

HALF YEARLY (Q2) CONSOLIDATED FINANCIAL STATEMENTS-2021 OF NATIONAL LIFE INSURANCE COMPANY LTD. & ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT 30 JUNE, 2021

PARTICULARS	NOTE	30.06.2021 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.)		340,750,373	279,694,438
NON-CONTROLLING INTEREST(NLI SECURITIES LTD.)			
		19,605,284	17,794,729
BALANCE OF FUND AND ACCOUNTS			
LIFE INSURANCE FUND			
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS		124,507,129	111,958,909
FAIR VALUE CHANGES ACCOUNT		40,049,193	(172,889,686)
LIABILITIES AND PROVISIONS :			
Estimated liabilities in respect of outstanding Claims whether due or intimated		1,572,456,320	3,728,537,017
Premium Deposits		125,864,560	153,217,284
Sundry Creditors		4,322,458,650	4,281,237,798
		6,020,779,530	8,162,992,099
TOTAL CAPITAL AND LIABILITIES		48,837,397,763	49,559,549,587
PROPERTY & ASSETS			
LOANS			
Policy Loan(On Insurers' Policies within their surrender value)		625,449,429	569,116,213
Other Loans		93,220,263	97,124,630
		718,669,692	666,240,843
INVESTMENTS			
Statutory Deposit with Bangladesh Bank(BGTB)		15,000,000	15,000,000
Bangladesh Govt.Treasury Bond		14,026,000,000	13,679,945,225
Shares, Bonds,Mutual Funds and Debentures		5,788,992,616	5,640,170,863
		19,829,992,616	19,335,116,088
DSE MEMBERSHIP (NLI SECURITIES LTD.)			
OUTSTANDING PREMIUMS		240,150,000	240,150,000
INTEREST, DIVIDEND AND RENTS ACCRUING BUT NOT DUE		757,865,584	2,581,671,180
ADVANCE, DEPOSITS AND PREPAYMENTS		1,187,052,487	1,135,154,057
SUNDRY DEBTORS		2,232,793,618	2,134,608,835
		1,078,794,546	968,467,362
CASH, BANK & OTHER BALANCES :			
Fixed Deposit with Banks & Financial Institutions		18,946,700,000	17,682,502,249
STD, SND and CD Account with Banks		1,488,873,932	2,424,004,864
Cash in Hand		8,422,997	3,986,313
Imprest Fund with Organisational Offices		114,745,980	118,047,281
		20,558,742,910	20,228,540,707
OTHER ACCOUNTS :			
Policy stamps in hand		820,369	1,025,635
Printing and Stationery in hand		9,265,870	7,511,726
Freehold Land & Land Development (at cost)		1,198,987,548	1,198,987,548
Land, Building & Fixed Other Assets at NLI Tower		226,669,028	231,826,834
Other Fixed Assets (At cost less Depreciation)		797,593,496	830,248,773
TOTAL PROPERTY & ASSETS		48,837,397,763	49,559,549,587

CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED ON 30 JUNE, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	30.06.2021 TAKA	30.06.2020 TAKA
Collection from premium	5,256,784,066	3,822,521,149
Other income received	1,184,074	40,488,846
Interest, dividend & rents	2,228,726,618	2,191,859,328
Payment for claims, annuities & surrenders	(3,861,535,247)	(3,859,103,195)
Payment for operating activities	(1,570,467,369)	(1,664,856,870)
Income Tax paid	(119,626,502)	(157,642,365)
Net cash flows from operating activities	1,935,065,640	373,266,893
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disbursement of policy loan	(108,323,543)	(106,468,204)
Realisation of policy loan	53,383,464	72,356,486
Disbursement of home & other loan	(2,150,977)	(3,034,892)
Realisation of home & other loans	6,055,344	6,431,392
Investment made	(1,543,892,457)	(1,914,935,129)
Acquisition of fixed assets	(9,935,268)	(9,418,780)
Disposal of fixed assets	-	-
Net cash used in investing activities	(1,604,863,437)	(1,955,069,127)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend paid & other financing	-	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	330,202,203	(1,581,802,234)
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	20,558,742,910	18,325,457,459

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2ND QUARTER ENDED ON JUNE 30, 2021

Particulars	Atributable to the equity holders of NLI Co. Ltd.				Non-controlling interest	Total
	Share Capital		Retained earnings	Total		
	Paid in cash	Bonus				
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			61,055,935	61,055,935	1,810,555	62,866,490
Equity as on June 30, 2021	30,000,000	1,055,219,810	340,750,373	1,425,970,183	19,605,284	1,445,575,467

FOR THE 2ND QUARTER ENDED ON JUNE 30, 2020

Particulars	Atributable to the equity holders of NLI Co. Ltd.				Non-controlling interest	Total
	Share Capital		Retained earnings	Total		
	Paid in cash	Bonus				
As on January 01,2020	30,000,000	1,055,219,810	229,411,141	1,314,630,951	16,303,420	1,330,934,371
Addition during the year			28,073,263	28,073,263	832,485	28,905,748
Equity as on June 30, 2020	30,000,000	1,055,219,810	257,484,404	1,342,704,214	17,135,905	1,359,840,119

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED ON JUNE 30, 2021

- 1.00 **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 it's own Building at NLI TOWER, 54, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215.
- 2.00 **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
- 3.00 **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
- 4.00 **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 term 30 June, 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.
- 4.02 **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.
- 5.00 **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 30 June, 2021 as those provide more updates to the previously reported information.
- 6.00 **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.
- 7.00 **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.
- 8.00 **Depreciation on Fixed Assets (IAS-16)**
i) Deprecian 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.
- 9.00 **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.
- 10.00 **Comparative information**
Comparative information has been disclosed in respect of the year ended 2020 and/or for the period ended June 30, 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.
- 11.00 **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.
- 12.00 **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.

CONSOLIDATED LIFE REVENUE ACCOUNT (UN - AUDITED) FOR THE HALF YEAR ENDED ON JUNE 30, 2021

Particulars	Half year ended		Quarter ended	
	JAN-JUN'2021	JAN-JUN'2020	APR-JUN'2021	APR-JUN'2020
	TAKA	TAKA	TAKA	TAKA
BALANCE OF FUND AT THE BEGINNING OF THE YEAR	40,074,779,288	36,992,608,321	40,245,220,272	36,631,548,538
BALANCE OF RETAINED EARNINGS AT THE BEGINNING OF THE YEAR	279,694,438	229,411,142	304,330,419	252,631,105
PREMIUM LESS RE-INSURANCE				
First Year Premium				
Ordinary Life	702,219,785	300,143,470	279,137,737	145,888,800
Jana Bima	358,495,370	157,010,569	202,003,093	100,631,289
Islami Takaful	136,549,577	41,170,212	68,147,155	16,613,322
National Pension Deposit Insurance	109,048,800	59,459,300	82,281,400	35,893,800
	1,306,313,532	557,783,551	632,569,385	299,027,211
Renewal Premium				
Ordinary Life	1,206,047,945	1,178,569,320	894,472,219	905,664,051
Jana Bima	602,539,760	187,546,890	336,557,688	187,149,290
Islami Takaful	94,543,862	112,045,698	53,982,512	88,482,908
National Pension Deposit Insurance	209,740,500	92,645,876	125,746,608	92,120,076
	2,112,872,067	1,570,807,784	1,410,759,027	1,273,416,325
Gross Premium	3,419,185,599	3,149,371,334	2,623,345,312	2,300,320,120
Group Life Insurance Premium	3,460,331,194	2,169,724,195	2,065,951,757	1,595,750,656
Less: Re-Insurance Premium	12,548,220	11,645,860	8,682,878	9,630,500
Net Premium	3,447,787,974	2,158,078,335	2,057,268,879	1,586,120,156
INTEREST, DIVIDEND & RENTS	1,729,122,117	1,560,302,283	877,644,010	723,983,908
OTHER INCOME :				
Profit on Sale of Fixed Assets	-	25,689,648	-	12,771,668
Brokerage Commission(NLI Securities Ltd.)	70,111,398	14,799,198	45,917,376	903,105
Miscellaneous	1,492,754	-	1,101,812	-
	71,604,152	40,488,846	47,019,188	13,674,773
Total Taka	45,602,982,969	40,980,888,927	43,531,482,768	39,207,958,480
CLAIMS UNDER POLICIES				
(Including provision for claim due or intimated) less Re-Insurance				
By Death	174,059,733	107,632,381	72,212,119	49,397,838
By Maturity	1,621,408,353	1,630,160,636	728,002,153	798,936,986
By Survival	787,017,450	644,097,315	652,923,350	283,596,535
By Surrenders	56,452,512	30,534,649	23,214,487	6,187,060
By Others	16,516,502	11,716,416	8,459,796	(2,677,251)
	2,655,454,550	2,424,141,397	1,484,812,105	1,135,391,168
EXPENSES OF MANAGEMENT				
Commission				
(a) Commission to Insurance agent (Less that on Re-Insurance)	352,302,254	225,005,823	210,364,634	165,445,388
(b) Allowances and Commission (Other than Commission in sub-item(a) above)	588,229,443	358,004,492	338,922,726	262,799,192
Salaries etc.(other than of agents & those contained in the allowances & commission)	517,336,776	512,840,852	284,225,280	263,623,997