

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-2020 (UN-AUDITED)


CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30 SEPTEMBER 2020

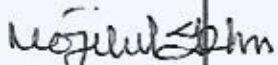
Particulars	30-09-2020	31-12-2019
	Taka	Taka
CAPITAL AND LIABILITIES:		
SHARE HOLDERS' CAPITAL		
Authorized		
200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed & Paid up		
109,698,633 Ordinary Shares of Tk. 10 each	1,096,986,331	1,096,986,331
Revaluation Surplus	615,263,440	615,946,058
Fair Value Change Account	16,803,100	40,708,044
BALANCE OF FUNDS AND ACCOUNTS		
Life Insurance Fund	7,702,266,970	8,023,279,341
Retained Earnings (SLHDCL & SLFL)	66,725,847	71,437,024
Non Controlling Interest	2,490	2,519
LIABILITIES AND PROVISIONS	1,168,790,451	870,333,954
Amount Due to Other Persons or Bodies Carrying on Insurance Business	19,440,459	16,632,829
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	59,892,853	41,167,577
Provision for Doubtful Debt	28,733,303	28,733,303
Sundry Creditors	273,767,794	118,705,859
Advance Received from Land Developer	30,000,000	30,000,000
Provision for income tax	738,370,577	599,319,009
Premium Deposits	18,585,465	35,775,377
TOTAL	10,666,838,629	10,718,693,271
PROPERTY AND ASSETS:		
LOAN	91,856,740	86,527,878
On Insurance Policies within their Surrender Value	65,587,821	64,087,958
Higher Education Support Plan	19,880,000	19,880,000
Margin Loan to Clients	6,388,919	2,559,920
INVESTMENT (AT COST)	4,238,808,159	3,481,272,703
Statutory Deposit with Bangladesh Bank(BGTB)	15,000,000	15,000,000
Bangladesh Govt. Treasury Bond (BGTB)	3,164,200,000	2,414,200,000
Shares	757,435,083	786,881,546
Mutual Fund & Unit Fund	302,173,076	265,191,157
Outstanding Premium	392,592,549	363,490,516
Profit/Interest, Dividend & Rents Accruing But Not Due	658,358,542	1,352,992,726
Sundry Debtors	181,225,492	170,472,852
Advance, Deposit & Pre Payments	809,207,855	624,019,245
Premium on BGTB	40,541,025	28,270,377
Deferred Tax Assets	26,925,296	28,568,140
CASH, BANK AND OTHER BALANCES	2,849,104,054	3,186,918,124
On Fixed Deposit	2,646,245,544	3,059,686,332
On Current & STD Account with Banks	128,720,014	125,908,566
Collection In Hand	71,996,925	-
Cash in Hand	2,141,571	1,323,226
OTHER ASSETS	1,378,218,917	1,396,160,710
Forms, Stamps, Stock and Stationery in Hand	4,731,682	4,549,828
Inventory	466,683	466,683
Fixed Assets (At cost/Revaluation less Depreciation)	1,373,020,552	1,391,144,199
TOTAL	10,666,838,629	10,718,693,271


Md. Mizanur Rahman
Company Secretary


Md. Rafiq Ahmed
DMD & CFO


Nemai Kumar Saha
Chief Executive Officer


Colonel Wais Huda (Retd.)
Director


Mojibul Islam
Chairman

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THIRD QUARTER FINANCIAL STATEMENT-2020 (UN-AUDITED)

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) Notification

CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2020

Particulars	Jan to Sept 2020	Jan to Sept 2019	July to Sept 2020	July to Sept 2019
	Taka	Taka	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	8,023,279,341	8,372,691,788	7,893,832,641	8,193,087,107
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL & SLFL)	71,437,024	76,820,755	67,626,936	73,057,240
3. PREMIUM LESS RE-INSURANCE	1,011,563,320	1,176,602,186	470,570,577	454,526,482
First Year Premium	272,556,024	341,163,303	156,911,569	151,630,600
Renewal Premium	731,307,302	826,348,692	313,878,365	300,295,942
Group & Hospitalization Insurance Premium	11,710,894	13,157,365	1,378,983	4,025,965
Gross Premium	1,015,574,220	1,180,669,360	472,168,917	455,952,507
Less: Re-Insurance Premium	4,010,900	4,067,174	1,598,340	1,426,025
4. PROFIT/ INTEREST, DIVIDEND AND RENTS	614,922,026	619,909,016	176,717,191	240,719,080
5. OTHER INCOME	27,344,933	40,770,819	14,971,590	10,352,329
6. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS	682,618	2,247,160	227,539	749,054
7. FAIR VALUE CHANGE ACCOUNT (Surplus)	23,904,944	6,520,422	60,593,473	(22,338,071)
A) TOTAL (1+2+3+4+5+6+7)	9,773,134,206	10,295,562,146	8,684,539,947	8,950,153,221
8. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)	1,293,837,094	1,524,933,787	547,246,878	516,975,873
9. EXPENSES OF MANAGEMENT:	409,781,806	452,001,833	194,719,492	172,055,217
a) Commission & Allowances	233,733,061	253,180,585	132,846,208	100,758,811
b) Management Expenses	176,048,745	198,821,248	61,873,284	71,296,406
10. CONTRIBUTION TO CSR	-	1,230,000	-	80,000
11. OTHER EXPENSES	28,189,746	29,768,471	9,525,253	10,105,619
12. INCOME TAX EXPENSES:	140,694,412	74,022,352	32,417,152	37,461,100
i. Current Tax	139,051,568	69,902,421	31,531,171	34,902,421
ii. Deferred tax (Income)/Expenses	1,642,844	4,119,931	885,981	2,558,679
13. COST OF GOODS SOLD	-	200,427	-	70,128
14. DIVIDEND	131,638,360	164,547,950	131,638,360	164,547,950
15. BALANCE OF RETAINED EARNINGS AT THE END OF THE PERIOD (SLHDCL & SLFL)	66,725,847	72,372,022	66,725,847	72,372,022
16. NON CONTROLLING INTEREST	(29)	(6)	(5)	2
17. BALANCE OF FUND AT THE END OF THE PERIOD	7,702,266,970	7,976,485,310	7,702,266,970	7,976,485,310
B) TOTAL (8+9+10+11+12+13+14+15+16+17)	9,773,134,206	10,295,562,146	8,684,539,947	8,950,153,221

Md. Mizanur Rahman
Company Secretary

Md. Rafiq Ahmed
DMD & CFO

Nemai Kumar Saha
Chief Executive Officer

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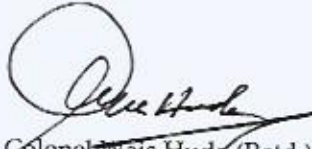
CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2020

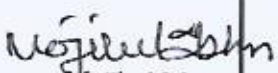
PARTICULARS	Jan to Sept 2020	Jan to Sept 2019
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium	969,282,275	1,198,763,480
Profit/Interest, Dividend, Rents & Others Received	1,311,741,489	391,168,806
Miscellaneous Income Received	18,552,330	23,152,764
Payment for Claims	(1,275,111,818)	(1,429,302,376)
Payment for Re-insurance, Management Expenses and Others	(472,442,353)	(490,755,183)
Income Tax Paid/Deducted	(120,760,560)	(32,142,556)
Net Cash from Operating Activities	431,261,363	(339,115,065)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(8,695,482)	(15,569,361)
Proceeds from Sales of Investment in Shares	8,999,992	44,015,215
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	250,000,000	150,000,000
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(12,403,290)	(110,000,000)
Acquisition of Fixed Assets	(1,000,026,096)	(10,769,579)
Proceeds from Disposal of Fixed Assets	(10,040,003)	2,002,425
Loan disbursed against Policies	(7,533,000)	(8,556,000)
Loan against Policies Realised	6,033,137	1,883,938
Margin Loan to Clients	(3,828,999)	(223,474)
Net Cash used in Investing Activities	(777,493,741)	52,783,164
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend not Claimed / (paid)	9,934,588	-
Auto Lease Finance	(1,516,280)	(348,203)
Net Cash from Financing Activities	8,418,308	(348,203)
D. Net Increase in Cash & Cash Equivalents (A+B+C)	(337,814,070)	(286,680,104)
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)	2,849,104,054	3,349,901,476
NOCFPS	3.93	(3.09)


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THIRD QUARTER FINANCIAL STATEMENT-2020 (UN-AUDITED)

STATEMENT OF CHANGES IN SHARE HOLDER'S EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 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 30 September 2020	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331

FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2019

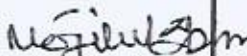
PARTICULARS	Share Capital			Retained Earnings	Total
	Paid in Cash	Bonus Share	Total		
As on 01 January 2019	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331
Addition during the Period	-	-	-	-	-
As on 30 September 2019	30,000,000	1,066,986,331	1,096,986,331	-	1,096,986,331


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SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED ON 30 SEPTEMBER 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 Flow
- 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 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%

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	
	30-09-2020	31.12.2019
A. Consolidated Provision For Current Tax		
Opening Balance	599,319,009	498,595,102
Add: Provision during the period	139,051,568	106,455,707
	738,370,577	605,050,809
Less: Paid/ Adjustment	-	5,731,800
Closing Balance	738,370,577	599,319,009

i. Calculation of Income Tax (Sandhani Life Insurance Co. Ltd):

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	364,928,148
Capital Gain on Share	2,435,182
Total Taxable Income	367,363,330

Income Tax=37.5% of Total Business Income	136,848,056
Income Tax=10% of Profit on Sales of Shares for the period-2020	243,518
Income Tax Up to 30.09.2020	137,091,574

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 companies tax advisor are confident that the ultimate outcome of these matters will be decided in favor of the company.

Assessment of 2016 – 2019 are under process.

ii. Calculation of Income Tax (Sandhani Life Finance Ltd):

		Rate	Amount
Capital Gain/(Loss) on sale of investment in Share	5,404,785	10%	540,479
Dividend Income @ 20%	7,097,578	20%	1,419,516
			1,959,994

Consolidated Provision For Current Tax:

i. Calculation of Income Tax (Sandhani Life Insurance Co. Ltd):	137,091,574
ii. Calculation of Income Tax (Sandhani Life Finance Ltd):	1,959,994
Consolidated Provision For Current Tax (i+ii)	139,051,568

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	
30-09-2020	31-12-2019
1,373,020,538	1,391,023,440
1,444,821,327	1,467,205,149
71,800,789	76,181,709
37.5%	37.5%
26,925,296	28,568,140
28,568,140	36,744,231
1,642,844	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
(321,012,371)	(349,412,447)
7,702,266,970	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. In Addition Current Tax provision of Tk. 6.92 Crore Increase Q-3,2020 from Q-3,2019.

D. CONSOLIDATED FAIR VALUE CHANGE ACCOUNT

Adjustment/Provision during the Quarter	
Opening Balance	
Closing Balance	

Amount in Taka	
30-09-2020	30-09-2019
23,904,944	6,520,422
(40,708,044)	(22,674,976)
(16,803,100)	(16,154,554)

E. CONSOLIDATED CASH FLOWS:

Total No of Share	109,698,633	109,698,633
Net cash from operating activities	431,261,363	(332,527,050)
Net Operating Cash Flow per share (NOCFPS)	3.93	(3.03)

Net Operating Cash Flow per share (NOCFPS) stood at Tk. 3.93 for the Quarter September 2020 against NOCFPS of Tk. (3.09) for the Same Quarter 2019. The Significant Improvement in NOCFPS is due to encashment of FDR and the accompanying interest during 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.

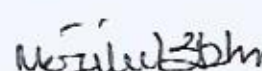
The Company has presented the consolidated cash flow statement from Q3 2020 based on the direct method. Because of the matter discussed above, The Company is unable to reconcile the net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals.


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