

NRB GLOBAL LIFE INSURANCE
COMPANY LIMITED

AZIZ BHABAN (5th FLOOR)
93, MOTIJHEEL COMMERCIAL AREA
DHAKA-1000

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

TKZ Toha Khan Zaman & Co.
Chartered Accountants

Toha Khan Zaman & Co. is an exclusive member of  for accounting services in Bangladesh



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FOR THE YEAR ENDED 31 DECEMBER 2020

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**CONTENTS**

SL. NO.	PARTICULARS	PAGES
1.00	Independent Auditors' Report	1-4
2.00	Statement of Financial Position (Balance Sheet)	5-6
3.00	Statements of Comprehensive Income (Life Revenue Account)	7
4.00	Statement of Life Insurance Fund	8
5.00	Cash Flow Statement	9
6.00	Classified Summary of the Assets in Bangladesh (Form-AA)	10
7.00	Statement of Changes in Equity	11
8.00	Notes to the Financial Statements:	
	↓ Background and Activities of the Companies	12-13
	↓ Significant Accounting Policies	13-16
	↓ Additional Information on Financial Statements	16-17
	↓ Share Capital	17
	↓ Statutory Deposit	18
	↓ Life Insurance Fund	18
	↓ Lease Obligation	18
	↓ Loan from Directors	19
	↓ Short Term Loan	19
	↓ Sundry Creditors	19
	↓ Premium Deposits	20
	↓ Other Deposits	20
	↓ Estimated Liabilities	20
	↓ On Insurance Policies within their Surrender Value	20
	↓ Statutory Deposit with Bangladesh Bank	21
	↓ Investment in FDR	21
	↓ Interest, Dividends & Rents Accruing but not Due	21
	↓ Outstanding Premium	22
	↓ Advances & Deposits	22
	↓ Fixed Assets	22-23
	↓ Cash, Bank and Other Balances	23
	↓ Forms, Stamps and Stationery in Hand	23-24
	↓ Interest, Dividends & Rent	24
	↓ Schedule of Fixed Assets: Annexure – A	25
	↓ Schedule of Expenses of Management: Annexure – B	26
	↓ Schedule of Interest Receivable on Fixed Deposit Receipt (FDR): Annexure – C	27



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
NRB GLOBAL LIFE INSURANCE COMPANY LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion:

We have audited the financial statements of **NRB Global Life Insurance Company Limited (DVC: 2109040264AS895978)**, which comprise the Statement of Financial Position as at 31 December 2020, and the Life Revenue and Profit and Loss and Other Comprehensive Income Account, Statement of Changes in 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 2020, 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), the Securities and Exchange Rules 1987 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 our audit of the financial statements of the current period. We do not provide a separate opinion on these matters. We have nothing to report in this regard.

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.

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

Reporting on 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 directors are responsible for the other information.

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. We have nothing to report in this regard.

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 judgment and maintain professional skepticism throughout the audit. We also:

- a. 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.





- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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.
- e. 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 2010, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, 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, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c. 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;

- d. The information and explanations required by us have been received and found satisfactory;
- 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 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;
- g. The expenditure was incurred for the purpose of the Company's business; and
- h. The company has complied with relevant laws and regulations pertaining to reserves.

Dated, Dhaka
08 August 2021

(Toha Khan Zaman & Co.)
Chartered Accountants
DVC: 2109040264AS895978





NRB GLOBAL LIFE INSURANCE COMPANY LIMITED			
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER 2020			
PARTICULARS	NOTE	31-12-2020	31-12-2019
CAPITAL AND LIABILITIES:			
Share Capital:			
Authorized Capital (1,00,000,000 Ordinary shares of Tk.10 each)	4.01	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, Subscribed and Paid-up Capital:			
18,000,000 Ordinary Shares of Tk.10 each, Called and Paid-up in Full	4.02	180,000,000	180,000,000
Statutory Deposit	5.00	15,000,000	15,000,000
Balance of Funds and Accounts:			
Life Insurance Fund	6.00	1,670,230	(11,136,979)
Non-Current Liability:			
Lease Obligation	7.00	0	211,039
Liabilities and Provisions:			
Loan from Directors	8.00	378,328	1,078,328
Short Term Loan	9.00	0	2,510,900
Sundry Creditors	10.00	5,014,376	4,984,914
Premium Deposit	11.00	443,670	4,316
Other Deposits	12.00	1,675,108	1,309,638
Estimated Liabilities	13.00	3,798,411	1,774,750
Amount Due to Other Person-Reinsurance Premium		1,112,053	471,388
Total Liabilities:		12,421,946	12,134,234
Total Capital and Liabilities:		209,092,176	196,208,294
PROPERTY AND ASSETS:			
Investment:			
On Insurance Policies within their Surrender Value	14.00	109,800	29,800
Statutory Deposit with Bangladesh Bank	15.00	16,000,000	16,000,000
Investment in FDR	16.00	155,003,920	149,003,920
Interests, Dividends & Rents Accruing but not Due (Annexure -C)	17.00	7,437,718	5,610,514
Other Assets:			
Outstanding Premium	18.00	3,000,000	3,000,000

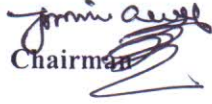


NRB GLOBAL LIFE INSURANCE COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET) AS AT 31 DECEMBER 2020

PARTICULARS	NOTE	31-12-2020	31-12-2019
Advance & Deposits	19.00	12,010,609	11,119,457
Fixed Assets (at Cost less Accumulated Depreciation)	20.00	3,845,887	7,178,634
Total Other Assets:		18,856,496	21,298,091
Cash, Bank and Other Balances:			
Cash in Hand	21.02	3,630,321	1,032,411
On Current and SND Account with Banks	21.03	7,678,135	2,792,363
Total Cash, Bank and Other Balances:	21.00	11,308,456	3,824,774
Forms & Stationery in Hand	22.00	375,786	441,195
Total Property and Assets:		209,092,176	196,208,294

- 1.00 Annexed notes form part of the accounts.
- 2.00 Figures have been rounded off to the nearest taka.
- 3.00 Previous year's figure has been rearranged for comparison.


Chairman


CEO


Director


Director

Signed in terms of our separate report of even date annexed.


Dated, Dhaka
08 August 2021

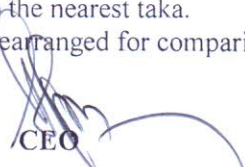

(Toha Khan Zaman & Co.)
Chartered Accountants
DVC: 2109040264AS895978





NRB GLOBAL LIFE INSURANCE COMPANY LIMITED			
LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPRESSIVE INCOME ACCOUNT			
FOR THE YEAR ENDED 31 DECEMBER 2020			
PARTICULARS	NOTE	2020	2019
Balance of Fund at the beginning of the year as shown in the Balance Sheet 01 January 2020		(11,136,979)	(21,904,446)
Prior year adjustment		366,914	0
Premium less Re-Insurance:			
First year Premium (ILP)		95,127,632	67,530,975
Renewal Premium (ILP)		32,718,150	20,223,260
Group Insurance Premium		2,713,032	1,289,050
Gross Premium:		130,558,814	89,043,285
Less: Re-Insurance Premium		1,015,243	925,626
Net Premium:		129,543,571	88,117,659
Add: Interest, Dividends & Rent	23.00	15,481,672	20,480,058
Total Revenue:		134,255,178	86,693,271
Claim under Policies		5,873,848	3,683,496
Expenses of Management	Annex-B	122,281,087	89,052,091
Other Expenses:			
Depreciation on Fixed Assets	Annex-C	4,430,013	5,094,665
Total Expenses:		132,584,948	97,830,251
Balance of Life Insurance Fund at the end of the year 31 December 2020		1,670,230	(11,136,979)
First year premium, where the maximum premium paying period is:			
Single		5,666,100	4,052,411
Ten years		0	3,219,543
Twelve Years & Above		89,461,532	60,259,021

1.00 Annexed notes form part of the accounts.
2.00 Figures have been rounded off to the nearest taka.
3.00 Previous year's figure has been rearranged for comparison.


Chairman



CEO


Director

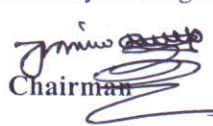

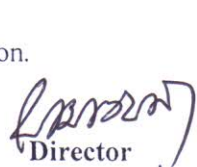


Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka
08 August 2021


 (Toha Khan Zaman & Co.)
Chartered Accountants
DVC: 2109040264AS895978



NRB GLOBAL LIFE INSURANCE COMPANY LIMITED		
STATEMENT OF LIFE INSURANCE FUND FOR THE YEAR ENDED 31 DECEMBER 2020		
PARTICULARS	2020	2019
ASSETS:		
On Insurance Policies within their Surrender Value	109,800	29,800
Outstanding Premium	3,000,000	3,000,000
Investment (Including Statutory Deposit)	16,000,000	16,000,000
Interest, Dividends & Rent Accruing but not Due	7,437,718	5,610,514
Advances & Deposits	12,010,609	11,119,457
Cash in Hand and SND & Current Accounts	11,108,456	3,824,774
Investment in FDR	155,003,920	149,003,920
Forms, Stamps and Stationery in Hand	375,786	441,195
Fixed Assets (At Cost less Accumulated Depreciation)	3,845,887	7,178,634
Total Assets:	208,892,176	196,208,294
LIABILITIES:		
Sundry Creditors	4,814,376	5,195,953
Premium Deposit	443,670	4,316
Other Deposits	1,675,108	1,309,638
Estimated Liabilities	3,798,411	1,774,750
Short Term Loan	0	2,510,900
Amount Due to Other Person- Reinsurance Premium	1,112,053	471,388
Total Liabilities:	11,843,618	11,266,945
GROSS FUND (ASSETS – LIABILITIES):	197,048,558	184,941,349
Less:		
Paid up Capital	180,000,000	180,000,000
Loan from Sponsors	378,328	1,078,328
Statutory Deposit	15,000,000	15,000,000
Sub-Total:	195,378,328	196,078,328
Life Insurance Fund as at 31 December 2020:	1,670,230	(11,136,979)
<p>1.00 Annexed notes form part of the accounts. 2.00 Figures have been rounded off to the nearest taka. 3.00 Previous year's figure has been rearranged for comparison.</p>		
 Chairman	 CEO	 Director
Signed in terms of our separate report of even date annexed.		
Dated, Dhaka 08 August 2021		 Director (Toha Khan Zaman & Co.) Chartered Accountants DVC: 2109040264AS895978





NRB GLOBAL INSURANCE COMPANY LIMITED		
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020		
PARTICULARS	2020	2019
A. OPERATING ACTIVITIES:		
Collection of Premium	130,619,111	89,070,067
Interest Received	13,654,468	17,955,718
Payment for Re-Insurance, Management Expenses and Others	(116,900,667)	(89,028,189)
Advance and Deposits Made	(2,480,518)	(2,913,956)
Other Deposits	365,470	263,240
Reinsurance Premium Payment	0	(273,386)
Death Claim Paid	(552,473)	(732,500)
Policy Loan	(80,000)	(10,000)
Survival Claim Paid	(2,901,143)	(2,928,940)
Surrender Claim	(85,487)	(362,388)
Tax Paid	(2,476,772)	0
Vat Paid	(1,526,478)	0
Net Cash Flow from Operating Activities Taka:	17,635,511	11,039,666
B. INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(1,019,086)	(1,261,972)
Investment Made	0	(1,000,000)
Disposal of Fixed Assets	0	1,400,000
Net Cash Flow from Investing Activities Taka:	(1,019,086)	(861,972)
C. FINANCING ACTIVITIES:		
Loan from Sponsor Directors	(700,000)	(1,000,000)
Short term Loan	(2,221,705)	(2,727,729)
Lease Rent Payment	(211,038)	(1,705,648)
Net Cash Flow from Financing Activities Taka:	(3,132,743)	(5,433,377)
D. NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	13,483,682	4,744,317
E. Opening Cash and Bank Balances:	152,828,694	148,084,377
F. Closing Cash and Bank Balances:	166,312,376	152,828,694
<p>1.00 Annexed notes form part of the accounts. 2.00 Figures have been rounded off to the nearest taka.</p>		
<p>Signed in terms of our separate report of even date annexed.</p>		
<p>Dated, Dhaka 08 August 2021</p>		
<p><i>(Signature)</i> Chairman</p> <p><i>(Signature)</i> CEO</p> <p><i>(Signature)</i> Director</p> <p><i>(Signature)</i> Director</p> <p><i>(Signature)</i> Taha Khan Zaman</p> <p>(Toha Khan Zaman & Co.) Chartered Accountants DVC: 2109040264AS895978</p>		





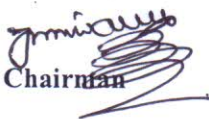
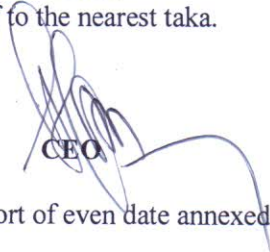


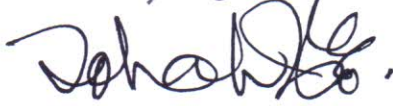
NRB GLOBAL LIFE INSURANCE COMPANY LIMITED
FORM – AA

CLASSIFIED SUMMARY OF THE ASSETS IN BANGLADESH
AS AT 31 DECEMBER 2020

PARTICULARS	Book Value Tk.	Market Value Tk.	Remarks
NAME OF ASSETS:			
Investment in Govt. Securities (Statutory Deposit)	16,000,000	16,000,000	At cost
Fixed Deposits with Banks	155,003,920	155,003,920	Realizable value
Cash in Hand and SND & Current Account in Banks	11,308,456	11,308,456	Realizable value
Interest, Dividends and Rents either Outstanding or Accrued but not Due	7,437,718	7,437,718	Realizable value
Policy Loan	109,800	109,800	Realizable value
Outstanding Premium	3,000,000	3,000,000	Realizable value
Fixed Assets	3,845,887	3,845,887	Realizable value
Advances & Deposits	12,010,609	12,010,609	Realizable value
Forms, Stamps and Stationary in Hand	375,786	375,786	Realizable value
Total Taka:	209,092,176	209,092,176	

Note: Certificate under section 7 (a) of part of the first schedule to the Insurance Act, 1938 as amended. Certified that the value of all assets have been reviewed that the said costs have been set forth in the balance Sheet at amounts not exceeding their realizable or market value.



NRB GLOBAL LIFE INSURANCE COMPANY LIMITED			
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020			
Particulars	Share Capital	Retained Earnings	Total
FY 2020:			
Opening Balance 1 st January 2020	180,000,000	0	180,000,000
Add: Additional during the year	0	0	0
Closing Equity as at 31 December 2020	180,000,000	0	180,000,000
FY 2019:			
Opening Balance 1 st January 2019	180,000,000	0	180,000,000
Add: Additional during the year	0	0	0
Closing Equity as at 31 December 2019	180,000,000	0	180,000,000
1.00 Annexed notes form part of the accounts. 2.00 Figures have been rounded off to the nearest taka.			
 Chairman		 CEO	
Signed in terms of our separate report of even date annexed.		 Director	
		 Director	
Dated, Dhaka 08 August 2021		 (Toha Khan Zaman & Co.) Chartered Accountants DVC: 2109040264AS895978	





NRB GLOBAL LIFE INSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1.00 BACKGROUND OF THE COMPANY:

1.01 Legal form of the Company:

“NRB Global Life Insurance Company Limited” is a public limited company by shares, incorporated under The Companies Act 1994 vide Registration No.C-110921/13 dated 26 August 2013 and Insurance Development and Regulatory Authority vide Registration No. Life 05/2013 dated 05 September 2013. The Registered Office of the Company is located at Aziz Bhaban (5th Floor), 93 Motijheel C/A, Dhaka-1000.

1.02 Nature of the Business Activities:

- a. To carry on in Bangladesh and any part of the world, all kinds of life insurance business whether individual or including pension, superannuation, health, accident etc.: and generally every kind of insurance and reinsurance business relating to life whether now or hereafter to be devised and to issue policy, or to enter into any agreement with any other institutions for its business purpose with the permission of the Insurance Development and Regulatory Authority, hereinafter referred to as IDRA, under Insurance Act, 2010 and Rules made there under.
- b. To grant life annuities of all kinds; to make payment, to collect etc. sinking fund, redemption, discount fund, renewal fund, endowment fund and other special funds from leaseholder, investment acceptor, investor, annuity acceptor and others and to enter into agreement by ascertaining annual premium or by considering other mutual acceptable terms; to enter into control of insurance or counter reinsurance with any other life or reinsurance company and to take responsibility of all concerned reinsurance or counter insurance to do all necessary actions regarding these types of insurance counter insurance. To make payment of any demand arising out of insurance policy issued by the company.
- c. To act as agent for all any life Insurance Company; to act as agents for issuing of and to guarantee the subscription of any bills, bonds, debentures, stock, whether or not offered to public for subscription and to act as trustee, receiver, executor or administrator and to undertake trusts of all kind and to conduct any business connected with trusts of any description or the estates of deceased person and to act in safe custody of those properties.
- d. To provide right to anybody related to all or any insurer of company; to participate in any transactions and to take special benefit in the funds of the company, or any debenture of any branch of the company. To purchase, take on loose or in exchange, hire or otherwise acquire, comply with any agreement, any property, rights, privilege, concession which the Company is authorized to acquire, exercise at price, terms and conditions; to enter into arrangement for sharing profits, union of interests with anybody. To take or acquire, and hold shares in any other company having similar objects, to enter any arrangements with and take benefit from Government or any authorities; to construct, purchase, sell, maintain, alter, decorate, improve and building or works for this company.



- e. To invest and deal with the monies of the Company in such manner prescribed in the Insurance Act 2010; to borrow or raise or secure the payment of money; to remunerate anybody for rendering services of its business; to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments; to sell or dispose of the undertaking of the Company or any part thereof for consideration, to sell, improve, manage, exchange, lease, mortgage, transfer or do similar activities of any asset or right or benefit of the company; to distribute property or any asset of the company among its members.
- f. To be registered or acknowledged as company in abroad and to do all or any of the above things in any part of Bangladesh or other part of the world as principals, agents, contractors, trustees, or otherwise and either alone or in conjunction with others; to do all other activities for serving the above mentioned purposes and activities with prior permissions, license etc. of Insurance Development and Regulatory Authority and other authorities as required under the laws as applicable.
- g. To carry with business in accordance with provision of the Insurance Act, 2010 and its time to time amendment and any present and previous rules applicable according to the Insurance Act 2010 under Insurance Development & Regulatory Authority Bangladesh (IDRA).
- h. To attain the business Objectives Company may enter into Partnership, Joint-venture, take over or amalgamate with any other company and also to take Loans from Bank/other Financial Institutions in such a manner as may company thinks fit.
- i. To mortgage the property and assets of the company as securities for loans and/or any credit facilities to be given to any associate company or companies or third party and also to give guarantee securing liabilities of such associate company or companies/or third party.

2.00 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation and Presentation of the Financial Statements:

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standard (IFRS) and relevant schedule of the Companies Act, 1994, the Securities & Exchange Rules, 1987 as amended and relevant circular & directives of Securities and Exchange Commission following Generally Accepted Accounting Principles (GAAP) applicable in Bangladesh.

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted bases as provided in the "Frame work for the preparation and presentation of financial statement" issued by the International Accounting Standards Board (IASB) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The Statement of Financial Position (Balance Sheet) has been prepared in accordance with the regulations contained in Part I of the First Schedule and as per Form 'A' as set forth in Part II of that Schedule and the Revenue Account of Life Insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per Form 'D' as set forth in Part II of that Schedule of the Insurance Act, 1938 as amended in the Insurance Act, 2010.



2.02 Fixed Assets:

a. Valuation of Cost of Fixed Assets:

These are capitalized at cost of acquisition less accumulated depreciation in compliance with the International Accounting Standards (IAS-16). The cost of acquisition of assets comprises its purchase price and any directly attributable cost to its working condition. Details of fixed assets are shown in Annexure-B.

b. Repair & Maintenance Expenses:

Normal repair & maintenance expenses of assets charged to management expenses of Life Revenue Account.

c. Depreciation:

Depreciation of fixed assets has been charged on straight-line method. Rate of depreciation on fixed assets are given below. Full year depreciation is charged on opening balance and half-year depreciation is charged on additions to fixed asset for the year under audit. Details are shown in

Annexure- B.

Category of Fixed Assets	Rate of Depreciation
Furniture & Fixtures	10%
Electrical Equipment	20%
Office Renovation	20%
Computer	20%
Office Equipment	20%
Motor Vehicles	15%

d. Disposal of fixed assets:

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.

2.03 Investment:

Investments are made in accordance with the provision of Insurance Act, 1938 as amended in 2010 and stated in the accounts at their cost of acquisition and details are shown in Note-15.00 & Note-16.00

2.04 Stock of Forms, Stamp & Stationeries:

Stock of Forms, Stamp & Stationeries as at 31 December 2020 valued at cost or realizable value whichever is less and is shown in Note-22.00

2.05 Going Concern:

As per IAS-I para25, 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.



2.06 Revenue Recognition:

a. Premium:

First Year Premium: The gross amount of first year premium against various insurance policies, which were approved by the Insurance Development and Regulatory Authority (IDRA), accounted for in the revenue account on the basis of policies issued and premium received during the year.

b. Interest, Dividends & Rents:

Investment Income: Interest income on investments is recognized on accrual basis using effective interest rate as per IFRS-15 "Revenue from Contracts with Customers."

c. Management Expenses:

Management Expenses (Annexure-C) inclusive of Commissions, Salaries, Office Rent and Training expenses, etc. have been charged to revenue account.

Commission:

i. Agent Commission:

Commission to Insurance Agents (Less Re-insurance) represents first year Commission.

ii. Allowances & Commission (Other than Agent Commission):

Allowance and Commission (Other than Commission to Insurance Agents less Re-insurance) represent Field Officers' Salaries and Allowances including Various Incentives and Expenses.

2.07 Cash Flows Statement:

Cash Flow Statement is prepared in accordance with IAS-7 and Cash Flow from operating activities have been presented under direct method as outlined in the Part-III of Securities and Exchange Rules, 1987 as amended which was added by the notification no SEC/Section 7/SER/03/132 dated 29.12.97 of SEC.

2.08 Statement of Changes in Equity:

The Statement of Changes in Equity is prepared in accordance with IAS-1: "Presentation of Financial Statements".

2.09 Provision for liabilities:

According to IAS-37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.10 Related Party Disclosures:

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 information as required by IAS 24: Related party disclosures. No Related party transaction was made during the year under audit.

2.11 Implementation relevant assumptions and disclosures of IFRS 16:

Financial Reporting Principles IFRS 16: Leases effective from annual periods beginning on or after January 01, 2019 has significantly changed how a company accounts for its lease contracts.

