

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-2022 (UN-AUDITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)			
AS AT 30 SEPTEMBER 2022			
PARTICULARS	Notes	30-09-2022	31-12-2021
		Taka	Taka
CAPITAL AND LIABILITIES:			
SHAREHOLDERS' 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		613,443,126	614,125,744
BALANCE OF FUNDS AND ACCOUNTS:			
Life Insurance Fund	3.00	6,794,602,889	7,562,069,339
Retained Earnings (SLHDCL,SLFL & SAML)		120,737,277	103,534,819
Non Controlling Interest		5,918	5,696
LIABILITIES AND PROVISIONS:		1,056,890,285	850,344,510
Amount Due to Other Persons or Bodies Carrying on Insurance Business		28,601,303	23,836,600
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated		57,967,022	30,879,640
Provision for Doubtful Debt		35,975,096	35,975,096
Sundry Creditors	4.00	290,560,753	136,112,510
Provision for income tax	5.00	619,840,923	579,756,128
Lease Liability	11.01	6,966,002	11,666,877
Premium Deposits		16,979,186	32,117,659
TOTAL CAPITAL AND LIABILITIES		9,682,665,826	10,227,066,439
PROPERTY AND ASSETS:			
LOAN:			
On Insurance Policies within their Surrender Value		99,268,320	97,567,049
Higher Education Support Plan		75,852,505	72,151,995
Margin Loan to Clients		8,080,000	8,180,000
		15,335,815	17,235,054
INVESTMENT (AT COST):			
Statutory Deposit with Bangladesh Bank(BGTB)		4,583,988,550	4,288,793,884
Bangladesh Govt. Treasury Bond (BGTB)		15,000,000	15,000,000
Shares		3,524,300,000	3,357,900,000
IPO Share Application		824,439,519	730,123,423
Mutual Fund & Unit Fund		637,500	66,158,930
		219,611,531	119,611,531
Outstanding Premium		335,012,638	342,749,709
Profit/Interest, Dividend & Rents Accruing But Not Due		174,454,459	138,270,500
Sundry Debtors		181,068,120	167,170,707
Advance, Deposit & Pre Payments		894,982,020	763,975,279
Premium on BGTB		134,540,419	90,707,327
Deferred Tax Assets	6.00	23,715,011	24,526,296
Right of Use Assets	11.00	6,609,756	11,350,248
Fair Value Change Account	7.00	8,023,311	71,531,563
CASH, BANK AND OTHER BALANCES:			
On Fixed Deposit		1,870,991,871	2,854,508,610
On Current & STD Account with Banks		1,495,129,230	2,368,677,676
Cash in Hand		374,028,250	484,452,247
		1,834,391	1,378,687
OTHER ASSETS:		1,370,011,351	1,375,915,267
Forms, Stamps and Stationery in Hand		5,799,488	3,551,910
Fixed Assets (at cost/Revaluation less Depreciation)		1,364,211,863	1,372,363,357
TOTAL PROPERTY AND ASSETS		9,682,665,826	10,227,066,439

Md. Mizanur Rahman
Company Secretary

Md. Rafiq Ahmed
DMD & CFO

Nemai Kumar Saha
Chief Executive Officer

A.F.M Rezaul Hasan
Director

Mojibul Islam
Chairman

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THIRD QUARTER FINANCIAL STATEMENT-2022 (UN-AUDITED)

PARTICULARS	Notes	Jan to Sept 2022	Jan to Sept 2021	July to Sept 2022	July to Sept 2021
		Taka	Taka	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	3.00	7,562,069,339	7,974,071,705	7,001,832,742	7,505,427,854
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL, SLFL & SAML)		103,534,819	71,276,665	117,693,529	94,799,425
3. PREVIOUS YEAR'S ADJUSTMENT		(438,729)	-	(76,160)	-
4. PREMIUM LESS RE-INSURANCE:		1,289,239,096	1,207,568,632	435,725,993	448,432,645
First Year Premium		475,674,639	454,101,541	157,892,675	179,855,376
Renewal Premium		805,792,456	745,120,675	276,465,653	267,023,592
Group & Hospitalization Insurance Premium		14,124,940	13,363,910	3,767,835	3,434,180
Gross Premium		1,295,592,035	1,212,586,126	438,126,163	450,313,148
Less: Re-Insurance Premium		6,352,939	5,017,494	2,400,170	1,880,503
5. PROFIT/ INTEREST, DIVIDEND AND RENTS		401,718,968	471,794,333	170,824,361	194,395,683
6. OTHER INCOME:		45,931,144	138,106,073	15,547,623	39,475,735
7. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS		682,618	682,618	227,539	227,539
8. FAIR VALUE CHANGE ACCOUNT	7.00	(63,508,253)	64,472,939	(9,110,724)	3,451,640
A) TOTAL (1+2+3+4+5+6+7+8)		9,339,229,002	9,927,972,965	7,732,664,903	8,286,210,521
9. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)		1,637,676,586	1,697,956,046	485,603,177	454,121,621
10. EXPENSES OF MANAGEMENT:		577,748,064	572,184,371	181,326,423	212,797,643
a) Commission & Allowances		341,871,828	364,133,538	106,054,195	142,671,903
b) Management Expenses		235,876,236	208,050,833	75,272,228	70,125,740
11. CONTRIBUTION TO CSR		430,000	-	430,000	-
12. OTHER EXPENSES		35,128,053	27,861,324	10,112,451	9,742,702
13. PROVISION FOR INCOME TAX:		41,267,551	33,751,352	8,214,221	13,328,854
i. Current Tax	5.00	40,456,266	31,887,896	8,034,525	13,263,379
ii. Deferred tax Expenses/Income	6.00	811,285	1,863,456	179,696	65,475
14. DIVIDEND		131,638,360	131,638,360	131,638,360	131,638,360
15. Balance of Retained Earning at the end of the period (SLHDCL, SLFL & SAML)		120,737,277	101,381,157	120,737,277	101,381,157
16. Non Controlling Interest		222	662	105	491
17. BALANCE OF FUND AT THE END OF THE PERIOD AS SHOWN IN THE FINANCIAL POSITION		6,794,602,889	7,363,199,693	6,794,602,889	7,363,199,693
B) TOTAL (9+10+11+12+13+14+15+16+17)		9,339,229,002	9,927,972,965	7,732,664,903	8,286,210,521

Md. Mizanur Rahman
Company Secretary

Md. Rafiq Ahmed
DMD & CFO

Nimai Kumar Saha
Chief Executive Officer

A.F.M Rezaul Hasan
Director

Mojiburul Islam
Chairman

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THIRD QUARTER FINANCIAL STATEMENT-2022 (UN-AUDITED)


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022

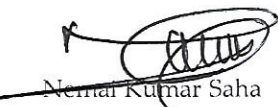
PARTICULARS	Share Capital			Retained Earnings	Non-Controlling Interest	Total
	Paid in Cash	Bonus Share	Total			
As on 01 January 2022	30,000,000	1,066,986,331	1,096,986,331	103,534,819	5,696	1,200,526,846
Addition during the Period	-	-	-	17,202,458	222	17,202,680
As on 30 September 2022	30,000,000	1,066,986,331	1,096,986,331	120,737,277	5,918	1,217,729,526


FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2021

PARTICULARS	Share Capital			Retained Earnings	Non-Controlling Interest	Total
	Paid in Cash	Bonus Share	Total			
As on 01 January 2021	30,000,000	1,066,986,331	1,096,986,331	71,276,665	2,543	1,168,265,539
Addition during the Period	-	-	-	30,104,492	3,662	30,108,154
As on 30 September 2021	30,000,000	1,066,986,331	1,096,986,331	101,381,157	6,205	1,198,373,693


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THIRD QUARTER FINANCIAL STATEMENT-2022 (UN-AUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022


PARTICULARS	Jan to Sept 2022	Jan to Sept 2021
	Taka	Taka
A) CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium/ Operating & Other Revenue	1,288,190,633	1,207,385,535
Profit/Interest, Dividend, Rents & Others received	399,460,561	1,063,973,525
Miscellaneous Income Received	3,349,727	55,065,105
Payment for Claims	(1,609,624,204)	(1,687,175,615)
Payment for Re-insurance, Management Expenses and Others	(664,625,695)	(646,195,332)
Income Tax Paid/ Deducted	(38,059,371)	(120,301,920)
Net Cash from Operating Activities	(621,308,349)	(127,248,702)
B) CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(162,112,012)	(11,229,440)
Proceeds from Sales of Investment in Shares	40,761,906	297,480,411
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	532,700,000	1,260,500,000
Premium on Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(43,833,092)	(40,816,653)
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(699,100,000)	(1,654,300,000)
Investment in Subsidiary Companies	-	(99,997,000)
Acquisition of Fixed Assets	(21,110,755)	(34,484,602)
Proceeds from Disposal of Fixed Assets	1,284,238	-
Loan disbursed against Policies	(12,176,000)	(9,756,000)
Loan against Policies Realized	8,575,490	8,101,732
Margin Loan to Clients	1,899,240	(13,113,708)
Net Cash used in Investing Activities	(353,110,985)	(297,615,260)
C) CASH FLOWS FROM FINANCING ACTIVITIES:		
Ordinary Share Issued	-	100,000,000
Dividend not Claimed /(paid)	409,431	7,637,924
Auto Lease Finance	(9,506,836)	-
Net Cash from Financing Activities	(9,097,405)	107,637,924
D) NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(983,516,739)	(317,226,038)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,854,508,610	3,080,070,898
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (D+E)	1,870,991,871	2,762,844,860
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(5.66)	(1.16)


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Company Secretary


Md. Rafiq Ahmed
DMD & CFO


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Chief Executive Officer


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Mojibul Islam
Chairman

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

1.00 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 G.S.B, 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 Limited and Chittagong Stock Exchange Limited.

1.01 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 Changes in Equity
- iv. Statement of Cash Flows
- v. Statement of Life Insurance Fund
- vi. Accounting Policies & Explanatory Notes

2.00 SIGNIFICANT ACCOUNTING POLICIES

2.01 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-3	Business Combination
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
IFRS-16	Lease

- 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.

2.02 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 & Sandhani Assets Management Ltd. The Consolidated Financial Statements have been prepared in accordance with IFRS-10.

2.03 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 asset 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.

2.04 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).

2.05 FIXED ASSETS

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

2.06 DEPRECIATION

i. Depreciation has been calculated on fixed assets adopting straight line method on all assets at varying rates depending on the class and estimated useful life of assets.

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%

ii. Depreciation on addition to fixed assets during the Quarter 2022 has been charged based on the date of as per para 50 of IAS 16.

iii. Depreciation rate on Building and Land & Building was 5.5% and 1.5% 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.

2.07 TAXATION & VAT

a. 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.

b. Deferred Tax:

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.

2.08 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 and Indirect Method as outlined in the Securities and Exchange Rules 1987.

2.09 WORKERS PROFIT PARTICIPATION AND WELFARE FUND (WPPF)

The Bangladesh Labour Act, 2006 (as amended in 2013) declared the status of business of certain institutions and companies along with banks and insurance companies as 'industrial undertakings'. This Act requires the industrial undertakings to maintain provisions for workers' profit participation and welfare fund (WPPF) @ 5% on net profit.

The Ministry of Finance issued a letter to the Ministry of Labor and Employment (Ref: 53.00.0000.311.22.002.17-130 dated 14.02.2017) requesting to exempt Banks and Financial Institutions from this clause.

The Bangladesh Insurance Association (BIA) the trade body representing the Insurance company's issued a letter (reference no BIA- 03(91) 2019 dated 26-12-2019) to the Ministry of Finance requesting to exempt Insurance companies from WPPF requirements.

Furthermore, we requested IDRA (Ref: SD/161/40898/2014) our regulatory authority to clarify, from which fund the WPPF should be charged from.

Till date this issue is pending, thus we have not recognized WPPF as an expense in the income Statement. Once we get complete guideline and instructions from the authorities, we will recognize WPPF.

2.10 FINANCIAL RISK MANAGEMENT (IFRS-7)

2.10.1 Insurance Risk

a) Individual Life Business

Insurance underwriting risk is the risk that the Company will suffer losses due to economic situation or the rate of occurrence of an incident contrary to the forecast made at the time of setting up of the premium rate. The risk underwritten, i.e., the risk of death and critical illness may vary from division to division. The underwriting risk arises from death and sometimes due to permanent disability and critical illness. The Company may get exposed to poor risk due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims or poor persistency. The Company faces the risk of under pricing particularly due to nature of long-term contract. In addition to this, due to poor persistency, the Company would be unable to recover expenses of policy acquisition. The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related control mechanisms. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. Underwriting procedures have been enhanced and rules have been structured to enable the Company to strike a balance between mitigating risk, ensuring control and providing better service. This puts a check on anti-selection. The Company seeks to reduce its risk exposure by reinsuring certain levels of risk with renowned re-insurance Munich-Re.

The Company provides quality service to the policyholders and checks to minimize miss-selling and avoid poor persistency. A regular monitoring of lapsation rate is conducted. On the claims handling side, the Company has procedures in place to ensure avoidance of payment of fraudulent claim. The Claim Committee reviews high sum assured and early claims for verification and detailed investigation of all doubtful and early claims are conducted. The Company maintains adequate liquidity to cater for potentially sudden and high cash requirement.

b) Group life insurance

The major risk underwritten by the company is death which depends on mortality. Other risks underwritten include disability and major disease. Risk increases as a result of catastrophic events, business procurement without following underwriting guidelines, business procurement at low premium rate due to tough market competition and fraudulent claims. Non-receipt of premium in due time is an additional factor.

The company manages these risks through proper underwriting, reinsurance, effective claims handling and other claim control mechanism. The company also avoids underwriting group business with employees exposed to hazardous profession. Pricing is done in line with actuarial guideline, experience and the mortality exposure the concerned group faces. Moreover, premium rates of existing groups are also reviewed from time to time on the basis of claim experience. Reinsurance arrangements are made by the company with renowned re-insurer to limit the risk at affordable level. Besides, the company avoids payment of fraudulent claims through claim investigation. Strict monitoring is in place to keep the outstanding balances of premium at a minimum.

c) Group health insurance

The main risk underwritten by the company is morbidity that requires treatment as inpatient or outpatient. Risks are increased as a result of increasing incidences of fatal diseases, accident & catastrophic event, fraudulent practices, health over consciousness of insured etc. Consistent increase in charges of various hospital services, lack of adequate claim control mechanism and business procurement at low price in the competitive market are additional factors. The company manages these risks through proper underwriting and other related claim control mechanism, premium rate review on claim experience and hospital agreements with discount facility etc. The Company has a well defined medical underwriting policy to avoid underwriting Group Health business with potentially high health risk. Any pre-existing conditions are also screened at this stage. Health plans are designed and terms & condition are set in such a way that abuses of benefit utilization are minimized. Pricing is done in consultation with actuarial department on the basis of actual claim experience. Company has also pre determined charges for certain illness and investigations with its panel hospitals. The charges are treated as "Standard Rate" which is applied to restrict settlement of inflated bills. The company avoids settlement of any fraudulent claims through claims investigations which is managed by experienced technical staff.

2.10.2 Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining healthy balance of cash and cash equivalent and readily market securities.

2.10.3 Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company limits interest risk by monitoring changes in interest rates in the money market and by diversifying into various institutions (issuers' of securities).

2.10.4 Market risk (investment pattern)

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investment.

The Company continues to adopt a prudent policy in respect of investments. The fund of the Company has been invested as per provision of the Insurance Act. The investments are mainly in Govt. securities, Fixed Deposits Receipts (FDR's) with various commercial banks and financial institutions having acceptable performance parameters and ratings and equity shares in listed companies having good and positive fundamental and technical attributes.

The Company also limits market risk maintaining a diversified profile and by continuous monitoring of developments in Govt. securities (treasury bills) equity and term finance certificates markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

2.10.5 Reinsurance risk

The Company seeks to reduce its risk exposure by reinsuring certain levels of risk with re-insurer. Re-insurer ceded does not relieve the Company from its obligation to policyholders and as a result, the Company also remains liable for the portion of outstanding claims reinsured to the extent that re-insurer does not meet the obligations ultimately under the reinsurance agreements. In order to minimize the risk, the Company has obtained reinsurance cover from a renowned re-insurer, Munich-Re with proven sound financial health

2.10.6 Credit risk

Credit Risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Major credit risk is in reinsurance receivables, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure/ CAMELS rating and assessing credit worthiness of counter parties.

3.00 LIFE INSURANCE FUND:

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

Amount in Taka	
30-09-2022	31-12-2021
7,562,069,339	7,974,071,705
(767,466,450)	(412,002,366)
<u>6,794,602,889</u>	<u>7,562,069,339</u>

The life fund at Q3 2022 is Tk. 77 crore less than that of 31/12/2021. The primary reasons for the decrease in life fund are mentioned: 1. Total revenue receipt fell short of total expenditure (including claim) by Tk.74 Crore (Tk. 174- Tk. 248).

4.00 SUNDRY CREDITORS (Including Unclaimed Dividend)

Amount in Taka	
30-09-2022	31-12-2021
290,560,753	136,112,510

5.00 Consolidated Provision for Current Tax

Opening Balance	579,756,128	534,713,212
Add: Provision during the period/year	40,456,266	51,132,249
	620,212,394	585,845,461
Less: Paid/ Adjustment	371,471	6,089,333
Closing Balance	619,840,923	579,756,128

Calculation for 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 (Tk.)
Business Income	95,897,776	37.5%	35,961,666
Capital Gain on Share	30,071,659	10%	3,007,166
Dividend Income	6,305,976	20%	1,261,195
Entertainment	63,094	27.5%	17,351
Total Taxable Income			40,247,378
Add: Short Provision of tax for Previous Year			208,888
			40,456,266

The company's assessment of income tax up to Accounting years 2015 has been completed, Accounting years 2016 & 2017 under Tribunal and for the Accounting years 2018-2020 are under Process.

6.00 Consolidated Deferred Tax Liabilities/Assets

Carrying amount of fixed assets	1,364,211,849	1,372,363,343
Tax base value of fixed assets	1,426,343,782	1,436,561,778
Taxable temporary difference	62,131,933	64,198,435
Tax rate	*(37.5% & 27.50%)	*(37.5% & 30%)
Deferred tax Assets /Liabilities (Required) end of the quarter	23,715,011	24,526,296
Calculation of Deferred tax Expenses		
Opening Balance of Deferred tax Assets. 01.01.2022	24,526,296	26,713,836
Closing Balance of Deferred tax Assets. 30.09.2022	23,715,011	24,526,296
Deferred tax Expenses/(Income) for the period	811,285	2,187,540

* NB.Taxable temporary difference Tk. 62,771,220 of SLIC & SLFL on tax rate 37.5% of deferred tax Assets
Tk.23,539,208 & Tk. 639,287 of SAML on tax rate 27.50% of deferred tax Assets Tk.175,803.

7.00 CONSOLIDATED FAIR VALUE CHANGE ACCOUNT

Adjustment/Provision during the Quarter	(63,508,253)	48,615,527
Opening Balance	71,531,564	22,916,037
Closing Balance	8,023,311	71,531,564

8.00 UNCLAIMED DIVIDEND

This represents dividend warrants issued in time against dividend for the years 1997 to 2020 but were not claimed and paid within 30 September 2022.

Year:

1997 to 2017	2,804,176	2,807,755
2018 to 2020	17,036,305	9,200,095
Total	19,840,481	12,007,850

9.00 CONSOLIDATED CASH FLOWS:

	Amount in Taka	
	30-09-2022	30-09-2021
Total No of Share	109,698,633	109,698,633
Net cash from operating activities	(621,308,349)	(127,248,702)
Net Operating Cash Flow per share (NOCFPS)	(5.66)	(1.16)

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 and indirect method as outlined in the Securities and Exchange Rule 1987.

Net Operating Cash Flow per share (NOCFPS) stood at Tk. (5.66) for Q3 2022 against NOCFPS of Tk. (1.16) for the Q3 2021. Net operating cash flow of Q3 2022 was Tk. 62 Crore, which is Tk. 49 crore less than Q3 2021. The reasons for the shortfall in Net Operating Cash Flow per share (NOCFPS) are; a. Investment income receipts is short by Tk. 66 Crore than Q3 2021, b. Management expenses is Tk.2 crore more than Q3 2021 & c. Claims decreased by Tk. 8 Crore as opposed to increased Premium of Tk. 8 Crore and Income tax (AIT) decreased by Tk. 8 crore so resulting 49 Crore decrease in cash.

10.00 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES (Indirect Method)

A) Decrease in Life Fund during the year	(767,466,450)	(610,872,012)
B) Profit after Income Tax	18,286,373	30,105,152
C) Adjustment to Reconcile net Increase/Decrease in Life Fund to net cash used by Operating Activity:	216,203,486	(78,688,862)
Depreciation	29,262,249	27,861,324
Current Tax Provision	39,549,544	31,843,012
Deferred Tax Expenses	1,073,040	1,679,794
Profit on Vehicle Sale	(1,284,238)	-
Capital Gain from Investment in Shares	(5,924,806)	(86,482,421)
Fair Value change Accounts	60,468,743	(64,472,939)
Adjustment of Depreciation on Revalued Assets	(682,618)	(682,618)
Source Tax Deduction	(37,896,788)	(120,073,374)
Dividend	131,638,360	131,638,360
D) Cash Generated from Operations before Increase/Decrease of Assets or Liabilities:	(88,331,758)	532,207,020
Increase/Decrease of Profit/Interest, Dividend, Rents & Others Receivable	(35,213,573)	587,589,129
Increase/Decrease Advance, Deposit & Pre Payments	(108,785,722)	(83,410,306)
Increase/Decrease of Sundry Debtors	1,410,551	10,483,586
Increase/Decrease of Right of Use Assets	4,740,492	-
Increase/Decrease of Lease Liability	(4,700,875)	-
Increase/Decrease of Deposit Premium	(15,138,473)	(10,173,896)
Increase/Decrease of Outstanding Premium	7,737,071	4,973,305
Increase/Decrease of Outstanding Claim	27,087,382	10,780,431
Increase/Decrease of Sundry Creditors	32,014,264	13,415,869
Increase/Decrease of Re- Insurance Premium Payable	4,764,703	(1,127,243)
Increase/Decrease of Forms, Stamps and Stationery in hand	(2,247,578)	(323,855)
Net Cash Flows From Operating Activities (A+B+C+D)	(621,308,349)	(127,248,702)

11.00 RIGHT-OF-USE ASSETS (IFRS 16 - LEASE)

Opening Balance	11,350,248	-
Add: Recognize during the Year	-	17,001,769
Less: Depreciation on Right of use Assets during the Year	4,740,492	5,651,521
Closing Balance	6,609,756	11,350,248

11.01 LEASE LIABILITY (IFRS 16 - LEASE)

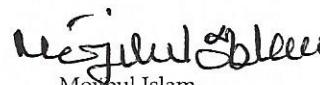
Opening Balance	11,666,877	-
Add: Recognize during the year	-	17,001,769
Add: Interest Charge on Lease liability during the year	647,645	1,080,788
Total	12,314,522	18,082,557
Less: Adjustment/ paid during the year/period	5,348,520	6,415,680
Closing Balance	6,966,002	11,666,877


Md. Mizanur Rahman
Company Secretary


Md. Rafiq Ahmed
DMD & CFO


Nemai Kumar Saha
Chief Executive Officer


A.F.M Rezaul Hasan
Director


Mojibul Islam
Chairman

12.00 RELATED PARTY DISCLOSURE IAS # 24

12.01 The company carried out a number of transaction with its related party in the normal course of business for the Period 30 September 2022. The nature of these transactions and their value have been set out in accordance with the provisions of IAS-24 "Related Party Disclosures" as given below:

Sl. No.	Name of Party	Nature of Transaction	Opening Balance 01.01.2022	Received this year	Payment /Adjustment this year	Closing Balance 30.09.2022
1	Purabi General Insurance Company Ltd.	Car & Other Insurance Premium paid	-	-	304,455	-
		Rent & Service Charge Received and Accrued	-	1,440,000	-	320,000
2	Panna Textile Mills Ltd.	Advance Paid	2,736,000	-	-	1,440,000
		Rent & Service Charge Paid/(Adjustment)	-	-	1,296,000	-
		Rent Payable	1,728,000	-	-	1,728,000
3	Amico Laboratories Ltd.	Group Insurance Premium Outstanding and Received	-	242,550	-	-
		Rent & Service Charge Received and Accrued	-	235,284	-	705,852
4	City University	Rent & Service Charge Received and Accrued	999,520	8,995,680	-	999,520
		Security Deposit	1,999,040	-	-	1,999,040
5	Modhumoti Bank Ltd.	Fixed Deposit (FDR)	769,359,211	-	-	659,359,211
		Intrest Received & Accrued	56,643,498	16,978,174	-	92,695,298
		Bank Balance(Total No.Of Accounts-55)	83,867,217	-	-	175,424,346
		Bank Charge & Excess duty	-	-	197,895	-
		Bank Interest on STD A/C	-	458,573	-	-
6	MH Samorita Hospital & Medical College	Group Insurance Premium Outstanding and Received	-	683,750	-	-
7	Sandhani Life Finance Ltd.	Share Buy & Sale Commission and Portfolio Management Fees Paid	-	-	57,562	-
8	Mona FCS Ltd.	Share Buy & Sale Commission Paid (Brokerage Commission)	-	-	51,591	-

Amount in Taka	
30-09-2022	30-09-2021

12.02 Managing Director's Salary and Allowances

Basic Salary	1,620,000	1,620,000
Allowances	1,080,000	1,080,000
Festival & other Bonus	450,000	675,000
	3,150,000	3,375,000
Others Expenses	459,805	307,788
	3,609,805	3,682,788

12.03 Directors' Fees

Meeting Attendance Fees	310,000	260,000
	310,000	260,000

12.04 Key Management Personnel Compensation

Short Term Employee Benefits (Salary, Bonus & Other Allowances)	97,137,998	96,185,996
Post Employment Benefits (Provident Fund)	2,674,334	2,749,476
	99,812,332	98,935,472