

Top Ranking Life Insurance Company

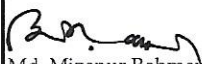


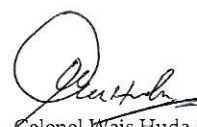

সন্ধানী লাইফ ইনস্যুরেন্স কোম্পানী লিঃ

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-2022 (UN-AUDITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)		
AS AT 31 MARCH 2022		
Particulars	31-03-2022 Taka	31-12-2021 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	613,898,205	614,125,744
BALANCE OF FUNDS AND ACCOUNTS		
Life Insurance Fund	7,254,194,789	7,562,069,339
Retained Earnings (SLHDCL,SLF & SAML)	107,044,562	103,534,819
Non Controlling Interest	5,723	5,696
LIABILITIES AND PROVISIONS		
Amount Due to Other Persons or Bodies Carrying on Insurance Business	24,939,174	23,836,600
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated	64,159,955	30,879,640
Provision for Doubtful Debt	35,975,096	35,975,096
Sundry Creditors	162,743,566	136,112,510
Provision for income tax	595,836,945	579,756,128
Lease Liability	10,119,709	11,666,877
Premium Deposits	21,220,910	32,117,659
TOTAL	9,987,124,965	10,227,066,439
PROPERTY AND ASSETS:		
LOAN		
On Insurance Policies within their Surrender Value	99,513,354	97,567,049
Higher Education Support Plan	75,263,564	72,151,995
Margin Loan to Clients	8,080,000	8,180,000
	16,169,790	17,235,054
INVESTMENT (AT COST)		
Statutory Deposit with Bangladesh Bank(BGTB)	4,415,445,670	4,288,793,884
Bangladesh Govt. Treasury Bond (BGTB)	15,000,000	15,000,000
Shares	3,393,400,000	3,357,900,000
IPO Share Application	767,862,709	730,123,423
Mutual Fund & Unit Fund	19,571,430	66,158,930
	219,611,531	119,611,531
Outstanding Premium	362,027,813	342,749,709
Profit/Interest, Dividend & Rents Accruing But Not Due	144,365,012	138,270,500
Sundry Debtors	168,158,310	167,170,707
Advance, Deposit & Pre Payments	898,415,617	763,975,279
Premium on BGTB	71,413,973	90,707,327
Deferred Tax Assets	24,138,210	24,526,296
Right of use Assets	9,754,134	11,350,248
Fair Value Change Account	56,772,531	71,531,563
CASH, BANK AND OTHER BALANCES		
On Fixed Deposit with Banks	2,364,202,676	2,854,508,610
On Current & STD Account with Banks	2,015,394,426	2,368,677,676
Cash in Hand	346,886,158	484,452,247
	1,922,092	1,378,687
OTHER ASSETS		
Forms, Stamps, Stock and Stationery in Hand	1,372,917,665	1,375,915,267
Fixed Assets (At cost/Revaluation less Depreciation)	5,273,539	3,551,910
	1,367,644,126	1,372,363,357
TOTAL	9,987,124,965	10,227,066,439

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

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FIRST QUARTER FINANCIAL STATEMENT-2022(UN-AUDITED)

CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2022

Particulars	January to March 2022	January to March 2021
	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD	7,562,069,339	7,974,071,705
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL,SLF & SAML)	103,534,819	71,276,665
3. PRIOR YEAR ADJUSTMENT	(269,689)	-
4. PREMIUM LESS RE-INSURANCE	463,234,493	421,538,829
First Year Premium	151,628,229	123,228,270
Renewal Premium	310,422,773	295,248,824
Group & Hospitalization Insurance Premium	2,653,590	4,150,725
Gross Premium	464,704,592	422,627,819
Less: Re-Insurance Premium	1,470,099	1,088,990
5. PROFIT/ INTEREST, DIVIDEND AND RENTS	113,976,365	143,475,037
6. OTHER INCOME	12,965,435	72,014,299
7. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS	227,539	227,539
A) TOTAL (1+2+3+4+5+6+7)	8,255,738,301	8,682,604,074
8. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)	653,115,119	738,800,322
9. EXPENSES OF MANAGEMENT:	199,608,794	175,484,232
a) Commission & Allowances	119,186,432	106,234,885
b) Management Expenses	80,422,362	69,249,347
10. OTHER EXPENSES	10,545,170	8,866,414
11. INCOME TAX EXPENSES:	16,470,809	20,201,292
i. Current Tax	16,082,723	19,442,001
ii. Deferred tax (Income)/Expenses	388,086	759,291
12. FAIR VALUE CHANGE ACCOUNT	14,759,032	42,470,425
13. BALANCE OF RETAINED EARNINGS AT THE END OF THE PERIOD (SLHDCL,SLF & SAML)	107,044,562	87,282,797
14. NON CONTROLLING INTEREST	27	131
15. BALANCE OF FUND AT THE END OF THE PERIOD	7,254,194,789	7,609,498,461
B) TOTAL (8+9+10+11+12+13+14+15)	8,255,738,301	8,682,604,074







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

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FIRST QUARTER FINANCIAL STATEMENT-2022 (UN-AUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2022

PARTICULARS	Jan to March 2022	Jan to March 2021
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium	434,529,739	373,924,667
Profit/Interest, Dividend, Rents & Others Received	112,922,378	370,376,357
Miscellaneous Income Received	2,989,009	40,810,998
Payment for Claims	(619,834,804)	(741,334,172)
Payment for Re-insurance, Management Expenses and Others	(295,127,490)	(281,138,231)
Income Tax Paid/Deducted	(9,453,209)	(33,979,576)
Net Cash from Operating Activities	(373,974,377)	(271,339,957)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(118,850,326)	(24,927,743)
Proceeds from Sales of Investment in Shares	30,889,259	43,261,274
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	248,600,000	148,400,000
Premium/Discount on Purchase of Bangladesh Govt. Treasury Bond (BGTB)	19,293,354	-
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(284,100,000)	-
Acquisition of Fixed Assets	(5,351,999)	(11,099,085)
Proceeds from Disposal of Fixed Assets	671,328	-
Loan disbursed against Policies	(5,321,000)	(3,477,000)
Loan against Policies Realised	2,309,431	3,453,833
Margin Loan to Clients	1,065,264	(790,778)
Net Cash used in Investing Activities	(110,794,689)	154,820,500
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend not Claimed /(paid)	(57,701)	-
Short Term Borrowing	(5,479,167)	-
Net Cash from Financing Activities	(5,536,868)	-
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(490,305,934)	(116,519,457)
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)	2,364,202,676	2,963,551,441
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(3.41)	(2.47)

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

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FIRST QUARTER FINANCIAL STATEMENT-2022 (UN-AUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN SHARE HOLDER'S EQUITY (UN -AUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 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	-	-	-	3,509,743	27	3,509,770
As on 31 March 2022	30,000,000	1,066,986,331	1,096,986,331	107,044,562	5,723	1,204,036,616

FOR THE FIRST QUARTER ENDED 31 MARCH 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	-	-	-	16,006,132	131	16,006,263
As on 31 March 2021	30,000,000	1,066,986,331	1,096,986,331	87,282,797	2,674	1,184,271,802


Md. Mizanur Rahman
Company Secretary


Md. Rafiq Ahmed
DMD & CFO


Nenuar Kumar Saha
Chief Executive Officer


Colonel Wais Huda (Retd.)
Director


Shaheduzzaman Choudhury FCA
Acting Chairman

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED ON 31 MARCH 2022

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 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 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.

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 Asset Management 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 2022 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:

Income Tax of Life Insurance Companies are determined under the fourth schedule of Income Tax Ordinance 1984 on the basis is of Actuarial Valuation Report. 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 :

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

Particulars

Amount in Taka	
31-03-2022	31-12-2021

A. Consolidated Provision for Current Tax

Opening Balance	579,756,128	534,713,212
Add: Provision during the period/year	16,082,723	51,132,249
	<u>595,838,851</u>	<u>585,845,461</u>
Less: Paid/ Adjustment	1,906	6,089,333
Closing Balance	<u>595,836,945</u>	<u>579,756,128</u>

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	40,435,810	37.5%	15,163,429
Capital Gain on Share	4,317,807	10%	431,780
Dividend Income	2,400,388	20%	480,078
Entertainment	18,434	30%	5,530
Total Taxable Income	47,172,439		16,080,817
Add: Short Provision of tax for Previous Year			1,906
			16,082,723

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 2018-2019 are under Process.

B. Consolidated Deferred Tax Liabilities/Assets

	Amount in Taka	
	31-03-2022	31-12-2021
Carrying amount of fixed assets	1,367,644,112	1,372,363,343
Tax base value of fixed assets	1,432,009,375	1,436,561,778
Taxable temporary difference	64,365,263	64,198,435
Tax rate	*(37.5% & 30%)	*(37.5% & 30%)
Deferred tax Assets /Liabilities (Required) end of the quarter	24,138,210	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. 31.03.2022	24,138,210	24,526,296
Deferred tax Expenses/(Income) for the year	388,086	2,187,540

* NB.Taxable temporary difference Tk. 64,381,754 of SLIC & SLFL on tax rate 37.5% of deferred tax Assets Tk.24,143,157 & Tk. 16,491 of SAML on tax rate 30% of deferred tax Liabilities Tk.(4,747).

C. LIFE INSURANCE FUND:

	Amount in Taka	
	31-03-2022	31-12-2021
Opening Balance	7,562,069,339	7,974,071,705
Add: Surplus/(Deficit) of Life Revenue Account during the Quarter	(307,874,550)	(412,002,366)
Closing Balance	7,254,194,789	7,562,069,339

The life fund at Q1 2022 is Tk. 31 crore less than that of 31-12-2021. The primary reasons for the decrease in life fund are mentioned below: 1. Total revenue receipt fell short of total expenditure by Tk. 30 Crore (Tk. 59 - Tk. 89) Crore, 2. Excess claim settled against premium receipt Tk. 19 crore. (Tk. 65 - Tk. 46).

D. CONSOLIDATED FAIR VALUE CHANGE ACCOUNT

Adjustment/Provision during the Quarter
 Opening Balance
 Closing Balance

Amount in Taka	
31-03-2022	31-03-2021
14,759,032	(42,470,424)
71,531,563	22,916,036
56,772,531	(19,554,388)

E. CONSOLIDATED CASH FLOWS:

Total No of Share
 Net cash from operating activities
 Net Operating Cash Flow per share (NOCFPS)

109,698,633	109,698,633
(373,974,376)	(271,339,957)
(3.41)	(2.47)

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. (3.41) for Q1 2022 against NOCFPS of Tk. (2.47) for the Q1 2021. Net operating cash flow of Q1 2022 was Tk. 37 Crore, which is Tk. 10 crore less than Q1 2021. The reasons for the shortfall in Net Operating Cash Flow per share (NOCFPS) are; Investment income receipts less Tk. 26 Crore than Q1 2021, b. Management expenses Excess Tk. 1.5 crore more than Q1 2021 & c. Claims decreased by Tk. 12 Crore as opposed to increased Premium of Tk. 6 Crore resulting Tk. 9.45 Crore decrease in cash.

F. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES (Indirect Method)

A) Decrease in Life Fund during the year	(307,874,550)
B) Profit after Income Tax	4,114,701
C) Adjustment to Reconcile net Increase/Decrease in Life Fund to net cash used by Operating Activity:	27,257,305
Depreciation	10,071,229
Current Tax Provision	16,018,567
Deferred Tax Expenses	(12,455)
Profit on Vehicle Sale	(671,328)
Capital Gain from Investment in Shares	(3,551,332)
Fair Value change Accounts	15,119,645
Adjustment of Depreciation on Revalued Assets	(227,539)
Source Tax Deduction	(9,489,482)

D) Cash Generated from Operations before Increase/Decrease of Assets or Liabilities:

Increase/Decrease of Profit/Interest, Dividend, Rents & Others Receivable	(5,235,969)
Increase/Decrease Advance, Deposit & Pre Payments	(125,528,061)
Increase/Decrease of Sundry Debtors	(1,540,538)
Increase/Decrease of Right of Use Assets	1,596,114
Increase/Decrease of Lease Liability	(1,547,168)
Increase/Decrease Provision for Doubtful Debt	-
Increase/Decrease of Deposit Premium	(10,896,749)
Increase/Decrease of Outstanding Premium	(19,278,104)
Increase/Decrease of Outstanding Claim	33,280,315
Increase/Decrease of Sundry Creditors	32,297,382
Increase/Decrease of Re- Insurance Premium Payable	1,102,574
Increase/Decrease of Forms, Stamps and Stationery in hand	(1,721,629)

Net Cash Flows From Operating Activities (A+B+C) **(373,974,377)**

G. i. RIGHT OF USE ASSET

Opening Balance of Right of use Assets	11,350,248
Add: Addition during the quarter	-
Less: Adjustment during the quarter	(1,596,114)
Closing Balance	9,754,134

ii. LEASE LIABILITY :

Opening Balance of Lease Liability	11,666,877
Add: Addition during the quarter	-
Less: Adjustment during the quarter	(1,547,168)
Closing Balance	10,119,709







Md. Mizanur Rahman Md. Rafiq Ahmed Nemat Kumar Saha Colonel Wais Huda (Retd.) Shakeduzzaman Choudhury FCA
 Company Secretary DMD & CFO Chief Executive Officer Director Acting Chairman