/2, Senpara, Parbata, Mirpur-10, Dhaka.
Contact # 9035889,9010291, 01552-338102,
01714-378356

Md. Moniruzzaman
Executive Vice President

JUBILEE ROAD BRANCH

Kader Tower, 128, Jubilee Road, Chittagong.
Contact # 031-618246, 01819-322178
Fax: 031-617022

Md. Towhid-ul Amin Chowdhury
Executive Vice President

AGRABAD BRANCH

Akhtaruzzaman Center,
21/22, Agrabad C/A.(7th floor),Chittagong.
Contact # 01712977437, 01853118023

Mohammad Mohsin Labid
Vice President

NARSINGDI BRANCH

Daulat Khan Tower (2nd floor), Kalibari Road,
Narsingdi Bazar, Narsingdi.
Contact # 9463305, 01712536314

Md. Hafizur Rahman
Manager

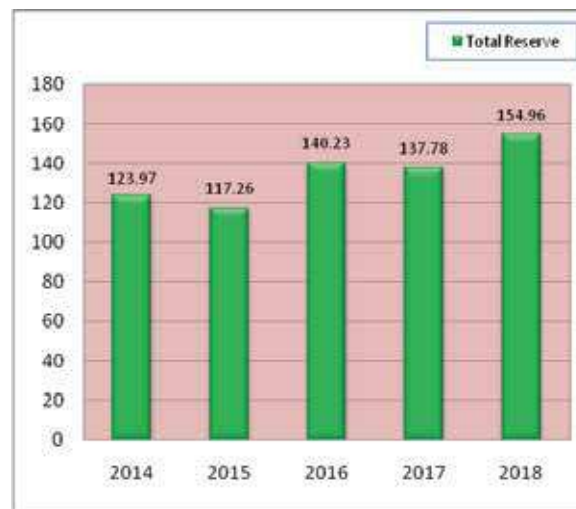
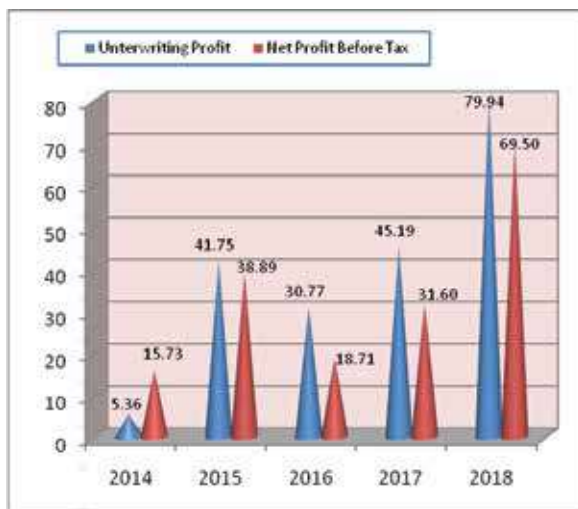
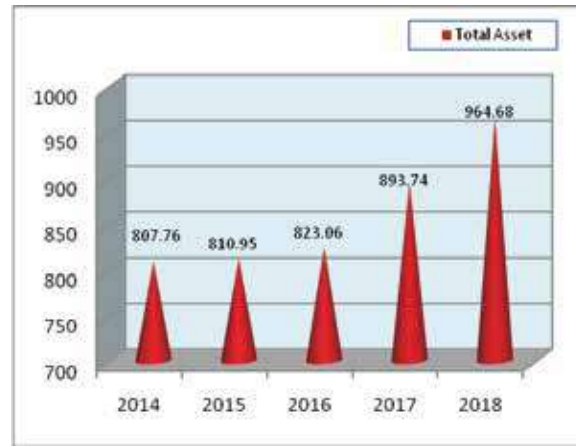
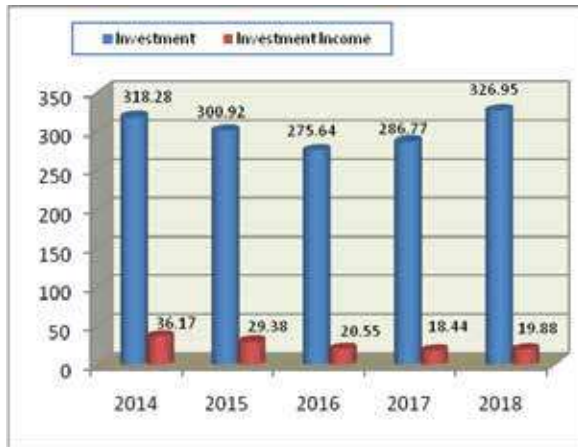
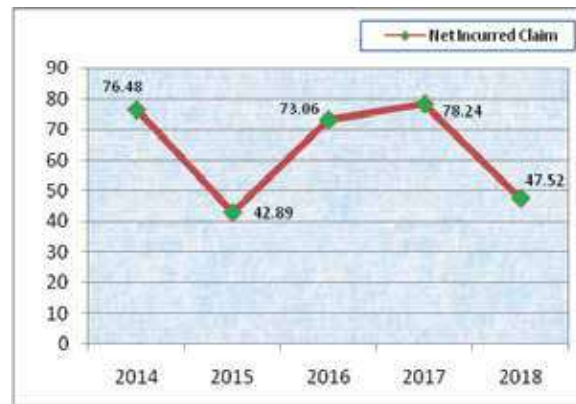
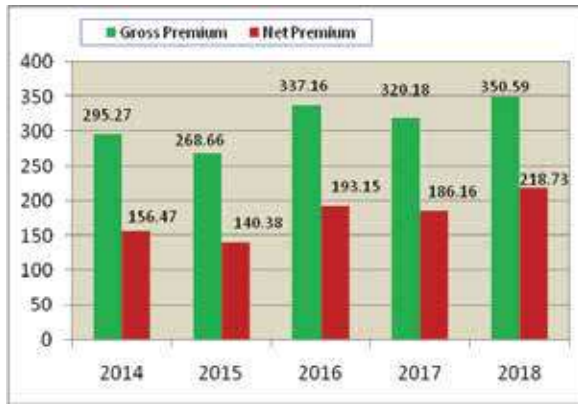
KHULNA BRANCH

Branch In-Charge,
118, Upper Jessore Road, 3rd floor,
Babystand, Duckbangla More,
Khulna.

Monjurul Hossain
Sr. Asstt. Vice President

FINANCIAL PERFORMANCE AT A GLANCE

(Graphical Appearance)



32nd AGM OF THE COMPANY IN PICTURE

(Held on September 04, 2018 at Utshab Banquet Hall, Radison Blue, Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka-1206.



Shareholders registering their attendance



A view of the 32nd AGM

32nd AGM OF THE COMPANY IN PICTURE

(Held on September 04, 2018 at Utshab Banquet Hall, Radison Blue, Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka-1206.



Partial view of Shareholders at 32nd AGM



Mr. Aziz Al Masud, Chairman of the Meeting addressing in the 32nd AGM

32nd AGM OF THE COMPANY IN PICTURE

(Held on September 04, 2018 at Utshab Banquet Hall, Radison Blue, Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka-1206.



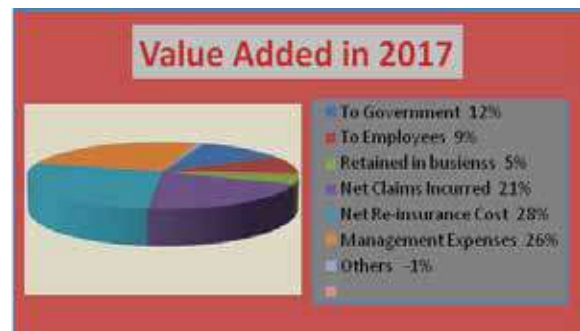
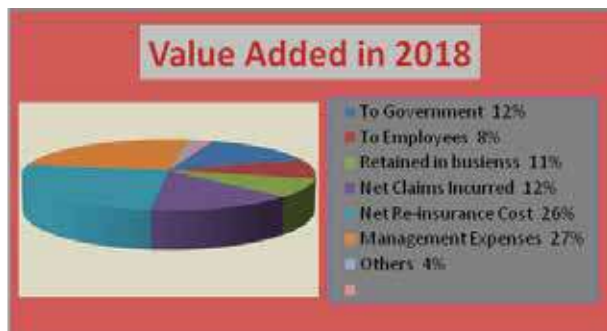
Shareholder addressing in the 32nd AGM



Mr. M. A. Hashem, Adviser discussing in the 32nd AGM

Value Added Statement

Particulars	2018 (BDTmn)	%	2017 (BDT mn)	%
Value Added				
Gross premium	350.59		320.18	
Vat & Stamp duty	33.33		32.02	
Investment & other Income	19.88		18.44	
Total Value Added	403.80	100%	370.64	100%
Distribution of Value Addition				
To Government				
VAT & Stamp Duty	33.33	8%	32.02	9%
Tax	16.40	4%	10.74	3%
To Shareholders				
Dividend	0.01		-	
To Employees				
as Salary & Allowances	33.89	8%	33.93	9%
Retained in business				
Reserve & Surplus	45.78	11%	19.25	5%
Others				
Net Claims Incurred	47.52	12%	78.24	21%
Net Re -insurance Cost	103.93	26%	101.65	28%
Management Expenses	108.76	27%	97.26	26%
Disposal reserve for Unexpired Risks	14.18	4%	(2.45)	-1%
Total Distribution	403.80	100%	370.64	100%



REVIEW OF CHAIRMAN, CEO AND **DIRECTORS' REPORT**

Widely-acclaimed business personalities from different expertise of the financial sphere of Bangladesh, the Board of Directors of the Janata Insurance Company Limited has a legacy of perseverance, foresee ability, innovation and leadership.

CHAIRMAN'S Review

**“Our object is to
prove our integrity
and credibility
to the Clients
by extending
sincere and
dedicated
services”**





Chairman's Message

Dear Shareholders,

I am highly pleased to convey my heartfelt thanks to you all on behalf of the Board of Directors of Janata Insurance Company Limited and extend a warm welcome to the 33rd Annual General Meeting of the Company with its Annual Report 2018. The Directors' Report has elaborately dealt with the overall performance of the company and now I take opportunity to present before you as short presentation about the performance of the Company for 2018.

Since its established 34 years. Janata Insurance Company Limited continuous endeavor has built a good value for our shareholder. In review the financial position of the Company you can notice that the business volume has been increased marginally. As 2018 was the year of Parliament election so instead of having disorders in business position economy was comparatively static. However, our business has been increased @ 9.50% though as a result the growth and profitability of our Company and interest of the Shareholders the Board of Directors has recommended 5% Cash and 5% Stock dividend for the year 2018.

Dear shareholder, under challenges of Insurance business that the Insurance Development and Regulatory Authority (IDRA) has been working minutely to get a powerful standard in the Insurance Sector. Our object is to prove our integrity and credibility to the Clients by extending sincere and dedicated services to them. So, we are giving our best co-operation to them in this regards. I, assure our Shareholders that the Board is quite conscious of the given responsibility and we hope to secure a reasonable market share by rendering promote quality service through sound Risk management proper Re-Insurance and quickest settlement of claims to our valued Clients.

I must express in my deep sense of gratitude to our valued Clients, Shareholders, Regulators, Stock Exchange, my fellow Directors and advisers, employees and well wisher of the Company for extending their continuous support and co-operation.

Thanking you,

A handwritten signature in black ink, appearing to read 'Belal Ahmed'. The signature is fluid and cursive.

Belal Ahmed
Chairman

Chief Executive Officer's Review



Dear Shareholders, valued clients and well wishers,

Greetings from the desk of Managing Director and CEO.

It is my great pleasure to present before you a short review on our Company's activities and its performance. Janata Insurance Company Limited left behind another year in terms of its sincere and quality services to the Clients.

You are aware that an unhealthy competition and adverse circumstances now prevailing in the Non-Life Insurance Sector. And due to these reasons, our company's overall business performance in 2018 was satisfactory. During the year under review, the Company could earn gross premium income to tune of Taka 350.59 million as against Taka 320.18 million in 2017 and earned net premium income of Taka 218.73 million as against Taka 186.16 million in 2017. Underwriting profit stood at Tk.79.94 million and the net profit was at Tk.42.78 million as against Tk.45.19 million and Tk.19.25 million in 2017. You know that the business procurement cost is very high as a result it becomes tough to maintain the services of the insured and earn profit for deliver benefits for the Shareholders. However, we are proposing 5% stock & 5% Cash dividend for the year ended 2018. Furthermore, we have reviewed the prevailing market situation and taken necessary measures including diversification of our customer base to increase the business volume of the Company. Hopefully, we expect a good outcome in the coming years accordingly.

I would like to take this opportunity to express my deepest gratitude to all our shareholders for their continued support and pledge. We also express our appreciation to the Regulator for their untiring efforts to improve the standards of the industry. I also convey my regards and gratefulness to the honorable Chairman, Advisers and the Board of Directors of the Company who provided generous co-operation & guidance to the management team which helped the management team to run the day to day activities smoothly and effectively.

Also, my thanks extend to my all colleagues for their continued support and sincere co-operation, dedications and commitment in achieving the moderate results of the company.

We are hopeful that in the years to come, our valued shareholders, clients, and well wishers will continue their esteemed flow of love and affection for better future of the company.

With best regards,



Saadat R. Khan, Cert CII (UK)
Chief Executive Officer

KEY OPERATING AND FINANCIAL DATA

Amount in million

Particulars		2018	2017	2016	2015	2014
Financial position:						
Total Assets		964.68	893.74	823.06	810.95	807.76
Investments		326.95	286.77	275.64	300.92	318.28
Cash & Cash equivalents		334.76	298.53	276.81	302.98	318.32
Investment & other income		19.88	18.44	20.55	29.38	36.17
Total reserve		154.96	137.78	140.23	117.26	123.97
Operating result:						
Gross Premium		350.59	320.18	337.16	268.66	295.27
Re-Insurance Premium ceded		131.87	134.02	144.01	128.28	138.80
Net Premium		218.73	186.16	193.15	140.38	156.47
Management Expenses(Revenue A/c)		62.46	56.87	56.85	59.66	58.85
Net Incurred Claim		47.52	78.24	73.06	42.89	76.48
Underwriting Profit		79.94	45.19	30.77	41.75	5.36
Other Management Expenses (not applicable to any fund or account)		30.31	32.02	32.61	32.24	25.80
Net Profit before Tax		69.50	31.60	18.71	38.89	15.73
Net Profit after Tax		42.78	19.25	8.37	19.89	5.59
Financial Ratio:						
	Terms					
Basic Earnings Per Share	BDT	1.06	0.50	0.22	0.52	0.16
Dividend in percentage (Stock/Cash)	%	5% Stock & 5% Cash (Proposed for 2018)	5% Stock	-	5% Cash	10%(Stock)
Return on assets	%	4.43	2.15	1.02	2.45	0.69
Gross profit ratio	%	31.78	16.97	9.69	27.70	10.05
Re-insurance Premium Ceded on Gross Premium	%	37.61	41.86	42.71	47.75	47.01
Net Claim Incurred on net Premium	%	21.72	42.03	37.83	30.55	48.88
Underwriting Result on Gross Premium	%	22.80	14.11	9.13	15.54	1.82
Management expenses(Revenue) on Net Premium	%	28.56	30.55	29.43	42.50	37.61
Equity Statistics:						
Paid-up capital		402.71	383.53	383.53	383.53	348.66
Shareholders' Equity		575.69	532.90	513.65	524.46	504.56
Net Assets Value Per Share (Taka)		14.30	13.89	13.39	13.67	14.47

The above key operating and financial data are furnished as per BSEC's Notification dated June 03, 2018 to comply with the condition 1.5 (xviii).

DIRECTORS' REPORT



DIRECTORS' REPORT

For the year ended December 31, 2018

Dear Fellow Shareholders,

Assalamu Alaikum.

The Board of Directors of Janata Insurance Company Limited welcomes you all to the 33rd Annual General Meeting of the company. The Directors are pleased to place before you the Directors' Report alongwith the Audited Financial Statements and Auditors' Report for the year ended December 31, 2018 for your valued consideration, approval and adoption.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and other relevant rules and notifications from the regulatory bodies.

Prior to presenting the report, we pay our deepest respect to late Akhtaruzzaman Chowdhury, former Chairman & Adviser, late Humayun Zahir, former Chief Legal Adviser, late Al-haj Nur Mohammad, former Adviser and late Abdul Gaffar Chowdhury, former Chairman & Director of the Company for their valued contribution to the Company and do pray for eternal peace of their departed souls.

Review of 2018:

Economy and Insurance Business Outlook:

Economic Scenario

The global economic growth was 3.7% in 2018, and is projected at 3.5% in 2019 and 3.6% in 2020 according to IMF.

According to Bangladesh Bank, Bangladesh economy is estimated to grow at 7.9% in financial year 2018 and is projected to grow at 7% and 7.2% in financial year 2019 and financial year 2020 respectively.

Insurance Business Scenario

The gross premium income of the country of non-Life Insurance in the private sector was Tk. 29,862 million in 2017 with a growth rate of 8.1%, as against 4.7% in the previous year. Global insurance industry showed an overall growth rate of 1.5% in 2017 with life & non-life insurance contributing 0.5% and 2.8% respectively.

Insurance Development & Regulatory Authority(IDRA) and Development of Insurance Industry

Government of Bangladesh has formed the Insurance Development and Regulatory Authority (IDRA) in 2011 after promulgating the new Insurance Act 2010. The IDRA has taken over the task of development and preparation of Insurance rules for Industry. IDRA has also taken some strong steps by issuing some circulars in order to bring discipline among the insurers and also to stop the existing unethical practices prevailing in the Insurance market. We hope, these steps of IDRA will improve the overall situation and status of the Industry. Insurance Development & Regulatory Authority (IDRA) will have to take active role in training people involved in the insurance industry for advancing the knowledge of insurance, so that personnel in the industry have adequate knowledge and expertise to take over the helm of insurance companies in future.

Insurance Business in 2018

We are report that, your company wrote direct insurance business with a premium income of Tk.283.74 million against Tk.271.21 million in 2017. The premium received by us from the public sector business increased to Tk.66.85 million from Tk.48.97 million in 2017. The total gross premium income, stood at Tk.350.59 million against Tk.320.18 million in 2017

Operational & Financial Review

Operational Result and Product wise Performance :

Gross Premium Income

During the year 2018 Company's gross premium income thus attained was Taka 350.59 million as against Taka 320.18 million in 2017.

Amount in million

Class of business	Gross Premium Income	
	2018	2017
Fire Insurance	123.22	117.95
Marine Insurance	146.10	137.33
Motor Insurance	26.15	21.63
Miscellaneous Insurance	55.12	43.27
Total:	350.59	320.18

Net Premium Income

Net premium income Taka 218.73 million as against Taka 186.16 million in 2017.

Amount in million

Class of business	Net Premium Income	
	2018	2017
Fire Insurance	62.94	59.02
Marine Insurance	110.93	94.06
Motor Insurance	25.97	21.57
Miscellaneous Insurance	18.89	11.51
Total:	218.73	186.16

Net Incurred Claims

During the year 2018, we have successfully settled net incurred claims of Taka 47.52 million as against Taka 78.24 million in the year 2017.

Amount in million

Class of business	Net Claim	
	2018	2017
Fire Insurance	14.44	24.97
Marine Insurance	17.99	20.60
Motor Insurance	6.42	12.34
Miscellaneous Insurance	8.67	20.33
Total:	47.52	78.24

Investment Income

The Company's investment income recorded Taka 19.88 million against Taka 18.42 million in the year 2017.

Profit

Underwriting Profit

Underwriting profit achieved was Taka 79.94 million as against Taka 45.19 million in 2017.

Amount in million

Class of business	Underwriting Profit	
	2018	2017
Fire Insurance	20.49	24.55
Marine Insurance	47.29	27.22
Motor Insurance	9.21	5.24
Miscellaneous Insurance	2.95	(11.82)
Total:	79.94	45.19

Net Profit before Tax

Net profit attained is Taka 69.50 million as against Taka 31.60 million in 2017.

Net Profit after Tax

After tax profit is Taka 42.78 million as against Taka 19.25 million in 2017.

Earnings Per Share

In the year 2018 Company's earnings per share Tk.1.06 as compared to Tk.0.50 in the previous year.

Dividend

Considering the net profit (after tax) of the Company for the year ended 31st December, 2018 the Board of Directors recommended to declare 5% stock (Bonus Shares) & 5% Cash dividend to the Shareholders for the year ended 31st December, 2018 subject to approval by the Shareholders in the 33rd Annual General Meeting of the Company to be held on 30 July, 2019.

Explanation regarding recommendation/declaration of Stock dividend

Incompliance with the provision under section 6, sub-section 2(b), it is reported and explained the reasons for declaring 5% stock & 5% Cash dividend for the year ended 31st December, 2018 and also utilization of such retained amount as capital. And on this way the paid-up capital of the Company will be increased by Tk.20.14 million and paid-up capital amount of Tk.20.14 million now staying in the Company's fund as Fixed Deposit (FDR) with the schedule Banks and will be utilized under this form for mutual interest as the banks of the Company will be stand at Tk.422.84 million accordingly. Moreover, the increased amount are main source of our business.

Summary of Accounts of the Company for the year 2018 compared with the year 2017 are furnished below :

Amount in million

Particulars	Fire	Marine	Motor	Misc.	Total 2018	Total 2017
Gross Premium Income	123.22	146.10	26.15	55.12	350.59	320.18
Re-Insurance Premium ceded	60.28	35.17	0.19	36.23	131.87	134.02
Net Premium	62.94	110.93	25.97	18.89	218.73	186.16
Net Premium Reserve Retained	(1.57)	(7.90)	(1.76)	(2.95)	(14.18)	2.45
Net earned Premium	61.37	103.03	24.21	15.94	204.55	188.61
Commission paid	16.47	19.52	3.55	3.02	42.56	40.68
Re-Insurance commission earned	13.22	9.18	-	5.53	27.93	32.37
Management expenses (Revenue A/c) (including Insurance Stamp)	23.19	27.41	5.04	6.82	62.46	56.87
Management expenses(P & L A/c)	-	-	-	-	30.31	32.02
Gross Claim paid	70.59	11.37	6.62	15.56	104.14	132.02
Net Incurred Claim	14.44	17.99	6.42	8.67	47.52	78.24
Underwriting Profit/Result	20.49	47.29	9.21	2.95	79.94	45.19
Investment Income	-	-	-	-	19.88	18.42
Net Profit before tax	-	-	-	-	69.50	31.60
Net Profit after tax	-	-	-	-	42.78	19.25
Earnings Per Share	-	-	-	-	1.06	0.50

Investment

The total investment of the company stood at Taka 326.95 million in 2018 as compared to Taka 286.77 million in the year 2017. Break-up is as under:

Amount in million

Particulars	2018	2017
Bangladesh Govt. Treasury Bond (BGTB)	25.00	25.00
Shares in listed companies	0.34	0.42
Fixed Deposits Account (FDR)	301.61	261.35
Total :	326.95	286.77

Reserve:

Reserves stood at Taka 154.96 million against Taka 137.78 million in the previous year.

Amount in million

Particulars	2018	2017
Reserve for Exceptional Losses	65.09	62.09
Reserve for un-expired Risks	89.87	75.69
Total :	154.96	137.78

Shareholders Equity:

Shareholders equity stood at Taka 575.68 million against Taka 532.90 million in the year 2017.

Amount in million

Particulars	2018	2017
Paid-up Capital	402.71	383.53
Share Premium	55.96	55.96
Reserve for Exceptional Losses	65.09	62.09
Profit & Loss Appropriation Account	51.93	31.32
Total :	575.69	532.90

Profitability:

The Company's income from investment and other income stood at Taka 19.88 million against Taka 18.40 million earned in the previous year. After taking into account the underwriting profit of Taka 79.94 million and providing for various expenses not applicable to any particular fund or account, net profit attained is Taka 69.50 million as against Taka 31.60 million in 2017. Decrease of net incurred Claim by Taka 30.73 million and increase of income on account of interest on Investment by Taka 1.44 million in comparison to previous year are the main reasons behind the increase of profitability in 2018.

Appropriation of Profit:

Amount in million

Particulars	2018	2017
Net profit (before tax) for the year	69.50	31.60
Transferred to Reserve for exceptional losses	3.00	-
Provided for taxes (including deferred Tax)	26.72	12.35
Dividend distributed for 2017	19.18	-
Balance carried forwarded	20.60	19.25

Dividend:

Considering inadequate balance of divisible profit, the Board of Directors in its 176th meeting held on 11.04.2019 had recommended dividend for the year 2018.

Going concern:

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments in the event of the Janata Insurance Company Limited is unable to continue as a going concern.

Human Resource Management:

Employees are the most important resource to the success of any Organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence the company undertakes appropriate training and workshops to update knowledge of the employees in their respective functional areas. We send our employees to Bangladesh Insurance Academy and Bangladesh Insurance Association regularly for taking training on Insurance Technicalities with a view to increase their efficiency and professional skills. Implementation of a modern HR is under process. We are also recruiting proactive officials to cope our growing needs.

Utilization of proceeds from Rights Share Issue:

The company raised its Paid-up Capital by issuing Rights Shares in the year 2011. The proceeds from the Rights issue was utilized by making deposits as FDR with the schedule Banks and subsequently a portion of the proceeds has been utilized to purchase of Land & Building for accommodating Corporate Head Office of the Company.

Internal Control:

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material miss-statement or loss. The company's internal control system have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees or management and or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation of authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control frame work employed in Janata Insurance Company Limited.

Audit Committee and Report on its activities:

The Audit Committee of our company is working as per relevant guidelines of Corporate Governance Guidelines of BSEC. During the year under review, the committee reviewed audit plan, annual audited draft financial statements, quarterly un-audited financial statements, internal audit reports, action plan regarding compliance with the Corporate Governance Guidelines etc. The detail of the activities of the Audit Committee have been provided in the "Audit Committee Report."

Internal Audit:

The company has an Internal Audit Department working towards ensuring compliance with laws, regulations and ensuring that the business is being conducted within the laid down policies and under the legal framework.

Status of Corporate Governance Compliance:

In accordance with the requirement stipulated in condition-(5) of the Bangladesh Securities and Exchange Commission's notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 status report on the Corporate Governance Compliance is shown in Annexure-B and the Directors also confirmed the compliance with the financial reporting frame work and shareholding pattern according to the above notification in Annexure-A,

Certificate on compliance of condition of Corporate Governance:

Certificate on compliance of condition of Corporate Governance from professional Chartered Accountants has been obtained and shown in the report.

In accordance with the Clause (1) condition No. 9 of the Notification No.SEC/CMRRCD /2006-158 /207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission, the Board of Directors' of the company recommended to appoint again M/s. FAMES & R, Chartered Accountants, H-3/1 & 3/2, (Flat-A2), Bijoy Nagar, Dhaka – 1000 to obtain certificate on compliance of condition of corporate governance for the year-2019 with a professional fee of Tk.30,000/= (Taka thirty thousand) only plus VAT subject to approval in the 33rd Annual General Meeting of the Company.

Board Meeting Attendance:

During the year, 11(Eleven) Board Meetings were held. The attendance of the Directors is shown in the report.

Pattern of Shareholding:

Pattern of shareholding as per clause 1.5(xxiii) of the BSEC Notification No.SEC/CMRRCD/ 2006-158/ 207/Admin/80 dated June 03, 2018 is shown in the report.

Key Operating and Financial Data:

The Company's summarized key operating and financial data for the last five years are shown in the report.

Brief Resume of the Directors:

Brief resume of the Directors as per clause 1.5(xxiv) of the BSEC Notification No.BSEC/CMRRCD/ 2006-158/207/Admin/80 dated June 03, 2018 is shown in the report.

Retirement and election of Directors:

In terms of Articles 106 & 107 of the Articles of Association of the Company, the following Directors will retire from office by rotation in the 33rd AGM.

1. Mr. Zafrul Islam Chowdhury
2. Mr. Shahidul Quader Chowdhury
3. Mrs. Afroza Zaman
4. Mrs. Farahnaz Chowdhury

Being eligible, they offer themselves for re-election.

Therefore, office of 04 (Four) Directors from Sponsor shareholders be elected by the sponsor shareholders of the Company from themselves.

In accordance with the same provisions, 01 (one) Director from Public shareholders Mrs. Fahima Akhter will retire from office by rotation in the 33rd AGM. Being eligible, she offers herself for re-election.

Upon her retirement; 01 (one) post of Director among the above Public Shareholders will fall vacant, Accordingly, election of 01 (one) post of Director from public share holders will be held in the 33rd AGM, for which Notice was published in two national dailies namely (i) The Daily Protidiner Sangbad dated 24.05.2019 and (ii) The Financial Express dated May 24, 2019.

Total Shareholders:

The total number of Shareholders of the Company as on 31st December, 2018 was 3937 as per record.

Auditors:

As per Order No.BSEC/CMRRCD/2009-193/104/Admn/ dated July 27, 2011 of Bangladesh Securities and Exchange Commission, the existing Auditors' of the Company M/s. ARTISAN, Chartered Accountants retiring and they are eligible for re-appointment. The Board of Directors in its meeting held on 11.04.2019 recommended M/s. ARTISAN, Chartered Accountants, Shah Ali Tower (6th & 7th floor), Kawran Bazar, Dhaka-1215 for re-appoint as statutory auditors' for the year ended 31st December, 2019 with a professional fee of Taka 3,20,000=- / (Taka Three lac Twenty thousand) only plus VAT for approval of the Shareholders in the 33rd Annual General Meeting.

Credit Rating:

Alpha Credit Rating Limited (Alpha Rating) has assigned the following ratings to Janata Insurance Company Limited.

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
October 21, 2018	October 20, 2019	Surveillance	A+	ST-2	Stable

Corporate Social Responsibility (CSR):

Janata Insurance Company Limited has always played its part in carrying out Corporate Social Responsibilities from its limited financial ability. We have been participating in contributing financial support to the Fund, formed by Bangladesh Insurance Association for sponsoring various state programs and for the help of victims affected by natural hazards. Besides these, Board of Directors of Janata Insurance Company Limited planned to create a fund to utilize the same exclusively for the medical treatment of employees and higher education of their children and also for education of multilevel poor students in the country. The Company's CSR policy is to develop for the most under privileged people and to motivate them to self-reliant. A policy in this regard has already been prepared.

Future Business Plan and Prospects:

Dear Shareholders,

Our prime and ultimate goal is to safeguard the interest of the Clients as well as Shareholders. We are undertaking a short term business plan for robust growth of business. For sound growth of business we are implementing different strategic, like modern marketing policy & HR policy, promotion to employees, introduction of new products of Insurance etc.

The Board of Directors has been continuously steering for expansion of the market share of the company and monitoring the activities and extending its support by giving policy guidelines to improve its performance in future. We are strengthening our management team, marketing and other departments of the company to increase our gross premium income substantially by maintaining the rules and regulations of IDRA. Visible improvement of business is being observed. Hopefully, we expect to get a good business outcome in the year 2019. We need your continuous support to improve its growth in future also. We will always welcome suggestions from our clients, partners and well wishers for improve the quality of our services.

Risks and concerns:

Janata Insurance Company Limited has always been in the forefront of implementing different risk management tools and techniques. A critical success factor for sustaining profitability and continuous delivery of shareholders' value is earmarked as to how effectively the risks are managed. Non-Life Insurance Companies are exposed to a number of risks of which Market Risks, Operational Risks and Reputation Risks etc. are there, In order to manage these Risks properly Insurance Development Regulatory Authority (IDRA) has issued guidelines which are being followed by the company with utmost-care and dedication. Internal Control System is being made effective by increasing the internal audit, both comprehensive and others, of the various affiliated offices as well as Head Office of the company.

Acknowledgement:

Dear Shareholders,

Finally the Board of Directors would like to give special thanks to all the Valued Clients, respected Shareholders, Board members, Advisers, Banks, Bankers, Leasing companies, Patrons and Well-wishers for extending their continued support and co-operation. The Board would also like to place thanks to the Government of the People's Republic of Bangladesh, the Ministry of Commerce and the Ministry of Finance, Bangladesh Bank, The Insurance Development and Regulatory Authority (IDRA), Sadharan Bima Corporation, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, the Central Depository Bangladesh Limited., Various Government Authorities, Bangladesh Publicly Listed Companies (BPLC), Bangladesh Insurance Association and Bangladesh Insurance Academy for their valued co-operation, sincere support and guidance.

The Board of Directors would like to put on record our deep appreciation of the efforts and Co-operation extended by the employees of the company.

We look forward to even better days ahead.

Thanking you all.

On behalf of the Board of Directors,



Belal Ahmed
Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS IN COMPLIANCE WITH THE BSEC'S NOTIFICATION NO.BSEC/CMRRCD/2006-158/207/ADMIN/80 DATED JUNE 03, 2018

Statement of Directors on Financial Reports

Directors are pleased to report that:

- The Financial Statements prepared by the Management of the Company present fairly its state of affairs, the result of its operations, Cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There are significant deviations from last year in operating result of the company have been highlighted and reasons thereof explained.
- The key operating & financial data of last five years have been provided.
- The number of Board Meetings and the attendance of Directors during the year 2018 were as follows:

Sl. No.	Name of the Member	Status in the Board	Total Meeting	Meeting attendance
1.	Mr. Belal Ahmed	Chairman	11	11
2.	Mr. Zafrul Islam Chowdhury	Vice Chirman	11	10
3.	Mrs. Qamrun Nahar	Director	11	8
4.	Mrs. Roxana Zaman	Director	11	7
5.	Mr. Aziz Al- Masud	Director	11	11
6.	Mrs. Sultana Hashem	Director	11	9
7.	Mrs Fahima Akhter	Director	11	11
8.	Mrs. Savera H Mahmood	Director	11	8
9.	Mr. Kamruddin Parvez	Director	11	9
10.	Mrs. Zannatul Ferdous Zeena	Director	11	9
11.	Mrs. Farahnaz Chowdhury	Director	11	7
12.	Mrs. Afroza Zaman	Director	11	7
13.	Farhana Zaman	Director	11	10
14.	Mr. Warasuzzaman Chowdhury	Director	11	10
15.	Mr. Shahidul QuaderChowdhury	Director	11	11
16.	Mr. Abu Hyder Chowdhury (Amzad)	Independent Director	11	11
17.	Mr. Makin-Ur-Rashid (Rossi)	Independent Director	11	11
18.	Mr. Md. Mezanoor Rahman, FCA	Independent Director	11	4
19.	Mr. Badal Kanti Datta, FCA	Independent Director	11	3
20.	Mr. M. A. Hashem	Adviser	11	9
21.	Mr. Saifuzzaman Chowdhury	Adviser	11	0

Directors also report that the Chief Executive Officer and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the year 2018, the certificate is annexed.

The pattern of shareholding

- (i) Shares held by parent/Subsidiary/Associated Company etc. - None.
(ii) The pattern of shareholding of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit, Principal Adviser and their spouses and minor children are as follows:

Shareholding Composition

As on December 31, 2018

A. Directors:

Sl. No.	Name of the Shareholders	No. of shares	%
1.	Mr. Belal Ahmed	1342318	3.33
2.	Mr. Zafrul Islam Chowdhury	1342318	3.33
3.	Mrs. Qamrun Nahar	814070	2.02
4.	Mrs. Roxana Zaman	1041342	2.59
5.	Mr. Aziz Al-Masud	809015	2.01
6.	Mrs. Sultana Hashem	809236	2.01
7.	Mrs. Fahima Akhter	813342	2.02
8.	Mrs. Savera H Mahmood	806495	2.00
9.	Mr. Kamruddin Parvez	807235	2.00
10.	Mrs. Zannatul Ferdous Zeena	838057	2.08
11.	Mrs. Farahnaz Chowdhury	843838	2.10
12.	Mrs. Afroza Zaman	999869	2.48
13.	Farhana Zaman	1041341	2.59
14.	Mr. Warasuzzaman Chowdhury	980065	2.44
15.	Mr. Shahidul Quader Chowdhury	934217	2.32
	Sub Total =	14222758	35.32%

B. Independent Directors:

1.	Mr. Abu Hyder Chowdhury (Amzad)	-	-
2.	Mr. Makin-Ur-Rashid (Rossi)	-	-
3.	Mr. Mezanor Rahman, FCA	-	-
4.	Mr. Badal Kanti Datta, FCA	-	-

C. Sponsor Shareholders:

1.	Mr. Aziz Al-Kaiser	807105	2.00
2.	Mrs. Aklima Begum	392137	0.97
3.	Mrs. Setara Begum	3768	0.01
4.	Mrs. Hosneara Begum	974818	2.42
5.	Mrs. Monoara Jahangir	4806	0.01
	Sub Total	2182634	5.42%
	Sub Total (A + B + C)	16405392	40.74%

D. Employees (Executives):

1.	Chief Executive Officer	-	-
2.	Company Secretary (C.C)	-	-
3.	Chief Financial Officer	-	-

E. General Shareholders:

1.	Institute	8327989	20.68
2.	General Public	15 536925	38.58
	Sub Total	23864914	59.26 %
	Total Holdings	40270306	100%

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969). (Report-under Condition no. 9.00) is presented below:

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1	Board of directors:-			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as Board) shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	✓		
1(2)(b)(i)	Who either does not hold any share in the company or hold less than one percent (1%) shares of the total paid up shares of the company.	✓		
1(2)(b)(ii)	who is not sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family members also should not hold above mentioned shares in the company.	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Who does not have any other relationship, Whether pecuniary or otherwise, with the company or its subsidiary associated companies.	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code.	✓		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank financial institution (NBFI);	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1(2)(d)	the post of independent director(s) cannot remain vacant more than 90 (ninety) days	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for (1) one tenure only.	✓		
1(3)	Qualification of independent director : -			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business.	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of TK 100 million or any listed company or a member of any national or international chamber of commerce or business association, or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company, or	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in Economics or Commerce or Business or Law, or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law, or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification,	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experience in any field mentioned in clause (b),	✓		
1(3)(d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	Not Applicable
1(4)	Duality of Chairman of the Board of Directors and Managing Director/Chief Executive Officer (CEO)			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and or chief executive officer (CEO) of the company shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director and or Chief Executive Officer of a listed company shall not hold the same position in another listed company.	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Boards meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(iii)	Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		
1(5)(iv)	A discussion on Cost of Good Sold, Gross Profit Margin and Net Profit Margin, where applicable.	✓		
1(5)(v)	A discussion on continuity of any extra ordinary activities and their implication (gains or loss).	✓		
1(5)(vi)	A detailed discussion on related party transaction along with a statement showing amount , nature of related party, nature of transactions and basis of transactions of all related party transactions.	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, right issues, and/or any other instruments.	-	-	No such proceed received during the year.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for initial public offering (IPO), Repeat public offering (RPO), Rights Share Offer, Direct Listing etc;	-	-	The financial result is not deteriorating.
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements ;	-	-	No such significant variance occurs.
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and change in equity.	✓		
1(5)(xii)	A statement that Proper books of account of the issuer have been maintained ;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1(5)(xiv)	A statement that International accounting standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed In preparation of the financial statements and any departure there from has been adequately disclosed.	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.	✓		
1(5)(xviii)	An explanation that Significant deviations from that last years operating result of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Boards statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of board meetings held during the year and attendance by each director .	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or subsidiary or Associated companies and other related parties (name wise details).	-	-	Not Applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouse and minor children (name -wise detail)	✓		
1(5)(xxiii)(c)	Executives and;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise detail)	-	-	Not Applicable
1(5)(xxiv)	In case of the appointment/re-appointment of a director, a disclosure on the following information to the shareholders.			
1(5)(xxiv)(a)	A brief resume of the director	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	Not Applicable
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explain such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure -B and Annexure -C.	✓		
1(6)	Meeting of the Board of Directors: -The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh(ICSB) in so far as those standards are not inconsistent with any condition of this code.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(7)	Code of Conduct for the Chairperson , other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
2	Governance of Board of Directors of Subsidiary company: -			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.	-	-	Not Applicable
2(b)	At least 1(one) independent director on the Board of the holding company shall be a director on the Board of the Subsidiary company;	-	-	Not Applicable
2(c)	The minutes of the Board meeting of the Subsidiary company shall be placed for review at the following board meeting of the holding company;	-	-	Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer(CFO), Head of internal Audit and Compliance(HIAC) and company Secretary(CS);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer(CFO), Head of internal Audit and Compliance(HIAC) and company Secretary(CS) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
3(1)(d)	Thr Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the commission and stock exchange(s)	-	-	Not Applicable
3(2)	Requirement to attend Board of Directors Meeting The MD or CEO,CS,CFO and HIAC shall attend the meeting of the board	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall clearly certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		
4	Board of Directors' Committee:-			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	Audit Committee:-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	-	-	Not Applicable
5(2)(e)	The company secretary shall act as the secretary of the Committee	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two -third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	✓		
5(5)(b)	monitor choice of accounting policies and principles	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5(5)(h)	review the adequacy of internal audit function	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	-	-	Not Applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(6)(ii)	The audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests	-	-	Not Applicable
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	Not Applicable
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	Not Applicable
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	-	-	Not Applicable
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	Not Applicable
5(7)	Reporting to the shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive		✓	Under process
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		✓	Under process

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non - executive directors	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	-	-	Not Applicable
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	Not Applicable
6(2)(g)	The company secretary shall act as the secretary of the Committee	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	-	-	Not Applicable

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		✓	
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and longterm performance objectives appropriate to the working of the company and its goals;		✓	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality		✓	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		✓	
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board		✓	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		✓	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies		✓	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	
7	External or Statutory Auditors.			
7(1)	Issuer Company shall not engage its external auditors to perform the following			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		

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

Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Janata Insurance Company Limited

ATA KHAN & CO.
CHARTERED ACCOUNTANTS

67, MOTIJHEEL COMMERCIAL AREA
(1ST FLOOR), DHAKA-1000
BANGLADESH
TEL: OFF: 880-2-9560933, 9560716
FAX: 880-2-9567351, MOBILE: 01819-228521
Email: maqbul.ahmed@yahoo.com
Website: www.atakhanca.com

REPORT TO THE SHAREHOLDERS OF JANATA INSURANCE COMPANY LIMITED ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

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

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

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

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

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

Date: Dhaka,
10 May 2019




For ATA KHAN & CO.
Chartered Accountants
Maqbul Ahmed, FCA
Managing Partner

Nomination and Remuneration Committee (NRC)

The Board of Directors of Janata Insurance Company Limited formed the NRC Committee in line with the Corporate Governance Condition No. 6(1) and other compliance as per 6(2) to 6(5) of BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

1. Purpose

- 1.1 The Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

Authority

- 2.1 The Nomination and Remuneration Committee is a sub-committee of the Board of Janata Insurance Company Limited from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

3. Constitution

3.1 Chairperson

- i) One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- ii) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- iii) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:

Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

3.2 Membership

- i) The Committee shall comprise of at least three members including an independent director;
- ii) All members of the Committee shall be non-executive directors;
- iii) Members of the Committee shall be nominated and appointed by the Board;
- iv) The Board shall have authority to remove and appoint any member of the Committee;
- v) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (One hundred eighty) days of occurring such vacancy in the Committee;
- vi) The Chairperson of the Committee may appoint or co-opt any external expert and/or members(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or members(s) of staff shall be required or valuable for the Committee.

3.3 Secretary

- i) The company secretary shall act as the secretary of the Committee;

4. Proceedings of Meetings

4.1 Frequency of Meetings

- i) The NRC shall conduct at least one meeting in a financial year;
- ii) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

4.2 Quorum

- i) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher,
- ii) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

4.3 Meeting Fees

- i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.

4.4 Minutes of Meeting

- i) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

5. Role of NRC

- 5.1 NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- 5.2 NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
 - i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - 5.2 1.1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - 5.2 1.2. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 5.2 1.3. remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
 - ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
 - iv) formulating the criteria for evaluation of performance of independent directors and the Board;
 - v) Identifying the company's needs for employees at different levels and determine their selection, transfer for replacement and promotion criteria; and
 - vi) developing, recommending and reviewing annually the company's human resources and training policies;
- 5.3 The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

CEO & CFO'S Certificate to the Board of Directors In Respect of Financial Reporting

Annexure-A

[As per condition No.1(5)(xxvi)], Janata Insurance Company Limited, Declaration by CEO and CFO

The Board of Directors
Janata Insurance Company Limited
Corporate Office
GA/95/D, Link Road
Middle Badda
Dhaka-1212.

Subject: Declaration on Financial Statements for the year ended on 31 December 2018

Dear Sir(s),

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; Date: 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Janata Insurance Company Limited for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i. We have reviewed the financial statements for the year ended on 31 December 2018 and that to the best of our knowledge and belief;
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.



Md. Masud Rana
Chief Financial Officer (CFO)



Saadat R. Khan, Cert CII (UK)
Chief Executive Officer (CEO)

DIRECTORS' CERTIFICATE

As per Regulations contained in the first Schedule of the Insurance Act 2010 (previously 1938) as per Section 40-C of the said Act, we certify that:

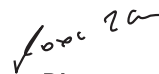
1. The values of investment in shares and debentures have been taken at cost or market price whichever is lower.
2. The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2018 and in our belief, the said assets have been set forth in the Financial Statement at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business have been duly debited to the related Revenue Accounts and Profit & Loss Account.



Chief Executive Officer



Director



Director



Chairman

Report of the Audit Committee

The Audit Committee of Janata Insurance Company Limited is pleased to present this report to the shareholders and other interested parties stating in brief the functions and activities carried out by the Committee during period under review.

Scope of Work of Audit Committee

The Audit Committee of Janata Insurance Company Limited performs within the guidelines of Bangladesh Securities and Exchange Commission and also carries oversight responsibilities. The Board of Directors of the Company set out the overall business plan & formulates policies that the management is responsible for implementation. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the processes and procedures set out in the business plans and policies. Audit Committee also reviews the internal control regime and compliance status of the Company as a whole. The committee is authorized to investigate any matter(s) within its terms of reference, access to all documents and information of the company, seek information from any director or employee and hire/co-opt any resources including external professional assistance, it seems fit and necessary to accomplish its duties. However, the Audit Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Chairman of the Committee remains present in all the general meetings of the Company to answer any questions on the activities of the Committee.

Functions of The Audit Committee

Main function of the Audit Committee is to facilitate the Board in its oversight responsibilities. In order to discharge these responsibilities, the Audit Committee, among others, carry out the following functions:

- Review of Internal Control System to create robust control mechanism;
- Review of Annual Financial Statements;
- Review of quarterly financial statements;
- Review of Internal Audit Reports and suggestion for corrective action;
- Review the findings of External Audit;
- Review of compliance with applicable rules and regulations;
- Timely responses to regulatory inquiries;
- Appraisal of the expertise, resources, independence and objectivity of the external auditor and recommendation to the Board regarding their appointment/reappointment;
- Coordination of regulatory and external audit;
- Coordination of management responses to the external audit; etc.

All these enable the Committee to evaluate major business risk areas, so as to ensure appropriate controls are in place, which is well managed providing accurate, proper and timely information to the Board of Directors, management, regulatory authorities and shareholders.

Composition of the Audit Committee

The following members of the Board of Directors comprise the Audit Committee:

01.	Mr. Mezanoor Rahman, FCA	Independent Director	Chairman
02.	Mrs. Fahima Akhter	Director	Member
03.	Mrs. Afroza Zaman	Director	Member
04.	Mr. Warasuzzaman Chowdhury	Director	Member
05.	Mr. Kamruddin Parvez	Director	Member
06.	Mr. Makin-Ur-Rashid(Rossi)	Independent Director	Member

As per BSEC Notification No. BSEC/CMRRCD/2006-158/Admin/80 dated 03 June, 2018, an independent Director of the Board is the Chairman of the Audit Committee. As per regulatory guidelines, the Company Secretary of the Company acts as tile Secretary to the Audit Committee. Senior officials of the Company attend the meetings on invitation.

Meetings of the Audit Committee and major activities carried out

The Audit Committee had held 06(Six) meetings during the year 2018. During the year under review the Committee, internalia, carried out the following activities:

- Reviewed Internal Audit Plan for the year 2018 and gave guidance on the risk based internal audit for all the departments and branches of the company;
- Reviewed Annual Audited Draft Financial Statements and after discussing with the External Auditor and the management recommended it to the Board for its approval;
- Reviewed the Management Letter issued by the External Auditor, Management responses thereto and corrective measures taken by the Company to avoid recurrence of the lapses mentioned therein;
- Reviewed Quarterly Financial Statements of the Company and recommended their submission to the stakeholders as a statutory requirement;
- Reviewed the report of the Audit Committee to incorporate in the Annual Report;
- Reviewed the expression of interest of external audit firm and upon reviewing expertise, capacity, resources, independence and objectivity thereof recommended to the Board for their appointment;
- Reviewed internal audit reports, discussed on significant Internal Audit findings and advised corrective actions;
- Reviewed and followed up action plan regarding compliance with the corporate governance guidelines issued by Bangladesh Securities and Exchange Commission; etc.

Review of Annual Audited Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements, for the year 2018 prepared by the management and audited by the External Auditor, M/s. ARTISUN & Co., Chartered Accountants and recommended these to the Board for consideration and approval.

The Committee was not aware of any issues in the following areas, which needed to be reported to the Board (i) Report on conflict of interest; (ii) Suspected or presumed fraud or irregularity or material defect in the internal control system and (iii) Suspected infringement of laws, including securities related laws, rules and regulations.

Finally the Audit Committee expresses its sincere thanks and appreciation to the Members of the Board and the Management of Janata Insurance Company Limited for their excellent support in carrying out the duties and responsibilities of the Committee during the period under review.



Mezanoor Rahman, FCA
Chairman, Audit Committee

CREDIT RATING REPORT

AlphaRating

21 October, 2018

Chief Executive Officer
Janata Insurance Company Limited
Ga/95/D, Link Road, Middle Badda,
Gulshan-1, Dhaka-1212

Subject: Credit Rating of Janata Insurance Company Limited

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following ratings to Janata Insurance Company Limited.

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
21 October, 2018	20 October, 2019	Surveillance	A+	ST-2	Stable

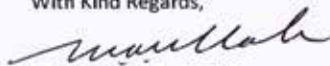
The Short-term and Long-term rating is valid up to the earlier of 20 October, 2019. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to Janata Insurance Company Limited, hereby solemnly declare that:

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

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

With Kind Regards,



Muhammed Asadullah
Managing Director & CEO

This letter forms an integral part of the credit rating report.



Solvency Margin Position

Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's funds. Under section 43 of Insurance Act 2010 the Insurance Company required to maintain Solvency Margin. And the method of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of an insurance company corresponds to its ability to pay claims. The solvency of insurance company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the company has adequate capital as security.

Moreover, solvency margin assists financial investment managers when making a decision on the risk or reward capability of a company to return dividends to stockholders. In Bangladesh regulations for Solvency margin for non-life insurance Company have been prepared by IDRA but not yet been approved by Finance Ministry thereby not yet promulgated through official gazette.

During the year 2018, Janata Insurance Company Limited achieved solvency margin as required level. The details as follows:

SOLVENCY MARGIN BASED ON ASSETS & LIABILITIES:

Particulars	Amount	Particulars	Amount
Total Assets as per Balance Sheet	964.68	Total Liabilities	964.68
Less: Amount due from Others (3/4)	(244.16)	Sundry Creditors	(83.46)
Sundry debtors (Suspense A/C)	-	Amount Due to Others	(37.79)
Carpet & Curtain	(0.06)	Provision for In come Tax	(138.22)
		Deposit Premium	(8.59)
		Reserve for Unexpired Risks	(89.87)
		Reserve for exceptional loss es	(65.09)
(A) Total Assets	720.46	(B) Total Liabilities	541.66
			2018
Solvency Margin Available (A-B) (720.46 – 541.66)			178.80

AUDITORS' REPORT & AUDITED FINANCIAL STATEMENTS



Independent Auditors' Report to the Shareholders of Janata Insurance Company Limited

Opinion:

We have audited the financial statements of Janata Insurance Company Limited, which comprise the Statement of Financial Position as at 31 December 2018, Statement of Profit or Loss & Other Comprehensive Income, Profit or Loss Appropriation Account, Related Revenue Accounts, Statement of Changes In Shareholder's Equity and Cash Flow Statement for the year then ended, and Notes, Comprising a Summary of Significant Accounting Policies & Other Explanatory Information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

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

Risk	Our response to the risk
Premium Income	
<p>Gross general insurance premium comprises the total premium received for the whole period covered through contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area possessed high level of risk.</p>	<ul style="list-style-type: none"> • With respect to premium income of various types of insurance, we carried out the following procedures: • The design and operating effectiveness of key controls around premium income recognition process. • Carried out analytical procedures and recalculated premium income for the period. • Carried out cut-off test to ensure unearned premium income (has not been included in the premium income)

	<ul style="list-style-type: none"> • Reviewed policies to ensure appropriate policy stamp whether affixed to the contract and the whether same has been reflected in the premium register on a sample basis . • Ensured on a sample basis that the premium income was deposited in the designated bank account. • Tested on a sample basis to see that appropriate VAT was being collected and deposited in to the bank through Treasury Challan. • Insurance contracts examined whether level of reinsurance was done and whether th at re insurance premium was deducted from the gross premium on a sample basis. • Applying specialist judgment to ensure if there is any impairment of the reinsurer. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
<p>Fair value reserve on Investment of marketable securities:</p> <p>The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit or Loss Accounts. Unrealized capital gain or loss is transferred to the fair value reserve as per the policy of the company and maintain adequate deferred tax on such reserve.</p> <p>This item has significant on net asset value of the company and equity balances might be prone to misreporting s large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company .</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources.</p> <p>Additionally, we performed the following:</p> <ul style="list-style-type: none"> • Obtained year -end share holding positions from the company and through directional testing assessed the completeness of the report. • Ascertained the valuation of the holding as per IFRS 13. • Review the assumptions used for the valuation models for any unquoted securities.

	<ul style="list-style-type: none"> • Recalculated unrealized gain or loss at the year end. • Carried out cut -off testing to ensure unrealized gain or loss was recognized in correct period. • Check the subsequent positioning of this unrealized amount after the year end. • Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
Risk	Our response to the risk
Estimated liability in respect of outstanding claims whether due or intimated and claim payment:	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company .</p>	<p>We tested the design and operating effectiveness of control around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing around this item:</p> <ul style="list-style-type: none"> • Obtained the claim register and examined for completeness of claims recorded in the register on a sample basis. • Obtained a sample of claimed policies copy and cross checked those with claims. • Obtained a sample of survey reports Template of Auditor's Report of General Insurance Company in Bangladesh Risk . Our response to the risk cross checked those against respective ledger balances and in case of discrepancy , carried out further investigation. • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. • Reviewed the claim committee meeting minutes about decision on impending claims. • Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

Other Matter:

Financial Statements of the Company for the year ended 31st December, 2017 was audited by Mahfel Huq & Co. Chartered Accountants and they have issued an unqualified opinion on their report dated July 08, 2018.

Other Information:

Management is responsible for furnishing other information. Other information have been described in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the print out the other information in the Annual Report.

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 the 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:

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

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

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

Auditors 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on other Legal and Regulatory Requirements:

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

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof ;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books ;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us ;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Profit or Loss and Other Comprehensive Income of the Company ;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad ;
- f) The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, Profit or Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Shareholder's Equity and Cash Flow Statement of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns ;
And
- g) The expenditure incurred was for the purpose of the company's business.

Place: Dhaka.
Dated: April 11, 2019.



(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Statement of Financial Position

As at December 31, 2018

Capital and Liabilities	Notes	Amount in Taka	
		2018	2017
Share Capital			
Authorized Share Capital	3.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Capital	3.0	402,703,060	383,526,730
Share Premium	4.0	55,964,550	55,964,550
Reserve and Contingency Account		117,019,109	93,413,021
Reserve for Exceptional Losses	5.0	65,093,835	62,093,835
Profit & Loss Appropriation Account		51,925,274	31,319,186
Total Shareholders' Equity		575,686,719	532,904,301
Balance of Funds and Accounts	6.0	89,869,662	75,686,891
Fire Insurance Business		25,176,039	23,609,098
Marine Insurance Business		46,751,582	38,847,770
Motor Insurance Business		10,387,024	8,628,123
Miscellaneous Insurance Business		7,555,016	4,601,900
Premium Deposits	7.0	8,593,112	7,695,834
Liabilities and Provisions		290,532,797	277,448,858
Estimated Liabilities in Respect of Outstanding Claims whether Due or Intimated	8.0	16,410,800	6,299,775
Amount Due to other Persons or Bodies Carrying on Insurance Business	9.0	37,791,623	58,367,815
Deferred Tax Liabilities	10.0	14,649,022	11,350,147
Sundry Creditors (including provision for expenses and taxes)	11.0	221,681,352	201,431,121
Total Liabilities		388,995,571	360,831,583
Total Liabilities & Shareholders' Equity		964,682,290	893,735,884
Net Assets Value Per Share (NAV)	24.03	14.30	13.89

The accompanying notes 1-26 form an integral part of these financial statements.

Janata Insurance Company Limited

Statement of Financial Position

As at December 31, 2018

Assets & Properties	Notes	Amount in Taka	
		2018	2017
Investments	12.0	25,344,476	25,420,945
Accrued Interest on FDR & BGTB	13.0	9,747,802	17,277,058
Amount Due from other Persons or Bodies			
Carrying on Insurance Business	14.0	325,549,655	288,926,462
Sundry Debtors (Including advances, deposits, prepayments and others)	15.0	135,324,952	124,308,298
Cash And Bank Balances	16.0	334,757,393	298,532,671
At Banks on Fixed Deposit Account		301,609,733	261,352,247
At Banks on Current Account & Cash in hand		9,413,940	12,988,887
At Banks on STD & Savings Account		23,733,720	24,191,537
Other Accounts	17.0	133,958,012	139,270,450
Fixed Assets (at cost less accumulated depreciation)		133,468,974	138,719,862
Security Deposits		380,691	380,691
Stock of Stamps		108,347	169,897
Total Assets and Properties		964,682,290	893,735,884

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Statement of Profit or Loss & Other Comprehensive Income For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Expenses of management (Not applicable to any particular fund or account)		30,311,689	32,022,768
Advertisement in News Papers & Periodicals		828,428	453,860
Directors' Fees	20.0	1,018,250	593,750
Interest	11.01	3,422,284	3,440,272
Legal and Professional Fees		692,290	844,174
Audit Fees	21.0	276,000	320,000
Bad Debts	15.01	5,455,104	5,455,105
Lease Rental	22.0	4,177,128	4,177,128
Donation and Subscription		931,537	424,000
Registration & Renewals		573,392	2,597,237
Gratuity		7,045,198	7,274,840
Depreciation	Sch. A/2	5,892,078	6,442,402
Net Profit Transferred to Profit or Loss Appropriation Account		69,503,774	31,604,759
Total		99,815,462	63,627,527
Interest and Dividend Income	18.0	19,877,084	18,401,467
Profit/(Loss) Transferred from:		79,938,378	45,191,047
Fire Revenue Account		20,488,867	24,552,248
Marine Revenue Account		47,292,588	27,214,093
Motor Revenue Account		9,205,947	5,242,051
Miscellaneous Revenue Account		2,950,977	(11,817,345)
Capital Gain on Sale of Shares		-	16,119
Gain on Sale of Assets	19.0	-	18,894
Total		99,815,462	63,627,527

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Profit and Loss Appropriation Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Reserve for exceptional losses		3,000,000	-
Provision for income tax	11.04	23,422,480	10,793,478
Provision for deferred tax	10.0	3,298,875	1,561,298
Dividend distributed from last year profit		19,176,330	-
Balance transferred to Statement of Financial Position		51,925,274	31,319,186
Total		100,822,959	43,673,962
Balance brought forward from last year		31,319,186	12,069,203
Net Profit for the year brought down		69,503,774	31,604,759
Total		100,822,959	43,673,962
Earning Per Share (EPS)	24.02	1.06	0.48

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Statement of Cash Flows

For the year ended December 31, 2018

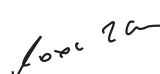
Amount in Taka	
2018	2017

Particulars	Note	Amount in Taka	
		2018	2017
Cash Flows from operating activities :			
Premium and Other Income		359,669,070	329,131,354
Interest & Dividend		11,363,758	5,906,533
Management Expenses, Re-Insurance, Claims & Others		(294,765,568)	(279,804,308)
VAT		(22,987,891)	(22,524,893)
Income Tax		(16,402,764)	(10,735,822)
Net Cash flows (used)/ from operating activities		36,876,605	21,972,864
Cash flows from investing activities :			
Acquisition of fixed assets		(641,190)	(387,019)
Sale proceeds of fixed assets		-	153,000
Disposal/(Acquisition) of Long Term Investment		-	23,349
Net Cash used in investing activities		(641,190)	(210,670)
Cash flows from financing activities :			
Dividend		(10,693)	(38,056)
Total cash used in financing activities		(10,693)	(38,056)
Net increase in Cash & Cash equivalents during the year		36,224,722	21,724,138
Opening Cash & Cash equivalents at beginning of the year		298,532,671	276,808,533
Closing Cash & Cash equivalents at end of the year		334,757,393	298,532,671
Net Operating Cash Flows Per Share	24.04	0.92	0.55

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Statement of Changes in Equity

For the year ended December 31, 2018

Particulars	Amount in Taka				
	Share capital	Share premium	Reserve for exceptional losses	Retained earnings	Total
Balance as on January 01, 2018	383,526,730	55,964,550	62,093,835	31,319,186	532,904,301
Dividend paid for 2017 in the form of Bonus Share	19,176,330	-	-	(19,176,330)	-
Reserve for Exceptional Losses	-	-	3,000,000	(3,000,000)	-
Current Years Net Profit (after tax)	-	-	-	42,782,419	42,782,419
Balance as on December 31, 2018	402,703,060	55,964,550	65,093,835	51,925,274	575,686,719
Balance as on January 01, 2017	383,526,730	55,964,550	62,093,835	12,069,203	513,654,318
Net Profit for the year 2017 (after tax)	-	-	-	19,249,983	19,249,983
Reserve for exceptional losses	-	-	-	-	-
Balance as on December 31, 2017	383,526,730	55,964,550	62,093,835	31,319,186	532,904,301

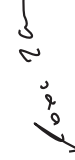
The accompanying notes 1-26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

Signed as per our annexed report of even date.



(ARTISAN)

CHARTERED ACCOUNTANTS

Place: Dhaka

Dated: April 11, 2019

Janata Insurance Company Limited

Consolidated Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Claim Under Policies Less Re-Insurance:		47,515,854	78,242,315
Paid during the year		37,404,829	79,693,790
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		16,410,800	6,299,775
Less: Outstanding at the end of the previous year		(6,299,775)	(7,751,250)
Agency commission		42,561,421	40,680,763
Expenses of management	23.0	62,313,700	56,699,869
Insurance stamp expenses		147,655	165,748
Profit transferred to Profit or Loss Account		79,938,378	45,191,047
Reserve for unexpired risks of premium income of the year as shown in the Statement of Financial Position		89,869,662	75,686,891
Total		322,346,670	296,666,633
		322,346,670	296,666,633
Balance at the beginning of the year (Reserve for unexpired risks)		75,686,891	78,136,848
Premium less Re-Insurance		218,725,418	186,156,078
Commission on Re-Insurance ceded		27,934,361	32,373,707
Total		322,346,670	296,666,633

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Fire Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Claim Under Policies Less Re-Insurance:		14,442,077	24,971,940
Paid during the year		12,333,327	25,263,740
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		7,907,000	5,798,250
Less: Outstanding at the end of the previous year		(5,798,250)	(6,090,050)
Agency commission		16,472,658	16,911,514
Expenses of management	23.0	23,124,328	22,422,229
Insurance stamp expenses		64,350	59,350
Profit/(Loss) transferred to Profit or Loss Account		20,488,867	24,552,248
Reserve for unexpired risks being 40% of premium income of the year as shown in the Statement of Financial Position		25,176,039	23,609,098
Total		99,768,319	112,526,379
		99,768,319	112,526,379
Balance at the beginning of the year (Reserve for unexpired risks)		23,609,098	37,366,842
Premium less Re-Insurance		62,940,098	59,022,746
Commission on Re-Insurance ceded		13,219,123	16,136,791
Total		99,768,319	112,526,379

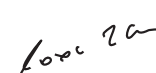
The accompanying notes 1-26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019



(ARTISAN)

CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Marine Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Claim Under Policies Less Re-Insurance:		17,984,662	20,602,826
Paid during the year		11,171,162	20,602,826
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		6,813,500	-
Less: Outstanding at the end of the previous year		-	-
Agency commission		19,524,161	17,912,794
Expenses of management	23.0	27,411,872	24,683,206
Profit transferred to Profit or Loss Account		47,292,588	27,214,093
Reserve for unexpired risk being 40% & 100% of premium income marine cargo and marine Hull business respectively of the year as shown in the Statement of Financial Position		46,751,582	38,847,770
Total		158,964,865	129,260,689
		158,964,865	129,260,689
Balance at the beginning of the year (Reserve for unexpired risks)		38,847,770	24,693,190
Premium less Re-Insurance		110,930,220	94,058,275
Commission on Re-Insurance ceded		9,186,875	10,509,224
Total		158,964,865	129,260,689

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Motor Insurance Revenue Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Claim Under Policies Less Re-Insurance:		6,417,167	12,340,114
Paid during the year		6617867	13,640,114
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		85,000	285,700
Less: Outstanding at the end of the previous year		(285,700)	(1,585,700)
Agency commission		3,548,098	2,862,090
Expenses of management	23.0	4,954,843	3,925,583
Insurance stamp expenses		82,605	101,845
Profit transferred to Profit or Loss Account		9,205,947	5,242,051
Reserve for unexpired risks of premium income of the year as shown in the Statement of Financial Position		10,387,024	8,628,123
Total		34,595,684	33,099,806
		34,595,684	33,099,806
Balance at the beginning of the year (Reserve for unexpired risks)		8,628,123	11,529,498
Premium less Re-Insurance		25,967,561	21,570,308
Total		34,595,684	33,099,806

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Miscellaneous Insurance Revenue Account

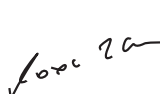
For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		2018	2017
Claim Under Policies Less Re-Insurance		8,671,948	20,327,435
Paid during the year		7,282,473	20,187,110
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		1,605,300	215,825
Less: Outstanding at the end of the previous year		(215,825)	(75,500)
Agency commission		3,016,504	2,994,365
Expenses of management	23.0	6,822,657	5,668,852
Insurance stamp expenses		700	4,553
Profit transferred to Profit or Loss Account		2,950,977	(11,817,345)
Reserve for unexpired risks of premium income of the year as shown in the Statement of Financial Position		7,555,016	4,601,900
Total		29,017,802	21,779,759
		29,017,802	21,779,759
Balance at the beginning of the year (Reserve for unexpired risks)		4,601,900	4,547,318
Premium less Re-Insurance		18,887,539	11,504,749
Commission on Re-Insurance ceded		5,528,363	5,727,692
Total		29,017,802	21,779,759

The accompanying notes 1-26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our annexed report of even date.

Place: Dhaka
Dated: April 11, 2019


(ARTISAN)
CHARTERED ACCOUNTANTS

Schedule of Fixed Assets

As at December 31, 2018

Schedule A/1

Particulars	Cost				Depreciation					Written down value Balance as on 31.12.2018
	Balance as on 01.01.2018	Addition during the year	Adjustment / Disposal during the year	Balance as on 31.12.2018	Rate of Dep. %	Balance as on 01.01.2018	Charged during the year	Adjustment Disposal	Balance as on 31.12.2018	
Land	56,650,075	-	-	56,650,075	-	-	-	-	-	56,650,075
Building	77,031,633	-	-	77,031,633	5%	15,922,099	3,055,477	-	18,977,576	58,054,057
Office Decoration	18,651,397	33,900	-	18,685,297	10%	11,140,807	752,754	-	11,893,561	6,791,736
Furniture & Fixture	7,675,422	11,500	-	7,686,922	10%	5,006,674	267,450	-	5,274,124	2,412,798
Motor Vehicles	11,908,576	-	-	11,908,576	20%	9,557,987	470,118	-	10,028,105	1,880,471
Carpet & Curtain	645,568	-	-	645,568	10%	583,756	6,181	-	589,937	55,631
Office Equipment	22,170,955	570,790	-	22,741,745	15%	14,592,682	1,179,550	-	15,772,232	6,969,513
Sundry Assets	1,084,800	25,000	-	1,109,800	20%	294,559	160,548	-	455,107	654,693
Total	195,818,426	641,190	-	196,459,616		57,098,564	5,892,078	-	62,990,642	133,468,974

Janata Insurance Company Limited

FORM 'AA'

CLASSIFIED SUMMARY OF ASSETS

AS AT DECEMBER 31, 2018

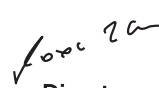
Sl. No.	Class of Assets	Amount in Taka	
		2018	2017
		Book Value	Book Value
1.	Investment in Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
2.	Investment in Shares at market value	344,476	420,945
3.	Accrued Interest on FDR & BGTB	9,747,802	17,277,058
4.	Amount due from other persons or bodies carrying on insurance business	325,549,655	288,926,462
5.	Sundry Debtors (including advances, deposits, prepayments and others)	135,324,952	124,308,298
6.	Cash and Bank Balances	334,757,393	298,532,671
7.	Fixed Assets (at cost less depreciation)	133,468,974	138,719,862
8.	Security Deposit	380,691	380,691
9.	Stock of Stamps	108,347	169,897
Total		964,682,290	893,735,884



Chief Executive Officer



Director



Director



Chairman

Place: Dhaka

Dated: April 11, 2019



(ARTISAN)

CHARTERED ACCOUNTANTS

Janata Insurance Company Limited

Notes, Comprising a Summary of Significant Accounting Policies & Other Explanatory Information

For the year ended December 31, 2018

1.0 Legal form and status of the company:

The Company was incorporated and commenced its business as a public limited company under Companies Act 1994 on 23rd September, 1986 with a view to run all types of insurance business except life insurance as per Insurance Act, 2010 (previously Insurance Act 1938) in Bangladesh.

The company floated its share capital and got enlistment with DSE in the year 1994 and CSE in the year 1995.

1.01 Address of Registered office and place of business of the company:

The registered office of the company is located at Ga/95/D, Link Road, Middle Badda, Gulshan – 1, Dhaka-1212, Bangladesh. At Present the company operates its business through 06 branches excluding Head Office.

1.02 Principal activities of the company:

The principal activities of the company is to carry on all kinds of general insurances (fire, marine, motor, miscellaneous), guarantee, and indemnity business other than life insurance business.

1.03 Date of Financial Statements Authorized for Issue:

Financial Statements of the company for the year ended December 31, 2018 were authorized by the Board for issue on April 11, 2019 in accordance with a resolution of the Board of Directors of the company.

2.0 Structure, Content and Presentation of Significant accounting policies

2.01 Basis of preparation and presenting Financial Statements:

(i) The Board of Directors is responsible for the preparation and presentation of financial statements under section 183 of the companies Act 1994 and as per the provision of Bangladesh Securities and Exchange Rules 1987, Insurance Act 1938 (as amended in 2010), Companies Act 1994 and the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh particularly with regard to disclosure of accounting policies and relevant information in Financial Statements as well as accounting for property and depreciation thereon and the valuation of investments and other relevant matters.

(ii) The Financial Statement has been prepared on going concern and accrual basis under historical cost convention and 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 that Schedule.

Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form ‘F’ as set forth in Part-II of third Schedule of the Insurance Act, 1938 (as amended in 2010). The classified summary of the assets has been prepared in accordance with Form “AA” as set forth in Part-II of the aforesaid Act. The Statement of Cash flows and statement of changes in equity has been prepared in accordance with IFRS and as per requirement of the Bangladesh Securities and Exchange Rules 1987.

(iii) Going concern:

The accompanying Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying Financial Statements do not include any adjustments should the company be unable to continue as a going concern.

(iv) Functional and Presentation Currency:

These financial statements are presented in Taka, which is the company's functional currency except as indicated.

(v) Use of estimates and judgement:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(vi) Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

(vii) Financial statements of the company cover one calendar year from 1st January, 2018 to 31st December, 2018 consistently.

2.2 Significant Accounting policies:

2.2.1 Revenue recognition:

(i) Premium income is recognized when Insurance policies are issued, but the premium of company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the statements of accounts from Sadharan Bima Corporation are received. Accordingly Insurance Premium relating to the Public Sector business upto 2nd quarter of the year 2018 had been incorporated in the accompanying accounts.

Premium earned less re-insurance during the year was Taka 218,725,418.00 (Net) against Taka 186,156,078.00 (Net) of previous year on account of Fire, Marine and Miscellaneous business.

(ii) Investment Income:

Interest on Bangladesh Govt. Treasury Bond and FDR's are recognized on accrual basis and calculated by using effective interest rate method. Interest on STD Account and dividend on shares and other income are recognized on cash basis.

2.2.2 Re-Insurance Ceded & Accepted:

While preparing the Revenue Accounts necessary adjustments in respect of re-insurance business ceded and accepted in Bangladesh have been given. Re-insurance accounts has been incorporated in the accounts upto 3rd quarter of the year 2018 as per previous practice.

2.2.3 Balance of Funds & Accounts (Un-expired risks reserve):

Before arriving at the surplus of each class of business necessary provision for unexpired risks has been made @ 40% on all business except on Marine Hull business for which provision has been made @100% of net premium for the year as per Insurance Act 1938 (as amended in 2010).

2.2.4 Reserves for Exceptional Losses:

As per 4th schedule of Income-tax Ordinance, 1984, upto 10% of premium income may be maintained as reserve for exceptional losses out of profit by the company to meet exceptional possible future claims. No amount has been kept as reserve for exceptional losses during the year.

2.2.5 Management Expenses:

As per section 40(C)(2) Insurance Act 1938 (as amended in 2010) all relevant management expenses for an amount of Taka 6,23,13,700.00 have been allocated to each class of Insurance business on pro-rata basis of their respective gross premium income earned during the year from direct business in Bangladesh. This represents 17.77% of the total gross premium income of the year as against 17.71% of that of the previous year

2.2.6 Fixed Assets & Depreciation:

(i) Recognition of Fixed Assets:

The company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the items can be measured reliably. Expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

(ii) Valuation of Fixed Assets:

All fixed assets are stated at cost less accumulated depreciation as per IAS 16: "Property, Plant and Equipment". The cost of acquisition of an asset comprise its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

(iii) Depreciation:

Depreciation is charged on Fixed assets has been calculated on all assets using Reducing balance method in accordance with IAS-16 "Property, Plant and Equipment " at varying rates depending on the class of assets. Depreciation is charged on addition of fixed assets when the asset is available for use. Asset category wise depreciation rates are as follows:

Name of Assets	Rate of Depreciation
Building	5%
Office Decoration	10%
Furniture & Fixture	10%
Motor Vehicles	20%
Carpet & Curtain	10%
Office Equipment	15%

2.2.7 Investment:

Investments for statutory deposits are held for trading purpose and stated at their cost of acquisition. Investments in shares are stated at their market price as per IAS 39.

2.2.8 Valuation of Assets:

The value of all assets at December 31, 2018 has been shown in the Financial Statement and in the classified summary of assets on Form "AA" annexed with this report at the amounts shown not exceeding their book value.

2.2.9 Taxation:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted on the balance sheet date. Provision for income tax has been made at the rate of 37.50% as per ITO, 1984.

2.2.10 Deferred Taxation:

Deferred tax is provided on temporary differences arising between the tax base values of assets and liabilities and their carrying amounts in the financial statements in accordance with IAS-12. The profit & loss for insurance business in Bangladesh are determined as per 4th schedule and not using section 28 of IT ordinance 1984. The deferred tax liability represents managements estimate of tax payable on gains from selling of the property plant and equipment and gratuity when paid.

2.2.11 Lease Assets:

Leased assets are considered as operating lease and therefore lease rental are charged as expenses as incurred.

2.2.12 Employees Benefit Plans:

The company has maintained employees benefit under the existing employees benefit policy of the company as well as per IAS 19.

2.2.13 Provident Fund:

The company operates a contributory provident fund for its permanent employees, provision for which is being made annually as per rules. The fund is recognized by the Income Tax Authorities and is administered by a Board of Trustees.

2.2.14 Gratuity Summary Discloser on benefits:

Employees are entitled an unfunded gratuity benefit after completion of minimum 5 years continued service in the company. The gratuity is calculated on the last basic pay and is payable at the rate of two months basic pay for every completed year of service.

As per Board resolution dated 19.05.2013 it was decided that the short in provision on account of Gratuity fund amount of Taka 61,752,270 (un-audited) will be recouped within 10 years by making arrear provision of Gratuity in addition to current provision starting from the year 2013. Accordingly amount of Taka 4,000,000 has been provided in the accounts of 2018 as arrear provision of gratuity and balance short provision of Taka 24,931,510 will be met up by coming 4 (Four) years.

2.2.15 Workers Profit Participation Fund (WPPF):

The Board refers the matter of provision for Workers Profit Participation Fund (WPPF) and like to clarify that as per provision of Para (A to G) of section 233 of Bangladesh Labor Amendments Act 2013, functions of Non life Insurance Companies are not similar to the functions of industrial Relating Works' as mentioned in the aforesaid section.

Therefore, provision for Workers Profit Participation and Welfare Fund (WPPF) is not applicable for the Company. It may be mentioned here that Janata Insurance Company Ltd. has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group and Personal Accident Insurance Scheme, and Incentive Bonus etc, as Per Provision of IAS-19.

2.2.16 Earning Per Share (EPS):

The company calculates earnings per share (EPS) in accordance with IAS 33: "Earnings Per Share".

Basic earnings per share:

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

For calculation of basic earnings and weighted average number of ordinary shares outstanding during the period, the following formulas have been used:

Sl. No.	Particulars	2018	2017
a)	Earnings attributable to the ordinary shareholders	42,782,419	19,249,983
b)	Number of Ordinary Shares	40,270,306	40,270,306
c)	Earnings Per Share	1.06	0.48

Basic earnings:

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary share issued during the period multiplied by a time-weighted factor. The time-weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days during the year.

Diluted earnings per share:

No diluted earnings per share is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.2.16 Provision for Liabilities:

According to IAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.2.17 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 7: "Statement of Cash Flows", the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

2.2.18 Additional Information on Financial Statements:

Components of the Financial Statements:

Following the Insurance Act 2010 and IAS 1: "Presentation of Financial Statements", the company's complete set of financial statements include the following components:

- a) Statement of Financial Position as at December 31, 2018.
- b) Statement of Profit or Loss & Other Comprehensive Income for the year ended December 31, 2018
- c) Profit and Loss Appropriation Account for the year ended December 31, 2018
- d) Consolidated Revenue Account for the year ended December 31, 2018
- e) Fire Insurance Revenue Account for the year ended December 31, 2018
- f) Marine Insurance Revenue Account for the year ended December 31, 2018
- g) Motor Insurance Revenue Account for the year ended December 31, 2018
- h) Miscellaneous Insurance Revenue Account for the year ended December 31, 2018
- i) Statement of Changes in Equity for the year ended December 31, 2018
- j) Statement of Cash Flows for the year ended December 31, 2018
- k) Notes, Comprising a Summary of Significant Accounting Policies & Other Information for the year ended December 31, 2018.

Comparatives Figure:

Previous year's figure has been restated and rearranged whenever necessary due to fair presentation in the Financial Statements as per IAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors"

Disclosure of departure from few requirements of IAS/IFRS due to mandatory compliance of Insurance Act's requirements:

The Janata Insurance Company Limited's management has followed the principles of International Accounting Standard (IAS) & International Financial Reporting Standard (IFRS) consistently in preparation of the Financial Statements to that extent as applicable to Janata Insurance Company Limited (JICL). Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the JICL has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable

a) Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. However as per requirements of IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any changes in the fair value at the year-end is taken to profit or loss account or other comprehensive income respectively.

b) Unexpired Risk Provision on Insurance Premium and Re-Insurance Premium are followed as per Principle of Insurance. However such general provision cannot satisfy the conditions of provision as per International Accounting Standard (IAS) 37: Provisions, Contingent Liabilities and Contingent Assets.

c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in International Accounting Standard (IAS) 39: Financial Instrument: Recognition and Measurement. As such some disclosure and presentation requirements of International Financial Reporting Standard (IFRS)

d) Financial Instrument: Disclosures, and International Accounting Standard (IAS) 32: Financial Instrument: Presentation, have not been made in the accounts comply with regulatory requirements.

		Amount in Taka	
		2018	2017
3.00 Share Capital:			
<u>Authorized Share Capital:</u>			
100,000,000 Ordinary shares of taka 10 each.		1,000,000,000	1,000,000,000
<u>Issued, Subscribed and Paid-up Capital:</u>			
6,000,000 ordinary shares of taka 10 each fully paid-up (Sponsors/Promoters plus IPO)		60,000,000	60,000,000
16,262,400 ordinary shares of taka 10 each fully paid-up (Rights Share issue)		162,624,000	162,624,000
16,090,273 ordinary shares of taka 10 each issued as Bonus Shares		160,902,730	160,902,730
19,17,633 ordinary shares of taka 10 each issued as Bonus Shares		19,176,330	-
Total	Taka	402,703,060	383,526,730

Share holding position is as under:

Name	No. of Shares	Holdings %	Value of Share in Taka	
			2018	2017
Sponsors/Promoters & Directors	16,405,392	40.74%	164,053,920	156,241,950
General Public	23,864,914	59.26%	238,649,140	227,284,780
Total	40,270,306	100%	402,703,060	383,526,730

The shares are listed in the Dhaka Stock Exchange and Chittagong Stock Exchange and quoted at Tk 15.20 and Tk 15.00 per share respectively on December 31, 2018.

4.00 Share Premium:

Opening balance	55,964,550	55,964,550
Closing balance	55,964,550	55,964,550

This above amount represents the balance of share premium received against rights share issue.

5.00 Reserve for Exceptional Losses:

Opening balance	62,093,835	62,093,835
Addition during the year	3,000,000	-
Closing balance	65,093,835	62,093,835

6.00 Balance of Fund and Accounts:

		Amount in Taka	
		2018	2017
Fire Insurance Business		25,176,039	23,609,098
Marine Cargo Insurance Business		42,785,758	36,807,003
Marine Hull Insurance Business		3,965,824	2,040,767
Motor Insurance Business		10,387,024	8,628,123
Miscellaneous Insurance Business		7,555,016	4,601,900
Total	Taka	89,869,662	75,686,891

This represents reserve for unexpired risks provided from Net Premium Income of the year including Public Sector Business as shown below:

Class of business	Net premium	Retained percentage	Balance of fund	
Fire	62,940,098	40%	25,176,039	23,609,098
Marine Cargo	106,964,396	40%	42,785,758	36,807,003
Marine Hull	3,965,824	100%	3,965,824	2,040,767
Motor	25,967,561	40%	10,387,024	8,628,123
Miscellaneous	18,887,539	40%	7,555,016	4,601,900
Total	218,725,418		89,869,662	75,686,891

7.00 Premium Deposits:

Balance on this account represents premium received against cover notes which were not converted into policies within 31 December 2018. As of 31 December 2018, covernotes beyond 9(nine) months have been converted into policies consistently.

The class wise summary of the premium deposits is as follows:

Business -

Fire	2,179,885	411,569
Marine Cargo	5,209,613	6,538,569
Miscellaneous	913,200	230,535
Motor	147,248	-
Stamp Duty	143,166	515,161
Total	Taka 8,593,112	7,695,834

8.00 Estimated Liabilities in Respect of Outstanding Claims whether Due or Intimated:

(a) Fire Insurance Business	7,907,000	5,798,250
(b) Marine Cargo Insurance Business	6,813,500	-
(C) Motor Insurance Business	85,000	285,700
(d) Miscellaneous Insurance Business	1,605,300	215,825
Total	Taka 16,410,800	6,299,775

Management is aware of all the claims as per intimation given upto the year-end have been taken into consideration whether due or intimated.

Amount in Taka	
2018	2017

9.00 Amount Due to other Persons or Bodies Carrying on Insurance Business:

This represents the amount payable to Sadharan Bima Corporation and other re-insurers and private sector insurance companies on account of re-insurance and co-insurance premium as at December 31, 2018, the details of which are hereunder:

Sadharan Bima Corporation	36,009,752	56,585,944
Bangladesh National Insurance Co. Ltd.	53,590	53,590
Eastern Insurance Co. Ltd.	251,052	251,052
Federal Insurance Co. Ltd.	151,480	151,480
Northern General Insurance Co. Ltd.	126,422	126,422
Phoenix Insurance Co. Ltd.	350,135	350,135
Purabi General Insurance Ltd.	160,955	160,955
Prime Insurance Co. Ltd.	3,203	3,203
Rupali Insurance Co. Ltd.	239,665	239,665
United Insurance Co. Ltd.	68,567	68,567
Global Insurance Ltd.	168,616	168,616
Dhaka Insurance Ltd.	52,759	52,759
Takaful Islami Ins. Co. Ltd.	8,763	8,763
Asia Insurance Co. Ltd.	139,521	139,521
Islami Comm. Insurance Co. Ltd.	7,143	7,143
Total	Taka 37,791,623	58,367,815

Balance with the co-insurers are being shown after making adjustment/netoff considering the above mutual facts.

10.00 Deferred Tax Liabilities

Opening Balance	11,350,147	9,788,849
Add: Addition during the year	3,298,875	1,561,298
Total	14,649,022	11,350,147

11.00 Sundry Creditors (including provision for expenses and taxes):

Income Tax Payable [Deduction at source]	2,175,103	2,929,227
Provident Fund Payable (with interest) (Note: 11.01)	46,217,208	47,015,086
Unpaid Dividend (Note: 11.02)	684,799	691,980
Lease Rental Payable	311,334	327,978
Payable dividend against sale proceeds of bonus fraction shares	1,983,660	1,987,173
VAT Payable (Note: 11.03)	1,749,910	1,855,359
Security Deposit	7,000	7,000
Audit fee Payable	559,750	559,750
Office Rent Payable	252,926	71,399
Provision for Taxation (Note: 11.04)	138,218,352	114,795,872
Gratuity Account (Note: 11.05)	29,154,305	30,746,823
Underwriting Commission Payable	236,452	236,452
Provision for Diminution in value of investment	130,553	207,022
Total	221,681,352	201,431,121

11.01 Provident Fund Payable (with interest):

Amount in Taka	
2018	2017

Particulars	Principal	Interest	Balance of Fund	
Balance as on 01.01.2018	43,574,815	3,440,272	47,015,087	49,480,724
Add: Contribution & Provision for the year(including loan	5,239,753	3,422,284	8,662,037	9,434,811
Less: Payment made during the year	6,019,644	3,440,272	9,459,916	11,900,448
Balance as on 31.12.2018	42,794,924	3,422,284	46,217,208	47,015,087

8% interest has been provided on payable principal amount and as against the above liability. The payable fund is required to be transferred to PF Trust Account by giving most preference.

11.02 Unpaid Dividend:

Unpaid dividend balance amounting to Taka 6,84,799 mainly due to sponsor shareholders.

11.03 VAT Payable:

The above VAT payable amount has been provided by the company as unpaid VAT upto 31.12.2018 and subsequently paid the amount fully.

11.04 Provision for Taxation:

Opening balance	114,795,872	104,002,394
Add: Provision for the year 2018	23,422,480	10,793,478
Closing balance	138,218,352	114,795,872

11.05 Provision for Gratuity:

Opening balance	30,746,823	29,683,448
Add: Provision made during the year 2018	7,045,198	7,274,840
Current year's provision	3,045,198	3,274,840
Arrear provision	4,000,000	4,000,000
	37,792,021	36,958,288
Less: Paid during the year 2018	8,637,716	6,211,465
Closing balance	29,154,305	30,746,823

12.00 Investment:

Statutory deposit: Bangladesh Govt. Treasury Bond	(Note: 12.1)	25,000,000	25,000,000
Shares - at market value	(Note: 12.2)	344,476	420,945
Total		25,344,476	25,420,945

12.01 Statutory deposit: Bangladesh Govt. Treasury Bond

The amount has been kept in Bangladesh Bank as Statutory Deposit as per requirement under Section 23 of the Insurance Act, 2010 and the deposit are not permissible for encashment without prior permission of the IDRA. Accrued interest on such bond amount upto December 31, 2018 has been accounted for.

Amount in Taka	
2018	2017

12.02 Investment in Shares (at market value):

These are made up as follows:

Ordinary Shares	Quantity	Cost price	Market value	
8th ICB Unit Fund	3095	30,950	-	59,950
Wonderlandtoy's	695	69,500	-	(Not traded since 2009)
ICB Islami Bank	400	400	1,920	2,800
Asia Insurance	262	7,117	4,585	6,262
Asia Pacific Insurance	500	15,342	13,250	12,600
Bangladesh General Insurance	100	2,917	2,000	2,220
Central Insurance	226	5,935	4,226	5,063
City General Insurance	133	2,756	1,956	2,421
Delta Life Insurance	62	12,666	6,808	6,671
Eastern Insurance	200	7,585	5,400	5,740
Eastland Insurance	279	9,557	6,040	6,640
Fareast Life Insurance	66	4,879	4,171	4,719
Federal Insurance	134	2,434	1,358	1,702
Global Insurance	711	13,933	10,295	11,234
Green Delta Insurance	126	9,698	8,190	7,736
Karnaphuli Insurance	330	7,454	5,467	5,808
Meghna Life Insurance	72	5,764	5,609	4,313
Mercantile Insurance	500	13,531	11,250	11,650
National Life Insurance	94	15,231	23,350	15,106
Peoples Insurance	100	3,451	1,750	2,120
Phenix Insurance	200	8,491	5,780	5,900
Prime Insurance	301	7,973	4,124	5,779
Prime Life Insurance	132	10,352	7,642	7,247
Provati Insurance	703	14,436	12,021	13,920
Purabi General Insurance	814	13,078	11,752	14,082
Reliance Insurance	836	37,373	41,906	45,729
Republic Insurance	781	21,830	22,125	20,540
Rupali Insurance	126	3,350	2,574	2,570
Sandhani Life Insurance	111	3,642	3,445	3,497
Safko Spinning	122	3,656	2,200	2,074
Sonar Bangla Insurance	684	12,474	11,280	12,586
Standard Insurance	778	20,070	31,806	22,795
Sunlife Insurance	556	28,570	15,706	13,733
Takaful Insurance	709	19,114	19,451	17,583
United Insurance	105	4,326	2,636	3,129
Islami Insurance	764	16,549	17,403	24,906
Padmalife Insurance	600	30,633	15,000	30,120
Total	16,407	497,017	344,476	420,945

Provision has been recognised for the difference amount between the market value of shares as on 31.12.2018 and on the same date of previous year.

Amount in Taka	
2018	2017

13.00 Accrued Interest on FDR & BGTB:

Accrued interest on Fixed Deposit (FDR)	7,315,712	14,844,968
Accrued interest on Bangladesh Govt. Treasury Bond (BGTB)	2,432,090	2,432,090
Total	9,747,802	17,277,058

14.00 Amount Due from other Persons or Bodies Carrying on Insurance Business:

This represents the total receivable from various persons or bodies carrying on insurance business as claim and co-insurance premium as on 31st December, 2018, the details of which are hereunder:

Sadharan Bima Corporation	323,521,947	286,520,112
Bangladesh General Insurance Co. Ltd.	15,087	15,087
Bangladesh Co-Operative Insurance Co. Ltd.	132,612	132,612
Eastland Insurance Co. Ltd.	36,357	36,358
Green Delta Insurance Co. Ltd.	157,177	157,177
Karnaphuli Insurance Co. Ltd.	320,185	320,185
Mercantile Insurance Co. Ltd.	57,223	57,223
Meghna Insurance Co. Ltd.	6,835	6,835
Progati Insurance Co. Ltd.	728,762	1,107,403
Peoples Insurance Co. Ltd.	195,837	195,837
Provati Insurance Co. Ltd.	126,054	126,054
Reliance Insurance Co. Ltd.	23,709	23,709
Pioneer Insurance Co. Ltd.	154,237	154,237
Union Insurance Co. Ltd.	57,785	57,785
South Asia Insurance Co. Ltd.	13,610	13,610
Asia Pacific Insurance Co. Ltd.	2,238	2,238
Total	325,549,655	288,926,462

Balance with the co-insurers are being shown after making adjustment/net off considering the above mutual facts.

15.00 Sundry Debtors (Including Advances, Deposits, Prepayments and Others):

Advance against Salary	330,896	1,416,896
Advance against Office Rent	3,266,029	1,986,035
Advance against Income Tax	131,728,027	115,325,263
Total	135,324,952	124,308,298

15.01 Suspense Account:

Opening balance	5,455,104	10,910,209
Less: Write off as Bad Debts (4th phase)	5,455,104	5,455,105
Closing balance	-	5,455,104

Amount in Taka	
2018	2017

As per decision of the Board of Directors of the Company, court cases were filed in the year 1994 to realize total outstanding premium of Taka 272.76 lakh from the organizations of Late Mr. Akhtaruzzaman Chowdhury, former Chairman and Adviser of the Company. But considering adverse status of the court cases of this long pending issue, the Board in its meeting held on January 28,2014 had decided to write off the entire amount of Taka 272.76 lakh by amortizing in 5 years subject to withdrawal of court cases, Accordingly, in 4th phase an amount of Tk.54,55,105/= only as 1/5th of the total amount has been provided in the accounts as bad debts as the related cases had withdrawn from the respective courts.

16.00 Cash and Bank Balances:

Fixed Deposits	301,609,733	261,352,247
STD Accounts	23,709,242	24,166,131
Savings Account	24,478	25,406
Current Accounts	8,035,041	7,863,266
Cash in hand	1,378,899	5,125,621
Total	334,757,393	298,532,671

17.00 Other Accounts

Fixed Assets (at cost less Acc. depreciation)	17.01		
Land		56,650,075	56,650,075
Building		58,054,057	61,109,534
Office Decoration		6,791,736	7,510,590
Furniture & Fixture		2,412,798	2,668,748
Motor Vehicles		1,880,471	2,350,589
Carpet & Curtain		55,631	61,812
Office Equipment		6,969,513	7,578,273
Sundry Assets		654,693	790,241
Security Deposits	17.02	380,691	380,691
Stock of Stamps		108,347	169,897
Total		133,958,012	139,270,450

17.01 Fixed Assets (at cost less Acc. depreciation)

A. Fixed assets at cost

Opening balance	195,818,426	195,257,157
Add: Addition during the year	641,190	886,569
	196,459,616	196,143,726
Less: Disposal during the year	-	325,300
Total (A)	196,459,616	195,818,426

B. Accumulated depreciation

Opening balance	57,098,564	50,847,356
Add: Addition during the year	5,892,078	6,442,402
	62,990,642	57,289,758
Less: Disposal during the year	-	191,194
Total (B)	62,990,642	57,098,564

C. Written down value (A – B)

	133,468,974	138,719,862
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Details of fixed assets are shown in Schedule-A/1.

Amount in Taka	
2018	2017

17.02 Security Deposits:

Telephone	103,592	103,592
Credit Card with Hotel Purbani	15,000	15,000
Fuel [Binimoy Service Station]	20,000	20,000
Club Membership	12,000	12,000
Central Depository Bangladesh Ltd.	200,000	200,000
Titas Gas Transmission & Distribution	6,750	6,750
Wifang securities Ltd.	23349	23349
Total	380,691	380,691

All the above deposits are encashable on cessation of the terms of such deposits.

18.00 Interest and Dividend Income:

Interest on Fixed Deposits	16,569,592	15,439,812
Interest on STD & SB Bank Accounts	711,173	368,172
Interest on BGTB	2,588,750	2,588,750
Dividend from listed companies	7,569	4,733
Total	19,877,084	18,401,467

19.00 Gain on Sale of Assets:

Original cost	-	325,300
Accumulated depreciation	-	191,194
WDV of the asset	-	134,106
Sale proceed	-	153,000
Profit	-	18,894

20.00 Directors' Fees:

1,018,250	593,750
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During the year under review a total amount of Taka 10,18,250 was paid to the directors of the company as Board meetings attendance fees. The Directors received no remuneration from the company other than fees for attending the Board meetings.

21.00 Audit Fees:

Statutory Audit fees (Fees of 2017 includes that of Corporate Governance Audit)	276,000	320,000
Total	276,000	320,000

22.00 Lease Rental:

4,177,128	4,177,128
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The company has purchased 07 (seven) Motor Vehicles by taking lease financing facilities from National Finance Limited. The vehicles acquired under lease finance have not been capitalized and the lease rental value for the year 2018 amounting to Tk.41,77,128 has been charged to Profit or Loss Account.

Amount in Taka	
2018	2017

23.00 Management Expenses:

a) Expenses Incurred by JIC (Note: 23.1)	57,121,840	52,987,371
b) Expenses Incurred by SBC (Note: 23.2)	5,191,860	3,712,498
Total	62,313,700	56,699,869

23.01 Expenses Incurred by JIC:

Salaries & Allowances [including CEO's Remuneration]	33,894,532	33,925,306
Festival Bonus	4,265,457	3,550,125
Office Rent	4,635,212	6,075,228
Office Maintenance	1,243,209	773,063
Telephone bills	517,465	432,270
Gas, Water & Electricity	1,684,951	1,289,135
Printing	564,723	605,797
Stationery	241,655	202,140
Books and Periodicals	44,904	50,977
Fuel & Lubricant	1,943,825	800,888
Repairing & Maintenance	954,138	174,214
Entertainment	626,993	370,118
Traveling expenses	914,451	365,271
Conveyance	1,080,199	484,733
Medical Expenses	86,388	96,803
Postage, Telegram and Stamp	225,472	212,726
Carrying and Cartage	4,000	2,830
Group & Personal Accident Ins. Premium	625,805	676,879
Motor Insurance premium	103,369	259,840
Bank Charges	188,766	188,859
Service Charges on Co-Insurance	273,160	150,680
Crockeries	19,880	24,348
Seminar & Training fees	2,052,420	4,500
P.F. Contribution	12,000	2,140,742
Conference	918,866	129,899
Total	57,121,840	52,987,371

23.02 Allocation of Management Expenses:

Particulars	Rate %	Expenses Incurred by		Amount in Taka	
		JIC	SBC	2018	2017
Fire	38.70%	22,108,013	1,016,315	23,124,328	22,422,229
Marine Cargo	44.49%	25,413,106	1,194,089	26,607,195	24,300,313
Marine Hull	1.38%	790,340	14,337	804,677	382,893
Motor	8.34%	4,761,920	192,923	4,954,843	3,925,583
Miscellaneous	7.09%	4,048,461	2,774,196	6,822,657	5,668,852
Total	100%	57,121,840	5,191,860	62,313,700	56,699,869

23.03 Expenses incurred by Janata Insurance Co. Ltd. during the year 2018, charged in the Revenue Accounts and Profit & Loss account included TDS & VDS (where applicable).

Amount in Taka	
2018	2017

23.04 Proposed Dividend:

Dividend if any proposed by the Board of Directors for the year under review shall be accounted for after the approval of the shareholders in the Annual General Meeting. The said proposed dividend has not been recognized as liability in the Financial Statement in accordance with the IAS-10 "Event after the Financial Statement Date". IAS-1 "Presentation of Financial Statements" also requires the dividend proposed after the Financial Statement date but before the financial statements are authorized for issue, be disclosed either on the face of the Financial Statement as a separate component of equity or the notes to the financial statements. Accordingly, the Company has disclosed on notes to the financial statements. The Board recommend 5% (Five Percentage) Cash Dividend and 5% (Five Percentage) Stock Dividend for the year ended December 31, 2018, for all the shareholders of the Company on the basis of the above Audited Financial Statements subject to approval of the 33rd AGM.

24.00 Other relevant information including the requirements under Bangladesh Securities & Exchanges Rules 1987 and Companies Act 1994:

24.01 Net Profit for the Year and its Appropriation

Net Profit for the year	69,503,774	31,604,759
Less:		
Transferred to reserve for exceptional losses	3,000,000	-
Provision for income tax	23,422,480	10,793,478
Provision for deferred tax	3,298,875	1,561,298
Dividend for 2017 in the form of Bonus Share	19,176,330	-
Surplus carried forward	20,606,089	19,249,983

24.02 Earnings Per Share (EPS):

Basic earning per share (EPS) on net profit after tax	1.06	0.48
Earnings attributable to the ordinary share holders A	42,782,419	19,249,983
Profit as per profit or loss account	69,503,774	31,604,759
Less: Income Tax Provision	(23,422,480)	(10,793,478)
Less: Deferred Tax Expenses	(3,298,875)	(1,561,298)
Number of ordinary shares outstanding during the year B	40,270,306	40,270,306

24.03 Net Asset Value Per Share (NAV):

a) Share holder's Equity at the end of the year	575,686,719	532,904,301
b) Number of Outstanding Shares	40,270,306	38,352,673
Net Assets Value Per Share (NAV) at Financial Position date	14.30	13.89

Amount in Taka	
2018	2017

24.04 Net Operating Cash Flow Per Share (NOCFPS):

a) Net Cash Flows from Operating Activities	36,876,605	21,972,864
b) Number of Outstanding Shares	40,270,306	40,270,306
Net Operating Cash Flows Per Share (NOCFPS)	0.92	0.55

24.05 Event after Financial Position Date:

The Board of Directors of the company in its 176th board meeting held on April 11, 2019 has recommended 5% Stock Dividend and 5% Cash Dividend on Paid Up Capital for the year ended December 31, 2018 subject to approval at the Annual Geeral Meeting to be held on July 30, 2019.

25.00 "Related Party Disclosure" under IAS 24:

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

Name of the related party	Nature of business	Premium receipts during the year	Premium outstanding during the year	Claims payments during the year
Partex Group	Insurance	102,608,557	Nil	2,161,704
Aramit Group	Insurance	2,442,669	Nil	575,000
Goldenson Ltd.	Insurance	3,742,872	Nil	-
Ananta Group	Insurance	44,502,389	Nil	136,250
Seraj Ano Ispat	Insurance	759,424	Nil	-
Masco Group	Insurance	5,560,369	Nil	214,000

26.01 There was no contingent liability of the company on the Financial Statement closing date.

26.02 There was no outstanding agreement entered into but not executed upto the date of the Financial Statements.

26.03 All shares have been fully called and paid up.

26.04 There was no preference share issued by the Company.

26.05 During the year under audit, there were 143 employees. All employees drawing total remuneration in excess of tk. 36,000 per annum.

26.06 There was no credit facility available in the company under any contract and no body availed any other credit facility during the year other than trade creditors available in the ordinary course of business.

26.07 There was no bank guarantee issued by the company on behalf of the directors.

26.08 No expenses was paid as royalty and salary to the technical experts.



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড
JANATA INSURANCE COMPANY LIMITED

Corporate Office : Ga/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212

PROXY FORM

I/We
of
being a Member of **Janata Insurance Company Limited** do hereby appoint Mr./Mrs./Miss
or (failing him/her) Mr./Mrs./Miss as my/our proxy to vote
for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Tuesday, the
July 30, 2019 at 11.00 A.M and at any adjournment thereof.

Signed this day of2019.

.....
Signature of Proxy

Revenue
Stamp
Tk.20/=

.....
Signature of Shareholder(s)

Folio/BO No.

N.B.: IMPORTANT

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



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড
JANATA INSURANCE COMPANY LIMITED

Corporate Office : Ga/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 33rd Annual General Meeting of the Company being held on
Tuesday, the July 30, 2019 at 11.00 A.M at Dhaka South Sky Ball Room of Hotel Le Meridien Dhaka,79/A
Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229.

Name of Shareholder(s)/Proxy

Folio/BO No..... No. of Shares

Signature of Shareholder(s)/Proxy

Date:

N.B. : Please present this slip duly signed at the Reception Desk.



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড

JANATA INSURANCE COMPANY LIMITED

Janata Insurance Bhaban, Ga - 95/D, Link Road, Middle Badda
Gulshan-1, Dhaka-1212, Bangladesh.