

**For LIC (India)**

**Independent Auditor's Report  
and  
Financial Statements  
of  
Life Insurance Corporation (LIC) of Bangladesh Limited  
As at and for the year ended December 31, 2021**

## **T A B L E O F C O N T E N T S**

<b>No</b>	<b>Particulars</b>	<b>Page No</b>
01	Independent Auditor's Report	1-5
02	Balance Sheet	6
03	Life Revenue Account	7-8
04	Statement of Cash Flows	9
05	Statement of Changes in Shareholders Equity	10
06	Statement of Life Insurance Fund	11
07	Classified Summary of the Assets	12
08	Notes to the Financial Statements	13-28
09	Fixed Assets Schedule	29-30
10	CERTIFICATE UNDER THE INSURANCE ACT, 2010	31



**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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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 2021, 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 2021, 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 2021. 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 2021, Net premium income BDT. 129,793,297 (2020: BDT. 123,568,240).





**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. 10,075,817 (2020 was BDT. 896,438) and BGTB BDT. 262,553,401 (2020: BDT. 201,736,557).

**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, which states Gratuity Fund and Employees' Provident Fund are yet to be recognized by NBR. However, the company has applied to NBR for recognition of Employees' Provident 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 an 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

Frim Reg. No. : P-46323/2020

DVC : 2204181517AS692407

Dhaka, 18 April 2022



# Life Insurance Corporation (LIC) of Bangladesh Limited

## Balance Sheet (Statement of Financial Position)

As at December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
<b>Capital and Liabilities</b>			
<b>Share Capital</b>			
<b>Authorised Capital</b>			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid up capital</b>			
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
<b>Balance of Fund and Accounts</b>			
Life Insurance Fund	6.00	135,812,956	86,240,165
Fair Value Changes Account	7.00	(1,618,873)	105,168
		<b>47,939,523</b>	<b>19,018,543</b>
<b>Liabilities and Provisions</b>			
Lease Liability	8.00	25,219,579	5,414,499
Current Liabilities	9.00	10,330,757	4,500,512
Premium Deposits	10.00	4,180,909	1,953,663
Provision for Income Tax	11.00	8,208,277	7,149,869
<b>Total Capital and Liabilities</b>		<b>797,133,606</b>	<b>720,363,876</b>
<b>Property and Assets</b>			
<b>Policy Loan</b>		<b>2,177,700</b>	<b>858,500</b>
<b>Investment</b>		<b>272,629,218</b>	<b>202,632,995</b>
Statutory Deposit	12.00	15,000,000	15,000,000
Treasury Bond and Zero Coupon Bond	12.00	247,553,401	186,736,557
Equity Share	13.00	10,075,817	896,438
<b>Agents Balances</b>	14.00	<b>21,712</b>	<b>70,217</b>
<b>Outstanding Premiums</b>	15.00	<b>8,265,327</b>	<b>24,768,109</b>
<b>Interest Accruing but not Due</b>	16.00	<b>12,224,325</b>	<b>14,212,504</b>
<b>Advances and Deposits</b>	17.00	<b>19,197,306</b>	<b>22,569,591</b>
<b>Deferred Tax Assets</b>	11.01	<b>2,742,733</b>	-
<b>Cash and Bank Balances</b>		<b>439,606,834</b>	<b>434,027,472</b>
Bank Balances	18.00	439,027,049	433,640,285
Stamps in Hand		465,000	226,055
Cash in Hand		114,785	161,132
<b>Fixed assets at cost less depreciation</b>	19.00	<b>11,618,074</b>	<b>14,489,093</b>
<b>Right of Use (RoU) Assets</b>	20.00	<b>28,650,377</b>	<b>6,735,395</b>
<b>Total Property and Assets</b>		<b>797,133,606</b>	<b>720,363,876</b>
<b>Net Asset Value (NAV) Per Share</b>	35.00	<b>10.00</b>	<b>10.00</b>

The annexed notes form an integral part of these financial statements

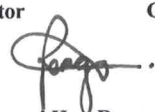
  
Chief Executive Officer

  
Director

Signed as per our annexed report of even date

Director

Chairman

  
Wasequl Huq Reagan, FCA  
ICAB Enrolment No. : 1517  
Partner

**Mahfel Huq & Co.**  
Chartered Accountants  
Firm Reg. No. : P-46323/2020  
DVC : 2204181517AS692407

Dhaka, 18 April 2022

**Life Insurance Corporation (LIC) of Bangladesh Limited**  
**Life Revenue Account**  
**For the year ended December 31, 2021**

Particulars	Notes	Amount in Taka	
		2021	2020
<b>Balance of fund at the beginning of the year</b>		<b>86,240,165</b>	<b>45,966,033</b>
<b>Premium Less Reinsurance</b>	<b>21.00</b>		
First Year Premium		39,084,074	40,905,778
Renewal Premium		74,797,637	75,223,563
Group Insurance Premium		23,571,250	15,756,798
<b>Gross Premium</b>		<b>137,452,961</b>	<b>131,886,139</b>
Less: Reinsurance Premium		(7,659,664)	(8,317,899)
<b>Net Premium</b>		<b>129,793,297</b>	<b>123,568,240</b>
Interest, dividend and rent	<b>22.00</b>	48,880,481	46,792,989
Other income		116,104	834,861
<b>Total</b>		<b>178,789,883</b>	<b>171,196,090</b>

First year premium where the maximum premium paying period is :		
Single	22,947,162	19,208,921
Two years	-	-
Three years	-	-
Four years	-	-
Five years	-	-
Six years	117,705	233,867
Seven years	258,333	403,811
Eight years	152,067	317,943
Nine years	197,070	337,268
Ten years	6,583,143	11,129,351
Eleven years	196,183	466,203
Twelve years or over (including throughout life)	8,632,411	8,808,414
<b>Total</b>	<b>39,084,074</b>	<b>40,905,778</b>

*(Handwritten signatures)*



**Life Insurance Corporation (LIC) of Bangladesh Limited**

**Life Revenue Account**

For the year ended December 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
<b>Expenditure</b>			
Claims under policies (including provision for claims due or intimates) less reinsurances			
by Death	23.00	16,952,156	23,368,893
by Survival Benefit		120,000	-
by Surrender		790,609	269,463
		<b>17,862,765</b>	<b>23,638,356</b>
<b>Expenses of Management</b>			
<b>Commission</b>			
(a) Commission to insurance agents (less reinsurances)	24.00	15,470,712	18,733,758
(b) Allowances and Commission (other than (a) above)		-	-
		<b>15,470,712</b>	<b>18,733,758</b>
Salary and Allowances	25.00	40,542,591	37,781,923
Travelling Expenses	26.00	654,979	702,014
Office Expenses	27.00	1,445,814	1,370,255
Motor Car Expenditure Staff Cars		2,821,976	2,813,061
Rent, Rates, Taxes and Maintenances Expenses	28.00	21,074,054	20,859,596
Printing and Stationary		1,375,555	661,738
Postage Telegram Expenses		272,954	133,140
Gratuity Expenses		3,858,892	-
Telephone Expenses		140,829	35,650
Networking Expenses		899,841	1,206,395
Legal and Consultancy Fee	29.00	4,692,375	1,508,200
Publicity Expenses	30.00	3,310,416	4,517,636
Audit Fees		264,500	264,500
Competition Prizes-Agents		751,145	471,282
Policy Stamp Expenses	31.00	597,267	545,155
Electricity Charges		975,766	828,494
Agents Training Expenses		735,639	326,910
Other Misc. Expenses		2,146,027	1,752,521
Depreciation on fixed assets-As per annexure-A		1,227,989	1,309,792
Amortization on Software- As per annexure- A		2,235,179	3,239,945
Board Meeting Expenses	32.00	104,000	796,831
IDRA Renewal Fee and Trade License Renewal Fee	33.00	290,281	274,935
		<b>90,418,069</b>	<b>81,399,973</b>
		<b>105,888,782</b>	<b>100,133,732</b>
<b>Other Expenses</b>			
Income Tax Expenses	11.00	5,465,545	7,149,869
		<b>129,217,091</b>	<b>130,921,958</b>
Balance of Life Insurance Fund at the end of the year as shown in the Balance Sheet		49,572,791	40,274,132
		<b>178,789,883</b>	<b>171,196,090</b>

The annexed notes form an integral part of these financial statements


  
Chief Executive Officer

  
Director

Director

Chairman

Signed as per our annexed report of even date

  
Wasequl Huq Reagan, FCA  
ICAB Enrolment No. : 1517  
Partner

**Mahfel Huq & Co.**  
Chartered Accountants  
Firm Reg. No. : P-46323/2020  
DVC : 2204181517AS692407

Dhaka, 18 April 2022



# Life Insurance Corporation (LIC) of Bangladesh Limited

## Statement of Cash Flows

For the year ended December 31, 2021

Particulars	Amount in Taka	
	2021	2020
<b>A. Cash flow from Operating Activities</b>		
Collection from premium	148,523,325	115,956,910
Payment of Claims	(17,862,765)	(23,638,356)
Other income received	116,104	834,861
Payment for reinsurances, management expenses and others	(90,399,061)	(90,154,874)
Interest, dividend and rent received	50,868,660	53,645,866
Tax paid during the year	(4,094,104)	(4,971,316)
Payment for lease liabilities	(7,989,689)	(8,447,935)
<b>Net Cash Flows from Operating Activities</b>	<b>79,162,471</b>	<b>43,225,156</b>
<b>B. Cash flow from Investing Activities</b>		
Treasury bond and Zero Coupon Bond	(60,816,844)	(144,736,557)
Acquisition of fixed assets	(592,149)	(280,765)
Policy Loan & Advance to Agents	(1,270,695)	(533,917)
Purchase of Equity Share	(10,903,420)	(791,270)
<b>Net Cash Used in Investing Activities</b>	<b>(73,583,108)</b>	<b>(146,342,509)</b>
<b>C. Cash flow from Financing Activities</b>		
<b>Net Cash Received/ (Used) in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>D. Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>5,579,362</b>	<b>(103,117,353)</b>
<b>E. Cash and cash equivalents at beginning of the year</b>	<b>434,027,472</b>	<b>537,144,824</b>
<b>F. Cash and cash equivalents at end of the year (D+E)</b>	<b>439,606,834</b>	<b>434,027,472</b>
<b>Net operating Cash Flows Per Share (Note No. 36)</b>	<b>1.32</b>	<b>0.72</b>

  
Chief Executive Officer

  
Director

Director

Chairman

  
Dhaka, 18 April 2022



**Life Insurance Corporation (LIC) of Bangladesh Limited**  
**Statement of Changes in Shareholders Equity**

For the year ended December 31, 2021

Particulars	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Total
As at January 01, 2021	600,000,000	-	-	-	-	600,000,000
Changes during the period	-	-	-	-	-	-
As at December 31, 2021	600,000,000	-	-	-	-	600,000,000

For the year ended December 31, 2020

Particulars	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Total
As at January 01, 2020	600,000,000	-	-	-	-	600,000,000
Changes during the period	-	-	-	-	-	-
As at December 31, 2020	600,000,000	-	-	-	-	600,000,000



Chief Executive Officer

Dhaka, 18 April 2022



Director

Director

Chairman



**Life Insurance Corporation (LIC) of Bangladesh Limited**  
**Statement of Life Insurance Fund**  
For the year ended December 31, 2021

Particulars	Amount in Taka	
	2021	2020
<b>A. Assets</b>		
Investment (including FDRs)	665,343,727	608,952,242
Interest accrued but not due	12,224,325	14,212,504
Outstanding Premiums	8,265,327	24,768,109
Advances and deposits	24,139,451	23,498,308
Right of Use (RoU) Assets	28,650,377	6,735,395
Cash and bank balances (excluding FDRs)	46,892,325	27,708,225
Fixed assets (at cost less depreciation)	11,618,074	14,489,093
	<b>797,133,606</b>	<b>720,363,876</b>
<b>B. Liabilities</b>		
Current liabilities	47,939,523	19,018,543
Fair Value Changes Account	(1,618,873)	105,168
	<b>46,320,650</b>	<b>19,018,543</b>
<b>C. Gross fund (assets minus liabilities)</b>	<b>A-B</b>	
	750,812,956	701,345,334
<b>D. Less: shareholders capital (paid up capital)</b>	(600,000,000)	(600,000,000)
Less: Fund by LIC(India) as security deposit	(15,000,000)	(15,000,000)
<b>E. Life insurance fund at the end of the year</b>	<b>C-D</b>	
	<b>135,812,956</b>	<b>86,345,334</b>

  
Chief Executive Officer

  
Director

Director

Chairman

 Dhaka, 18 April 2022





# Life Insurance Corporation (LIC) of Bangladesh Limited

## FORM AA

### Classified Summary of the Assets

As at December 31, 2021

SL. No.	Class of Assets	Book Value (Taka)	Market / Realizable Value (Taka)	Remarks
<b>Class of Assets</b>				
<b>Investments</b>				
1	Statutory deposited with Bangladesh Bank	15,000,000	15,000,000	At cost
2	Treasury Bond and Zero Coupon Bond	247,553,401	247,553,401	Realizable value
3	Equity Share	11,694,690	10,075,817	At market value
<b>Cash and Bank Balances</b>				
4	Cash in hand, STD and current accounts	439,606,834	439,606,834	Book value
<b>Other Assets</b>				
5	Interest accrued but not due	12,224,325	12,224,325	Realizable value
6	Advance and deposits	19,197,306	19,197,306	Realizable value
7	Fixed assets (at cost less depreciation)	11,618,074	11,618,074	Carrying Amount
8	Right of Use (RoU) Assets	28,650,377	28,650,377	Carrying Amount
9	Deferred Tax Assets	2,742,733	2,742,733	Carrying Amount
10	Outstanding Premiums	8,265,327	8,265,327	Carrying Amount
11	Agent Balance	21,712	21,712	Carrying Amount
12	Policy Loan	2,177,700	2,177,700	Carrying Amount

  
Chief Executive Officer

  
Director

Director

Chairman

 Dhaka, 18 April 2022



# Life Insurance Corporation of Bangladesh Limited

## Notes to the Financial Statement For the year ended 31st december 2021

### 1.00 Legal status and nature of the business

#### 1.01 Legal status of business

Life Insurance Corporation of Bangladesh Ltd. 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 exist: Ordinary Life (OL), Group Life Insurance (GLI).

### 2.00 Basis of presentation

#### 2.01 Statement of compliance

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

1. Income Tax ordinance 1984
2. Income Tax rules 1984
3. Value Added Tax and Supplementary Duty Act 2012
4. Value Added Tax and Supplementary Duty Rules 2016

#### 2.03 The structure and content of financial statement:

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 Statement:

The financial statement covers 12 months from 1st January 2021 to 31st December 2021.

#### 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 18 April 2022.

**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 International Accounting Standards 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.

**Challenges posed by COVID-19**

COVID-19 pandemic posed several challenges on the insurance business since March 2020. LIC of Bangladesh Ltd. also suffered a temporary declining trend in business at 2nd quarter in 2021. However, a prompt and timely decision soon boosted up our efforts and finally the company successfully maintained its portfolio.

**2.09 Accrual Basis:**

Life Insurance Corporation Bangladesh Ltd. 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.

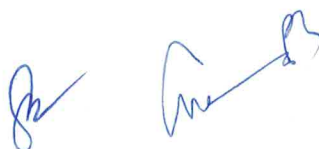
#### **3.01 Revenue Recognition:**

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

- a) Premiums are recognized as income when due, for which grace period has not expired and the previous installments have been paid.
- b) Items of Income and Expenditure are generally accounted for on accrual basis unless otherwise stated.
- c) Interest income in respect of all government securities, debt securities including loans, debentures and bonds, Pass Through Certificate (PTC) and mortgage loans is taken as credit to the Revenue Account as per the guidelines issued by Insurance Development and Regulatory Authority (IDRA)
- d) 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.
- e) Interest, Dividend, Rent, etc. are accounted at gross value (before deduction of Income Tax)
- f) 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.
- g) Profit or Loss on sale of securities/ Equities/ Mutual Fund is taken to Revenue only in the year of sale.
- h) 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.
- i) Interest on policy loans is accounted for on accrual basis.
- j) Rental income in respect of rent/ license fees which is in arrear for more than 6 months is not recognized as income.
- k) Dividend on Preference share/ Mutual Fund is taken as income only on receipt.
- l) Interest on application Money on purchase of debentures/ bonds is accounted on cash basis.
- m) Income on venture capital investment is accounted on cash basis.
- n) Income from zero coupon bonds is accounted on accrual basis.
- o) In case of non linked business, outstanding interest on NPAs as at balance sheet date is provided as interest suspense.
- p) 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 2021. The net retention of the company for individual life is BDT 10 lac per policy per person & group insurance is BDT 10 lac per policy per person.

### 3.03 Income from dividend and interest:

Interest income is recognized on accrual basis unless otherwise stated. Interest income on bank deposits (FDRs) is recognized on accrual basis (time proportion basis). Income on Government securities is recognized on Coupon Rate basis for the number of days these are held. Dividend income is recognized when the Company's right to receive dividend is established. Realized gains and losses in respect of financial instruments, such as, equity securities listed in the stock exchange are calculated as the difference between the net sales proceeds and their costs using the weighted average method, that is profit or loss on sale of the listed financial instruments are recognized in the Income Statement. Policy loans are allowed to the policy holders to the extent of surrender values of their policies. Profit or loss on sale of securities/equities is taken to revenue only in the year of sale. Interest and dividend are accounted at gross value (before deduction of Income Tax).

### 3.04 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.

### 3.05 Reinsurance:

This represents provisional amount payable to the re-insurer(GICI) for the year ended on 31 December 2021. 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.

### 3.06 Premium Deposit:

Premium deposit represents premium received but risk has not yet been accepted because of lapse policy and advance premium as at 31 December 2021.

### 3.07 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

#### 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.

### 3.08 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 made in the accounts 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. Employee provident fund are yet to be recognised from NBR. However, the company has applied to NBR for recognition of the fund.

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.

### 3.09 Fixed Asset:

#### 3.09.01 Tangible Fixed Asset:

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 'repair 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.

**3.09.02 Intangible Asset:**

Expenditure incurred on major application software and its customization or further development is recognized as an 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, depreciation charged up to the date of disposal.

Category of Asset	Rate of depreciation
Software	20%

**3.10 Investment:**

a) Debt Securities including Government Security and Redeemable Preference Shares are considered as 'held to maturity' and the value is disclosed at historical cost subject to amortization as follows:

i) Debt Security including Government Security, where the book value is more than the face value, the premium will be amortized on straight line basis over the balance period of holding /maturity in all classes of business.

ii) Listed Redeemable Preference Shares, where the book value is more than the face value, the premium is amortized on a straight line basis over the balance period of holding/maturity and are valued at amortized cost if last quoted price (not later than 30 days prior to valuation date), is higher than amortized securities cost. Provision for diminution is made if market value is lower than amortized cost.

b) Listed equity securities that are traded in active markets and listed securities classified as strategic investments are measured at fair value on the balance sheet date and the change in the carrying amount of equity securities is taken to Life Revenue Account.

c) Listed equity securities that are not regularly traded in active markets measured at historical cost less provision for diminution in value of such investments.

d) All investments are accounted on cash basis except for purchase or sale of equity shares from the secondary market.

e) The value of investment Properties is disclosed at revalued amounts and the change in the carrying amount of the investment property is taken to revaluation reserve.

f) Investment in venture fund is valued at the NAV of the fund or cost, whichever is lower.

g) Loans are measured at historical cost subject to impairment provisions.

h) Money Market Instruments are measured at book value.

**3.11 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%.

**3.12 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 & bonus.

**3.13 Leases:**

Financial Reporting Principles IFRS 16: Leases effective from annual periods beginning on or after January 1, 2019 has significantly changed how a company accounts for its lease contracts. 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 20.

**3.14 Cash and Bank balance:**

Cash, bank & 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.

**3.15 Policy Stamp:**

Stock of policy stamp are valued at cost.

**3.16 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 34.

**3.17 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).

**3.18 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-41 & 42).

### 3.19 Actuarial Valuation

Actuarial Valuation for the year ended 31 December 2021 has done by Ranadey Professional Services (RPS). Life Insurance Corporation of Bangladesh Limited has deficit around BDT. 481 Million as per Actuarial Valuation.

### 4.00 Compliance with accounting standards:

Company as per rule-12 of securities and Exchange regulation 1987, 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 & IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.

**4.01 Disclosure of departure from the requirements of IFRS due to mandatory compliance with insurance act:**

LIC Bangladesh Limited 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 along with financial impact where applicable:

a) As per Insurance Act 1938 (as amended 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.

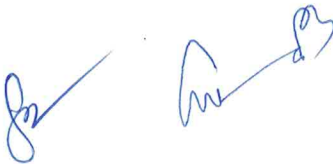
i) On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

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 general and life insurance company. The templates of financial statements issued by Insurance Act does not include other comprehensive income (OCI) nor are 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 accounts.

IFRS. As such the LIC has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of IDRA which are disclosed below along.



		Amount in Taka	
		2021	2020
<b>5.00</b>	<b>Share capital</b>		
	<b>Authorised Capital</b> (100,000,000 Ordinary Shares of Tk.10 each)	<b>1,000,000,000</b>	<b>1,000,000,000</b>
	<b>Issued subscribed and paid up</b>		
	60,000,000 Ordinary Shares of Tk.10 each fully paid up	<b>600,000,000</b>	<b>600,000,000</b>
<b>5.01</b>	<b>Distribution schedule of paid up capital</b>		
	<b>Name of the Sponsors</b>	<b>No. of Shares</b>	<b>% of Holdings</b>
	1. LIC (India)	50,000,000	83.33%
	2. Strategic Equity Management Limited	7,000,000	11.67%
	3. Mutual Trust Bank	3,000,000	5%
	<b>Total</b>	<b>60,000,000</b>	<b>100%</b>
			<b>Amount</b>
			50,000,000
			7,000,000
			3,000,000
			<b>60,000,000</b>
<b>6.00</b>	<b>Life Insurance Fund</b>		
	Balance as on January 01, 2021	86,240,165	45,966,033
	Add: Surplus/(Deficit) in Life Revenue account for the year	49,572,791	40,274,132
	<b>Balance as on December 31, 2021</b>	<b>135,812,956</b>	<b>86,240,165</b>
<b>7.00</b>	<b>Fair Value Changes Account</b>		
	Equity Shares Value at Market Price	10,075,817	896,438
	Equity Shares Value at Cost Price	(11,694,690)	(791,270)
		<b>(1,618,873)</b>	<b>105,168</b>
<p>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.</p>			
<b>8.00</b>	<b>Lease Liability</b>		
	Opening Balance	5,414,499	-
	Addition During the Year	27,794,769	13,862,434
	Adjustment During the Year	(7,989,689)	(8,447,935)
	<b>Closing Balance</b>	<b>25,219,579</b>	<b>5,414,499</b>
<b>9.00</b>	<b>Current Liabilities</b>		
	Retention Money	24,000	24,000
	Agents Exam Fee	196,190	177,770
	Agents License Renewal Fee	18,310	8,620
	Withheld Commission	11,860	8,807
	Other Outstanding expenses	4,650,158	1,241,991
	Provision for Gratuity	3,858,892	
	Commission Payment Returned by Bank	76,393	54,356
	Outstanding Commission 1st year	649,600	2,292,362
	Outstanding Commission Renewal	845,354	692,606
		<b>10,330,757</b>	<b>4,500,512</b>
<b>10.00</b>	<b>Premium Deposits</b>		
	Premium Deposits	135,640	178,661
	Deposit and unidentified	2,286,151	1,186,003
	P & G's Premium Deposit (Proposal)	533,301	187,015
	P & G's Premium Deposit (Policy)	1,225,817	401,984
		<b>4,180,909</b>	<b>1,953,663</b>
<b>11.00</b>	<b>Provision for Income Tax</b>		
	Opening Balance	7,149,869	-
	Provision made During the Year	8,208,277	7,149,869
	Adjustment During the Year	(7,149,869)	-
	<b>Closing Balance</b>	<b>8,208,277</b>	<b>7,149,869</b>

		Amount in Taka		
		2021	2020	
<b>11.01</b>	<b>Deferred Tax Assets</b>			
	Carrying Amount of assets as per tax base	18,474,904	-	
	Carrying Amount of assets as per accounting base	11,618,073	-	
	Temporary difference	6,856,831	-	
	Tax rate	40%	-	
	<b>Deferred Tax Assets</b>	<b>2,742,733</b>	<b>-</b>	
<b>11.02</b>	<b>Income Tax</b>			
	Provision for Income Tax ( 11 )	8,208,277	7,149,869	
	Deferred Tax Assets ( 11.01 )	(2,742,733)	-	
		<b>5,465,545</b>	<b>7,149,869</b>	
<b>12.00</b>	<b>Investment</b>			
	Statutory deposit	15,000,000	15,000,000	
	Zero-Coupon Bond	5,310,369	-	
	Treasury Bond	242,243,032	186,736,557	
		<b>262,553,401</b>	<b>201,736,557</b>	
<b>13.00</b>	<b>Investment in Equity Share</b>	10,075,817	896,438	
		<b>10,075,817</b>	<b>896,438</b>	
<b>Sl. No.</b>	<b>Name of Companies</b>	<b>Unit/Qty.</b>	<b>Value at Cost as on 31.12.2021</b>	<b>Market Value as on 31.12.2021</b>
1	BATBC	5,000	3,210,553	3,178,000
2	DUTCHBANGL	2,835	247,184	221,414
3	EGEN	58,099	3,635,641	2,759,703
4	ORIONINFU	35,000	3,693,323	3,041,500
5	SQRPHARMA	4,084	907,989	875,201
	<b>Total</b>	<b>105,018</b>	<b>11,694,690</b>	<b>10,075,817</b>
<b>14.00</b>	<b>Agents Balances</b>			
	Advances to agents	21,713	70,217	
		<b>21,713</b>	<b>70,217</b>	
<b>15.00</b>	<b>Outstanding Premium</b>			
	Premium-First Year	1,382,461	10,916,007	
	Premium-Renewal	6,882,866	13,852,102	
		<b>8,265,327</b>	<b>24,768,109</b>	
<b>16.00</b>	<b>Interest accrued but not due</b>			
	Interest on Government Treasury Bond and FDR (Note No- 16.01)	12,224,325	14,212,504	
		<b>12,224,325</b>	<b>14,212,504</b>	
<b>16.01</b>	<b>Interest on government treasury bond and FDR</b>			
	Opening Balance	14,212,504	21,065,382	
	Add: Interest accrued during the year	9,117,477	11,302,916	
	Less: Received during the year	(11,105,656)	(18,155,794)	
	<b>Closing Balance</b>	<b>12,224,325</b>	<b>14,212,504</b>	
<b>17.00</b>	<b>Advances and deposits</b>			
	<b>Non-current advance</b>			
	Security deposit	2,774,960	2,534,960	
	<b>Current advance</b>			
	Advance Rent	180,200	206,200	
	Sundry Advance	1,826,690	390,790	
	Other Sundry deposits	6,773,836	8,738,338	
	Tax deducted at source	7,641,619	10,697,385	
	Stock of Printing Stationary	-	-	
	Other Misc. Debit Account	-	1,919	
		<b>19,197,306</b>	<b>22,569,591</b>	

Note: 17.01



		Amount in Taka	
		2021	2020
<b>17.01</b>	<b>Tax deducted at source</b>		
	<b>Opening Balance</b>	10,697,385	5,726,069
	Addition During the Year	4,094,103	4,971,316
	Adjustment During the Year	(7,149,869)	-
	<b>Closing Balance</b>	<b>7,641,619</b>	<b>10,697,385</b>
<b>18.00</b>	<b>Bank Balances</b>		
	Short Term Deposits (STD) Accounts (Note No- 18.01)	392,714,509	406,319,247
	Current accounts (Note No- 18.02)	46,312,540	27,321,038
		<b>439,027,049</b>	<b>433,640,285</b>
<b>18.01</b>	<b>Short Term Deposits (STD) Accounts</b>		
	State Bank of India	155,821,250	190,000,000
	FDR	236,893,259	216,319,247
		<b>392,714,509</b>	<b>406,319,247</b>
<b>18.02</b>	<b>Current Accounts</b>		
	Green Delta Security Ltd.	(75)	1,121
	Collection A/C-MTB	15,834,596	57,419
	Premier Bank (SND Account)	50,347	39,192
	Standard Chartered Bank	217,007	102,253
	DBBL-Rocket Account	24,815	198,118
	Portal Payment Collection Account	164,710	1,165
	Brac Bank	801,009	2,947
	Bkash Collection Account	73,323	79,469
	State Bank of India- Corporate Motijheel	23,225,338	16,418,793
	Farmers Bank Ltd.-Gulshan	1,348,549	346,652
	Pubali Bank Ltd-Uttara	1,777,272	7,630,255
	The City Bank Ltd-Narayanganj	195,040	203,053
	State Bank of India-Khulna	287,536	102,163
	Mutual Trust Bank-Jessore	787,674	157,744
	Bank Asia-Agrabad(Chittagong)	343,521	150,560
	State Bank of India-Jubilee (Chittagong)	155,114	251,529
	Mutual Trust Bank-Syhlet	137,084	82,814
	Prime Bank-Bogra	215,172	96,145
	Mutual Trust Bank-Rangpur	227,289	359,880
	Mutual Trust Bank-Rajsahi	70,196	236,603
	Dutch Bangla Bank - Pirozpur	120,299	120,299
	State Bank of India- Branch Motijheel	79,133	614,480
	Bank Account - One Bank Ltd	177,885	68,386
	NAGAD COLLECTION A/C	(295)	-
		<b>46,312,540</b>	<b>27,321,038</b>
<b>19.00</b>	<b>Fixed assets at cost less depreciation</b>		
	Software	261,227	2,496,406
	Electric Installment	1,337,079	1,428,497
	Furniture & Fittings	4,898,442	4,844,008
	Refrig. & air conditioners	1,968,712	2,369,366
	Information Technology (IT) equipments	282,296	139,790
	Renovation/ Modernization	2,556,574	2,731,538
	Telephones	69,953	74,528
	Miscellaneous capital equipment	36,489	42,729
	Audio Visual equipment	5	105,039
	Neon signs, etc.	199,892	227,756
	Voltage stabilizer & UPS	7,405	29,437
		<b>11,618,074</b>	<b>14,489,093</b>
<b>20.00</b>	<b>Right of Use (RoU) Assets</b>		
	Opening Balance	6,735,395	-
	Addition During the Year	31,334,769	17,199,223
	Amortization	(9,419,787)	(10,463,828)
	<b>Closing Balance</b>	<b>28,650,377</b>	<b>6,735,395</b>

	Amount in Taka	
	2021	2020
<b>21.00 Premium less reinsurances</b>		
First Year Premium	39,084,074	40,905,778
Renewal Premium	74,797,637	75,223,563
Group Insurance Premium	23,571,250	15,756,798
<b>Gross Premium</b>	<b>137,452,961</b>	<b>131,886,139</b>
Less: Reinsurance Premium	(7,659,664)	(8,317,899)
<b>Net Premium</b>	<b>129,793,297</b>	<b>123,568,240</b>

<b>22.00 Interest, dividend and rent</b>		
Interest on fixed deposits	29,692,470	37,013,984
Interest on Government Treasury Bond	17,152,077	9,779,004
Dividend on Shares	366,578	-
Capital Gain on Investment	108,077	-
Profit on sale of shares	3,189,622	-
Loss on sales of shares	(1,628,343)	-
	<b>48,880,481</b>	<b>46,792,988</b>

Particulars	Interest realized	Interest accrued	Total
Interest on fixed deposits	23,265,357	6,427,113	29,692,470
Interest on Government Treasury Bond	14,461,713	2,690,364	17,152,077
	<b>37,727,070</b>	<b>9,117,477</b>	<b>46,844,547</b>

<b>23.00 Claim by Death</b>		
Claim by Death Ordinary	2,172,500	1,115,413
Claim by Death P & Gs	14,779,656	22,253,480
	<b>16,952,156</b>	<b>23,368,893</b>

<b>24.00 Commission to Insurance Agents (less reinsurance)</b>		
Commission on First Premium	2,439,665	2,386,447
Commission on 1st Year Renewal Premium	2,733,524	5,856,819
Bonus Commission to Agents	989,924	786,436
Persistency Bonus	42,359	-
Commission on Renewal Premium	5,097,541	5,298,681
Commission on Single Premium	706,671	661,269
Commission Paid to Unit Managers	1,687,236	1,728,691
Commission Paid to Branch Managers	870,149	768,335
P & GS Commission Account -1st Premium - OYRG	786,045	980,267
P & GS Profit Sharing	117,599	266,814
	<b>15,470,712</b>	<b>18,733,758</b>

<b>25.00 Salary and Allowances</b>		
Class 1 Basic Salary	19,526,422	20,257,561
House Upkeep Allowance	2,485,523	1,167,185
House Rent Allowance	3,660,000	3,462,015
Class 1 Conveyance Allowance	612,000	597,435
House Maintenance Allowance	1,284,000	1,250,054
Utility Allowance	428,000	416,617
Tax Relief for Expatriate CL-1	4,449,166	3,730,593
Gratuity - Expatriates	534,276	1,144,623
Leave Encashment - Expatriates	482,656	492,250
Festival Allowance	1,204,500	743,250
Children Educational Allowance	949,564	576,138
Telephone Allowance	783,226	748,752
PF Contribution - Employer	746,950	1,044,402
Medical Expenses CL-1	1,604,040	608,337
Other Staff Amenities	206,291	128,226
Reimbursement Gas Electricity Water Charges	212,107	140,313
Entertainment Expenses	1,056,537	967,914
Newspaper Allowance	317,333	306,258
	<b>40,542,591</b>	<b>37,781,923</b>

		Amount in Taka	
		2021	2020
<b>26.00</b>	<b>Travelling Expenses</b>		
	Travel Expenses Class 1 Offices	268,635	316,694
	Transfer Travelling Expenses	386,344	385,320
		<b>654,979</b>	<b>702,014</b>
<b>27.00</b>	<b>Office Expenses</b>		
	Management Training Expenses	10,550	16,700
	Employees Training Expenses.	17,020	-
	Fire and Other Insurance Premium	387,278	413,560
	Medical Fees	93,659	83,524
	Subscription	212,676	304,852
	Bank Charges Current A/c	724,631	551,619
		<b>1,445,814</b>	<b>1,370,255</b>
<b>28.00</b>	<b>Rent, Rates, Taxes and Maintenances Expenses</b>		
	Rent Rate and Tax Paid - Office	4,949,917	4,526,970
	Amortization of RoU Assets	9,419,787	10,463,828
	Annual Maintenance Fee-Software	2,432,102	2,426,061
	Finance Expense	1,277,948	572,741
	Office Upkeep and Cleaning Mat.	2,863,020	2,776,561
	Sundry Office Equipment Expenses	131,280	93,435
		<b>21,074,054</b>	<b>20,859,596</b>
<b>29.00</b>	<b>Legal and Consultancy Fee</b>		
	Legal Charges	114,125	28,000
	Other Fee as Advisor	4,578,250	1,480,200
		<b>4,692,375</b>	<b>1,508,200</b>
<b>30.00</b>	<b>Publicity Expenses</b>		
	Cost of Diaries and Calendars	599,370	1,011,656
	Other Publicity Expenses	2,711,046	3,505,980
		<b>3,310,416</b>	<b>4,517,636</b>
<b>31.00</b>	<b>Policy Stamp Expenses</b>		
	Policy Stamp	526,990	483,885
	Receipt Stamp	70,277	61,270
		<b>597,267</b>	<b>545,155</b>
<b>32.00</b>	<b>Board Meeting Expenses</b>		
	Director Fee	104,000	8,000
	Board Meeting Expenses	-	788,831
		<b>104,000</b>	<b>796,831</b>
<b>33.00</b>	<b>IDRA Renewal Fee and Trade License Renewal Fee</b>		
	IDRA Renewable Fee	152,685	138,425
	Fee for Filling Returns and Renewal Trade License	137,596	136,510
		<b>290,281</b>	<b>274,935</b>
<b>34.00</b>	<b>Disclosures on reconciliation between Life Fund &amp; Net operating cash flows</b>		
	<b>Addition of Life Fund</b>	<b>49,572,791</b>	<b>40,274,132</b>
	<b>Adjustment for:</b>		
	Depreciation of Property Plant & Equipments	1,227,989	1,309,792
	Amortization of Software	2,235,179	3,239,945
		<b>53,035,959</b>	<b>44,823,869</b>
	<b>Adjustments of Increases / Decreases</b>	<b>26,126,511</b>	<b>(1,598,713)</b>
	Increase / (Decrease) Lease Liability	19,805,080	5,414,499
	Increase / (Decrease) Current Liabilities	5,830,245	(360,031)
	Increase / (Decrease) Premium Deposits	2,227,246	503,632

*[Handwritten signatures]*



Increase / (Decrease) Provision for Income Tax  
(Increase) / Decrease Agents Balances  
(Increase) / Decrease Outstanding Premiums  
(Increase) / Decrease Interest Accruing but not Due  
Increase / (Decrease) Deferred tax Assets  
Increase / (Decrease) RoU Assets  
Increase / (Decrease) Advances and Deposits

Amount in Taka	
2021	2020
1,058,408	7,149,869
-	-
16,502,782	(7,611,330)
1,988,179	6,852,878
(2,742,733)	-
(21,914,982)	(6,735,395)
3,372,286	(6,812,834)
<b>79,162,471</b>	<b>43,225,157</b>

**35.00 Net Asset Value per share (NAV)**

Total Assets (A)  
Total Liabilities (B)  
Net Assets (A-B)  
No. of Shares  
Net Assets Per Value (NAV)

797,133,606	720,363,876
197,133,606	120,363,876
<b>600,000,000</b>	<b>600,000,000</b>
60,000,000	60,000,000
<b>10.00</b>	<b>10.00</b>

**36.00 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, 2021. Details calculations are as follows:

Net Cash Generated From Operating Activities  
Number of Shares  
Net Operating Cash Flow Per Share (NOCFPS)

79,162,471	43,225,156
60,000,000	60,000,000
<b>1.32</b>	<b>0.72</b>

**37.00 Capital expenditure commitment**

There was no capital expenditure commitment entered into by the Company as on December 31, 2021.

**38.00 Contingent liability**

There was no claim against the Company nor acknowledged as debt by the Company as on December 31, 2021.

**39.00 Credit facility available to the Company**

There was no credit facility available to the company under any contract as on December 31, 2021

**40.00 Expenses incurred in foreign currency**

The Company has neither incurred any expense nor earned any income in foreign currency as on December 31, 2021.

**41.00 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	Post employment benefits	Termination benefits
1	Arup Kumar Das (MD & CEO)	2,807,422	P.F @ 6.06% of Basic Salary.	P.F, Gratuity & Group insurance
2	Ajoy Kumar Byahut (CFO)	3,144,695	P.F @ 5.49% of Basic Salary.	P.F, Gratuity & Group insurance
3	Anhijit Bhattacharyya (CMO)	3,144,695	P.F @ 5.49% of Basic Salary.	P.F, Gratuity & Group insurance
4	MR. M.S.Chakravarti (CTO)	2,199,572	P.F @ 4.53% of Basic Salary.	P.F, Gratuity & Group insurance

**42.00 Related party disclosures**

Life Insurance Corporation Bangladesh Limited, in normal course of business, carried out of 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 are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties.

Amount in Taka	
2021	2020

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

SI No.	Name of the Parties	Nature of Relationship	Types of Transaction	Amount of Transaction during the year	Closing Balance
				Addition/ (Adjustment)	
1	Strategic Equity Management Limited	Shareholder	-	-	-
2	Mutual Trust Bank	Shareholder	FDR	-	50,000,000
			Current Account	15,327,255	15,834,596
3	LIC (India)	Shareholder	Software Maintenance Fee	1,910,250	-

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

**43.00 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

29
0
<u>29</u>

**44.00 Date of authorization**

These financial statements were authorized for issue on 18 April 2022 by the board of directors of the Company.

  
Chief Executive officer

  
Director

Director

Chairman



**Life Insurance Corporation (LIC) of Bangladesh Limited**  
**Fixed Assets Schedule**  
**As at December 31, 2021**

Particulars	C o s t			D e p r e c i a t i o n				Carrying amount at 31.12.2021		
	Balance at 01.01.2021	Addition during the period	Adjustment	Total at 31.12.2021	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
<b>Total</b>	<b>19,714,915</b>	<b>592,149</b>	<b>-</b>	<b>20,307,064</b>		<b>7,722,228</b>	<b>1,227,989</b>	<b>-</b>	<b>8,950,217</b>	<b>11,356,847</b>

**Intangible Assets Schedule**

Particulars	C o s t			A m o r t i z a t i o n				Carrying amount at 31.12.2021		
	Balance at 01.01.2021	Addition during the period	Adjustment	Total at 31.12.2021	Rate %	Balance at 01.01.2021	Charge for the year		Adjustment	Total at 31.12.2021
Software	16,199,726	-	-	16,199,726	20%	13,703,320	2,235,179	-	15,938,499	261,227
<b>Total</b>	<b>16,199,726</b>	<b>-</b>	<b>-</b>	<b>16,199,726</b>		<b>13,703,320</b>	<b>2,235,179</b>	<b>-</b>	<b>15,938,499</b>	<b>261,227</b>
										<b>11,618,074</b>



Chief Executive Officer



Director

Chairman





**Life Insurance Corporation (LIC) of Bangladesh Limited**  
**Fixed Assets Schedule**  
**As at December 31, 2020**

Particulars	Cost			Depreciation				Carrying amount at 31.12.2020		
	Balance at 01.01.2020	Addition during the period	Adjustment	Total at 31.12.2020	Rate %	Balance at 01.01.2020	Charge for the year		Adjustment	Total at 31.12.2020
Electric installation	1,828,330	-	-	1,828,330	5%	308,415	91,418	-	399,833	1,428,497
Furniture & fittings	5,806,308	-	-	5,806,308	4%	730,048	232,252	-	962,300	4,844,008
Refrigerator and air conditioners	4,006,540	-	-	4,006,540	10%	1,236,522	400,653	-	1,637,175	2,369,365
Information Technology (IT) equipment	2,926,259	105,668	-	3,031,927	30%	2,719,240	172,897	-	2,892,137	139,790
Renovation/modernization	3,499,250	-	-	3,499,250	5%	592,748	174,964	-	767,712	2,731,538
Telephones	91,500	-	-	91,500	5%	12,397	4,575	-	16,972	74,528
Miscellaneous Capital equipment	46,400	16,000	-	62,400	10%	14,895	4,776	-	19,671	42,729
Audio visual equipment	748,048	-	-	748,048	20%	493,399	149,610	-	643,009	105,039
Neon signs, etc.	283,075	159,097	-	442,172	20%	157,801	56,615	-	214,416	227,756
Voltage stabilizer & UPS	198,440	-	-	198,440	30%	146,971	22,032	-	169,003	29,437
<b>Total</b>	<b>19,434,150</b>	<b>280,765</b>	<b>-</b>	<b>19,714,915</b>		<b>6,412,436</b>	<b>1,309,792</b>	<b>-</b>	<b>7,722,228</b>	<b>11,992,687</b>

**Intangible Assets Schedule**

Particulars	C o s t			Amortization				Carrying amount at 31.12.2020		
	Balance at 01.01.2020	Addition during the period	Adjustment	Total at 31.12.2020	Rate %	Balance at 01.01.2020	Charge for the year		Adjustment	Total at 31.12.2020
Software	16,199,726	-	-	16,199,726	20%	10,463,375	3,239,945	-	13,703,320	2,496,406
<b>Total</b>	<b>16,199,726</b>	<b>-</b>	<b>-</b>	<b>16,199,726</b>		<b>10,463,375</b>	<b>3,239,945</b>	<b>-</b>	<b>13,703,320</b>	<b>2,496,406</b>



## 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, 2021 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**

