HIMALAYAN REINSURANCE LIMITED

Quarterly Financial Results for (Third Quarter), F.Y. 2081/82

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Group		Reinsurance	
	At the end of this Quarter (Audited)	At the end of Immediate Previous Year (Audited)	At the end of this Quarter (Audited)	At the end of Immediate Previous Year (Audited)
Assets:				
Goodwill & Intangible Assets	32,215,989	39,987,199	31,799,341	39,550,983
Property and Equipment	82,885,320	101,398,121	59,212,138	59,248,076
Investment Properties	-	-	-	-
Deferred Tax Assets	39,824,290	130,812,501	38,249,477	128,361,771
Investment in Subsidiaries	1,050,000,000		1,050,000,000	1,050,000,000
Investment in Associates	229,820,529	229,820,529	229,820,529	229,820,529
Investments	17,739,311,363	16,636,240,831	17,608,851,363	16,476,240,831
Loans	25,479,685	29,763,794	25,479,685	29,763,794
Reinsurance Assets	427,559,750	298,023,735	427,559,750	298,023,735
Current Tax Assets	-	-	-	-
Insurance Receivables	2,048,603,596	1,727,824,507	2,048,603,596	1,727,824,507
Other Assets	709,719,688	787,548,173	859,619,688	766,306,279
Other Financial Assets	1,219,363,717	801,093,267	1,161,346,133	132,593,267
Cash and Cash Equivalent	985,623,250	621,741,691	979,078,161	391,635,449
Total Assets	**24,590,407,178**	**21,404,254,347**	**24,519,619,862**	**21,329,369,221**
Equity:				
Share Capital	10,400,000,000	10,400,000,000	10,400,000,000	10,400,000,000
Share Application Money Pending Allotment	-	-	-	-
Share Premium	3,122,706,316	3,122,706,316	3,122,706,316	3,122,706,316
Special Reserves	1,635,732,001	1,057,026,502	1,635,732,002	1,057,026,502
Catastrophe Reserves	164,934,681	107,064,131	164,934,681	107,064,131
Retained Earnings	1,030,205,823	514,344,801	1,028,939,726	519,678,885
Other Equity	365,060,653	135,151,185	365,060,653	135,151,185
Non Controlling Interest	50,422,032	49,046,946	-	-
Total Equity	**16,769,061,506**	**15,385,339,882**	**16,717,373,377**	**15,341,627,020**
Liabilities:				
Provisions	16,362,672	16,360,235	16,362,672	16,360,235
Gross Insurance Contract Liabilities	6,958,931,996	5,387,022,733	6,958,931,996	5,387,022,733
Deferred Tax Liabilities	-	-	-	-
Insurance Payable	146,652,026	110,964,465	146,652,026	110,964,465
Current Tax Liabilities	225,296,542	97,712,223	225,908,255	97,937,204
Borrowings	-	-	-	-
Other Liabilities	111,002,314	201,424,326	91,291,415	171,083,966
Other Financial Liabilities	363,100,122	205,430,484	363,100,122	204,373,597
Total Liabilities	**7,821,345,672**	**6,018,914,465**	**7,802,246,485**	**5,987,742,201**
Total Equity and Liabilities	**24,590,407,178**	**21,404,254,347**	**24,519,619,862**	**21,329,369,221**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Particulars	Group				Reinsurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:								
Gross Earned Premiums	1,958,969,517	4,465,673,112	-	-	1,958,969,517	4,465,673,112	1,554,621,959	3,796,778,577
Premiums Ceded	(71,558,379)	(284,763,197)	-	-	(71,558,379)	(284,763,197)	(59,739,152)	(305,844,650)
Net Earned Premiums	**1,887,411,138**	**4,180,909,915**	**-**	**-**	**1,887,411,138**	**4,180,909,915**	**1,494,882,807**	**3,490,933,927**
Commission Income	-	-	-	-	-	-	-	-
Other Direct Income	9,650,071	98,159,414	-	-	9,650,071	98,159,414	8,916,943.37	8,916,943.37
Income from Investments and Loans	269,826,400	916,315,293	-	-	269,863,020	914,170,716	293,955,306.72	767,241,426.66
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-
Other Income	4,072,303	13,312,050	-	-	3,638,707	9,422,138	5,605,164.99	5,900,452.66
Total Income	**2,170,959,913**	**5,208,696,672**	**-**	**-**	**2,170,562,936**	**5,202,662,183**	**1,803,360,222**	**4,272,992,749**
Expenses:								
Gross Claims Paid	636,224,861	1,315,342,712	-	-	636,224,861	1,315,342,712	416,788,419.20	1,054,304,719.54
Claims Ceded	-	-	-	-	-	-	-	-
Gross Change in Contract Liabilities	534,935,429	1,095,721,215	-	-	534,935,429	1,095,721,215	713,599,167.19	788,230,651.27
Change in Contract Liabities Ceded to Reinsurers	(70,919,718)	(129,536,015)	-	-	(70,919,718)	(129,536,015)	259,370,841.84	239,975,473.66
Net Claims Incurred	**1,100,240,572**	**2,281,527,912**	**-**	**-**	**1,100,240,572**	**2,281,527,912**	**871,016,745**	**1,602,559,897**
Commission Expenses	381,850,952	883,017,403	-	-	381,850,952	883,017,403	332,881,594	888,035,744
Service Fees	12,756,402	36,374,418	-	-	12,756,402	36,374,418	10,920,919	30,736,986
Other Direct expenses	46,969,739	63,942,250	-	-	46,969,739	63,942,250	12,409,927	28,536,793
Employee Benefits Expenses	88,685,600	283,172,070	-	-	86,923,465	273,901,989	77,450,158	230,157,548
Depreciation and Amortization Expenses	9,520,753	27,922,522	-	-	10,020,980	27,695,379	18,056,081	30,681,321
Impairment Losses	-	-	-	-	-	-	-	-
Other Operating Expenses	57,381,843	157,571,554	-	-	52,742,843	149,631,270	47,683,486	168,311,556
Finance Cost	576,557	1,874,209	-	-	413,738	1,234,099	1,902,675	1,902,675
Total Expenses	**1,697,982,417**	**3,735,402,337**	**-**	**-**	**1,691,918,691**	**3,717,324,720**	**1,372,321,584**	**2,980,922,520**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**472,977,496**	**1,473,294,335**	**-**	**-**	**478,644,245**	**1,485,337,464**	**431,038,638**	**1,292,070,229**
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-	-	-	-	-
Profit Before Tax	**472,977,496**	**1,473,294,335**	**-**	**-**	**478,644,245**	**1,485,337,464**	**431,038,638**	**1,292,070,229**
Income Tax Expenses	96,356,325	496,033,286			96,356,325	496,033,286	129,311,591	360,961,430
Net Profit/(Loss) For The Year	**376,621,171**	**977,261,049**	**-**	**-**	**382,287,920**	**989,304,178**	**301,727,047**	**931,108,800**
Earning Per Share								
Basic EPS		12.53	-	-		12.68		12.41
Diluted EPS		12.53	-	-		12.68		12.41

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Net Profit/(Loss) For The Year	366,669,903	977,261,049	-	-	372,336,652	989,304,178	301,727,047	931,108,800
Other Comprehensive Income	(251,549,665)	227,994,909	-	-	(232,200,066)	210,262,019	-	(62,205,824)
Total Comprehensive Income	**115,120,238**	**1,205,255,958**	**-**	**-**	**140,136,586**	**1,199,566,197**	**301,727,047**	**868,902,975**

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count		
2. Total Renewed Policy Count		
3. Total Claims Paid Count		
4. Outstanding Claims Count		
5. Long Term Investments (Amount)	-	13,037,932,600
6. Short Term Investments (Amount)	-	5,545,544,450

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

1. Solvency Ratio related disclosure: 352% (FY 2080/81).
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.)	12.53
P.E. Ratio	80.73
Net worth per share (Rs.)	161.24
Value of total assets per share (Rs.)	236.45

2. Managerial Analysis
   a) The company has earned gross insurance premiums of Rs. 4,941 million by the end of Chaitra, the third quarter of 2081-082. 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.)	1,156.00
Minimum price (Rs.)	787.00
Final price (Rs.)	1011.41
Total days of transaction	56
Number of transactions	195,776
Transaction amount (Rs.)	24,544,163,718

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.