



National Life Insurance Company Ltd.

Head Office: NLI Tower, 54-55 Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215, Phone: 58151271, 58151089, 58151490

FIRST QUARTER CONSOLIDATED FINANCIAL STATEMENTS-2022 OF NATIONAL LIFE INSURANCE COMPANY LTD. & ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION) UN-AUDITED AS AT MARCH 31, 2022

PARTICULARS	Amount in Taka 31.03.2022	Amount in Taka 31.12.2021
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.)	413,063,412	384,255,008
NON-CONTROLLING INTEREST(NLI SECURITIES LTD.)	21,750,069	20,895,783
BALANCE OF FUND AND ACCOUNTS		
LIFE INSURANCE FUND	44,058,688,636	43,859,746,669
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON		
INSURANCE BUSINESS		
FAIR VALUE CHANGES ACCOUNT	156,586,500	150,271,968
LIABILITIES AND PROVISIONS :	12,342,922	(29,401,862)
Estimated liabilities in respect of outstanding Claims whether due or intimated	1,822,461,138	3,152,739,277
Premium Deposits	142,296,307	142,596,308
Sundry Creditors	4,234,424,471	4,814,712,672
	6,199,181,916	8,110,048,257
TOTAL CAPITAL AND LIABILITIES	51,946,833,265	53,581,035,633
PROPERTY & ASSETS		
LOANS		
Policy Loan(On Insurers' Policies within their surrender value)	699,993,626	665,003,861
Other Loans	84,987,585	87,825,811
	784,981,211	752,829,672
INVESTMENTS		
Statutory Deposit with Bangladesh Bank(BGTB)	15,000,000	15,000,000
Bangladesh Govt. Treasury Bond	14,505,606,775	14,467,718,445
Shares, Bonds,Mutual Funds and Debentures	6,171,429,982	6,126,973,828
	20,692,036,757	20,609,692,274
STOCK EXCHANGES MEMBERSHIP (NLI SECURITIES LTD.)		
	270,150,000	270,150,000
OUTSTANDING PREMIUMS		
	1,058,756,924	1,147,873,402
INTEREST, DIVIDEND AND RENTS ACCRUING BUT NOT DUE		
	2,590,543,485	2,510,030,843
SUNDRY DEBTORS		
	1,068,734,966	1,066,881,677
CASH, BANK & OTHER BALANCES :		
Fixed Deposit with Banks & Financial Institutions	20,862,500,000	20,571,957,348
STD, SND and CD Account with Banks	2,227,024,213	1,500,505,583
Cash in Hand	7,255,179	2,993,728
Imprest Fund with Organisational Offices	103,672,750	126,940,381
	23,200,452,142	22,202,397,040
OTHER ACCOUNTS :		
Policy stamps in hand	954,210	420,610
Printing and Stationery in hand	4,514,807	8,506,080
Freehold Land & Land Development (at cost)	1,199,437,548	1,199,437,548
At cost less Depreciation	230,775,685	221,951,421
Other Fixed Assets (At cost less Depreciation)	845,495,530	840,401,441
	51,946,833,265	53,581,035,633

CONSOLIDATED LIFE REVENUE ACCOUNT (CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME) UN-AUDITED FOR THE 1st QUARTER ENDED ON MARCH 31, 2022

PARTICULARS	Amount in Taka JAN-MAR'22	Amount in Taka JAN-MAR'21
BALANCE OF FUND AT THE BEGINNING OF THE YEAR		
BALANCE OF RETAINED EARNINGS AT THE BEGINNING OF THE YEAR	43,859,746,669	40,474,779,288
PREMIUM LESS RE-INSURANCE	384,255,008	279,694,438
First Year Premium		
Ordinary Life	527,279,000	423,082,048
Jana Bima	197,139,029	156,492,277
Islami Takaful	72,181,464	67,402,422
National Pension Deposit Insurance	48,346,072	26,767,400
	844,945,565	673,744,147
Renewal Premium		
Ordinary Life	783,389,283	311,575,726
Jana Bima	312,972,675	265,982,072
Islami Takaful	62,795,369	40,561,350
National Pension Deposit Insurance	107,309,947	83,993,892
	1,246,467,274	702,113,040
Group Life Insurance Premium	20,424,413	18,522,250
Gross Premium	2,111,837,252	1,394,379,437
Less: Re-Insurance Premium	6,314,532	3,865,342
Net Premium	2,105,522,720	1,390,514,095
INTEREST, DIVIDEND & RENTS		
	886,078,961	851,478,107
OTHER INCOME :		
Profit on Sale of Fixed Assets	14,090	-
Brokerage Commission(NLI Securities Ltd.)	34,831,629	24,194,022
Miscellaneous	450,923	390,942
	35,296,642	24,584,964
Total Taka	47,270,900,000	42,621,050,892
CLAIMS UNDER POLICIES		
(Including provision for claim due or intimated) less Re-Insurance		
By Death	107,378,251	101,847,614
By Maturity	1,656,192,800	1,188,825,763
By Survival	207,821,175	134,093,900
By Surrenders	38,232,794	33,238,025
By Others	12,961,363	8,056,706
	2,022,586,383	1,466,062,008
Annuity less Re-Insurance	140,750	-
EXPENSES OF MANAGEMENT		
Commission		
(a) Commission to Insurance agent (Less that on Re-Insurance)	206,326,500	141,937,620
(b) Allowances and Commission (Other than Commission in sub-item(a) above)	133,045,747	87,369,097
	339,372,246	229,306,717
Salaries etc.(other than of agents & those contained in the allowances & commission)	255,783,821	233,111,496
Office Rent	16,230,954	15,286,854
Gratuity	-	-
Travelling and conveyance	6,539,043	5,010,554
Directors' Fees	392,000	153,000
Medical Expenses for Policy Holders	2,281,353	1,374,010
Training Expenses	7,411,070	2,969,333
Legal & Professional Fees	100,000	57,250
Advertisement and Publicity	3,495,186	2,493,815
Printing and Stationery	4,660,485	4,151,962
Fuel Expenses	5,091,621	4,905,483
Transportation Expenses	96,898	86,858
Insurance Expenses (General)	623,927	351,221
Company Registration Renewal fee	950,375	-
Insurance Policy Stamp Expenses	9,378,896	7,074,314
Meeting Expenses	597,859	299,452
Telephone, Internet and Fax bill	2,421,038	2,326,988
Gas, Water and Electricity bill	3,354,774	4,032,037
Postage and Courier Bill	567,925	558,899
Revenue Stamps	2,481,310	2,449,332
Rates, Taxes and VAT	1,237,058	843,715
Freight and Carriage	248,819	246,770
Bank charges	3,519,386	3,482,580
Cleaning and Washing	997,465	982,900
News paper and Periodicals	173,129	146,579
Canteen Expenses	785,743	707,309
Fees and Subscription	1,105,688	1,117,188
Business Conference Expenses	8,304,598	7,884,524
Entertainment Expenses	969,863	976,483
Business Development Expenses	12,448,797	9,189,234
Hospitalization Expenses	1,252,345	1,158,343
Repairs & Maintenance	7,102,680	7,416,579
Brokerage Expenses	10,251,864	6,234,298
Contribution to Employees Provident Fund	10,470,901	9,921,239
Donation & Corporate Social Responsibility	3,357,000	417,500
	384,683,871	337,418,099
OTHER EXPENSES	724,056,117	566,724,816
Income Tax	5,814,269	4,536,575
Share Value Fluctuation Expenses	-	2,674,688
National Insurance Day Expenses	2,325,777	2,011,840
Unified Messaging Platform (UMP) Expenses	8,858,605	-
Finance Charge Against Lease Liability as per IFRS 16	1,695,320	1,677,074
Depreciation on NLI Tower & Other Fixed Assets	32,816,445	27,082,644
	51,510,416	37,982,821
Non Controlling Interest (NLI Securities Ltd.)	854,285	730,556
Balance of Retained Earnings at the end of the year (NLI Securities Ltd.)	413,063,412	304,330,419
Balance of Fund at the end of the year as shown in the Balance Sheet	44,058,688,636	40,245,220,272
Total Taka	47,270,900,000	42,621,050,892

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 1st QUARTER ENDED ON MARCH 31, 2022

PARTICULARS	Amount in Taka 31.03.2022	Amount in Taka 31.03.2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from premium	4,862,000,877	3,965,550,574
Other income received	35,296,642	200,092
Interest, dividend & rents	975,195,439	1,021,289,031
Payment for claims, annuities & surrenders	(3,353,005,272)	(3,579,329,910)
Payment for operating activities	(1,434,763,100)	(510,998,485)
Income Tax paid	(14,398,298)	(98,471,502)
Net cash flows from operating activities	1,070,326,288	798,239,800
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disbursement of policy loan	(80,343,624)	(29,009,394)
Realisation of policy loan	45,353,859	60,820,350
Disbursement of home & other loan	(359,190)	(982,935)
Realisation of home & other loans	3,197,416	2,757,611
Investment made	(4,988,902)	(714,593,554)
Acquisition of fixed assets	(35,130,745)	1,037,114
Disposal of fixed assets	-	-
Net cash used in investing activities	(72,271,186)	(679,970,808)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend paid & other financing	-	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	998,055,101	118,268,992
Cash and cash equivalents at the beginning of the year	22,202,397,040	20,228,540,707
Cash and cash equivalents at the closing of the year	23,200,452,142	20,346,809,699

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1st QUARTER ENDED ON MARCH 31, 2022

Particulars	Atributable to the equity holders of NLI Co. Ltd.			Non-controlling interest	Total	
	Share Capital	Retained earnings	Total			
As on January 01, 2022	30,000,000	1,055,219,810	384,255,008	1,469,474,818	20,895,783	1,490,370,601
Addition during the year	-	28,808,405	28,808,405	854,285	-	29,662,690
Less Dividend Paid (NLI Sec. Ltd.)	-	-	-	-	-	-
Equity as on March 31, 2022	30,000,000	1,055,219,810	413,063,412	1,498,283,222	21,750,069	1,520,033,291

FOR THE 1st 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	279,694,438	1,364,914,248	17,794,729	1,382,708,977
Addition during the year	-	-	24,635,981	24,635,981	730,556	25,366,537
Less Dividend paid (NLI Sec. Ltd.)	-	-	-	-	-	-
Equity as on March 31, 2021	30,000,000	1,055,219,810	304,330,419	1,389,550,229	18,525,285	1,408,075,514

SOME SELECTIVE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 1st QUARTER ENDED ON MARCH 31, 2022

- Company and its Activities**
- 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**
- 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 term March 31, 2022 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, 1994
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 1st quarter ended on March 31, 2022 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) Depreciation 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 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 1st Quarter ended on March 31, 2021 and/or for the 1st Quarter ended on March 31, 2022 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.

Date: June 16, 2022

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