

**Independent Auditor's Report
and
Financial Statements
of
Life Insurance Corporation (LIC) of Bangladesh Limited
As at and for the year ended December 31, 2022**

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Independent Auditor's Report

To the Shareholders of Life Insurance Corporation (LIC) of Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Life Insurance Corporation (LIC) of Bangladesh Limited ("the Company"), which comprise the Balance Sheet (Statement of Financial Position) as at 31 December 2022, and the Life Revenue Account (Profit and Loss and Other Comprehensive Income Account), Statement of Changes in Shareholders Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 1938 (as amended in 2010) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of financial statements for the year 2022. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Premium Income

Risks: Premium income is the most significant item in the Life Revenue Account. Net premium income comprises the gross premium received including group insurance less reinsurance premium during the accounting period. Given the important nature, connections to other items to the financial statements and sensitivity of the item, this area poses high level of risk. At the year-end 2022, Net premium income BDT. 167,022,695 (i.e. 2021: BDT. 129,793,297).



Our Responses to the Risk: With respect to premium income of various types of life insurance policies, we have carried out the following procedures:

- Used professional judgments to calculate the premiums on sample basis and we considered the age, sex, weight & height, medical history, marital status, dependents, occupation, etc. of policy holders.
- Checked the design and operating effectiveness of key controls around premium income recognition process.
- Carried out analytical procedures and recalculated premium income for the period on a sample basis.
- Carried out cut-off testing (set by regulatory authority) to ensure premium deposit has not been included in the premium income.
- Ensured on a sample basis that the premium income was being deposited in the designated bank accounts.
- For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was properly calculated and it has been deducted from the gross premium income; and
- Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards, the Insurance Act, 1938 (as amended in 2010), the insurance Rules, 1958 and other applicable rules and regulations and regulatory requirements.

Investment

Risks: The classification and measurement of investment in securities required judgement and complex estimates. Investment in securities are needs to be classified as held to maturity or held for trading depending on the management intention about the investment. At the year end, the company reported total investment in Equity Shares BDT. 24,854,331 (i.e. 2021: BDT. 10,075,817), BGTB and Zero Coupon Bond BDT. 366,853,737 (i.e. 2021: BDT. 262,553,401).

Our Responses to the Risk: We assessed the processes and controls put in place by the company to identify and confirm the existence of investment. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the investment adjustment. Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and circulars issued by IDRA.

Emphasis of Matter

We draw attention to note no.3.08 (a), which states that Provision for Gratuity has made in the accounts and the company will apply to NBR for the recognition of Gratuity fund. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Life Revenue and Profit and Loss and Other Comprehensive Income Accounts and Statement of Changes in Equity and Statement of Cash



Flows of the Company dealt with by the report are in agreement with the books of account and returns;

d) As per section 62(2) of the Insurance Act 1938 (amended in 2010), in our opinion to the best of our knowledge and belief according to the information and explanation given to us all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts of the Company;

e) As per regulation 11 of part 1 of the third schedule of the Insurance Act 1938 (amended in 2010), in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid any persons any commission in any form outside Bangladesh in respect of any its business re-insured abroad;

f) The expenditure was incurred for the purpose of the Company's business.

Wasequl Huq Reagan, FCA

ICAB Enrolment No. : 1517

Partner

Mahfel Huq & Co.

Chartered Accountants

Firm Reg. No. : P-46323/2020



DVC : 2304021517AS974649



Dhaka, 18 April 2022

Life Insurance Corporation (LIC) of Bangladesh Limited
Balance Sheet (Statement of Financial Position)
As at 31st December 2022

Particulars	Notes	Amount in Taka	
		2022	2021
Capital and Liabilities			
Share Capital			
Authorised Capital			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital			
60,000,000 ordinary shares of Tk.10 each fully paid up	5.00	600,000,000	600,000,000
Additional Fund Provided by LIC of India for security deposit		15,000,000	15,000,000
Balance of Fund and Accounts		199,321,578	134,194,084
Life Insurance Fund	6.00	204,519,334	135,812,956
Fair Value Changes Account	7.00	(5,197,756)	(1,618,873)
Liabilities and Provisions		46,779,116	47,939,523
Lease Liability	8.00	20,979,368	25,219,579
Current Liabilities	9.00	11,876,021	10,330,757
Premium Deposits	10.00	5,715,450	4,180,909
Provision for Income Tax	11.00	8,208,277	8,208,277
Total Capital and Liabilities		861,100,694	797,133,606
Property and Assets			
Policy Loan	12.00	5,232,907	2,177,700
Investment		391,708,068	272,629,218
Statutory Deposit	13.00	15,000,000	15,000,000
Treasury Bond and Zero Coupon Bond	13.00	351,853,737	247,553,401
Equity Share	14.00	24,854,331	10,075,817
Agents Balances	15.00	39,339	21,712
Outstanding Premiums	16.00	7,409,245	8,265,327
Interest Accruing but not Due	17.00	18,878,522	12,224,325
Advances and Deposits	18.00	24,754,816	19,197,306
Deferred Tax Assets	19.00	3,270,993	2,742,733
Cash and Bank Balances		375,574,581	439,606,834
Bank Balances	20.00	375,249,565	439,027,049
Stamps in Hand		244,340	465,000
Cash in Hand		80,676	114,785
Fixed assets at cost less depreciation	21.00	10,795,132	11,618,074
Right of Use (RoU) Assets	22.00	23,437,091	28,650,377
Total Property and Assets		861,100,694	797,133,606
Net Asset Value (NAV) Per Share	36.00	10.00	10.00

The annexed notes form an integral part of this financial statement


 Chief Executive Officer
 
 Director


 Director
 
 Chairman
 Signed as per our annexed report on even date



Dhaka, 13 March 2023


Wasequl Huq Reagan, FCA
 Partner
 ICAB Enrl. No. 1517
Mahfel Huq & Co.
 Chartered Accountants
 DVC: 2304021517AS974649

Life Insurance Corporation (LIC) of Bangladesh Limited
Life Revenue Account
For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		2022	2021
Balance of fund at the beginning of the year		135,812,956	86,240,165
Premium Less Reinsurance	23.00		
First Year Premium		57,543,968	39,084,074
Renewal Premium		94,140,510	74,797,637
Group Insurance Premium		20,698,132	23,571,250
Gross Premium		172,382,610	137,452,961
Less: Reinsurance Premium		(5,359,915)	(7,659,664)
Net Premium		167,022,695	129,793,297
Interest, dividend and rent	24.00	52,963,328	48,880,481
Other income	25.00	139,248	116,104
Total		220,125,271	178,789,883

First year premium where the maximum premium paying period is :		
Single	33,785,392	22,947,162
Two years	-	-
Three years	-	-
Four years	-	-
Five years	-	-
Six years	173,299	117,705
Seven years	380,347	258,333
Eight years	223,890	152,067
Nine years	290,149	197,070
Ten years	9,692,443	6,583,143
Eleven years	288,843	196,183
Twelve years or over (including throughout life)	12,709,606	8,632,411
Total	57,543,968	39,084,074

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Life Insurance Corporation (LIC) of Bangladesh Limited
Life Revenue Account

For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		2022	2021
Expenditure			
Claims under policies (including provision for claims due or intimates) less reinsurances			
by Death	26.00	18,770,446	16,952,156
by Survival Benefit		10,904,000	120,000
by Surrender		2,886,712	790,609
		32,561,158	17,862,765
Expenses of Management			
Commission		17,085,280	15,470,712
(a) Commission to insurance agents (less reinsurances)	27.00	17,085,280	15,470,712
(b) Allowances and Commission (other than (a) above)		-	-
Other Management Expenses (Except Commission)		101,734,056	90,418,069
Salary and Allowances	28.00	44,902,531	40,542,591
Travelling Expenses	29.00	1,290,303	654,979
Office Expenses	30.00	1,509,038	1,445,814
Motor Car Expenditure Staff Cars		2,708,614	2,821,976
Rent, Rates, Taxes and Maintenances Expenses	31.00	23,671,657	21,074,054
Printing and Stationary		1,277,519	1,375,555
Postage Telegram Expenses		246,123	272,954
Gratuity Expenses		4,579,650	3,858,892
Telephone Expenses		79,885	140,829
Networking Expenses		778,683	899,841
Legal and Consultancy Fee	32.00	5,391,435	4,692,375
Publicity Expenses	33.00	6,752,353	3,310,416
Audit Fees		402,500	264,500
Competition Prizes		1,659,149	751,145
Policy Stamp Expenses	34.00	679,709	597,267
Electricity Charges		997,013	975,766
Agents Training Expenses		580,509	735,639
Other Misc. Expenses		1,957,303	2,146,027
Depreciation on Fixed Assets	Annexure-A	1,102,693	1,227,989
Amortization on Software	Annexure-A	207,087	2,235,179
Board Meeting Expenses	35.00	621,473	104,000
IDRA Renewal Fee and Trade License Renewal Fee	36.00	338,829	290,281
Total Management Expenses		118,819,336	105,888,782
Other Expenses			
Income Tax Expenses	11.01	38,399	5,465,545
Total Expenses		151,418,893	129,217,091
Balance of Life Insurance Fund at the end of the year as shown in the Balance Sheet	6.00	68,706,378	49,572,791
Total		220,125,271	178,789,883

The annexed notes form an integral part of this financial statement

Chief Executive Officer

Director

Director

Chairman

Signed as per our annexed report on even date

Wasequ Huq Reagan, FCA
Partner

ICAB Enrl. No. 1517

Mahfel Huq & Co.

Chartered Accountants

DVC: 2304021517AS974649


Dhaka, 13 March 2023

Life Insurance Corporation (LIC) of Bangladesh Limited

Statement of Cash Flows

For the year ended 31 December, 2022

Particulars	Amount in Taka	
	2,022	2021
A. Cash flow from Operating Activities		
Collection from premium	174,773,233	148,523,325
Payment of Claims	(32,561,158)	(17,862,765)
Other income received	224,119	116,104
Payment for reinsurances, management expenses and others	(121,884,626)	(98,388,749)
Interest, dividend and rent received	46,309,131	50,868,660
Tax paid during the year	(4,590,676)	(4,094,104)
Net Cash Flows from Operating Activities	62,270,023	79,162,471
B. Cash flow from Investing Activities		
Treasury bond and Zero Coupon Bond	(104,300,336)	(60,816,844)
Acquisition of fixed assets	(717,214)	(592,149)
Sale of Fixed Assets	145,504	-
Policy Loan & Advance to Agents	(3,072,833)	(1,270,695)
Purchase of Equity Share	(18,357,397)	(10,903,420)
Net Cash Used in Investing Activities	(126,302,276)	(73,583,108)
C. Cash flow from Financing Activities		
Net Cash Received/ (Used) in Financing Activities	-	-
D. Net (decrease)/increase in cash and cash equivalents (A+B+C)	(64,032,253)	5,579,363
E. Cash and cash equivalents at beginning of the year	439,606,834	434,027,472
F. Cash and cash equivalents at end of the year (D+E)	375,574,581	439,606,834
Net operating Cash Flows Per Share (Note No. 39)	1.04	1.32


Chief Executive Officer


Director


Director


Chairman

Dhaka, 13 March 2023





Life Insurance Corporation (LIC) of Bangladesh Limited
Statement of Changes in Shareholders Equity
For the year ended December 31, 2022

Particulars	Share Capital	General Reserve	Retained Earnings	Total
Opening Balance	600,000,000	-	-	600,000,000
Changes during the period	-	-	-	-
Closing Balance	600,000,000	-	-	600,000,000

For the year ended December 31, 2021

Particulars	Share Capital	General Reserve	Retained Earnings	Total
Opening Balance	600,000,000	-	-	600,000,000
Changes during the period	-	-	-	-
Closing Balance	600,000,000	-	-	600,000,000


Chief Executive Officer


Director


Director


Chairman

Dhaka, 13 March 2023





Life Insurance Corporation (LIC) of Bangladesh Limited
Statement of Life Insurance Fund
As at 31st December 2022

Particulars	Amount in Taka		
	2022	2021	
A. Assets			
Investment (including FDRs)	747,657,318	665,343,727	
Interest accrued but not due	18,878,522	12,224,325	
Outstanding Premiums	7,409,245	8,265,327	
Advances and deposits	33,298,055	24,139,451	
Right of Use (RoU) Assets	23,437,091	28,650,377	
Cash and bank balances (excluding FDRs)	19,625,331	46,892,325	
Fixed assets (at cost less depreciation)	10,795,132	11,618,074	
	861,100,694	797,133,606	
B. Liabilities			
Current liabilities	46,779,116	47,939,523	
Fair Value Changes Account	(5,197,756)	(1,618,873)	
	41,581,360	46,320,650	
C. Gross fund (assets minus liabilities)	A-B	819,519,334	750,812,956
D. Less: shareholders capital (paid up capital)	(600,000,000)	(600,000,000)	
Less: Fund by LIC(India) as security deposit	(15,000,000)	(15,000,000)	
E. Life insurance fund at the end of the year	C-D	204,519,334	135,812,956


Chief Executive Officer

Dhaka, 13 March 2023


Director


Director


Chairman




Life Insurance Corporation (LIC) of Bangladesh Limited

FORM AA

Classified Summary of the Assets

As at December 31, 2022

SL. No.	Class of Assets	Book Value (Taka)	Market / Realizable Value (Taka)	Remarks
Class of Assets				
Investments				
1	Statutory deposit with Bangladesh Bank	15,000,000	15,000,000	At cost
2	Treasury Bond and Zero Coupon Bond	351,853,737	351,853,737	Realizable value
3	Equity Share	24,854,331	24,854,331	At market value
Cash and Bank Balances				
4	Cash in hand, STD and current accounts	375,574,581	375,574,581	Book value
Other Assets				
5	Interest accrued but not due	18,878,522	18,878,522	Realizable value
6	Advance and deposits	24,754,816	24,754,816	Realizable value
7	Fixed assets (at cost less depreciation)	10,795,132	10,795,132	Carrying Amount
8	Right of Use (RoU) Assets	23,437,091	23,437,091	Carrying Amount
9	Deferred Tax Assets	3,270,993	3,270,993	Carrying Amount
10	Outstanding Premiums	7,409,245	7,409,245	Carrying Amount
11	Agent Balance	39,339	39,339	Carrying Amount
12	Policy Loan	5,232,907	5,232,907	Carrying Amount


Chief Executive Officer


Director


Director


Chairman

Dhaka, 13 March 2023





Life Insurance Corporation of Bangladesh Limited
Notes to the Financial Statement

As at and for the year ended 31 December 2022

1.00 Legal status and nature of the business

1.01 Legal status of business

Life Insurance Corporation of Bangladesh Ltd. (the 'Company') was incorporated as public limited company under Company's Act 1994 on December 14, 2015 and commenced its operation from October 27, 2016 bearing registration no. C-127605/2015 and has got the license from Insurance Development & Regulatory Authority, Bangladesh bearing certificate no- Life 17/2015, to run life insurance business.

1.02 Nature of business

The Company is carrying on the business of providing Life Insurance, under which the following different divisions exists: Ordinary Life (OL), Group Life Insurance (GLI).

2.00 Basis of presentation

2.01 Statement of compliance

The financial statements have been prepared in accordance with the format of financial statements prescribed in the Insurance Act 1938 (as amended in 2010) and Insurance Rules 1958, The Companies Act 1994, applicable International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations. Where the requirements of the FRC, the companies Act 1994, the Insurance Act 1938, differ with the requirements of the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the requirements of the Companies Act 1994 and The Insurance Act 2010 take precedence.

2.02 Other regulatory compliances

The company is also required to comply with following rules and regulations:

- Income Tax ordinance 1984
- Income Tax rules 1984
- Value Added Tax and Supplementary Duty Act 2012
- Value Added Tax and Supplementary Duty Rules 2016

2.03 The structure and content of the financial statements

A complete set of financial statement comprises :

- i) Balance Sheet
- ii) Life Revenue Account
- iii) Statement of changes in equity
- iv) Statement of cash flow
- v) Statement of life insurance fund
- vi) Classified summary of asset (Form AA)
- vii) Notes comprising significant accounting policy and other explanatory information.

2.04 Period of financial statements

The financial statement covers 12 months from 1st January 2022 to 31st December 2022.

2.05 The date of authorisation for issue

The financial statement were authorised for issue by the Board of Directors in its meeting held on 13 March 2023.

2.06 The functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amount in these financial statements have been rounded off to the nearest BDT, except otherwise indicated.



2.07 The risk and uncertainty for use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires, management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses as well as the application of accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amount of assets or liabilities affected in future period.

2.08 Going concern

As per IAS-I para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage against its liabilities. For this reason, the directors continue to adopt the going concern assumption while preparing the financial statements.

2.09 Accrual basis

The company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items such as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.10 Materiality, aggregation and offsetting

Each material item as considered by management significant, has been presented separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.11 Comparative information

Comparative information has been disclosed in respect of the year in accordance with IAS 1: Presentation of Financial Statements for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year figure is rearranged wherever considered necessary to ensure comparability with the current period.

2.12 Basis of measurement of elements of financial statements

The financial statements have been prepared on the historical cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Revenue recognition

Accounting policies set out below have been applied consistently for all periods presented in this financial statements.

→ Premiums are recognized as income when due, for which grace period has not expired and the previous installments have been paid.

→ Interest income in respect of all government securities, debt securities including loans, debentures and bonds, Pass Through Certificate (PTC) is taken as credit to the Revenue Account as per the guidelines issued by Insurance Development and Regulatory Authority (IDRA).

→ In respect of purchase or sales of Government and other approved securities from secondary market, interest for the broken period is accounted for on cash basis.

→ Interest, Dividend, Rent, etc. are accounted at gross value (before deduction of Income Tax).



→ In respect of loans, debentures and bonds, accrued interest as at the date of the balance sheet is calculated as per method of calculation of simple interest mentioned in the loan document/ information memorandum or such other document.

→ In respect of Government and other approved securities and mortgage loans, accrued interest as at the date of balance sheet is calculated based on 360 days a year.

→ Profit or Loss on sale of securities/ Equities/ Mutual Fund is taken to Revenue only in the year of sale. Dividend on equity where right to receive the same has fallen due on or before 31st December (i.e. dividend declared by the company) is taken as income though received subsequently.

→ Interest on policy loans is accounted for on accrual basis.

→ Interest on application Money on purchase of debentures/ bonds is accounted on cash basis.

→ Income from zero coupon bonds is accounted on accrual basis.

→ Premium on redemption / maturity is recognized as income on redemption/ maturity.

3.01.01 Acquisition costs

Acquisition Costs are expensed in the period in which they are incurred. Acquisition costs are those costs that vary with and are primarily related to the acquisition of new renewal insurance contracts.

3.02 Reinsurance premium

This represents amount receivable from the re-insurer (General Insurance Corporation of India) for the year ended on 31 December, 2022. The net retention of the company for individual life is BDT 10 lac per policy per person and group insurance is BDT 10 lac per policy per person.

3.03 Claim

a) Claims costs consist of the policy benefit amount and claims settlement costs, wherever applicable.

b) Provision for the outstanding death claims is made for those policies where the intimation of death has been received up to 31st December.

3.04 Reinsurance

This represents provisional amount payable to the re-insurer(GICI) for the year ended on 31 December 2022. Provision has been made on the basis of best available information.

Reinsurance premium is recognized at the same time when the premium income is received. It is measured in line with the terms and conditions of the reinsurance treaties. Claim recoveries from reinsurers are recognized at the same time as the claims are intimated in line with the terms and condition of the reinsurance arrangements.

3.05 Premium deposit

Premium deposits represent premium received but risk has not yet been accepted because of lapse policy and advance premium as at 31 December 2022.

3.06 Accruals,provisions and contingencies

a) Accruals

Accruals are liabilities to pay for services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of sundry creditors. Sundry creditors are not interest bearing and are stated at their nominal value.

b) Provisions, contingent liabilities and contingent assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities (other than policies), if material, are disclosed by way of notes. Contingent assets are not recognized or disclosed in the financial statements.

3.07 Employee benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules.

a) Provision for Gratuity has been made in the financial statements and the company will apply to NBR for the recognition of Gratuity fund.



b) In respect of employees who have opted for Provident Fund Scheme, matching contribution is made to the Provident Fund Trust.

c) Leave Encashment Benefits on retirement/VRS/Death is provided through Group Leave Encashment Fund maintained by the Company and as such, liability in respect thereof, forms part of the Group Leave Encashment Fund.

3.08 Fixed assets

3.08.01 Tangible fixed assets

An item shall be recognized as fixed asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably. Fixed assets are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the property, plant and equipment, if the recognition criteria are met.

Subsequent cost

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that 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 day to day servicing of fixed assets are recognized in the Revenue Account as 'repairs and maintenance' when it is incurred.

Depreciation

Depreciation is charged on straight line basis. Depreciation is charged on newly acquired assets from the date when asset is available for use to comply with IAS-16. In case of disposal, depreciation charged up to the date of disposal. The rates of depreciation are furnished below;

Category of Asset	Rate of depreciation
Electronic installation	5%
Furniture & fitting	4%
Refrigerator & Air condition	10%
IT Equipment	30%
Renovation & modernization	5%
Telephone	5%
Miscellaneous & Capital Equipment	10%
Audio visual equipment	20%
Neon sign	20%
Voltage stabilizer & UPS	30%

Disposal of fixed asset

An item of fixed asset is removed from the Balance Sheet when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal or retirement of an item of fixed asset is included in the Revenue Account in the period in which the de-recognition occurs.

Impairment of asset

The carrying amounts of assets are reviewed at the Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss, if any, is recognized wherever carrying amount of an asset exceeds its recoverable amounts. No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

3.08.02 Intangible asset

Expenditure incurred on major application software and its customization or further development is recognized as intangible asset. The same is capitalized under fixed assets if such expenditure results in a benefit of enduring nature. Intangible assets are reported at acquisition value with deductions for impairment losses, if any. Intangible assets comprises web design and software (Windows) which are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition less accumulated amortization. Other software expenses such as support and maintenance



annually are expensed in the period in which they are incurred. The intangible assets are amortized on a straight line basis based on useful life as estimated by management. Amortization is charged when asset is available for use. In case of disposal, amortisation charged up to the date of disposal.

Category of Asset	Rate of Amortisation
Software	20%

3.09 Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in Revenue Account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

Current tax

Income tax expense for current year is recognized on the basis of company's computation of taxable income according to the Fourth Schedule of the Income Tax Ordinance 1984 and the best judgments of management at the applicable tax rate pursuant to provision of Income Tax Ordinance 1984. As per paragraph 46 of IAS 12: Income Taxes, current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 40%.

Deferred tax

Company has recognized deferred tax as per IAS12. Temporary differences arises in respect to depreciation charge on asset addition (since tax authority charge depreciation for full year) or difference of tax rates between LIC Bangladesh and 3 rd schedule of ITO-1984 and for gratuity provision.

3.10 Commission

Commission to insurance agents represents first year commission & renewal commission. Allowances and commission other than field officers represent unit manager & branch manager's allowance &

3.11 Leases

The Company leases a number of office spaces for different branch offices in different locations. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized in the Balance Sheet as a right-of-use asset and lease liability. Only certain short and low-value leases are exempted.

Detail calculation is available in note no. 8 and 22.

3.12 Cash and bank balance

Cash, bank and other balances consist of cash in hand and with banks on current and deposit accounts and short-term investments in fixed deposit receipts which are held and available for use by the company without any restriction.

3.13 Stamps in hand

Stock of policy stamp are valued at cost.

3.14 Statement of cash flow

statement of cash flows has been prepared in accordance with as per IAS 7: "Statement of Cash Flows" under direct method as prescribed by the Bangladesh Securities and Exchange Commission (BSEC) rule-1987. A reconciliation of Net Operating Cash Flows from operating activities under the indirect method has also been prepared in accordance with clause no 5 (2)(e) of Notification No. BSEC/CMRRCD/2006-158/258/Admin/81 Dated- 20 June, 2018 (Gazette publication date: 8 August, 2018) as shown in note no 37.

3.15 Responsibility for preparation of financial statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act 1994 and as per Provisions of the Frame work for the preparation and presentation Financial Statements "issued by the International Accounting Standard Committee (IASC) as adopted by the Institute of the Chartered Accountants of Bangladesh (ICAB).



3.16 Related party disclosure

Parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. The Company carried out transactions with related parties in the normal course of business and on arm's length basis. The information as required by IAS 24: Related party disclosures has been disclosed in a separate notes to the financial statements (Note-44 & 45).

3.17 Actuarial Valuation

Actuarial Valuation for the year ended 31 December 2021 has been completed by Ranadey Professional Services (RPS). Life Insurance Corporation of Bangladesh Limited has a deficit of life fund around BDT. 490 Million as per Actuarial Valuation dated: 6th May, 2022. The life fund deficit amount of BDT. 481 million for the year ended 31 December 2020 as per actuarial valuation.

4.00 Compliance with accounting standards:

The company complies with following accounting standards:

IAS no	IAS name	Status
IAS 1	Presentation of financial statement	*
IAS 2	Inventory	N/A
IAS 7	Statement of Cash Flow	Complied
IAS 8	Accounting policies, changes in accounting estimates	Complied
IAS 10	Event after reporting period	Complied
IAS12	Income Tax	Complied
IAS 16	Property ,plant and equipment	Complied
IAS 19	Employee Benefit	Complied
IAS 20	Accounting for government grant	N/A
IAS 21	Effects of changes in foreign exchange rate	N/A
IAS 23	Borrowing Costs	N/A
IAS 24	Related party transaction	Complied
IAS 26	Accounting and reporting by retirement benefit plan	N/A
IAS 27	Separate Financial Statement	N/A
IAS 28	Investment in joint venture and associates	N/A
IAS 29	Financial reporting in hyperinflationary economy	N/A
IAS 31	Interest in joint venture	N/A
IAS 32	Financial Instruments: presentation	*
IAS 33	Earning per share	N/A
IAS 34	Interim financial reporting	N/A
IAS 36	Impairment of asset	Complied
IAS 37	Provision, contingent liabilities & contingent asset	Complied
IAS 38	Intangible Asset	Complied
IAS 40	Investment Property	N/A
IAS41	Agriculture	N/A

IFRS No	IFRS Name	Status
IFRS 1	First time adoption of financial reporting	N/A
IFRS 2	Share based payment	N/A
IFRS 3	Business combination	N/A
IFRS 4	Insurance Contract	*
IFRS 5	Non current asset held for sale and discontinued business	N/A
IFRS 6	Evaluation and exploration of mineral resources	N/A
IFRS 7	Financial Instrument	*
IFRS 8	Operating Segment	N/A
IFRS 9	Financial Instrument	*
IFRS 10	Consolidated Financial Statement	N/A
IFRS 11	Joint Arrangement	N/A
IFRS 12	Disclosure of interest in other entities	N/A



IFRS 13	Fair Value Measurement	Complied
IFRS 14	Regulatory and deferral account	N/A
IFRS 15	Revenue from contract with customer	N/A
IFRS 16	Leases	Complied
IFRS 17	Insurance Contract	N/A

* The management of Life Insurance Company Bangladesh Limited has followed the principles of IAS and IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company in Bangladesh. Some of the standards have not been complied with, about which IDRA or Insurance Act 1938, Insurance rules 1958 has special guidelines.

4.01 Disclosure of departure from the requirements of IFRS due to mandatory compliance with Insurance Act

The management has followed the principles of IFRS consistently in preparation of the financial statements to that extent as applicable to the company. Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IFRS. As such the LIC Bangladesh has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of IDRA which are disclosed below where applicable:

a) As per Insurance Act 1938 (as amended in 2010), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions have been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

i) On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

ii) These assets are subsequently measured at fair value. Other net gains and losses are recognized in OCI

b) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all non-life and life insurance companies. The templates of financial statements issued by Insurance Act does not include other comprehensive income (OCI) and the elements of other comprehensive income allowed to include in a single comprehensive income (OCI) Statement. As such LIC Bangladesh Ltd does not prepare the other comprehensive income statement. However the LIC Bangladesh Ltd does not have any elements of OCI to be presented.

c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the financial statements.

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		Amount in Taka	
		2022	2021
5.00 Share capital			
Authorized Capital (100,000,000 Ordinary Shares of Tk.10 each)		1,000,000,000	1,000,000,000
Issued subscribed and paid up			
60,000,000 Ordinary Shares of Tk.10 each fully paid up		600,000,000	600,000,000

5.01 Distribution schedule of paid up capital

Name of the Sponsors	No. of Shares	% of Holdings	Amount
1. LIC (India)	50,000,000	83.33%	50,000,000
2. Strategic Equity Management Limited	7,000,000	11.67%	7,000,000
3. Mutual Trust Bank Limited	3,000,000	5.00%	3,000,000
Total	60,000,000	100.00%	60,000,000

6.00 Life Insurance Fund

Balance as on January 01, 2022	135,812,956	86,240,165
Add: Surplus/(Deficit) in Life Revenue account for the year	68,706,378	49,572,791
Balance as on September' 2022	204,519,334	135,812,956

7.00 Fair Value Changes Account

Equity Shares Value at Market Price on 31 Dec 2022	24,854,331	10,075,817
Equity Shares Value at Cost Price on 31 Dec 2022	(30,052,087)	(11,694,690)
	(5,197,756)	(1,618,873)

Detailed disclosure of the equity share investment, is shown in note 14.00.

According to IDRA circular No. Life -04/2012 dated 11 June, 2012 "Guidelines for Preparation of Accounts and Financial Statements" as well as in compliance with the section 2.2 of the said circular namely Valuation of Equity Shares : Listed equity shares shall be measured at fair value at the balance sheet date. Fair value is the lowest of the quoted closing price at the balance sheet date. Unrealized gains/losses arising due to changes in the fair value of the listed equity shares should be taken under Fair Value Changes Account. In this regard difference between Cost price and closing market price of listed shares i.e. unrealized loss have been taken under Fair Value Changes Account of the Balance Sheet.

8.00 Lease Liability

Opening Balance	25,219,579	5,414,499
Addition during the Year	3,531,209	27,794,769
Adjustment during the Year	(7,771,420)	(7,989,689)
Closing Balance	20,979,368	25,219,579

9.00 Current Liabilities

Retention Money	24,000	24,000
Other Miscellaneous Credit		
Agents Exam Fee	235,090	196,190
Agents License Renewal Fee	8,540	18,310
Withheld Commission	20,953	11,860
Other Outstanding expenses	4,713,742	4,650,158
Provision for Gratuity (9.01)	6,014,593	3,858,892
Commission Payment Returned by Bank	82,643	76,393
Outstanding Commission 1st year	487,493	649,600
Outstanding Commission Renewal	288,967	845,354
Closing Balance	11,876,021	10,330,757

9.01 Provision for Gratuity

Opening Balance	3,858,892	-
Gratuity Expenses	4,579,650	3,858,892
Payment/Adjustment During the year	(2,423,949)	-
Closing Balance	6,014,593	3,858,892

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		Amount in Taka	
		2022	2021
10.00	Premium Deposits		
	Premium Deposits	208,853	135,640
	Deposit and unidentified	3,133,450	2,286,151
	P & G's Premium Deposit (Proposal)	566,417	533,301
	P & G's Premium Deposit (Policy)	1,806,730	1,225,817
	Closing Balance	5,715,450	4,180,909
11.00	Provision for Income Tax		
	Opening Balance	8,208,277	7,149,869
	Provision made During the Year	-	8,208,277
	Adjustment During the Year	-	(7,149,869)
	Closing Balance	8,208,277	8,208,277
11.01	Income Tax Expenses		
	Income Tax Expenses (Paid to DCT for the financial Year-2021)	566,658	8,208,277
	Deferred Tax Assets (19.00)	(528,259)	(2,742,734)
	Total	38,399	5,465,544
12.00	Policy Loan	5,232,907	2,177,700
13.00	Investment		
	Statutory deposit	15,000,000	15,000,000
	Zero-Coupon Bond	3,414,091	5,310,369
	Treasury Bond	348,439,646	242,243,032
	Closing Balance	366,853,737	262,553,401
14.00	Investment in Equity Share		
	Investment in Equity Share	24,854,331	10,075,817
	Closing Balance	24,854,331	10,075,817

Sl. No.	Name of Companies	Unit/Qty.	Cost as on 31.12.2022	Market Value as on 31.12.2022
1	BATBC	5,000	3,210,553	2,593,500
2	BEXIMCO	52,500	7,884,764	6,069,000
3	BSC	18,270	2,440,758	2,106,531
4	DUTCHBANGL	3,118	247,184	195,187
5	EGEN	58,099	3,635,641	3,026,958
6	IBN Sina Pharma	908	256,775	260,233
7	FEKDIL	5,000	118,413	86,000
8	GP	4,845	1,375,490	1,388,577
9	MHSMML	7,000	234,016	185,500
10	MIRAKHTER	2,000	120,320	101,600
11	SAIF POWER	10,000	336,674	297,000
12	SQUARETEXT	9,000	641,555	607,500
13	SQURPHARMA	6,584	1,434,063	1,381,323
14	WALTONHIL	60	66,231	62,862
15	ACTIVEFINE	5,000	101,354	96,500
16	EHL	10,500	1,296,810	828,450
17	INTRACO	5,000	226,402	202,500
18	ORIONPHARM	18,404	2,176,046	1,522,011
19	PROVATIINS	7,800	617,661	459,420
20	EXIM Bank	20,000	210,630	208,000
21	JAMUNA Bank	10,000	214,490	213,000
22	MARICO	380	924,265	920,170
23	RENETA LTD.	458	559,443	557,749
24	The Acme Laboratories	3,000	255,765	255,000
25	DOREENPWR	20,160	1,466,784	1,229,760
	Total	283,086	30,052,087	24,854,331

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		Amount in Taka	
		2022	2021
15.00	Agents Balances		
	Advances to agents	39,339	21,713
	Closing Balance	39,339	21,713
16.00	Outstanding Premium		
	Premium-First Year	1,624,977	1,382,461
	Premium-Renewal	5,784,268	6,882,866
	Closing Balance	7,409,245	8,265,327
17.00	Interest accrued but not due		
	Accrued Interest on BGTB, FDR and ZCB (17.01)	18,878,522	12,224,325
	Closing Balance	18,878,522	12,224,325
17.01	Accrued Interest on BGTB, FDR and ZCB		
	Opening Balance	12,224,325	14,212,504
	Add: Interest accrued during the year	18,025,997	9,117,477
	Less: Received during the year	(11,371,800)	(11,105,656)
	Closing Balance	18,878,522	12,224,325
18.00	Advances, Deposits and Prepayments		
	Rent deposit	3,098,185	2,774,960
	Advance Rent	-	180,200
	Sundry Advance	1,844,690	1,826,690
	Advance to Employee	74,779	-
	Other Sundry deposits	7,988,820	6,773,836
	Deferred Commission for FA/UM/BM	81,685	-
	Tax deducted at source (18.01)	11,665,636	7,641,619
	Other Miscellaneous Debit Account	1,021	-
	Closing Balance	24,754,816	19,197,306
18.01	Tax deducted at source		
	Opening Balance and addition during the year	7,641,619	10,697,385
	Addition during the year	4,024,017	4,094,103
	Adjustment during the year	-	(7,149,869)
	Closing Balance	11,665,636	7,641,619
19.00	Deferred Tax Assets		
	Carrying Amount of assets as per tax base	16,816,913	18,474,904
	Carrying Amount of assets as per accounting base	(10,795,132)	11,618,073
	Provision for Gratuity	4,579,650	-
	Gratuity Payment during the year	(2,423,949)	-
	Temporary difference	8,177,482	6,856,831
	Tax rate	40.00%	40.00%
	Closing Balance	3,270,993	2,742,734
20.00	Bank Balances		
	Short Term Deposits (20.01)	355,949,250	392,714,509
	Current Accounts (20.02)	19,300,315	46,312,540
	Closing Balance	375,249,565	439,027,049
20.01	Short Term Deposits		
	State Bank of India Fixed Deposit	15,821,250	155,821,250
	FDR	340,128,000	236,893,259
	Closing Balance	355,949,250	392,714,509

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	Amount in Taka	
	2022	2021
20.02 Current Accounts		
Green Delta Security Ltd.	16,190	(75)
Green Delta Capital Ltd.	201,658	-
IDLC Investments Limited	873,267	-
Collection A/C-MTB	3,245,070	15,834,596
Premier Bank (SND Account)	1,294,930	50,347
Standard Chartered Bank	1,248,700	215,940
DBBL-Rocket Account	48,425	24,815
Portal Payment Collection Account	23,522	164,710
Brac Bank	6,609,815	801,009
Bank Account - One Bank Ltd	450,657	177,885
Bkash Collection Account	201,773	74,390
NAGAD COLLECTION A/C	8,736	(295)
Bank Account Current A/c-II- SBI	1,423,302	24,573,886
Pubali Bank Ltd-Uttara	775,997	1,777,272
State Bank of India- Branch Motijheel	1,044,094	79,133
The City Bank Ltd-Narayanganj	185,129	195,040
State Bank of India-Khulna	239,471	287,536
Mutual Trust Bank-Jessore	349,221	787,674
Bank Asia-Agrabadi(Chittagong)	485,507	343,521
State Bank of India-Jubilee (Chittagong)	985	155,114
Mutual Trust Bank-Syhet	49,624	137,084
Prime Bank-Bogra	149,642	215,172
Mutual Trust Bank-Rangpur	248,351	227,289
Mutual Trust Bank-Rajsahi	71,881	70,196
BRAC BANK BARISHAL	54,367	-
Dutch Bangla Bank - Pirozpur	-	120,299
Closing Balance	19,300,315	46,312,539
21.00 Fixed assets at cost less depreciation or amortisation		
Software	105,940	261,227
Electric Installment	1,245,661	1,337,079
Furniture & Fittings	4,823,393	4,898,442
Refrig. & air conditioners	1,400,188	1,968,712
Information Technology (IT) equipment	446,705	282,296
Renovation/ Modernization	2,381,610	2,556,574
Telephones	80,860	69,953
Miscellaneous capital equipment	30,249	36,490
Audio Visual equipment	4	4
Neon signs, etc.	207,779	199,892
Voltage stabilizer & UPS	72,743	7,405
Closing Balance	10,795,132	11,618,074
22.00 Right of Use (RoU) Assets		
Opening Balance	28,650,377	6,735,395
Addition during the year	3,873,209	31,334,769
Amortization	(9,086,495)	(9,419,787)
Closing Balance	23,437,091	28,650,377
23.00 Premium less reinsurances		
First year Premium	8,856,267	8,627,782
Single Premium (Ordinary)	30,371,631	22,947,162
Other First year Premium (Ordinary)	18,316,070	7,509,130
Renewal Premium	94,140,510	74,797,637
Group Insurance		
P & GS First Premium Account - OYRGTA	11,983,747	12,783,989

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	Amount in Taka	
	2022	2021
P & GS First Premium (DAB) Account - OYRGTA	2,616,077	3,642,175
P & GS First Premium Account (PTD)-OYRGTA	2,002,614	2,427,149
P & GS First Premium Account(PPD) - OYRGTA	3,357,535	4,001,331
P & GS First Year Renewal Premium - OYRGTA	738,159	716,606
Gross Premium	172,382,610	137,452,961
Less: Reinsurance Premium	(5,359,915)	(7,659,664)
Net Premium	167,022,695	129,793,297

24.00 Interest, Dividend and Rent

Interest on FDR and SND Accounts	27,515,245	29,692,470
Interest on BGTB	23,782,371	17,152,077
Interest on Zero Coupon Bond	103,722	-
Dividend on Shares	255,139	366,578
Capital Gain/ (loss) on Investment	362,177	108,077
Profit on sale of shares	943,269	2,210,815
Loss on sale of shares	-	(649,536)
Other Receipts	2,679	-
Loss on sales of shares	(1,274)	-
Total	52,963,328	48,880,481

Particulars	Interest realized	Interest Accrued for 2022	Total
Interest on FDR and SND Accounts	15,256,970	12,258,275	27,515,245
Interest on BGTB	18,014,649	5,767,722	23,782,371
Total	33,271,619	18,025,997	51,297,616

25.00 Other Income

Interest on Policy Loan	140,253	21,708
Interest on Premium	82,991	94,396
Interest on loan to employees	875	-
Profit/Loss on sale of asset	(84,871)	-
Total	139,248	116,104

26.00 Claim by Death

Claim by Death Ordinary	7,757,656	2,154,000
Guaranteed Addition	35,100	18,500
Claim by Death P & Gs	10,977,690	14,779,656
Total	18,770,446	16,952,156

27.00 Commission to Insurance Agents (less reinsurance)

Commission on First Premium	2,211,197	2,439,665
Commission on 1st Year Renewal Premium	4,210,644	2,733,524
Bonus Commission to Agents	783,427	989,924
Persistency Bonus	39,288	42,359
Commission on Renewal Premium	4,857,951	5,097,541
Commission on Single Premium	899,583	706,671
Commission Paid to Unit Managers	1,634,890	1,687,236
Commission Paid to Branch Managers	937,271	870,149
Incentives	588,000	-
P & GS Commission Account -1st Premium - OYRG	818,605	786,045
P & GS Profit Sharing	104,424	117,599
Total	17,085,280	15,470,712

28.00 Salary and Allowances

Class 1 Basic Salary	21,853,424	19,526,422
House Upkeep Allowance	1,276,647	2,485,523
House Rent Allowance	3,931,609	3,660,000

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	Amount in Taka	
	2022	2021
Class 1 Conveyance Allowance	641,307	612,000
House Maintenance Allowance	1,357,405	1,284,000
Utility Allowance	463,857	428,000
Tax Relief for Expatriate CL-1	5,707,780	4,449,166
Gratuity - Expatriates	-	534,276
Leave Encashment - Expatriates	802,631	482,656
Festival Allowance	2,620,943	1,204,500
Children Educational Allowance	281,525	949,564
Telephone Allowance	755,190	783,226
PF Contribution - Employer	2,939,593	746,950
Medical Expenses CL-1	675,337	1,604,040
Other Staff Amenities	284,739	206,291
Reimbursement Gas Electricity Water Charges	108,974	212,107
Entertainment Expenses	913,806	1,056,537
Newspaper Allowance	287,764	317,333
Total	44,902,531	40,542,591
29.00 Travelling Expenses		
Travel Expenses Class 1 Offices	259,363	268,635
Travelling Expenses of Agents	17,990	-
Transfer Travelling Expenses	1,012,950	386,344
Total	1,290,303	654,979
30.00 Office Expenses		
Management Training Expenses	167,989	10,550
Employees Training Expenses	-	17,020
Fire and Other Insurance Premium	270,021	387,278
Medical Fees	172,848	93,659
Donation	100,000	-
Subscription	149,313	212,676
Bank Charges Collection A/c	482,859	567,286
Bank Charges Current A/c	166,008	157,345
Total	1,509,038	1,445,814
31.00 Rent, Rates, Taxes and Maintenances Expenses		
Rent Rate and Tax Paid - Office	6,857,081	4,949,917
Amortization of RoU Assets	9,086,495	9,419,787
Annual Maintenance Fee-Software	3,230,404	2,432,102
Repairs and Maintenance of Furniture	58,120	-
Finance Expense	955,072	1,277,948
Office Upkeep and Cleaning Materials	3,393,816	2,863,020
Office Equipment Expenses	90,669	131,280
Total	23,671,657	21,074,054
32.00 Legal and Consultancy Fee		
Legal Charges	23,000	114,125
Other Fee as Advisor	5,368,435	4,578,250
Total	5,391,435	4,692,375
33.00 Publicity Expenses		
Cost of Diaries and Calendars	635,375	599,370
Other Publicity Expenses	6,116,978	2,711,046
Total	6,752,353	3,310,416
34.00 Policy Stamp Expenses		
Policy Stamp	617,070	526,990
Receipt Stamp	62,639	70,277
Total	679,709	597,267

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		Amount in Taka	
		2022	2021
35.00 Board Meeting Expenses			
Director Fee		64,000	104,000
Board Meeting Expenses		557,473	-
Total		621,473	104,000
36.00 IDRA Renewal Fee and Trade License Renewal Fee			
IDRA Renewable Fee		182,071	152,685
Fee for Filing Returns and Renewal Trade License		156,758	137,596
Total		338,829	290,281
37.00 Disclosures on reconciliation between Life Fund & Net operating cash flows			
Addition of Life Fund		68,706,378	49,572,791
Adjustments for			
Loss on Sale of Assets		84,871	-
Depreciation of Property Plant & Equipments		1,102,693	1,227,989
Amortization of Software		207,087	2,235,179
		70,101,029	53,035,959
Adjustments of Increases / Decreases		(7,831,006)	14,614,298
Increase / (Decrease) Lease Liability		(4,240,211)	19,805,080
Increase / (Decrease) Current Liabilities		1,545,264	5,830,245
Increase / (Decrease) Premium Deposits		1,534,541	2,227,246
Increase / (Decrease) Provision for Income Tax		-	1,058,408
(Increase) / Decrease Agents Balances		-	-
(Increase) / Decrease Outstanding Premiums		856,082	(7,611,330)
(Increase) / Decrease Interest Accruing but not Due		(6,654,197)	6,852,878
Increase / (Decrease) Deferred tax Assets		(528,260)	-
Increase / (Decrease) RoU Assets		5,213,286	(6,735,395)
Increase / (Decrease) Advances and Deposits		(5,557,510)	(6,812,834)
Net Clash Flows from Operation		62,270,023	67,650,257
38.00 Net Asset Value per share (NAV)			
Total Assets		861,100,694	797,133,606
Total Liabilities		(261,100,694)	(197,133,606)
Net Assets		600,000,000	600,000,000
No. of Shares		60,000,000	60,000,000
Net Assets Per Value (NAV)		10.00	10.00
39.00 Net Operating Cash Flow Per Share			
Net Operating Cash Flows Per Share (NOCFPS) has been calculated based on net cash generated from operating activities and number of shares outstanding during the period as at December 31, 2022. Detailed calculations are as follows:			
Net Cash Generated From Operating Activities		62,270,023	79,162,471
Number of Shares		60,000,000	60,000,000
Net Operating Cash Flow Per Share (NOCFPS)		1.04	1.32
40.00 Capital expenditure commitment			
There was no capital expenditure commitment entered into by the Company as on December 31, 2022.			
41.00 Contingent liability			
There was no claim against the Company nor acknowledged as debt by the Company as on December 31, 2022.			
42.00 Credit facility available to the Company			
There was no credit facility available to the company under any contract as on December 31, 2022.			

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Amount in Taka	
2022	2021

43.00 Expenses incurred in foreign currency

The Company has neither incurred any expense nor earned any income in foreign currency as on December 31, 2022.

44.00 Key Management Personnel Compensation:

The aggregate amount paid/provided during the year in respect of directors and officers of the Company as defined in the Securities and Exchange Rules, 1987 are disclosed below

Sl No.	Name of employee	Short employee benefits	Termination benefits
1	SASWATA RAY (MD & CEO)	609,995	P.F, Gratuity & Group insurance.
2	BHATTACHARYYA (CMO)	3,795,723	P.F, Gratuity & Group insurance.
3	SUDIPTA SARKAR (CFO)	2,651,793	P.F, Gratuity & Group insurance.
4	MR. M.S. CHAKRAVARTI (CTO)	3,498,797	P.F, Gratuity & Group insurance.

45.00 Related party disclosures

Life Insurance Corporation Bangladesh Limited, in normal course of business, carried out a number of transactions with related parties (common directors). As per IAS 24: Related Party Disclosures all transactions involving related parties arising in normal course of business were conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties.

Details of transaction with related parties and balances with them were as follows:

Sl. No.	Name of the Parties	Nature of Relationship	Types of Transaction	Closing Balance
1	Strategic Equity Management Limited	Shareholder	-	-
2	Mutual Trust Bank	Shareholder	FDR	80,000,000
			Current Account	15,834,596
3	LIC (India)	Shareholder	Software Maintenance Fee (transaction during the year 1,875,000)	-

There was no provisions for doubtful debts related to the amount of outstanding balances to the related parties. Expense recognized during the period in respect of bad or doubtful debts due from related parties was Nil.

46.00 Disclosure as per Schedule XI, Part II of the Companies Act 1994

- i) Number of employees drawing salary above Tk. 3,000 per month
ii) Number of employees drawing salary below Tk. 3,000 per month

27
-
27

47.00 Date of authorization

These financial statements were authorized for issue on 13 March 2023 by the board of directors of the Company.

48.00 Subsequent Event

There has not any subsequent event for the year ended 31 December 2022.

Chief Executive officer

Director

Director

Chairman



Life Insurance Corporation (LIC) of Bangladesh Limited
Fixed Assets Schedule
As at December 31, 2022

Particulars	Cost				Depreciation			Carrying amount at 31.12.2022	
	Balance at 01.01.2022	Addition during the period	Adjustment	Total as at 30.06.2022	Rate %	Balance at 01.01.2022	Charge for the year		Adjustment
Electric Installation	1,828,330	-	-	1,828,330	5%	491,251	91,418	-	582,669
Furniture & fittings	6,101,472	171,780	-	6,273,252	4%	1,203,030	246,829	-	1,449,859
Refrigerator & Aircondition	4,006,540	-	459,500	3,547,040	10%	2,037,828	400,653	291,629	2,146,852
IT equipment	3,273,239	326,319	105,668	3,493,890	30%	2,990,943	99,406	43,164	3,047,185
Renovation/modernization	3,499,250	-	-	3,499,250	5%	942,676	174,964	-	1,117,640
Telephones	91,500	15,510	-	107,010	5%	21,547	4,603	-	26,150
Miscellaneous capital equip	62,400	-	-	62,400	10%	25,911	6,240	-	32,151
Audio-Visual equipment	748,048	-	-	748,048	20%	748,044	-	-	748,044
Neon signs	497,845	74,441	-	572,286	20%	297,953	66,554	-	364,507
Voltage stabilizer & equipment	198,440	77,364	-	275,804	30%	191,035	12,026	-	203,061
Total	20,307,064	665,414	565,168.00	20,407,310		8,950,218	1,102,693	334,793	9,718,118

Intangible Assets Schedule

Particulars	Cost			Amortization			Carrying amount at 31.12.2022		
	Balance at 01.01.2022	Addition during the period	Adjustment	Total as at 30.06.2022	Rate %	Balance at 01.01.2022		Charge for the year	Adjustment
Software	16,199,726	51,800	-	16,251,526	20%	15,938,499	207,087	-	16,145,586
Total	16,199,726	51,800.00	-	16,251,526		15,938,499	207,087	-	16,145,586

[Signature]
Chief Executive Officer

[Signature]
Director

[Signature]
Chairman



As at December 31, 2021

Particulars	Cost			Depreciation				Carrying amount at 31.12.2021		
	Balance at 01.01.2021	Addition during the period	Adjustment	Total as at 30.06.2021	Rate %	Balance at 01.01.2021	Charge for the year		Adjustment	Total at 31.12.2021
Electric installation	1,828,330	-	-	1,828,330	5%	399,833	91,418	-	491,251	1,337,079
Furniture & fittings	5,806,308	295,164	-	6,101,472	4%	962,300	240,730	-	1,203,030	4,898,442
Refrigerator and air conditioners	4,006,540	-	-	4,006,540	10%	1,637,175	400,653	-	2,037,828	1,968,712
Information Technology (IT) equipment	3,031,927	241,312	-	3,273,239	30%	2,892,137	98,806	-	2,990,943	282,296
Renovation/modernization	3,499,250	-	-	3,499,250	5%	767,712	174,964	-	942,676	2,556,574
Telephones	91,500	-	-	91,500	5%	16,972	4,575	-	21,547	69,953
Miscellaneous Capital equipment	62,400	-	-	62,400	10%	19,671	6,240	-	25,911	36,489
Audio visual equipment	748,048	-	-	748,048	20%	643,009	105,034	-	748,043	5
Neon signs, etc.	442,172	55,673	-	497,845	20%	214,416	83,537	-	297,953	199,892
Voltage stabilizer & UPS	198,440	-	-	198,440	30%	169,003	22,032	-	191,035	7,405
Total	19,714,915	592,149	-	20,307,064		7,722,228	1,227,989	-	8,950,217	11,356,847

Intangible Assets Schedule

Particulars	Cost			Amortization				Carrying amount at 30.06.2022		
	Balance at 01.01.2022	Addition during the period	Adjustment	Total as at 30.06.2022	Rate %	Balance at 01.01.2022	Charge for the year		Adjustment	Total at 30.06.2022
Software	16,199,726	-	-	16,199,726	20%	13,703,320	2,235,179	-	15,938,499	261,227
Total	16,199,726	-	-	16,199,726		13,703,320	2,235,179	-	15,938,499	261,227




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CERTIFICATE UNDER THE INSURANCE ACT, 2010

As per regulations contained in the Insurance Act, 2010, section 62 of the said Act, we certify that:

- 1 The value of investment in shares and debentures have been taken at cost with adequate provision for fluctuation in share price, if any.
- 2 The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as on December 31, 2022 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
- 3 All expenses of management in respect of life insurance business transacted by the Company in Bangladesh have been fully debited to the Life Revenue Account as expenses.


Chief Executive officer


Director


Director


Chairman

