

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

SECOND QUARTER FINANCIAL STATEMENT-2021 (UN-AUDITED)


CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

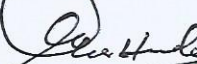
AS AT 30 JUNE 2021


Particulars	30-06-2021 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	614,580,822	615,035,901
Fair Value Change Account	-	-
BALANCE OF FUNDS AND ACCOUNTS		
Life Insurance Fund	7,505,427,854	7,974,071,705
Retained Earnings (SLHDCL & SLFL)	94,799,425	71,276,665
Non Controlling Interest	5,714	2,543
LIABILITIES AND PROVISIONS	809,130,076	782,539,913
Amount Due to Other Persons or Bodies Carrying on Insurance Business	21,655,084	19,302,341
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	34,976,223	27,376,892
Provision for Doubtful Debt	30,975,096	30,975,096
Sundry Creditors	141,081,076	134,618,280
Provision for income tax	552,337,729	534,713,212
Premium Deposits	28,104,868	35,554,092
TOTAL	10,120,930,223	10,539,913,058
PROPERTY AND ASSETS:		
LOAN	88,704,387	79,532,102
On Insurance Policies within their Surrender Value	67,565,771	66,487,536
Higher Education Support Plan	8,280,000	8,380,000
Margin Loan to Clients	12,858,616	4,664,566
INVESTMENT (AT COST)	4,209,061,868	4,036,864,136
Statutory Deposit with Bangladesh Bank(BGTB)	15,000,000	15,000,000
Bangladesh Govt. Treasury Bond (BGTB)	3,191,000,000	2,964,200,000
Shares	737,870,711	792,472,979
Mutual Fund & Unit Fund	265,191,157	265,191,157
Outstanding Premium	379,397,396	352,690,846
Profit/Interest, Dividend & Rents Accruing But Not Due	117,216,855	706,948,086
Sundry Debtors	188,081,788	186,875,681
Advance, Deposit & Pre Payments	828,202,572	635,172,374
Premium on BGTB	140,064,620	40,222,074
Deffered Tax Assets	24,915,855	26,713,836
Fair Value Change Account	83,937,335	22,916,036
CASH, BANK AND OTHER BALANCES	2,677,549,062	3,080,070,898
On Fixed Deposit	2,296,886,331	2,751,245,544
On Current & STD Account with Banks	378,051,859	326,391,408
Cash in Hand	2,610,872	2,433,946
OTHER ASSETS	1,383,798,485	1,371,906,989
Forms, Stamps, Stock and Stationery in Hand	4,506,255	2,774,822
Inventory	466,683	466,683
Fixed Assets (At cost/Revaluation less Depreciation)	1,378,825,547	1,368,665,484
TOTAL	10,120,930,223	10,539,913,058


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

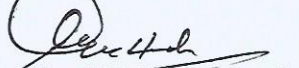
FOR THE SECOND QUARTER ENDED 30 JUNE 2021


Particulars	Jan to June 2021 Taka	Jan to June 2020 Taka	April to June'21 Taka	April to June'20 Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	7,974,071,705	8,023,279,341	7,609,498,461	7,876,163,264
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL, SLFL & SAML)	71,276,665	71,437,024	87,282,797	70,881,410
3. PREMIUM LESS RE-INSURANCE	759,135,987	540,992,743	337,597,158	178,732,648
First Year Premium	274,246,165	115,644,455	151,017,895	37,828,119
Renewal Premium	478,097,083	417,428,937	182,848,259	133,227,480
Group & Hospitalization Insurance Premium	9,929,730	10,331,911	5,779,005	9,200,181
Gross Premium	762,272,978	543,405,303	339,645,159	180,255,780
Less: Re-Insurance Premium	3,136,991	2,412,560	2,048,001	1,523,132
4. PROFIT/ INTEREST, DIVIDEND AND RENTS	277,398,650	438,204,835	133,923,613	232,340,123
5. OTHER INCOME	98,630,338	12,373,343	26,616,039	2,498,008
6. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS	455,079	455,079	227,540	227,540
7. FAIR VALUE CHANGE ACCOUNT	61,021,299	(36,688,529)	103,491,724	(1,265,314)
A) TOTAL (1+2+3+4+5+6+7)	9,241,989,723	9,050,053,836	8,298,637,332	8,359,577,679
8. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)	1,243,834,425	746,590,216	505,034,103	236,055,099
9. EXPENSES OF MANAGEMENT:	359,386,728	215,062,314	183,902,496	84,282,354
a) Commission & Allowances	221,461,635	100,886,853	115,226,750	33,593,339
b) Management Expenses	137,925,093	114,175,461	68,675,746	50,689,015
10 OTHER EXPENSES	18,118,622	18,664,493	9,252,208	9,325,572
11 INCOME TAX EXPENSES:	20,422,498	108,277,260	221,206	68,455,100
i. Current Tax	18,624,517	107,520,397	(817,484)	68,040,193
ii. Deferred tax (Income)/Expenses	1,797,981	756,863	1,038,690	414,907
12 BALANCE OF RETAINED EARNINGS AT THE END OF THE PERIOD (SLHDCL, SLFL & SAML)	94,799,425	67,626,936	94,799,425	67,626,936
13 NON CONTROLLING INTEREST	171	(24)	40	(23)
14 BALANCE OF FUND AT THE END OF THE PERIOD	7,505,427,854	7,893,832,641	7,505,427,854	7,893,832,641
B) TOTAL (8+9+10+11+12+13+14)	9,241,989,723	9,050,053,836	8,298,637,332	8,359,577,679


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SECOND QUARTER FINANCIAL STATEMENT-2021 (UN-AUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SECOND QUARTER ENDED 30 JUNE 2021

PARTICULARS	Jan to June 2021	Jan to June 2020
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium	728,117,204	490,823,513
Profit/Interest, Dividend, Rents & Others Received	871,249,914	1,093,387,591
Miscellaneous Income Received	48,111,309	10,833,898
Payment for Claims	(1,236,235,094)	(769,524,647)
Payment for Re-insurance, Management Expenses and Others	(466,543,054)	(316,701,752)
Income Tax Paid/Deducted	(93,604,160)	(100,168,346)
Net Cash from Operating Activities	(148,903,881)	408,650,257
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(1,329,597)	(10,924,605)
Proceeds from Sales of Investment in Shares	104,360,645	1,446,053
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	797,500,000	200,000,000
Premium on Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(100,781,545)	(9,379,800)
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(1,024,300,000)	(500,000,000)
Investment in Subsidiary Companies	(99,997,000)	-
Acquisition of Fixed Assets	(27,723,826)	(4,649,773)
Loan disbursed against Policies	(7,106,000)	(3,909,000)
Loan against Policies Realised	6,127,765	3,469,100
Margin Loan to Clients	(8,194,050)	79,049
Net Cash used in Investing Activities	(361,443,608)	(323,868,976)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Share Capital	100,000,000	-
Dividend not Claimed /(paid)	7,825,653	10,278,401
Auto Lease Finance	-	(253,786)
Net Cash from Financing Activities	107,825,653	10,024,615
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(402,521,836)	94,805,896
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)	2,677,549,062	3,281,724,020
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(1.36)	3.73

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Company Secretary

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DMD & CFO

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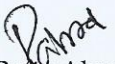
STATEMENT OF CHANGES IN SHARE HOLDER'S EQUITY (UN -AUDITED) FOR THE SECOND QUARTER ENDED ON 30 JUNE 2021

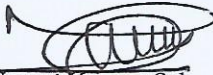
PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2021	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331
Addition during the Period	-	-	-	-	-
As on 30 June 2021	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331

FOR THE SECOND QUARTER ENDED ON 30 JUNE 2019

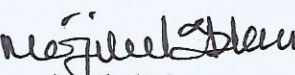
PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2020	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331
Addition during the Period	-	-	-	-	-
As on 30 June 2020	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331


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SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED ON 30 JUNE 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 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 on the 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	Amount in Taka	
	30-06-2021	31-12-2020
A. Consolidated Provision For Current Tax		
Opening Balance	534,713,212	599,319,009
Add: Provision during the period/year	18,624,517	86,217,792
	553,337,729	685,536,801
Less: Paid/ Adjustment	1,000,000	150,823,589
Closing Balance	552,337,729	534,713,212

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

Income (Taka)	Tax Rate (%)	Tax Provision (Taka)
Business Income	37.5%	8,085,006
Capital Gain on Share	10%	4,841,878
Signing Money Received from Realstate Developer	15%	4,500,000
Dividend Income	20%	1,197,633
Total Taxable Income		18,624,517

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

	Amount in Taka	
	30-06-2021	31-12-2020
Carrying amount of fixed assets	1,371,505,434	1,368,665,470
Tax base value of fixed assets	1,437,947,716	1,439,902,368
Taxable temporary difference	66,442,282	71,236,898
Tax rate	37.5%	37.5%
Deferred tax Assets /Liabilities (Required)	24,915,855	26,713,836
Deferred tax Assets/Liabilities up to previous year	26,713,836	28,568,140
Deferred tax Expenses/Income for the period/year	1,797,981	1,854,304

C. LIFE INSURANCE FUND:

	Amount in Taka	
	2021	2020
Opening Balance	7,974,071,705	8,023,279,341
Add: Surplus/(Deficit) of Life Revenue Account during the Year	(468,643,851)	(49,207,636)
Closing Balance	7,505,427,854	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

	Amount in Taka	
	30-06-2021	30-06-2020
Adjustment/Provision during the Quarter	61,021,299	(36,688,529)
Opening Balance	22,916,036	(40,708,044)
Closing Balance	83,937,335	(77,396,573)

E. CONSOLIDATED CASH FLOWS:




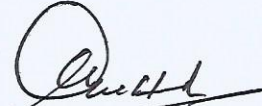

Total No of Share	109,698,633	109,698,633
Net cash from operating activities	(148,903,881)	408,650,257
Net Operating Cash Flow per share (NOCFPS)	(1.36)	3.73

Net Operating Cash Flow per share (NOCFPS) stood at Tk. (1.36) for the Quarter June 2021 against NOCFPS of Tk. 3.73 for the same Quarter 2020. 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 Q2, 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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