



FIRST QUARTER CONSOLIDATED FINANCIAL STATEMENTS-2021 OF NATIONAL LIFE INSURANCE COMPANY LTD. & ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2021

PARTICULARS	NOTE	31.03.2021 AMOUNT IN TAKA	31.12.2020 AMOUNT IN TAKA
CAPITAL AND LIABILITIES:			
SHARE HOLDERS' CAPITAL			
AUTHORISED			
200,000,000 Ordinary Shares of Tk.10/- each		2,000,000,000	2,000,000,000
ISSUED, SUBSCRIBED AND PAID-UP			
108,521,981 Ordinary Shares of Tk.10/- each		1,085,219,810	1,085,219,810
RETAINED EARNINGS (NLI SECURITIES LTD.)		304,330,419	279,694,438
NON-CONTROLLING INTEREST(NLI SECURITIES LTD.)		18,525,285	17,794,729
BALANCE OF FUND AND ACCOUNTS			
LIFE INSURANCE FUND			
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS		40,245,220,272	40,074,779,288
FAIR VALUE CHANGES ACCOUNT		115,824,251	111,958,909
LIABILITIES AND PROVISIONS :		(235,547,533)	(172,889,686)
Estimated liabilities in respect of outstanding Claims whether due or intimated		1,615,269,115	3,728,537,017
Premium Deposits		142,717,241	153,217,284
Sundry Creditors		3,853,108,773	4,281,237,798
TOTAL CAPITAL AND LIABILITIES		5,611,095,129	8,162,992,099
PROPERTY & ASSETS		47,144,667,633	49,559,549,587
LOANS			
Policy Loan(On Insurers' Policies within their surrender value)		598,125,607	569,116,213
Other Loans		95,349,954	97,124,630
INVESTMENTS		693,475,561	666,240,843
Statutory Deposit with Bangladesh Bank(BGTB)		15,000,000	15,000,000
Bangladesh Govt. Treasury Bond		13,669,900,000	13,679,945,225
Shares, Bonds, Mutual Funds and Debentures		5,632,295,262	5,640,170,863
DSE MEMBERSHIP (NLI SECURITIES LTD.)		19,317,195,262	19,335,116,088
OUTSTANDING PREMIUMS		240,150,000	240,150,000
INTEREST, DIVIDEND AND RENTS ACCRUING BUT NOT DUE		-	2,581,671,180
ADVANCE, DEPOSITS AND PREPAYMENTS		1,085,814,011	1,135,154,057
SUNDRY DEBTORS		2,166,788,020	2,134,608,834
CASH, BANK & OTHER BALANCES :		1,051,096,858	968,467,362
Fixed Deposit with Banks & Financial Institutions		17,932,400,000	17,682,502,249
STD, SND and CD Account with Banks		2,285,541,484	2,424,004,864
Cash in Hand		8,997,824	3,986,313
Imprest Fund with Organisational Offices		119,870,391	118,047,281
OTHER ACCOUNTS :		20,346,809,699	20,228,540,707
Policy stamps in hand		940,250	1,025,635
Printing and Stationery in hand		4,324,720	7,517,726
Freehold Land & Land Development (at cost)		1,198,987,548	1,198,987,548
Land, Building & Fixed Other Assets at NLI Tower		229,680,670	231,826,834
Other Fixed Assets (At cost less Depreciation)		809,405,034	830,248,773
TOTAL PROPERTY & ASSETS		47,144,667,633	49,559,549,587

CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (Un-Audited) FOR THE FIRST QUARTER ENDED ON MARCH 31, 2021

PARTICULARS	NOTE	Jan to March 2021 Taka	Jan to March 2020 Taka
BALANCE OF FUND AT THE BEGINNING OF THE YEAR		40,074,779,288	36,992,608,321
BALANCE OF RETAINED EARNINGS AT THE BEGINNING OF THE YEAR		279,694,438	229,411,142
PREMIUM LESS RE-INSURANCE			
First Year Premium			
Ordinary Life		423,082,048	154,254,670
Jana Bima		156,492,277	56,379,280
Islami Takaful		67,402,422	24,556,890
National Pension Deposit Insurance		26,767,400	23,565,500
Renewal Premium		673,744,147	258,756,340
Ordinary Life		311,575,726	272,905,269
Jana Bima		265,982,072	397,600
Islami Takaful		40,561,350	23,562,790
National Pension Deposit Insurance		83,993,892	525,800
Gross Premium		702,113,040	297,391,459
Group Life Insurance Premium		18,522,250	17,825,740
		1,394,379,437	573,973,539
Less: Re-Insurance Premium		3,865,342	2,015,360
Net Premium		1,390,514,095	571,958,179
INTEREST, DIVIDEND & RENTS			
		851,478,107	836,318,375
OTHER INCOME :			
Late Fee		-	12,576,980
Brokerage Commission(NLI Securities Ltd.)		24,194,022	13,896,093
Miscellaneous		390,942	341,000
		24,584,964	26,814,073
Total Taka		42,621,050,892	38,657,110,090
CLAIMS UNDER POLICIES			
(Including provision for claim due or intimated) less Re-Insurance			
By Death		101,847,614	58,234,543
By Maturity		1,188,825,763	831,223,650
By Survival		134,093,900	360,530,780
By Surrenders		33,238,025	24,367,589
By Others		8,056,706	14,393,667
Annulity less Re-Insurance		1,466,062,008	1,288,750,229
EXPENSES OF MANAGEMENT			
Commission			
(a) Commission to Insurance agent (Less that on Re-Insurance)		141,937,620	59,560,435
(b) Allowances and Commission (Other than Commission in sub-item(a) above)		87,369,097	35,644,865
		229,306,717	95,205,300
Salaries etc.(other than of agents & those contained in the allowances & commission)		233,111,496	249,216,855
Office Rent		15,286,854	16,242,038
Travelling and conveyance		5,010,554	3,430,962
Directors' Fees		153,000	180,000
Medical Expenses for Policy Holders		1,374,010	3,486,756
Training Expenses		2,969,333	1,297,659
Legal & Professional Fees		57,250	112,250
Advertisement and Publicity		2,493,815	3,820,884
Printing and Stationery		4,151,962	5,940,799
Fuel Expenses		4,905,483	7,125,282
Transportation Expenses		86,858	198,760
Insurance Expenses (General)		351,221	795,450
Insurance Policy Stamp Expenses		7,074,314	2,587,565
Meeting Expenses		299,452	753,007
Telephone, Internet and Fax bill		2,326,988	2,872,811
Gas, Water and Electricity bill		4,032,037	4,157,760
Postage and Courier Bill		558,899	1,237,105
Revenue Stamps		2,449,332	1,856,050
Rates, Taxes and VAT		843,715	1,245,650
Freight and Carriage		246,770	149,508
Bank charges		3,482,580	3,895,398
Cleaning and Washing		982,900	1,205,675
News paper and Periodicals		146,579	228,520
Canteen Expenses		707,309	1,015,257
Fees and Subscription		1,117,188	1,139,888
Business Conference Expenses		7,884,524	4,322,478
Entertainment Expenses		976,483	545,030
Business Development Expenses		9,189,234	9,336,627
Hospitalization Expenses		1,158,343	1,485,828
Repairs & Maintenance		13,650,877	13,413,814
Contribution to Employees Provident Fund		9,921,239	9,726,551
Donation & Corporate Social Responsibility		417,500	578,900
		337,418,099	353,601,117
OTHER EXPENSES		566,724,816	448,806,417
Income Tax		4,536,575	1,947,466
Share Value Fluctuation Expenses(NLI Securities Ltd)		2,674,688	918,075
Finance Charge Against Lease Liability as per IFRS 16		1,677,074	1,065,780
National Insurance Day		2,011,840	-
Depreciation on NLI Tower & Other Fixed Assets		27,082,644	30,753,914
DIVIDEND		37,982,821	34,685,235
Non Controlling Interest (NLI Securities Ltd.)		730,556	688,566
Balance of Retained Earnings at the end of the year (NLI Securities Ltd.)		304,330,419	252,631,105
Balance of Fund at the end of the year as shown in the Balance Sheet		42,621,050,892	38,657,110,090

Date: 28 July 2021

Md. Abdul Wahab Mian
Company Secretary

Probir Chandra Das, FCA
Chief Financial Officer

Md. Kazim Uddin
Chief Executive Officer

Air Cdre (Retd) Md. Abu Bakar, FCA
Director

Morshed Alam
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2021

	31.03.2021 TAKA	31.03.2020 TAKA
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from premium	3,965,550,574	2,965,065,566
Other income received	200,092	26,183,430
Interest, dividend & rents	1,021,289,031	916,260,774
Payment for claims, annuities & surrenders	(3,579,329,910)	(2,718,691,948)
Payment for operating activities	(510,998,485)	(798,642,650)
Income Tax paid	(98,471,502)	(105,642,875)
Net cash flows from operating activities	798,239,800	284,532,297
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disbursement of policy loan	(29,009,394)	(66,316,910)
Realisation of policy loan	60,820,350	51,568,390
Disbursement of home & other loan	(982,935)	(568,345)
Realisation of home & other loans	2,757,611	4,245,890
Investment made	(714,593,554)	(694,593,554)
Acquisition of fixed assets	1,037,114	(6,845,426)
	-	-
Net cash used in investing activities	(679,970,808)	(712,509,955)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend paid & other financing	-	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	118,268,992	(427,977,658)
Cash and cash equivalents at the beginning of the year	20,228,540,707	19,907,259,693
Cash and cash equivalents at the closing of the year	20,346,809,699	19,479,282,035

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED ON MARCH 31, 2021

Particulars	Atributable to the equity holders of NLI Co. Ltd.			Non-controlling interest	Total
	Share Capital	Retained earnings	Total		
As on January 01, 2021	30,000,000	1,055,219,810	1,364,914,248	17,794,729	1,382,708,977
Addition during the quarter	-	24,635,981	24,635,981	730,556	25,366,537
Equity as at March 31, 2021	30,000,000	1,055,219,810	1,389,550,229	18,525,285	1,408,075,514

FOR THE FIRST QUARTER ENDED ON MARCH 31, 2020

Particulars	Atributable to the equity holders of NLI Co. Ltd.			Non-controlling interest	Total
	Share Capital	Retained earnings	Total		
As on January 01, 2020	30,000,000	1,055,219,810	1,314,630,951	16,303,420	1,330,934,371
Addition during the quarter	-	23,219,964	23,219,964	688,566	23,908,530
Equity as at March 31, 2020	30,000,000	1,055,219,810	1,337,850,915	16,991,986	1,354,842,901

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER (Q1) ENDED ON MARCH 31, 2021

- Company and its Activities**
1.01 **Legal status and nature of the company:**
National Life Insurance Company Limited was incorporated on 12th February 1985 under the Companies Act, 1913 and obtained Certificate of Commencement of Business on that date from the Registrar of Joint Stock Companies and Firms of Bangladesh and the Certificate of Commencement of Insurance from the Chief Controller of Insurance, Government of the Peoples Republic of Bangladesh on 23rd April, 1985. The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Registered office of the company is situated at its own Building at NLI TOWER, 54, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215.
- Nature of Business:**
The company is engaged in the Life Insurance Business and at present it's schemes are as under:
A) Individual Life Insurance
i) Ordinary Life
ii) Jana Bima
iii) Islami Takaful
iv) National Pension Deposit Insurance
B) Group Life Insurance
C) Personal Accidental Insurance
- Components of the Financial Statements**
The financial statements include the following components:
a) Balance Sheet
b) Life Revenue Account
c) Statement of Cash Flows
d) Statement of Changes in Equity
e) Notes to the Financial Statement
- Significant Accounting Policies**
4.01 **Basis of preparation of Financial Statements.**
The financial statements have been prepared on accrual basis of accounting, under Historical Cost Convention as a Going Concern (IAS-1) since there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future. It is mentioned here that the management do not see any issue with respect to going concern due to recent pandemic COVID-19.
The interim accounts have been prepared using the same accounting policies as those adopted in the accounts for the financial year 31 March, 2021 and there have been no changes in those policies since then.
Previously reported interim periods figures have been restated to confirm to current periods presentation where necessary.
- Statements of Compliance**
The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:
a) The Insurance Act, 2010
b) The Insurance Act, 1938
c) The Insurance Rules, 1958
d) The Companies Act, 1994
e) The Bangladesh Securities and Exchange Rules, 1987
f) The Income Tax ordinance, 1984
g) The Listing Regulations of Dhaka and Chittagong Stock Exchanges
h) The International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).
i) Prevention of Money Laundering Act, 2012 and Anti Terrorism Act, 2009 (Amended in 2013) of Bangladesh Financing of Terrorism.
j) Any other applicable Laws, Regulations, Covenants and Conventions etc.
- Basis of Reporting**
This quarterly financial statements has been prepared based on International Accounting Standards (IAS) -34: Interim Financial Reporting.
These interim financial reporting should be read in conjunction with the published financial statements for the year ended 31 March, 2021 as those provide some updates to the previously reported information.
- Basis of Consolidation**
The Financial Statements of the company & its subsidiary have been consolidated in accordance with International Financial Reporting Standard (IFRS) -10, "Consolidated Financial Statement". The financial statements of NLI Securities Ltd. have been fully reflected to the Consolidated Financial Statements.
- SHARES, MUTUAL FUNDS & BONDS:**
According to IDRA circular No. Life -04/2012 dated 11 June, 2012 the value of Shares, Mutual Funds & Bonds have been shown at fair value based on their quoted market price.
- Depreciation on Fixed Assets (IAS-16)**
i) Depreciate of fixed assets is computed using diminishing balance method, in amounts sufficient to write off over their useful lives. Rate of depreciation varying from 5% to 33.33%.
ii) The cost of an acquisition of an assets comprises at purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.
iii) Depreciation on addition to Fixed Assets has been calculated from the month of its acquisition to the date of Balance Sheet.
iv) Land is not depreciated considering the unlimited life.
v) Gains and losses on disposals of Assets if any, are included in current year's Revenue Account.
vi) Methods and rates of computing depreciations are consistently applied under reducing Balance Methods unless otherwise reviewed.
As per IFRS 16, Right-of-Use (ROU) Assets are depreciated on straight line basis over the lease term.
- Events after the reporting period**
As per IAS 10 "Events after the reporting period" events after balance sheet date are those events, favorable and unfavorable that occur between the end of the reporting period and the date when the financial statements are authorised for issue. There were no material events have occurred after the reporting period which could affect the values stated in the financial statements.
- Comparative information**
Comparative information has been disclosed in respect of the year ended 2020 and/or for the period ended March 31, 2021 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.
- Statement of Cash flows**
Cash flows Statement is prepared on Direct Method in accordance with International Accounting Standard IAS-7 "Cash Flow Statement". Cash flows from Operating Activities have been presented under Direct Method as outlined in the Bangladesh Securities and Exchange Rules 1987.
- Cash & cash equivalents**
Cash and cash equivalents comprise of Cash in hand, Cash at banks including Fixed deposits and other balances which are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.