

3.12 Employees Benefit Plans As Per IAS - 19:

The Company operates a recognized Contributory Provident Fund for all its regular employees. The Provident Fund is administered by the Board of Trustees and is funded both by contribution from employees and from the Company @ 10% of the basic pay each. Company also provided Group Insurance facilities of the employees.

3.13 Re-Insurance Premium

The company has re-insurance arrangement with SCOR GLOBAL LIFE SE, SINGAPORE Branch.

3.14 Borrowing Cost

This has been dealt with the requirements of IAS 23: Borrowing Cost- Borrowing costs as part of the cost of assets or as an expenses in profit or loss. Borrowing Costs relating to operation are recognized as expenses in the year in which they are incurred.

3.15 Investment in Shares

- (a) In compliance with the requirements of IAS 27 : Consolidated and Separate Financial Statement, a consolidated financial statements was prepared combining the financial statements of the parents (the company) and its subsidiary line by line by adding together like items of assets,liabilities,equity,income and expenses of year 2016. All the intra group balances, transactions, income and expenses was eliminated in full of 2016. During reporting period it has become an associate from Subsidiary because of selling of shares of BD Sunlife Securities Ltd.
- (b) In compliances with the requirements of IAS 25: Accounting for Investment, Investment in other shares being classified as Long-Term assets, are carried in the balance sheet at cost.

3.16 Loans, Advance, Deposit and Pre-Payments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or expenses. Deposits are measured at payment value.

4.0 Operation

4.01 Premium

During the year under audit, through the operation of Divisional and Agency Offices the Gross Premium earned by the Company amounted to Tk. 80,71,09,584/- the net amount of premium is comprised of the following :

Project Name	First Year Premium	Renewal Premium	Total Premium
Ekok Bima	4,51,04,391	12,91,40,835	17,42,45,226
Ganomukhi Bima	3,19,63,053	7,95,70,568	11,15,33,621
Islami Ekok Bima	4,11,52,096	8,91,87,422	13,03,39,518
Is. Asaan Bima	2,52,40,799	8,09,39,023	10,61,79,822
Lokomukhi Bima	2,86,19,642	7,13,23,785	9,99,43,427
Adarsha Bima	5,45,97,441	7,94,41,312	13,40,38,753
Group Insurance	5,09,29,217	-	5,09,29,217
Gross Premium	27,75,06,639	52,96,02,945	80,71,09,584
Less: Re-Insurance Premium	8,69,516	-	8,69,516
Net Premium	27,66,37,123	52,96,02,945	80,62,40,068

4.02 Management Expenses

Management expenses inclusive of Commission, Salaries etc. have been charged to Revenue Account for an aggregate amount of Tk 49,84,55,184/- which is 61.75% of gross premium.

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Amount in Taka	
31.12.18	31.12.17

5.00 SHARE CAPITAL:

5.01 Authorized Capital:

5,00,00,000 Ordinary Shares of Tk 10 each	<u>500,000,000</u>	<u>500,000,000</u>
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5.02 Issued, Subscribed and Paid-up Capital:

3,57,60,690 Ordinary Shares of Tk 10 each	<u>357,606,900</u>	<u>350,595,000</u>
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5.03 The position of share holders as at December 31, 2018 is as follows :

Group	No. of Shares	% of Share Holding
Sponsor	150,159,137	41.12%
General Public	114,183,883	31.93%
Institutions	96,375,060	26.95%
Total:	357,606,900	100.00%

Year Wise Breakup of Bonus Share/Cash Dividend:

Declaration in the AGM	Type	Percentage	Quantity	Amount	Year of Acturial valuation
11th	Stock	20%	600,000	6,000,000	2009
12th	Cash	20%	-	6,000,000	2010
13th	Stock	5%	1,500,000	15,000,000	2012
14th	Stock	5%	1,575,000	15,750,000	2013
15th	Stock	6%	1,984,500	19,845,000	2014
18th	Stock	2%	701,190	7,011,900	2017

6.00 LIFE INSURANCE FUND

Balance as on January 01, 2018	3,035,958,692	3,154,972,657
Add : Life fund Generate during the year	(627,356,325)	(119,013,965)
Balance as on 31.12.2018	<u>2,408,602,367</u>	<u>3,035,958,692</u>

This consists of the accumulated balance of Life Insurance Fund up to December 31, 2018.

7.00 Re-Valuation Reserve

The amount is made up as follows:

Revaluation Reserve Original Balance	50,559,720	50,559,720
Add : Revaluation made during the year	-	-
	<u>50,559,720</u>	<u>50,559,720</u>
Less: Accumulated Depreciation on original cost	37,414,192	36,402,998
	<u>13,145,528</u>	<u>14,156,722</u>

Depreciation on increased value due to revaluation has been adjusted against Revaluation Reserve. No impact on deferred tax has been calculated as the life insurance is assessed for income tax on the basis of actuarial valuation irrespective of book profit.

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		Amount in Taka	
		31.12.2018	31.12.2017
8.00 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIM, WHETHER DUE OF INTIMATED.			
The above amount has been arrived at as under :			
Death Claim:			
Ekok Bima		815,875	2,348,524
Islami Ekok Bima		960,759	445,289
Gonomukhi Bima		-	(212,238)
Lokomukhi Bima		(212,238)	1,829,177
Islami Asan Bima		546,803	-
Adarsha Bima		572,000	-
Urban Bima		115,000	115,000
		2,798,199	4,525,752
9.00 SUNDRY CREDITORS:			
Medicclaim Ins Premium Payable		1,232,254	1,490,200
Auditors' Fees (Note- 9.01)		582,500	582,500
Agents License fees		3,062,036	2,873,477
Employer of agents License fees		2,286,656	2,257,016
Tax & VAT deduction at source		31,448,804	24,149,276
Income Tax deducted against Insurance Comm.		27,372,997	34,208,509
Accrued Expenses (Provision for exp.)		11,214,915	11,134,775
Security Money		339,000	339,000
Staff Premium Payable		390,727	302,348
Provision for Doubtful Outstanding Premium		3,072,464	3,072,464
Employees P.F. Contribution		8,667,507	8,672,539
Lease Liability A/C (Notes-9.02)		8,581,098	15,750,206
Share Application Money Refundable		8,760,630	8,760,630
Provision for IPO Expenses		338,968	338,968
Other Creditors (Notes - 9.03)		14,549,052	9,901,933
Fair Value Change Account (Notes-9.04)		37,336,515	-
		159,236,123	123,833,841
9.01 Auditors' Fees			
For the year 2005		50,000	50,000
For the year 2008		120,000	120,000
For the year 2009		120,000	120,000
For the year 2010		120,000	120,000
Statutory Audit Fees 2017		-	172,500
Statutory Audit Fees 2018		172,500	-
		582,500	582,500
9.02 Lease Liability			
IDLC Finance & Investment Ltd.		1,178,380	3,198,460
LankaBangla Finance Ltd.		7,402,718	12,551,746
		8,581,098	15,750,206

As per company's Income Tax computation, no tax has been arose during the Assessment year 2017-18

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	Amount in Taka	
	31.12.2018	31.12.2017
9.03 Other Creditors		
Provident fund Loan & Interest	6,019,313	4,477,309
Others	8,529,739	5,424,624
	14,549,052	9,901,933

9.04 Fair Value Change Account

During the year provision has been made against the difference amount between Book Value and market value of share to the tune of TK. 37,336,515 for unrealized loss due to decrease of market value of existing shares as at 31 December, 2018. The amount was shown under "Fair Value Change Account" as per IDRA circular on life -04/2012 dated 11 June, 2012, (Guideline for Preparation of Accounts and Financial Statements: Valuation of Equity Shares)

Opening Balances	-	-
Add: Provision during the year	37,336,515	-
	37,336,515	-
Less: Adjusted during the year	-	-
Closing Balances	37,336,515	-

10.00 Policy Loan

Opening Balances	4,026,541	4,084,934
Add: Addition during the year	416,935	791,075
	4,443,476	4,876,009
Less: Realize during the year	423,017	849,468
Closing Balances	4,020,459	4,026,541

The amount represents loan paid to policy holders within the surrender value of the respective policies as per provision of Insurance Act, 2010.

11.00 INVESTMENT (AT COST)

Bangladesh Government Treasury Bond	261,300,000	698,700,000
Statutory Deposit With Bangladesh Bank	15,000,000	15,000,000
Investment in shares of Publicly Traded Shares (Note-11.01)	79,537,308	97,042,101
Investment in shares of Non-Listed Shares (Note-11.02)	285,920	285,920
Investment in Associate Company (Note: 11.03)	145,334,930	135,650,000
Share Money Deposit (Note: 11.04)	152,346,433	148,496,433
	653,804,591	1,095,174,454

11.01 Investment in Publicly Traded Share

Name of Securities House:

BD Sunlife Securities Limited	75,471,081	94,735,424
AB Investments Limited	2,312,293	2,306,677
IPO Application through DSE	1,753,935	-
	79,537,308	97,042,101

(Details of Investment in Public Traded Share has been shown in Annexure-2)

11.02 Investment in Non-Listed Company

ICAB AMCL ISLAMIC unit Fund	285,920	285,920
	285,920	285,920

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		Amount in Taka	
		31.12.2018	31.12.2017
11.03 Investment in Associate Company			
	BD Sunlife Securities Ltd.	34,650,000	34,650,000
	BD Thai Food & Beverage	110,684,930	101,000,000
		145,334,930	135,650,000
11.04 Share Money Deposit			
	Farr Ceramic Ltd.	17,500,000	18,500,000
	BD Thai Food & Beverage Ltd.	34,988,741	32,238,741
	BD Sunlife Securities Ltd. (Associate)	99,857,692	97,757,692
		152,346,433	148,496,433
12.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON			
	Ordinary Life (Note- 12.01)	501,132	699,948
	Takaful Life (Note- 12.02)	258,827	258,827
	New Project (Note- 12.03)	174,797	95,012
	Group Re-Insurance (note-12.04)	(1,052,263)	390,834
		(117,507)	1,444,620
12.01 Ordinary Life			
	Opening Balance	699,948	537,168
	Add: Premium on Re-insurance	115,989	687,518
	Add: Exp. Refunds	484,299	97,354
		1,300,236	1,322,041
	Less: Commission on Re-insurance	799,105	622,093
		501,132	699,948
12.02 Takaful Life			
	Opening Balance	258,827	258,827
	Add: Premium on Re-insurance	-	-
		258,827	258,827
	Less: Commission on Re-insurance	-	-
		258,827	258,827
12.03 New Project			
	Opening Balance	95,012	(177,144)
	Add: Premium on Re-insurance	201,446	2,001,681
	Add: Exp. Refund	-	149,921
		296,458	1,974,459
	Less: Commission on Re-insurance	121,661	1,879,447
		174,797	95,012
12.04 Group Re-Insurance			
	Opening Balance	390,834	(52,429.00)
	Add: Premium on Re-insurance	15,638	479,091
		406,471	426,662
	Less: Commission on Re-insurance/Claim	1,458,734	35,829
		(1,052,263)	390,834
13.00 OUTSTANDING PREMIUM			
	Opening Balances	394,252,115	436,787,228
	Add: Addition during the year	807,109,584	1,084,659,226
		1,201,361,699	1,521,446,454
	Less: Realize during the year	845,174,384	1,127,194,339
	Closing Balances	356,187,315	394,252,115

The above amount represents premium receivable from policy holders. which has been fully realized subsequently.

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		Amount in Taka	
		31.12.2018	31.12.2017
14.00	INTEREST & DIVIDEND ACCRUING BUT NOT DUE		
	Break up of the above is given below :		
	Interest on fixed deposits with bank (Note- 14.01)	15,263,928	10,795,604
	Interest on Bangladesh Govt. Treasury Bond with bank(Note- 14.02)	10,629,702	20,395,044
		25,893,630	31,190,648
14.01	Interest On Fixed Deposits With Bank		
	Opening Balance as on 01.01.2018	10,795,604	19,977,413
	Add: Addition during the year	29,667,438	28,268,658
		40,463,043	48,246,071
	Less: Received during the year	25,199,115	37,450,467
		15,263,928	10,795,604
	(Details of FDR Interest has been shown in Annexure-3)		
14.02	Interest On BGTB		
	Opening Balance as on 01.01.2018	20,395,044	27,072,667
	Add: Addition during the year	59,097,390	98,815,959
		79,492,434	125,888,626
	Less: Received during the year	68,862,732	105,493,582
	(Details of BGTB Interest has been shown in Annexure-4)	10,629,702	20,395,044
15.00	ADVANCES, LOANS AND DEPOSITS		
	Loans against Assets Procurement(Note: 15.01)	5,067,199	5,158,811
	Loan to Inter Company (Note: 15.02)	1,000,000	1,000,000
	Advance Office Rent (Note:15.03)	33,050,192	32,293,519
	Advance Income Tax	55,650,230	52,038,440
	Advance Against Salary	9,616,952	9,408,266
	Other Advances (Note: 15.04)	250,554,583	282,571,873
		354,939,156	382,470,909
15.01	Loans against Assets Procurement		
	Motor cycle Loan	4,566,992	4,658,604
	Bi-cycle Loan	452,573	452,573
	Mobile Purchase Loan	47,634	47,634
		5,067,199	5,158,811
15.02	Loan to Inter Company		
	BD Foods and Beverage Ltd.	1,000,000	1,000,000
		1,000,000	1,000,000
15.03	Advances Offices Rent		
	Opening Balance as on 01.01.2018	32,293,519	36,654,769
	Add : Paid during the period	12,083,240	2,960,375
		44,376,759	39,615,144
	Less : Adjusted during the period	11,326,567	7,321,625
		33,050,192	32,293,519

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Shiraz Khan Basak & Co.**Chartered Accountants****Amount in Taka****15.04 Other Advances**

The above balance is made up as under :

	31.12.2018	31.12.2017
01 Advance against printing stationary Expenses	2,037,652	1,858,499
02 Advance against TA/DA	4,401,150	2,710,455
03 Advance against Dev, Meeting Expenses/Bonus	10,842,070	10,748,751
04 Advance against Furniture Purchase	4,562,707	4,662,707
05 Advance against Commission/ Release	38,712,628	35,475,618
07 Advance against Vehicle repairs	4,255,372	5,123,233
08 Advance against Office Equipment	1,334,540	1,334,540
09 Receivable from Buyer	922,323	880,323
10 Advance against Annual General Meeting	-	-
11 Advance against Vehicle Purchases	2,714,901	2,737,789
12 Unsettled Prium Receipts (PR)	77,944,019	78,401,951
13 Advance against Flat Purchases	108,529,138	112,419,266
14 Advances against Software & Data Processing	825,000	365,000
15 Advances against Advertisement	1,075,149	1,518,464
16 Advances stamp in hand	70,220	-
17 Advances against Training Expenses	822,500	2,574,600
18 Advance against Garage Rent	3,051,924	2,414,724
19 Advances against Air Condition	1,000,000	1,062,000
20 Advances against Security Money	400,000	400,000
21. Advances against Legal & Professional fees	106,900	101,900
22. Advance against Entertainment	580,775	565,920
23. Advance against Picnic	1,686,727	1,686,727
24. Advance against Cookeries	13,850	13,850
25. Advance against Tax Token	337,936	58,022
26. Advance against Office Maintenances	334,246	343,887
27. Advance against Electric goods	388,697	382,251
28. Advance against Vehicle Fuel	221,933	261,933
29. Advance against ISO Certification	52,500	52,500
30. Advance against Survival Benefits	109,405	109,405
31. Advance against Internet Bill	1,934,471	1,934,471
32. Advance against Office Decoration	1,237,003	2,264,260
33. Advance against Software Purchases	935,000	935,000
34. Advance against Prize and Awards	2,298,205	2,298,205
36. Advance against Insurance Car	199,065	213,300
37. Advance against Computer purchases	1,410,090	1,410,090
38. Interest Receivable BD Sunlife Securities	1,678,838	1,678,938
39. Receivable from BD Sunlife Securities Ltd.	5,761,631	5,761,631
40. Advance against Share sale of BD Sunlife Securities Ltd.	(61,122,645)	(20,000,000)
41. Advance against Sales Promotion	2,638,657	2,658,429
42. Inter project Accounts	5,839,382	3,403,138
43. Advance T & T	366,250	366,250
44. BAPLAC Security	50,000	50,000
45. Others	19,994,374	11,333,846
	250,554,583	282,571,873

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Shiraz Khan Basak & Co.
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	Amount in Taka	
	31.12.2018	31.12.2017
16.00 CASH AND BANK BALANCE		
Fixed Deposits with Bank (Note 16.01)	386,097,887	359,322,505
STD Account with Bank (Note 16.02)	146,447,089	208,916,507
Current Account with Bank	281,860,942	299,234,724
BO Accounts Balances (Notes 16.03)	25,134	34,885
Cash in hand	370,112	376,592
	814,801,164	867,885,213
16.01 Fixed Deposit with Bank		
1 Exim Bank Ltd.	288,432,729	290,638,370
2 South Bangla Agriculture & Commerce Bank	72,665,158	68,684,136
3 People Leasing & Investments	10,000,000	-
4 Fas Finance Limited	3,000,000	-
5 Reliance Finance Limited	2,000,000	-
6 Union Bank Ltd.	10,000,000	-
	386,097,887	359,322,505
(Details of FDR Balance has been shown in Annexure-3)		
16.02 STD Accounts with Bank		
i) IPO Lead Bank Accounts		
City Bank Principal Br. HVT	12,096,360	8,951,567
City Bank Principal Br. USD	478,232	478,232
City Bank principal Br. GBP	35,011	35,011
City Bank Principal Br.Euro	5,001	5,001
	12,614,604	9,469,811
ii) Other STD Accounts	133,832,485	199,446,696
	146,447,089	208,916,507
16.03 BO Accounts Balances:		
BD Sunlife Securities Ltd.	(110)	7,517
Synthia Securities Ltd.	6,474	6,974
Multi Securities Ltd.	118	568
AB Investments Ltd.	18,652	19,825
	25,134	34,885

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