

সন্ধানী লাইফ ইনস্যুরেন্স কোম্পানী লিমিটেড

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

FIRST QUARTER FINANCIAL STATEMENT-2020 (UN-AUDITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

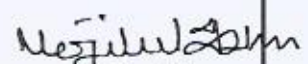
AS AT 31 MARCH 2020

Particulars	31-03-2020 Taka	31-12-2019 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	615,718,519	615,946,058
Fair Value Change Account	76,131,259	40,708,044
BALANCE OF FUNDS AND ACCOUNTS		
Life Insurance Fund	7,876,163,264	8,023,279,341
Retained Earnings (SLHDCL & SLFL)	70,881,410	71,437,024
Non Controlling Interest	2,518	2,519
LIABILITIES AND PROVISIONS	851,331,319	870,833,954
Amount Due to Other Persons or Bodies Carrying on Insurance Business	17,255,429	16,632,829
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	16,036,300	41,167,577
Provision for Doubtful Debt	28,733,303	28,733,303
Sundry Creditors	100,797,629	119,205,859
Advance Received From Land Developer	30,000,000	30,000,000
Provision for income tax	638,799,213	599,319,009
Premium Deposits	19,709,445	35,775,377
TOTAL	10,587,214,620	10,719,193,271
PROPERTY AND ASSETS:		
LOAN	86,690,998	86,527,878
On Insurance Policies within their Surrender Value	64,337,702	64,087,958
Higher Education Support Plan	19,880,000	19,880,000
Margin Loan to Clients	2,473,296	2,559,920
INVESTMENT (AT COST)	3,786,608,166	3,481,272,703
Statutory Deposit with Bangladesh Bank(BGTB)	15,000,000	15,000,000
Bangladesh Govt. Treasury Bond (BGTB)	2,714,200,000	2,414,200,000
Shares	792,217,009	786,881,546
Mutual Fund & Unit Fund	265,191,157	265,191,157
Outstanding Premium	383,156,463	363,490,516
Profit/Interest, Dividend & Rents Accruing But Not Due	1,076,084,537	1,352,992,726
Sundry Debtors	174,829,267	170,972,852
Advance, Deposit & Pre Payments	756,068,529	624,019,245
Premium on BGTB	37,054,977	28,270,377
Deferred Tax Assets	28,226,184	28,568,140
CASH, BANK AND OTHER BALANCES	2,870,526,207	3,186,918,124
On Fixed Deposit	2,690,647,765	3,059,686,332
On Current & STD Account with Banks	146,047,053	125,908,566
Collection In Hand	29,739,731	-
Cash in Hand	4,091,658	1,323,226
OTHER ASSETS	1,387,969,292	1,396,160,710
Forms, Stamps, Stock and Stationery in Hand	3,360,518	4,549,828
Inventory	466,683	466,683
Fixed Assets (At cost/Revaluation less Depreciation)	1,384,142,091	1,391,144,199
TOTAL	10,587,214,620	10,719,193,271


Md. Mizanur Rahman
Company Secretary


Nemai Kumar Saha
CFO & CEO (C.C)


Colonel Wais Huda (Retd.)
Director


Mojibul Islam
Chairman

Top Ranking Life Insurance Company

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FIRST QUARTER FINANCIAL STATEMENT-2020 (UN-AUDITED)


CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

Particulars	January to March 2020	January to March 2019
	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	8,023,279,341	8,372,691,788
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL & SLFL)	71,437,024	76,820,755
3. PREMIUM LESS RE-INSURANCE	362,260,095	349,589,500
First Year Premium	77,816,336	73,747,526
Renewal Premium	284,201,457	275,520,334
Group & Hospitalization Insurance Premium	1,131,730	1,112,090
Gross Premium	363,149,523	350,379,950
Less: Re-Insurance Premium	889,428	790,450
4. PROFIT/ INTEREST, DIVIDEND AND RENTS	205,864,712	194,400,419
5. OTHER INCOME	9,875,335	20,656,754
6. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS	227,539	749,053
7. FAIR VALUE CHANGE ACCOUNT	(35,423,215)	19,660,826
A) TOTAL (1+2+3+4+5+6+7)	8,637,520,831	9,034,569,095
8. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)	510,535,117	510,007,499
9. EXPENSES OF MANAGEMENT:	130,779,960	120,937,115
a) Commission & Allowances	67,293,514	59,557,747
b) Management Expenses	63,486,446	61,379,368
10. CONTRIBUTION TO CSR	-	1,150,000
11. OTHER EXPENSES	9,338,921	9,768,871
12. INCOME TAX EXPENSES:	39,822,160	18,256,347
i. Current Tax	39,480,204	17,500,000
ii. Deferred tax (Income)/Expenses	341,956	756,347
13. COST OF GOODS SOLD	-	42,232
14. BALANCE OF RETAINED EARNINGS AT THE END OF THE PERIOD (SLHDCL & SLFL)	70,881,410	76,136,889
15. NON CONTROLLING INTEREST	(1)	2
16. BALANCE OF FUND AT THE END OF THE PERIOD	7,876,163,264	8,298,270,140
B) TOTAL (8+9+10+11+12+13+14+15+16)	8,637,520,831	9,034,569,095


Md. Mizanur Rahman
Company Secretary


Nemai Kumar Saha
CFO & CEO (C.C)


Colonel Wais Jinda (Retd.)
Director


Mojibul Islam
Chairman

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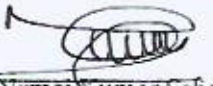
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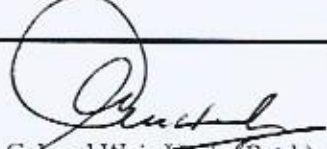
FIRST QUARTER FINANCIAL STATEMENT-2020 (UN-AUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2020

PARTICULARS	Jan to March 2020	Jan to March 2019
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium	327,417,644	389,771,249
Collection from Operating & Others Revenue	-	500,000
Profit/Interest, Dividend, Rents & Others Received	483,335,588	117,548,552
Miscellaneous Income Received	8,386,860	7,734,309
Payment for Claims	(535,666,394)	(499,722,037)
Payment for Re-insurance, Management Expenses and Others	(241,515,043)	(208,726,190)
Income Tax Paid/Deducted	(43,031,091)	(5,765,807)
Net Cash from Operating Activities	(1,072,436)	(198,659,924)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(5,349,855)	(23,461,959)
Proceeds from Sales of Investment in Shares	1,440,180	32,358,242
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	-	50,000,000
Premium on Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(8,784,600)	-
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(300,000,000)	-
Acquisition of Fixed Assets	(2,336,812)	(1,373,360)
Proceeds from Disposal of Fixed Assets	-	2,002,425
Loan disbursed against Policies	(3,085,000)	(4,209,000)
Loan against Policies Realised	2,835,256	1,457,587
Loan to SLFLEPF	-	(3,060,000)
Margin Loan to Clients	86,624	(11,177)
Net Cash used in Investing Activities	(315,194,207)	53,702,758
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Auto Lease Finance	(125,274)	(113,119)
Net Cash from Financing Activities	(125,274)	(113,119)
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(316,391,917)	(145,070,285)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,186,918,124	3,636,581,580
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (D+E)	2,870,526,207	3,491,511,295
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(0.01)	(1.81)


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Company Secretary


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FIRST QUARTER FINANCIAL STATEMENT-2020 (UN-AUDITED)

STATEMENT OF CHANGES IN SHARE HOLDER'S EQUITY (UN -AUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2020

PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2020	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331
Addition during the Period	-	-	-	-	-
As on 31 March 2020	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331

FOR THE FIRST QUARTER ENDED 31 MARCH 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 31 March 2019	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331



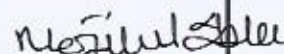
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Company Secretary



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Colonel Wais Huda (Retd.)
Director



Mojibul Islam
Chairman

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED ON 31 MARCH 2020

The Company & its Nature of Business

The Company was incorporated on January 23, 1990 and is mainly engaged in Ordinary Life, Islami (Takaful) Life, Group Term and Hospitalization Insurance Business. It also operates in non-traditional Micro Life Insurance Business under the name of GSB, D.P.S, G.D.P.S, G.I.D.P.S and I.D.P.S Scheme. The Company is a publicly traded company and its shares are listed on the Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.

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 Flows
- iv. Statement of Changes in Equity
- v. 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 Statements:

- 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 statements:

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.

CONSOLIDATION

The Consolidated Financial Statements include the Financial Statements of Sandhani Life Insurance Company Ltd, Sandhani Life Finance Ltd. & Sandhani Life Housing & Development Company Ltd. The Consolidated Financial Statements have been prepared in accordance with IFRS-10 "Consolidated Financial Statements".

RISK AND UNCERTAINTIES FOR USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

Preparation of Financial Statements in conformity with the IFRS/IAS requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and revenues and expense during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

RESPONSIBILITY FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

Management is responsible for the preparation and presentation of Financial Statements under section 183 of Companies Act, 1994 and as per the provision of International Financial Reporting Standard (IFRS) and International Accounting Standard (IAS) "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standards Board (IASB).

FIXED ASSETS

Fixed assets are stated at cost or revaluation less accumulated depreciation in compliance with IAS-16: Property, plant and equipment.

Depreciation

Depreciation has been calculated on fixed assets adopting straight line method on all assets at varying rates depending. 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%
Software	25%

Depreciation on addition to fixed assets during the Quarter 2020 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	Amount in Taka	
	31-03-2020	31-12-2019
A. Consolidated Provision For Current Tax		
Opening Balance	599,319,009	498,595,102
Add: Provision during the period/year	39,480,204	106,455,707
	638,799,213	605,050,809
Less: Paid/ Adjustment	-	5,731,800
Closing Balance	638,799,213	599,319,009

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	105,280,543
Capital Gain on Share	-
Total Taxable Income	105,280,543
Income Tax=37.5% of Total Business Income	39,480,204
Income Tax=10% of Profit on Sales of Shares for the Year-2020	-
Income Tax Up to 31.03.2020	39,480,204

The company's assessment of income tax is completed up to 2013.

Assessment of 2014 and 2015 income tax are yet to be completed as they are being contested on different grounds at the Appellate Tribunal of taxes. The management of the company and their tax advisor are confident that the ultimate outcome of these matters will be decided in favor of the company.

Assessment of 2016 - 2018 are 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	
31-03-2020	31-12-2019
1,384,527,142	1,391,023,440
1,459,796,967	1,467,205,149
75,269,825	76,181,709
37.5%	37.5%
28,226,184	28,568,140
28,568,140	36,744,231
341,956	8,176,091

C. LIFE INSURANCE FUND:

Opening Balance
Add: Surplus/(Deficit) of Life Revenue Account during the Year
Closing Balance

Amount in Taka	
2020	2019
8,023,279,341	8,372,691,788
(147,116,077)	(349,412,447)
7,876,163,264	8,023,279,341

The primary reason for the de-growth in the balance of fund is that the claim settlement was much higher than the premium receipts and due to changes in Fair Value Tk. 5.5 Crore and current tax Tk. 2 Crore, the overall Life Fund decreased.

D. CONSOLIDATED FAIR VALUE CHANGE ACCOUNT

Adjustment/Provision during the Quarter
Opening Balance
Closing Balance

Amount in Taka	
31-03-2020	31-03-2019
(35,423,215)	19,660,826
(40,708,044)	(22,674,976)
(76,131,259)	(3,014,150)

E. CONSOLIDATED CASH FLOWS:

Total No of Share	109,698,633	109,698,633
Net cash from operating activities	(1,072,436)	(198,659,924)
Net Operating Cash Flow per share (NOCFPS)	(0.01)	(1.81)

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.

Net Operating Cash Flow per share (NOCFPS) stood at Tk. (0.01) for the Quarter March 2020 against NOCFPS of Tk. (1.81) for the Same Quarter 2019. 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 Q1, there is an improvement

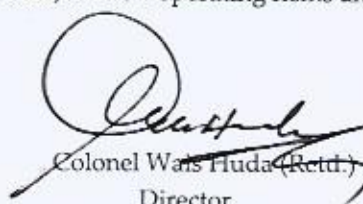
Clause 4 (4) (c) of the BSEC notification (No. BSEC/CMRRCD/2006-158/208/ Admin/81- dated 20 June 2018) requires additional disclosures on direct method of cash flow, a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating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

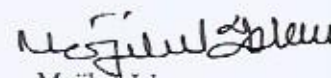
Please note that a Life Insurance Company does not calculate profit or loss but calculates the change in Life fund through the Life Revenue Account. An actuary annually values the liability against the Life Fund, from which a surplus/deficit of the fund is determined. Since this is an interim financial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

The Company has presented the consolidated cash flow statement from Q1 2020 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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