HIMALAYAN REINSURANCE LIMITED

Quarterly Financial Results for (Third Quarter) F.Y. 2080/81

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Unaudited	Audited
	At the end of this Quarter	At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	42,139,195	12,977,916
Property and Equipment	61,007,561	64,854,238
Investment Properties	-	-
Deferred Tax Assets	36,476,992	9,817,353
Investment in Subsidiaries	-	-
Investment in Associates	226,882,376	226,882,375
Investments	15,915,071,995	9,553,942,720
Loans	-	-
Reinsurance Assets	814,846,925	574,871,451
Current Tax Assets	25,189,814	-
Insurance Receivables	2,300,948,154	1,545,682,628
Other Assets	1,236,885,170	787,303,227
Other Financial Assets	186,401,306	45,142,424
Cash and Cash Equivalent	537,250,549	95,049,391
Total Assets	**21,383,100,036**	**12,916,523,722**
Equity:		
Share Capital	10,000,000,000	7,000,000,000
Share Application Money Pending Allotment	-	-
Share Premium	3,180,000,000	-
Special Reserves	921,120,165	455,565,765
Catastrophe Reserves	93,473,498	46,918,058
Retained Earnings	775,089,347	427,626,128
Other Equity	27,481,216	18,151,301
Total Equity	**14,997,164,226**	**7,948,261,252**
Liabilities:		
Provisions	12,691,045	16,364,228
Gross Insurance Contract Liabilities	5,906,667,258	4,501,947,085
Deferred Tax Liabilities	-	-
Insurance Payable	-	20,015,410
Current Tax Liabilities	-	134,704,144
Borrowings	-	-
Other Liabilities	160,011,530	168,072,500
Other Financial Liabilities	306,565,977	127,159,102
Total Liabilities	**6,385,935,810**	**4,968,262,470**
Total Equity and Liabilities	**21,383,100,036**	**12,916,523,722**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Current Year - Unaudited		Corresponding Previous Year - Unaudited	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	1,554,621,959	3,796,778,577	853,811,233	1,763,271,720
Premiums Ceded	59,739,152	305,844,650	78,894,300	204,510,013
Net Earned Premiums	**1,494,882,807**	**3,490,933,927**	**774,916,933**	**1,558,761,707**
Commission Income	-	-	-	-
Other Direct Income	8,916,943	8,916,943	-	122,497,396
Income from Investments and Loans	293,955,307	767,241,427	186,524,339	560,821,290
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	5,605,165	5,900,453	(23,313)	-
Total Income	**1,803,360,222**	**4,272,992,749**	**961,417,959**	**2,242,080,393**
Expenses:				
Gross Claims Paid	416,788,419	1,054,304,720	105,508,323	247,261,501
Claims Ceded	-	-	-	-
Gross Change in Contract Liabilities	713,599,167	788,230,651	233,173,742	576,223,077
Change in Contract Liabities Ceded to Reinsurers	259,370,842	239,975,474	-	-
Net Claims Incurred	**871,016,745**	**1,602,559,897**	**338,682,066**	**823,484,578**
Commission & Brokerage Expenses	332,881,594	888,035,744	258,746,585	501,975,010
Service Fees	10,920,919	30,736,986	7,601,100	29,238,883
Other Direct expenses	12,409,927	28,536,793	(1,936,811)	1,714,573
Employee Benefits Expenses	77,450,158	230,157,548	99,576,959	154,764,268
Depreciation and Amortization Expenses	18,056,081	30,681,321	4,063,680	12,112,463
Impairment Losses	-	-	-	-
Other Operating Expenses	47,683,486	168,311,556	22,486,601	55,490,525
Finance Cost	1,902,675	1,902,675	-	
Total Expenses	**1,372,321,584**	**2,980,922,520**	**729,220,180**	**1,578,780,300**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**431,038,638**	**1,292,070,229**	**232,197,779**	**663,300,093**
Share of Net Profit of Associates accounted using Equity Method	-	-		
Profit Before Tax	**431,038,638**	**1,292,070,229**	**232,197,779**	**663,300,093**
Income Tax Expenses	129,311,591	360,961,430	69,659,334	198,990,028
Net Profit/(Loss) For The Year	**301,727,047**	**931,108,800**	**162,538,445**	**464,310,065**
Earning Per Share				
Basic EPS		12.41		8.84
Diluted EPS		12.41		8.84

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Current Year - Unaudited		Corresponding Previous Year - Unaudited	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	301,727,047	931,108,800	162,538,445	464,310,065
Other Comprehensive Income	(61,624,163)	(62,205,824)	-	-
Total Comprehensive Income	**240,102, 884**	**868,902,975**	**162,538,445**	**464,310,065**

OTHER DETAILS

Particulars	Current Year - Unaudited	Previous Year - Unaudited
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count (Only for Non Life and Non Micro Life)		
2. Total Renewed Policy Count (Only for Non Life and Non Micro Life)		
3. Total Claims Paid Count		
4. Outstanding Claims Count		
5. Long Term Investments (Amount)	10,315,476,450	7,219,474,000
6. Short Term Investments (Amount)	4,789,755,250	1,844,955,000

Note:

1. The above figures are unaudited and subject to change after audit finalization.
2. The total issued policy count, Total Renewed Policy Count, Total Claims Paid Count and Outstanding Claims Count is not applicable to a reinsurance company hence, not disclosed.

Disclosure as per Section 84(3) of Insurance Act, 2079

1. Solvency Ratio related disclosure: 2.06 (FY 2079/80).
2. Reinsurance related disclosure: The Company has made adequate retrocession arrangement to cover the risks assumed.
3. Details regarding legal proceeding:There are no legal cases filed against or by the Company.
4. Corporate Governance: The Company has complied with the Corporate Governance Directive issued by Nepal Insurance Authority.
5. The Company has complied with other applicable laws and directives issued by the regulatory bodies.

Disclosure as required by other regulatory bodies and Nepal Financial Reporting Standards

Publication of Information as Required by Securities Registration and Issuance Regulations, 2073 (Related to Schedule-14)

1. Financial Statement

a) Statements of Financial Position and statement of Profit and Loss, Statement of Other Comprehensive Income for the quarterly period are published herewith.

b) Key Financial Ratios

Earnings per share (annualized Rs.)	12.41
P.E. Ratio	49.15
Net worth per share (Rs.)	149.97
Value of total assets per share (Rs.)	213.83

2. Managerial Analysis

a) The company has earned gross insurance premiums of Rs. 4,413 million by the end of Chaitra, the third quarter of 2080-081. The company has also generated income from investment by allocating the collected premium and reserved funds in the areas specified by the insurance authority.

b) The company has adopted the strategy of consolidating the domestic business and is taking steps in establishing itself in International market to enhance the inflow of overseas business.

3. Details of legal proceedings

No legal disputes arising from business dealings were initiated in this period.

4. Analysis of Share Transactions of Organized Institutions

Quarterly period share transaction details (Source Nepal Stock Exchange Ltd. website: www.nepalstock.com)

Maximum price (Rs.)	731.00
Minimum price (Rs.)	507.70
Final price (Rs.)	610.20
Total days of transaction	58
Number of transactions	635,729
Transaction amount (Rs.)	14,334,006,416

5. Problems and challenges

The economic recession has adversely affected the overall insurance sector. As the larger proportion of the business currently is from domestic market, the continuity of the recession might have some impact on the company for short period of time till the company establishes itself in the international market.

6. Corporate governance

The company adheres to the principles of good corporate governance. The company considers corporate governance as a means of ensuring business and operational excellence with commercialism and transparency. The company follows the prevailing law, the guidelines issued by the Insurance Authority, and the suggestions of the auditor in its work.

7. Declaration of the Chief Executive Officer on accuracy and completeness

I am aware for the accuracy of the information and details presented in this report. I also affirm that the details presented in this report are truthful, factual and complete and no details, information and information necessary for investors to make an informed decision have been concealed.