

**SUNLIFE INSURANCE COMPANY LIMITED**  
**Statement of Life Insurance Fund**  
As at December 31, 2018

	Amount in Taka	
	31.12.2018	31.12.2017
<b>ASSETS</b>		
Loan on Insurer's Policies within their Surrender Value	4,020,459	4,026,541
Investments	653,804,591	1,095,174,454
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	117,508	-
Outstanding Premium	356,187,315	394,252,115
Interest & Dividend accruing but not due	25,893,630	31,190,648
Advance, Loans & Deposits	354,939,156	382,470,908
Cash & Bank Balance	814,801,164	867,885,213
Fixed Assets (at cost less depreciation)	723,481,300	745,342,220
Deffered Expenses	1,179,770	3,119,970
Stamps, Printing and Stationery in hand	6,964,224	7,052,559
	<b>2,941,389,117</b>	<b>3,530,514,628</b>
<b>LIABILITIES</b>		
Estimated Liabilities in respect of outstanding claims, whether due or intimated	2,798,199	4,525,752
Amount due to other persons of bodies carrying on insurance business	-	1,444,620
Re-valuation reserve Flat (BTA)	13,145,528	14,156,722
Sundry Creditors	159,236,123	123,833,841
<b>Total</b>	<b>175,179,850</b>	<b>143,960,935</b>
<b>Gross Fund (Assets minus Liabilities)</b>	<b>2,766,209,267</b>	<b>3,386,553,693</b>
Less : Shareholders' Capital (Paid up Capital)	357,606,900	350,595,000
<b>Life insurance fund at the end of the period</b>	<b>2,408,602,367</b>	<b>3,035,958,693</b>

The accompanying notes 1 to 29 form an integral part of the financial statements.



Company Secretary



Additional MD & CFO



Chief Executive Officer



Director



Director



Chairperson

Dated; Dhaka.  
The 30th July 2019

**Shiraz Khan Basak & Co.**  
Chartered Accountants.

An associate firm of D. N. Gupta & Associates

**SUNLIFE INSURANCE COMPANY LIMITED**  
**Classified Summary of the Assets in Bangladesh**  
As at December 31, 2018

SI No	Class of Assets	Book Value (Tk)	Market Value (Tk)	Remarks
1	Statutory Deposits with Bangladesh Bank	15,000,000	15,000,000	At Cost
2	Loan on Insurer's Policies	4,020,459	4,020,459	Realizable Value
3	Investment in Shares	377,504,591	352,814,988	Fair Value
4	Bangladesh Govt. Treasury Bond	261,300,000	261,300,000	At Cost
5	Fixed Deposits with Bank	386,097,887	386,097,887	Realizable Value
6	Cash in hand and STD & Current Accounts	428,703,277	428,703,277	Realizable Value
7	Interest, Dividends & Rent accrued but not due	25,893,630	25,893,630	Realizable Value
8	AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	117,508	117,508	Realizable Value
9	Outstanding Premium	356,187,315	356,187,315	Realizable Value
10	Advance, loan & Deposits	354,939,156	354,939,156	Realizable Value
11	Fixed Assets (at cost less depreciation)	723,481,300	617,792,808	WDV
12	Deffered Expenses	1,179,770	3,119,970	At Cost
13	Stamps, Printing and Stationery in hand	6,964,224	7,052,559	At Cost
		<b>2,941,389,117</b>	<b>2,813,039,557</b>	

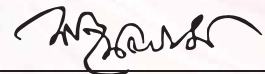
The accompanying notes 1 to 29 form an integral part of the financial statements.



Company Secretary



Additional MD & CFO



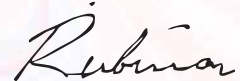
Chief Executive Officer



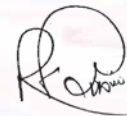
Director



Director



Chairperson



**Shiraz Khan Basak & Co.**  
Chartered Accountants.

Dated; Dhaka.  
The 30th July 2019

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Classified Summary of the Assets in Bangladesh

**Sunlife Insurance Company Ltd**  
Statement of Changes in Equity  
As at December 31, 2018

Particulars	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained earning	Total
As at 01 January 2018	350,595,000	-	-	-	-	350,595,000
Addition during this year (Bonus Share)	7,011,900	-	-	-	-	7,011,900
<b>As at 31 December 2018</b>	<b>357,606,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357,606,900</b>

**Sunlife Insurance Company Ltd**  
Statement of Changes in Equity  
As at December 31, 2017

Particulars	Share Capital	Share Premium	General Reserve	Reserve for Exceptional Losses	Retained earning	Total
As at 01 January 2017	350,595,000	-	-	-	-	350,595,000
Addition during this year (Bonus Share)	-	-	-	-	-	-
<b>As at 31 December 2017</b>	<b>350,595,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,595,000</b>

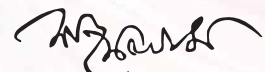
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Company Secretary



Additional MD & CFO



Chief Executive Officer



Director



Director



Chairperson

Dated; Dhaka.  
The 30th July 2019

**Shiraz Khan Basak & Co.**  
Chartered Accountants.

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**Sunlife Insurance Company Limited**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2018**

**1.0 Company and It's Activities:**

**1.1 Legal Status of Reporting Entity**

The company is a public company limited by shares which came into operation on 30.05.2000 (License No. CCI-13/08/99-1075 dated 30.05.2000 of CCI & Incorporation No. C-39753(1721)2000 dated 31.03.2000) with an Authorized Share Capital of Tk 20 Crore divided into 20,00,000 Ordinary shares of Tk.100 each, of were issued and fully paid in cash by the Sponsors/ Directors. The company raised its Authorised Capital to Tk. 50 Crore by splitting off its share value from Tk. 100 to Tk. 10 with the approval of Extra Ordinary General Meeting (EGM) held in 16.01.2011. The Authorised Capital has now divided into 50,000,000 ordinary shares of Tk. 10 each, of which 3,57,60,690 ordinary shares of Tk. 10 each were issued and fully paid up.

**1.2 Subsidiary to Associate Company**

The Company was a subsidiary company named BD Sunlife Securities Ltd. incorporated on 2008 January 2013 with a paid up Capital Tk. 50,00,000 raised and thereafter to Tk. 9,90,00,000/- in 2014 of which the company owns 65% shares. The Board of Director sold 30% share of BD Sunlife Securities Ltd. Because of that, BD Sunlife Securities Ltd. is an Associate Company from this period and Other Associate Company Named BD Thai Food & Beverage Ltd. The audited accounts of the company taken profit from Two Associate Company only.

**1.3 Principal Activities of the Entity**

The company is engaged in Life Insurance Business since the date of obtaining License from Chief Controller of Insurance. The Company is mainly engaged in Individual Life, Islamic Individual Life and Group life Insurance business. It also operates in non-traditional micro life insurance under the name Ganomukhi Bima, Islamic Asaan Bima and Lokomukhi Bima. And also it engages in Deposit Pension Scheme insurance business.

**2.0 Basis of Preparation and Significant Accounting Policies**

**2.1 Components of Financial Statement**

The financial Statement comprises-

- a) Balance Sheet
- b) Life Revenue Account
- c) Statement of Cash Flows
- d) Statement of Changes in Equity
- e) Statement of Life Fund Account
- f) Classified Summary of the Assets in Bangladesh
- g) Accounting Policies & Explanatory Notes.

**2.2 Statement of Compliances**

**(a) Compliance of Bangladesh Financial Reporting Standards;**

The financial statements have been prepared in accordance with the applicable International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

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**(b) Compliance of Local Laws and Regulations**

The following underlying laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the Financial Statements;

- i) Insurance Act, 2010
- ii) Companies Act, 1994
- iii) Securities and Exchange Commission Act, rules & regulations.
- iv) Income Tax Ordinance 1984
- v) Listing Regulations of Dhaka and Chittagong Stock Exchanges.
- vi) International Accounting Standards (IAS)
- vii) Any other applicable legislation.

**2.3 Basis of Measurement**

The financial statements have been prepared on historical cost basis except for financial instruments at fair value through profit or loss measured at fair value.

**2.4 Functional and presentation currency and level of precision**

The financial statements are presented in Bangladesh Taka (Taka/Tk) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

**2.5 Foreign Currency**

Foreign Currency is converted into taka currency at the rate prevailing on the date of bank credit.

**2.6 Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRSs requires management to use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

**2.7 Financial Instruments**

Non-derivative financial instruments comprise accounts and other receivable, cash and cash equivalents borrowings and other payables and are shown transaction cost.

**2.8 Going Concern**

The company has adequate resources to continue in operation for the foreseeable future. For this reason the Shareholders continue to adopt going concern basis in preparing the accounts. The current resources of the company provides sufficient fund to meet the present requirements of its existing business.

**2.9 Subsequent events after Reporting Period**

Where necessary, all the material events after the reporting period have been considered and appropriate adjustments / disclosures have been made in the financial statements declaration of dividends.

**2.10 Reporting Period**

The financial period of the Company has been determined to be from 1 January to 31 December each period. These financial statements cover the period from 1 January 2018 to 31 December 2018.

**2.11 Comparative Information**

Comparative information have been disclosed in respect of the year 2017 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements. Last year's figures have been rearranged where considered necessary to conform to current year's presentation.

**2.12 Impairment**

In accordance with the provisions of IAS 36: Impairment of assets, the carrying amount of non-financial assets, other than inventories is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount and impairment losses are recognized in profit and loss account. No such indication of impairment has been raised till to date.

**2.13 Provisions**

In accordance with the guideline as prescribed by IAS 37: Provisions, contingent liabilities and Contingent Assets, provisions are recognized in the following situations;

- a. When the company has an obligation (legal or constructive) as a result of past events.
- b. When it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimate can be made of the amount of the obligations.

**2.14 Accrued Expenses and other Payable**

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

**2.15 Approval of Financial Statement**

The financial statements were approved by the Board of Directors on 30/07/2019.

**2.16 Related Party Disclosures**

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis.

The information is required by IAS 24: Related party disclosures have been disclosed in separate note-28 to the financial statements.

**3.00 Significant Accounting Policies**

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements-

**3.1 Revenue Recognition**

As per International Accounting Standard (IAS) 18 Revenue, revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the

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Company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

**Premium :**

**i) Individual Life Policies**

First year premiums are recognized as the related policies/First Premium receipts are issued against the premiums received by the company. Renewal premiums are recognized after received of the premium.

**ii) Group Life Policies**

The premiums of Group policies are recognized receipts of the premiums and in certain circumstances, premiums falling due under the policies within financial period of which premiums are subsequently received.

**3.2 Property, Plant and Equipment**

**3.2.1 Recognition and Measurement**

Items of property, plant and equipment are measured initially at cost and subsequently at cost less accumulated depreciation in compliance with International Accounting Standard (IAS) 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any direct cost for bringing the asset to its Working condition for its intended use. Expenditures incurred after the assets have been put into use, such as repairs and maintenance is normally

**3.2.2 Subsequent Cost**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to- day servicing of property, plant and equipment are recognized in life revenue account as incurred.

**3.2.3 Depreciation**

Depreciation on fixed Assets has been calculated adopting straight line method on all assets at varying rates depending on the class and the estimated useful life of assets. Methods and Rates of providing depreciation are consistently applied in relation to:

Furniture & Fixtures	10%
Office Decoration	15%
Vehicles	15%
Computer & Software	15%
Building & Building Construction	2%
Photocopy Machine	15%
Telephone Installation	15%
Water Filter, Vacuum Cleaner etc.	15%

**3.2.4 Disposal of Fixed Assets**

Gains and losses on disposal of an item of property, plant and equipment are to be determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment disposed off and is recognized net with "other income" life revenue account.

**3.3 Investment in FDR (Fixed Deposit Receipt)**

If the Company has the positive intent and ability to hold FDR to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial

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recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

**3.4 Cash and Cash Equivalent**

Cash and cash equivalents comprise cash balances and all call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

**3.5 Leased Assets**

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

**3.6 Interest Income**

Interest Income is derived from Investment of BGTB, FDR Investment and on STD account which is recognized on accrual basis.

**3.7 Statement of Cash Flow**

The net cash flow from operating activities is determined for the year under direct method as per International Accounting Standard (IAS) 7 Statement of Cash Flows.

**3.8 Investment**

Investments include Bangladesh Govt. Treasury Bond (BGTB) (as statutory deposit with Bangladesh Bank), at face value and share at cost.

**3.9 Taxation**

**i) Income Tax of Life Insurance Companies**

Income Tax of Life Insurance Companies are determined under the Fourth Schedule of the Income Tax Ordinance 1984 on the basis of actuarial Valuation Report and the Income Tax has been provided in the Life Revenue account on that basis.

**ii) Tax on Profit and gains of Insurance Business**

The profits and gains of the Insurance Business from all sources are to be computed in accordance with the Actuarial Valuation Report under the provision in the Fourth Schedule of the Income Tax Ordinance and not under different heads of income.

So the management feels it is not necessary to make estimate of deferred Tax Assets/Liabilities as per provision of IAS-12.

**3.10 Commission**

Commission to Insurance Agents (Less that on Re-insurance) represents First Year Commission and Renewal Commission.

Allowances and Commission Represent Commission (Other than commission to Insurance Agents less that on Re-insurance).

**3.11 Stock of Stationary As per IAS-2 :**

Inventory consists of Stock of Stationary, stamps and printed materials have been valued at cost and such valuation was certified by the management.

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