

সন্ধানী লাইফ ইনস্যুরেন্স কোম্পানী লিঃ


SANDHANI LIFE INSURANCE COMPANY LIMITED

Sandhani Life Tower, Rajuk Plot No-34, Bangla Motor, Dhaka-1000, Phone: 02-55168181-5, Fax: 88-02-9614405, Web: www.sandhanilife.com

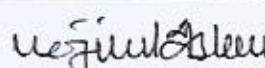
THIRD QUARTER FINANCIAL STATEMENT-2019 (UN-AUDITED)


CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)		
AS AT 30 SEPTEMBER 2019		
Particulars	30-09-2019 Taka	31-12-2018 Taka
CAPITAL AND LIABILITIES:		
SHARE HOLDERS' CAPITAL		
Authorized		
200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed & Paid up		
109,698,633 Ordinary Shares of Tk. 10 each	1,096,986,331	1,096,986,331
Revaluation Surplus	631,595,237	633,842,397
Fair Value Change Account	16,154,554	22,674,975
BALANCE OF FUNDS AND ACCOUNTS		
Life Insurance Fund	7,976,485,310	8,372,691,788
Retained Earnings (SLHDCL & SLFL)	72,372,022	76,820,755
Non Controlling Interest	2,523	2,529
LIABILITIES AND PROVISIONS	994,657,321	764,968,221
Amount Due to Other Persons or Bodies Carrying on Insurance Business	18,845,114	15,855,490
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	172,972,112	77,340,701
Provision for Doubtful Debt	23,417,391	23,417,391
Sundry Creditors	312,607,352	141,483,305
Provision for income tax	455,561,918	498,595,102
Premium Deposits	11,253,434	8,276,232
TOTAL	10,788,253,298	10,967,986,996
PROPERTY AND ASSETS:		
LOAN	85,945,576	82,110,039
On Insurance Policies within their Surrender Value	63,117,223	59,105,161
Higher Education Support Plan	20,280,000	20,680,000
Margin Loan to Clients	2,548,353	2,324,878
INVESTMENT (AT COST)	3,479,355,948	3,534,120,303
Statutory Deposit with Bangladesh Bank(BGTB)	15,000,000	15,000,000
Bangladesh Govt. Treasury Bond (BGTB)	2,416,700,000	2,456,700,000
Shares	746,711,974	737,078,463
Mutual Fund & Unit Fund	300,943,974	325,341,840
Outstanding Premium	424,546,936	439,663,854
Profit/Interest, Dividend & Rents Accruing But Not Due	1,266,548,221	1,034,315,845
Sundry Debtors	180,507,204	176,562,907
Advance, Deposit & Pre Payments	528,470,202	567,557,850
Premium on BGTB	30,605,397	31,383,596
Deffered Tax Assets	32,624,300	36,744,231
CASH, BANK AND OTHER BALANCES	3,349,901,476	3,636,581,580
On Fixed Deposit	3,128,686,332	3,419,686,332
On Current & STD Account with Banks	133,397,389	215,633,858
Collection In Hand	85,041,794	-
Cash in Hand	2,775,961	1,261,390
OTHER ASSETS	1,409,748,038	1,428,946,791
Forms, Stamps, Stock and Stationery in Hand	3,288,879	3,488,739
Inventory	466,683	466,683
Fixed Assets (At cost/Revaluation less Depreciation)	1,405,992,476	1,424,991,369
TOTAL	10,788,253,298	10,967,986,996


Md. Mizanur Rahman
Company Secretary


Nemai Kumar Saha
DMD & CFO


Ahasanul Islam
Chief Executive Officer


Mojibul Islam
Vice Chairman


Alhaj Md. Mockbul Hossain
Chairman

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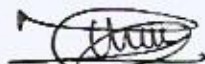
We are pleased to present the un-audited Consolidated Financial Statements Approved by the Board of Directors of Sandhani Life Insurance Co. Ltd. for the period ended 30 SEPTEMBER 2019 as per Bangladesh Securities and Exchange Commission (BSEC) Notificati

CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (UN-AUDITED)

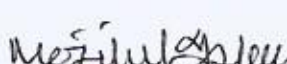
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2019

Particulars	Jan to Sept 2019	Jan to Sept 2018	July to Sept 2019	July to Sept 2018
	Taka	Taka	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	8,372,691,788	8,517,615,065	8,193,087,107	8,440,219,510
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL & SLFL)	76,820,755	76,361,353	73,057,240	59,744,636
3. PREMIUM LESS RE-INSURANCE	1,176,602,186	1,051,317,262	454,526,482	409,136,849
First Year Premium	341,163,303	241,250,308	151,630,600	124,702,936
Renewal Premium	826,348,692	802,440,141	300,295,942	283,887,772
Group & Hospitalization Insurance Premium	13,157,365	10,968,423	4,025,965	1,433,725
Gross Premium	1,180,669,360	1,054,658,872	455,952,507	410,024,433
Less: Re-Insurance Premium	4,067,174	3,341,610	1,426,025	887,584
4. PROFIT/ INTEREST, DIVIDEND AND RENTS	619,909,016	604,914,032	240,719,080	207,636,448
5. WORK CERTIFIED VALUE	-	1,570,000	-	-
6. OTHER INCOME	40,770,819	36,635,473	10,352,329	16,007,228
7. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS	2,247,160	2,247,160	749,054	749,054
8. FAIR VALUE CHANGE ACCOUNT (Surplus)	6,520,422	(86,367,807)	(22,338,071)	(39,779,783)
A) TOTAL (1+2+3+4+5+6+7+8)	10,295,562,146	10,204,292,538	8,950,153,221	9,093,713,942
9. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)	1,524,933,787	1,255,115,815	516,975,873	437,824,518
10. EXPENSES OF MANAGEMENT:	452,001,833	398,727,887	172,055,217	168,218,167
a) Commission & Allowances	253,180,585	214,240,958	100,758,811	105,983,961
b) Management Expenses	198,821,248	184,486,929	71,296,406	62,234,206
11. CONTRIBUTION TO CSR	1,230,000	-	80,000	-
12. OTHER EXPENSES	29,768,471	31,788,154	10,105,619	11,011,699
13. INCOME TAX EXPENSES:	74,022,352	60,252,618	37,461,100	22,146,096
i. Current Tax	69,902,421	55,000,000	34,902,421	19,860,206
ii. Deferred tax (Income)/Expenses	4,119,931	5,252,618	2,558,679	2,285,890
14. COST OF GOODS SOLD	200,427	4,420,694	70,128	525,990
15. DIVIDEND	164,547,950	182,831,055	164,547,950	182,831,055
16. BALANCE OF RETAINED EARNINGS AT THE END OF THE PERIOD (SLHDCL & SLFL)	72,372,022	65,599,850	72,372,022	65,599,850
17. NON CONTROLLING INTEREST	(6)	(43)	2	59
18. BALANCE OF FUND AT THE END OF THE PERIOD	7,976,485,310	8,205,556,508	7,976,485,310	8,205,556,508
B) TOTAL (9+10+11+12+13+14+15+16+17+18)	10,295,562,146	10,204,292,538	8,950,153,221	9,093,713,942


Md. Mizanur Rahman
Company Secretary


Nemai Kumer Saha
DMD & CFO


Ahasanul Islam
Chief Executive Officer


Mojibul Islam
Vice Chairman


Alhaj Md. Mockbul Hossain
Chairman

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THIRD QUARTER FINANCIAL STATEMENT-2019 (UN-AUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2019

PARTICULARS	Jan to Sept 2019	Jan to Sept 2018
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium	1,198,763,480	1,071,618,575
Collection from Operating & Others Revenue	4,566,839	13,926,376
Profit/Interest, Dividend, Rents & Others Received	386,601,967	409,153,129
Miscellaneous Income Received	23,152,764	22,957,888
Payment for Claims	(1,429,302,376)	(1,328,196,216)
Payment for Re-insurance, Management Expenses and Others	(490,755,183)	(462,855,328)
Income Tax Paid/Deducted	(32,142,556)	(30,090,247)
Net Cash from Operating Activities	(339,115,065)	(303,485,823)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(15,569,361)	(63,922,465)
Proceeds from Sales of Investment in Shares	44,015,215	20,328,211
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	150,000,000	150,000,000
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(110,000,000)	-
Acquisition of Fixed Assets	(10,769,579)	(11,229,901)
Proceeds from Disposal of Fixed Assets	2,002,425	-
Loan disbursed against Policies	(8,556,000)	(6,595,000)
Loan against Policies Realised	1,883,938	6,610,645
Loan to SLHDCL	-	(500,000)
Margin Loan to Clients	(223,474)	-
Net Cash used in Investing Activities	52,783,164	94,691,490
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Auto Lease Finance	(348,203)	(314,418)
Net Cash from Financing Activities	(348,203)	(314,418)
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(286,680,104)	(209,108,751)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,636,581,580	3,906,579,544
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (D+E)	3,349,901,476	3,697,470,793
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(3.09)	(3.32)


Md. Mizanur Rahman
Company Secretary


Nema Kumar Saha
DMD & CFO


Ahasanul Islam
Chief Executive Officer


Mojibul Islam
Vice Chairman


Alhaj Md. Mookbul Hossain
Chairman

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THIRD QUARTER FINANCIAL STATEMENT-2019 (UN-AUDITED)

STATEMENT OF CHANGES IN SHARE HOLDER'S EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2019

PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2019	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331
Addition during the Period	-	-	-	-	-
As on 30 September 2019	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331

FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2018

PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2018	30,000,000	884,155,276	914,155,276	-	914,155,276
Addition during the Period	-	-	-	-	-
As on 30 September 2018	30,000,000	884,155,276	914,155,276	-	914,155,276


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Company Secretary


Nemat Kumer Saha
DMD & CFO


Ahasanul Islam
Chief Executive Officer


Mojibul Islam
Vice Chairman


Alhaj Md. Mookbul Hossain
Chairman

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3RD QUARTER ENDED ON 30 SEPTEMBER 2019

The Company & its Nature of Business

The Company was incorporated on January 23, 1990 and is mainly engaged in Ordinary Life, Islami

Components of the Financial Statements

The financial statements include the following components:

- i. Statement of Financial Position
- ii. Life Revenue and Profit or Loss and Other Comprehensive Income Account
- iii. Statement of Cash Flow
- iv. Statement of Changes in Equity
- v. Statement of Life Insurance Fund
- vi. Accounting Policies & Explanatory Notes

Significant Accounting Policies

Basis of Preparation of Financial STATEMENTS AND STATEMENT OF COMPLIANCE

The Financial Statements have been prepared on the historical cost basis and therefore, do not take into consideration of the effect of inflation. The following underlying laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the Financial

- i) The Insurance Act 2010;
- ii) The Companies Act 1994;
- iii) The Securities and Exchange Rules 1987;
- iv) The Income Tax Ordinance 1984;
- v) The Listing Regulations of Dhaka stock Exchange Ltd. and Chittagong Stock Exchange Ltd;
- vi) Following and IAS & IFRS are applicable for preparation and presentation of the financial

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after Reporting period
IAS-12	Income Taxes
IAS-16	Property Plant and Equipment
IAS-19	Employee Benefits
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-27	Consolidated and Separate Financial Statements
IAS-32	Financial Instruments: Presentation
IAS-34	Interim Financial Statements
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-40	Investment Property
IFRS-4	Insurance Contract
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-10	Consolidated Financial Statements
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contracts with Customers

- vii) Any other applicable legislation.

Where the requirements of the Companies Act 1994, The Insurance Act 2010 and The Securities and Exchange Rules 1987 differ with the requirements of these standards, the requirements of the Companies Act 1994, The Insurance Act 2010 and The Securities and Exchange Rules 1987 take precedence.

Depreciation

Depreciation has been calculated on fixed assets adopting straight line method on all assets at varying rates. Depreciation is charged at the rates shown below:

Name of Assets	Rate of Dep.
Telephone Installation	30%
Furniture & Fixture	15%
Office Equipments	30%
Electric Equipments	15%
Vehicles	20%
Building	1.5%-5.5 %
Land & Building (Commercial Space)	1.5%
Sign Board	20%

Depreciation on addition to fixed assets during the Quarter 2019 has been charged based on the date of as per para 50 of IAS 16.

Depreciation rate on Building and Land & Building was 1.5% - 5.5% respectively. Depreciation rate on Building and Land & Building (Commercial Space) has been changed due to revaluation on assets and depreciation has been calculated based on remaining life of that assets.

Current Tax:

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

Deferred Tax Liability/Assets

Deferred Tax is recognized on the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for as per provision of IAS - 12: Income Taxes.

Statement of Cash Flows

Cash Flow Statement is prepared in accordance with IAS-7 Statements of Cash Flows and Cash Flow from operating activities have been presented under direct method as outlined in the Securities and Exchange Rule 1987.

Particulars	Notes	Amount in Taka	
		30-09-2019	31.12.2018

A. Consolidated Provision For Current Tax

Opening Balance	498,595,102	532,967,448
Add: Provision during the period/year	99,251,750	32,640,508
	597,846,852	565,607,956
Less: Paid/ Adjustment	142,284,934	67,012,854
Closing Balance	455,561,918	498,595,102

Calculation fo Income Tax:

As per 4th Schedule Para2(A) is Higher then 4th Schedule Para (B) of Income Tax Ordinance 1984 Profit on Life Insurance As per 4th Schedule Para2(A) of Income Tax Ordinance 1984

Business Income	262,730,030
Capital Gain on Share	7,279,887
Total Taxable Income	270,009,917

Income Tax=37.5% of Total Business Income	98,523,761
Income Tax=10% of Profit on Sales of Shares for the Year-2018	727,989
Income Tax Up to 2019	99,251,750

Income Tax Expenses

Current Tax	99,251,750
Less: Excess Provision for the year 2014 & 2015 as per Final Assesment order	29,349,329
Total	69,902,421

The company's assessment of income Tax up to 2015 has been completed and for the year 2016 to 2018 under process.

B. Consolidated Deferred Tax Liabilities/Assets

Carrying amount of fixed assets	
Tax base value of fixed assets	
Taxable temporary difference	
Tax rate	
Deferred tax Assets /Liabilities (Required)	
Deferred tax Assets/Liabilities up to previous year	
Deferred tax Expenses/Income for the period/year	

Amount in Taka	
30-09-2019	31-12-2018
1,405,992,476	1,424,991,369
1,492,990,607	1,522,975,986
86,998,131	97,984,617
37.5%	37.5%
36,744,231	36,744,231
32,624,300	46,969,525
4,119,931	10,225,294

CONSOLIDATED CASH FLOWS:

Total No of Share	109,698,633	91,415,527
Net cash from operating activities	(339,115,065)	(303,485,823)
Net Operating Cash Flow per share (NOCFPS)	(3.09)	(3.32)

Net Operating Cash Flow per share (NOCFPS) stood at Tk. (3.09) for the Quarter September 2019 against NOCFPS of Tk. (3.32) for the Same Quarter 2018. The NOCFPS is still showing a negative value due to primarily increase in claim payments for the quarter. However, if compared with the NOCFPS of prior year Q3, there is an improvement of 7%.

Clause 4 (4) (e) of the BSEC notification (No. BSEC/CMRRCD/2006-158/208/ Admin/81- dated 20 June 2018) requires additional disclosures on direct method of cash flow, a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals.

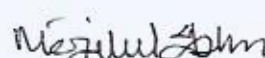
Please note that a Life Insurance Company does not calculate profit or loss but calculates the change in Life fund through the Life Revenue Account. An actuary annually values the liability against the Life Fund, from which a surplus/deficit of the fund is determined. Since this is an interim financial statement, no actuarial valuation was done against the Life Fund.

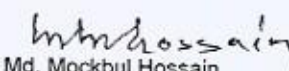
The Company has presented the consolidated cash flow statement from Q3 2019 based on the direct method. Because of the matter discussed above, The Company is unable to reconcile the net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals.


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