

Top Ranking Life Insurance Company

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


FIRST QUARTER FINANCIAL STATEMENT-2021 (UN-AUDITED)

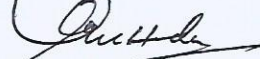
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2021


Particulars	31-03-2021 Taka	31-12-2020 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	614,808,362	615,035,901
Fair Value Change Account	19,554,388	-
BALANCE OF FUNDS AND ACCOUNTS		
Life Insurance Fund	7,609,498,461	7,974,071,705
Retained Earnings (SLHDCL & SLFL)	87,282,797	71,276,665
Non Controlling Interest	2,674	2,543
LIABILITIES AND PROVISIONS	792,472,054	782,539,913
Amount Due to Other Persons or Bodies Carrying on Insurance Business	20,119,083	19,302,341
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	24,843,042	27,376,892
Provision for Doubtful Debt	30,975,096	30,975,096
Sundry Creditors	138,398,647	134,618,280
Provision for income tax	554,155,213	534,713,212
Premium Deposits	23,980,973	35,554,092
TOTAL	10,220,605,067	10,539,913,058
PROPERTY AND ASSETS:		
LOAN	80,346,047	79,532,102
On Insurance Policies within their Surrender Value	66,610,703	66,487,536
Higher Education Support Plan	8,280,000	8,380,000
Margin Loan to Clients	5,455,344	4,664,566
INVESTMENT (AT COST)	3,900,546,501	4,036,864,136
Statutory Deposit with Bangladesh Bank(BGTB)	15,000,000	15,000,000
Bangladesh Govt. Treasury Bond (BGTB)	2,815,800,000	2,964,200,000
Shares	804,555,344	792,472,979
Mutual Fund & Unit Fund	265,191,157	265,191,157
Outstanding Premium	389,820,879	352,690,846
Profit/Interest, Dividend & Rents Accruing But Not Due	479,351,842	706,948,086
Sundry Debtors	183,172,165	186,875,681
Advance, Deposit & Pre Payments	784,174,387	635,172,374
Premium on BGTB	39,283,075	40,222,074
Deferred Tax Assets	25,954,545	26,713,836
Fair Value Change Account	-	22,916,036
CASH, BANK AND OTHER BALANCES	2,963,551,441	3,080,070,898
On Fixed Deposit	2,680,690,544	2,751,245,544
On Current & STD Account with Banks	248,099,084	326,391,408
Collection In Hand	32,159,950	-
Cash in Hand	2,601,863	2,433,946
OTHER ASSETS	1,374,404,185	1,371,906,989
Forms, Stamps, Stock and Stationery in Hand	3,039,347	2,774,822
Inventory	466,683	466,683
Fixed Assets (At cost/Revaluation less Depreciation)	1,370,898,155	1,368,665,484
TOTAL	10,220,605,067	10,539,913,058


Md. Mizanur Rahman
Company Secretary


Md. Rafiq Ahmed
DMD & CFO


Noman Kumar Saha
Chief Executive Officer




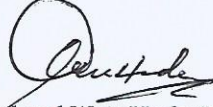


Colonel Wais Huda (Retd.)
Director


Mojibul Islam
Chairman

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FIRST QUARTER FINANCIAL STATEMENT-2021 (UN-AUDITED)

CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

Particulars	January to March 2021	January to March 2020
	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	7,974,071,705	8,023,279,341
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL & SLFL)	71,276,665	71,437,024
3. PREMIUM LESS RE-INSURANCE	421,538,829	362,260,095
First Year Premium	123,228,270	77,816,336
Renewal Premium	295,248,824	284,201,457
Group & Hospitalization Insurance Premium	4,150,725	1,131,730
Gross Premium	422,627,819	363,149,523
Less: Re-Insurance Premium	1,088,990	889,428
4. PROFIT/ INTEREST, DIVIDEND AND RENTS	143,475,037	205,864,712
5. OTHER INCOME	72,014,299	9,875,335
6. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS	227,539	227,539
7. FAIR VALUE CHANGE ACCOUNT	(42,470,425)	(35,423,215)
A) TOTAL (1+2+3+4+5+6+7)	8,640,133,649	8,637,520,831
8. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)	738,800,322	510,535,117
9. EXPENSES OF MANAGEMENT:	175,484,232	130,779,960
a) Commission & Allowances	106,234,885	67,293,514
b) Management Expenses	69,249,347	63,486,446
10. OTHER EXPENSES	8,866,414	9,338,921
11. INCOME TAX EXPENSES:	20,201,292	39,822,160
i. Current Tax	19,442,001	39,480,204
ii. Deferred tax (Income)/Expenses	759,291	341,956
12. BALANCE OF RETAINED EARNINGS AT THE END OF THE PERIOD (SLHDCL & SLFL)	87,282,797	70,881,410
13. NON CONTROLLING INTEREST	131	(1)
14. BALANCE OF FUND AT THE END OF THE PERIOD	7,609,498,461	7,876,163,264
B) TOTAL (8+9+10+11+12+13+14)	8,640,133,649	8,637,520,831

 Md. Mizanur Rahman
Company Secretary
  Md. Rafiq Ahmed
DMD & CFO
  Nemai Kumar Saha
Chief Executive Officer
  Colonel Wais Huda (Retd.)
Director
  Mojibul Islam
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

PARTICULARS	Jan to March 2021	Jan to March 2020
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium	373,924,667	327,417,644
Profit/Interest, Dividend, Rents & Others Received	370,376,357	483,335,588
Miscellaneous Income Received	40,810,998	8,386,860
Payment for Claims	(741,334,172)	(535,666,394)
Payment for Re-insurance, Management Expenses and Others	(281,138,231)	(241,515,043)
Income Tax Paid/Deducted	(33,979,576)	(43,031,091)
Net Cash from Operating Activities	(271,339,957)	(1,072,436)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(24,927,743)	(5,349,855)
Proceeds from Sales of Investment in Shares	43,261,274	1,440,180
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	148,400,000	-
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	(11,099,085)	(2,336,812)
Loan disbursed against Policies	(3,477,000)	(3,085,000)
Loan against Policies Realised	3,453,833	2,835,256
Margin Loan to Clients	(790,778)	86,624
Net Cash used in Investing Activities	154,820,500	(315,194,207)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Auto Lease Finance	-	(125,274)
Net Cash from Financing Activities	-	(125,274)
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(116,519,457)	(316,391,917)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,080,070,898	3,186,918,124
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (D+E)	2,963,551,441	2,870,526,207
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(2.47)	(0.01)

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Company SecretaryMd. Rafiq Ahmed
DMD & CFONemai Kumar Saha
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FIRST QUARTER FINANCIAL STATEMENT-2021 (UN-AUDITED)STATEMENT OF CHANGES IN SHARE HOLDER'S EQUITY (UN -AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2021	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331
Addition during the Period	-	-	-	-	-
As on 31 March 2021	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331

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

Md. Mizanur Rahman
Company SecretaryMd. Rafiq Ahmed
DMD & CFONemai Kumar Saha
Chief Executive OfficerColonel Wais Huda (Retd.)
DirectorMojibul Islam
Chairman

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED ON 31 MARCH 2021

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 Frame work 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 on 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 2021 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

A. Consolidated Provision For Current Tax

Opening Balance

Add: Provision during the period/year

Less: Paid/ Adjustment

Closing Balance

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

Amount in Taka		
31-03-2021		31-12-2020
534,713,212		599,319,009
19,442,001		86,217,792
554,155,213		685,536,801
-		150,823,589
554,155,213		534,713,212

Business Income

Capital Gain on Share

Signing Money Received from Realstate Developer

Dividend Income

Total Taxable Income

Income (Taka)	Tax Rate (%)	Tax Provision (Tk.)
29,422,513	37.5%	11,033,443
30,415,895	10%	3,041,589
30,000,000	15%	4,500,000
4,334,844	20%	866,969
94,173,252		19,442,001

The company's assessment of income tax is completed up to 2015.

Assessment of 2016 – 2019 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	
31-03-2021	31-12-2020
1,370,807,737	1,368,665,470
1,440,019,860	1,439,902,368
69,212,123	71,236,898
37.5%	37.5%
25,954,545	26,713,836
26,713,836	28,568,140
759,291	1,854,304

C. LIFE INSURANCE FUND:

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

Amount in Taka	
2021	2020
7,974,071,705	8,023,279,341
(364,573,244)	(49,207,636)
7,609,498,461	7,974,071,705

The primary reason for the de-growth in the balance of fund is that the claim settlement was much higher than the premium receipts .

D. CONSOLIDATED FAIR VALUE CHANGE ACCOUNT

Adjustment/Provision during the Quarter
Opening Balance
Closing Balance

Amount in Taka	
31-03-2021	31-03-2020
(42,470,424)	(35,423,215)
22,916,036	(40,708,044)
(19,554,388)	(76,131,259)

E. CONSOLIDATED CASH FLOWS:

Total No of Share	109,698,633	109,698,633
Net cash from operating activities	(271,339,956)	(1,072,436)
Net Operating Cash Flow per share (NOCFPS)	(2.47)	(0.01)


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. (2.47) for the Quarter March 2021 against NOCFPS of Tk. (0.01) for the Same Quarter 2019. The NOCFPS is still showing a negative value due to primarily increase in claim payments for the quarter.


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.

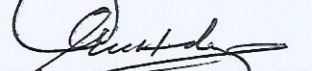
Please note that a Life Insurance Company does not calculate profit or loss but calculates the change in Life fund through the Life Revenue Account. An actuary annually values the liability against the Life Fund, from which a surplus/deficit of the fund is determined. Since this is an interim financial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


The Company has presented the consolidated cash flow statement from Q1 2021 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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