HIMALAYAN REINSURANCE LIMITED

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Quarterly Financial Results for (Third Quarter), F.Y. 2082/83

Unaudited	Unaudited	Unaudited	Unaudited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Group		Reinsurance	
	At the end of this Quarter	At the end of Immediate Previous Year	At the end of this Quarter	At the end of Immediate Previous Year
Assets:				
Goodwill & Intangible Assets	36,288,957	33,002,568	33,751,482	29,232,034
Property and Equipment	99,023,967	96,673,747	79,057,233	74,451,927
Investment Properties	-	-	-	-
Deferred Tax Assets	640,964,205	278,015,493	637,420,691	276,440,680
Investment in Subsidiaries	-	-	1,050,000,000	1,050,000,000
Investment in Associates	113,700,165	113,645,638	113,700,165	113,645,638
Investments	16,119,760,093	19,029,636,778	16,118,756,816	18,903,615,342
Loans	16,070,114	25,224,030	16,070,114	25,224,030
Reinsurance Assets	563,716,167	299,042,072	563,716,167	299,042,072
Current Tax Assets	220,710,303	-	220,710,303	-
Insurance Receivables	1,632,037,432	1,589,452,666	1,632,037,432	1,589,452,666
Other Assets	4,484,294,455	1,636,147,533	3,354,345,934	736,147,533
Other Financial Assets	415,423,843	448,953,271	415,423,843	400,419,031
Cash and Cash Equivalent	1,539,440,200	316,463,671	1,532,546,057	284,864,474
Total Assets	**25,881,429,900**	**23,866,257,466**	**25,767,536,236**	**23,782,535,426**
Equity:				
Share Capital	10,868,000,000	10,868,000,000	10,868,000,000	10,868,000,000
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	2,019,322,233	1,966,807,720	2,019,322,233	1,966,807,721
Catastrophe Reserves	203,293,705	198,042,253	203,293,705	198,042,253
Retained Earnings	714,798,562	832,821,770	691,613,989	827,654,778
Other Equity	- 583,414,351	- 184,809,115	- 583,414,351	- 184,809,115
Non Controlling Interest	57,728,191	51,722,330		
Total Equity	**16,402,434,655**	**16,855,291,274**	**16,321,521,891**	**16,798,401,952**
Liabilities:				
Provisions	22,218,178	22,218,178	22,218,178	22,218,178
Gross Insurance Contract Liabilities	8,993,963,668	6,366,701,312	8,993,963,668	6,366,701,312
Deferred Tax Liabilities	-	-	-	-
Insurance Payable	231,321,359	172,055,359	231,321,359	172,055,359
Current Tax Liabilities	-	104,496,880	-	100,398,050
Borrowings	-	-	-	-
Other Liabilities	58,339,455	122,390,086	25,409,021	102,187,301
Other Financial Liabilities	173,152,585	223,104,379	173,102,119	220,573,275
Total Liabilities	**9,478,995,245**	**7,010,966,192**	**9,446,014,345**	**6,984,133,474**
Total Equity and Liabilities	**25,881,429,900**	**23,866,257,466**	**25,767,536,236**	**23,782,535,426**

Himalayan Reinsurance Limited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

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	1,022,511,850	4,313,903,231	1,958,969,517	4,465,673,112	1,022,511,850	4,313,903,231	1,958,969,517	4,465,673,112
Premiums Ceded	(223,766,068)	(274,295,541)	(71,558,379)	(284,763,197)	(223,766,068)	(274,295,541)	(71,558,379)	(284,763,197)
Net Earned Premiums	**798,745,782**	**4,039,607,690**	**1,887,411,138**	**4,180,909,915**	**798,745,782**	**4,039,607,690**	**1,887,411,138**	**4,180,909,915**
Commission Income	-	-	-	-	-	-	-	-
Other Direct Income	38,603,101	57,946,208	9,650,071	98,159,414	38,603,101	57,946,208	9,650,071	98,159,414
Income from Investments and Loans	167,861,020	621,352,150	269,826,400	916,315,293	167,847,355	621,272,784	269,863,020	914,170,716
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-
Other Income	4,848,714	29,745,596	4,072,303	13,312,050	3,616,853	9,328,519	3,638,707	9,422,138
Total Income	**1,010,058,617**	**4,748,651,644**	**2,170,959,912**	**5,208,696,672**	**1,008,813,091**	**4,728,155,201**	**2,170,562,936**	**5,202,662,183**
Expenses:								
Gross Claims Paid	449,391,233	1,333,465,049	636,224,861	1,315,342,712	449,391,233	1,333,465,049	636,224,861	1,315,342,712
Claims Ceded	-	-	-	-	-	-	-	-
Gross Change in Contract Liabilities	1,707,611,296	2,447,901,817	534,935,429	1,095,721,215	1,707,611,296	2,447,901,817	534,935,428	1,095,721,215
Change in Contract Liabities Ceded to Reinsurers	(169,417,959)	(264,674,095)	(70,919,718)	(129,536,015)	(169,417,959)	(264,674,095)	(70,919,717)	(129,536,015)
Net Claims Incurred	**1,987,584,570**	**3,516,692,771**	**1,100,240,572**	**2,281,527,912**	**1,987,584,570**	**3,516,692,771**	**1,100,240,572**	**2,281,527,912**
Commission Expenses	197,578,532	854,432,218	381,850,952	883,017,403	197,578,532	854,432,218	381,850,952	883,017,403
Service Fees	9,586,596	35,756,695	12,756,402	36,374,418	9,586,596	35,756,695	12,756,402	36,374,418
Other Direct expenses	61,822,909	160,676,561	46,969,739	63,942,250	61,822,909	160,676,561	46,969,739	63,942,250
Employee Benefits Expenses	(70,616,932)	148,838,852	88,685,600	283,172,070	(73,293,592)	137,946,206	86,923,465	273,901,989
Depreciation and Amortization Expenses	11,656,074	35,714,127	9,520,753	27,922,522	11,506,074	34,132,479	10,020,980	27,695,379
Impairment Losses	-	-	-	-	-	-	-	-
Other Operating Expenses	57,699,202	174,743,159	57,381,843	157,571,554	55,431,977	166,200,051	52,742,843	149,631,270
Finance Cost	515,636	1,571,686	576,557	1,874,209	515,636	1,571,686	413,738	1,234,099
Total Expenses	**2,255,826,587**	**4,928,426,069**	**1,697,982,418**	**3,735,402,338**	**2,250,732,702**	**4,907,408,668**	**1,691,918,691**	**3,717,324,720**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**- 1,245,767,970**	**- 179,774,426**	**472,977,494**	**1,473,294,334**	**- 1,241,919,611**	**- 179,253,467**	**478,644,245**	**1,485,337,463**
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-	-	-	-	-
Profit Before Tax	**- 1,245,767,970**	**- 179,774,426**	**472,977,494**	**1,473,294,334**	**- 1,241,919,611**	**- 179,253,467**	**478,644,245**	**1,485,337,463**
Income Tax Expenses	(551,098,227)	(134,900,634)	96,356,325	496,033,286	(550,100,007)	(134,900,634)	96,356,325	496,033,286
Net Profit/(Loss) For The Year	**- 694,669,743**	**- 44,873,792**	**376,621,169**	**977,261,048**	**- 691,819,604**	**- 44,352,833**	**382,287,920**	**989,304,177**
Earning Per Share								
Basic EPS		- 0.55		12.53		- 0.54		12.68
Diluted EPS		- 0.55		12.53		- 0.54		12.68

Himalayan Reinsurance Limited

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

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)
Net Profit/(Loss) For The Year	- 694,669,743	- 44,873,792	366,669,903	977,261,049	(691,819,604)	(44,352,833)	372,336,652	989,304,177
Other Comprehensive Income	19,304,704	(511,811,130)	- 251,549,665	227,994,909	19,304,704	(534,544,940)	(232,200,066)	210,262,019
Total Comprehensive Income	**(675,365,039)**	**- 556,684,922**	**115,120,238**	**1,205,255,958**	**(672,514,900)**	**(578,897,773)**	**140,136,586**	**1,199,566,196**

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)	12,371,401,681	13,037,932,600
6. Short Term Investments (Amount)	4,911,055,300	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.

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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.)	-0.54
P.E. Ratio	-1,363.62
Net worth per share (Rs.)	150.18
Value of total assets per share (Rs.)	237.10

2. Managerial Analysis

a) The company has earned gross insurance premiums of Rs. 4493.26 million by the end of Chaitra, the third quarter of 2082-083. 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.)	950.00
Minimum price (Rs.)	665.00
Final price (Rs.)	742.00
Total days of transaction	53
Number of transactions	99,450
Transaction amount (Rs.)	9,588,701,812

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.

Himalayan Reinsurance Limited