रिलायबल नेपाल लाइफ इन्स्योरेन्स लिमिटेड
Reliable Nepal Life Insurance Limited

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Quarterly Financial Results for Second Quarter, F.Y. 2081/82 B.S

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(For the Quarter ended Paush 29, 2081)

Fig in NPR.

Particulars	Group		Insurance	
	Unaudited	Audited	Unaudited	Audited
	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	2,207,165	2,628,585	1,880,471	2,262,342
Property and Equipment	145,525,815	131,621,401	139,160,881	124,480,183.76
Investment Properties	-	-	-	-
Deferred Tax Assets	4,982,707	12,681,951	-	7,200,263
Investment in Subsidiaries	-	-	200,000,000	200,000,000
Investment in Associates	-	-	-	-
Investments	18,059,023,342	16,397,330,028	17,871,141,058	16,211,531,915
Loans	519,789,605	461,788,612	519,789,605	461,788,612
Reinsurance Assets	370,212	-	370,212	-
Current Tax Assets	394,738,015	337,605,386	391,219,803	336,107,697
Insurance Receivables	1,437,266	1,392,626	1,437,266	1,392,626
Other Assets	29,860,192	34,395,201	29,860,192	34,369,740
Other Financial Assets	264,552,228	227,258,652	264,015,270	226,403,293.94
Cash and Cash Equivalent	314,279,799	286,861,101	303,889,802	286,657,632
Total Assets	**19,736,766,345**	**17,893,563,544**	**19,722,764,560**	**17,892,194,305**
Equity:				
Share Capital	4,640,000,000	4,640,000,000	4,640,000,000	4,640,000,000
Share Application Money Pending Allotment	-	-		-
Share Premium	1,750,392,038	1,750,392,038	1,750,392,038	1,750,392,038
Catastrophe Reserves	198,530,280	163,245,414	198,530,280	163,245,414
Retained Earnings	1,048,365,427	729,592,952	1,044,783,328	741,259,049
Other Equity	99,595,988	75,403,119	99,240,168	75,063,378
Total Equity	**7,736,883,733**	**7,358,633,523**	**7,732,945,814**	**7,369,959,880**
Liabilities:				
Provisions	44,059,591	41,928,711	44,059,591	41,928,711
Gross Insurance Contract Liabilities	11,631,792,516	10,052,412,740	11,631,792,516	10,052,412,740
Deferred Tax Liabilities	9,658,519	-	9,658,519	
Insurance Payable	68,985,836	21,795,929	68,985,836	21,795,929
Current Tax Liabilities	-	-	-	-
Borrowings	-	-	-	-
Other Liabilities	86,471,556	38,834,607	86,471,556	38,521,182
Other Financial Liabilities	158,914,594	379,958,035	148,850,728	367,575,864
Total Liabilities	**11,999,882,612**	**10,534,930,021**	**11,989,818,746**	**10,522,234,425**
Total Equity and Liabilities	**19,736,766,345**	**17,893,563,544**	**19,722,764,560**	**17,892,194,305**

OTHER INDICATORS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policies count	2,482,206	3,299,632
2. Total number of policies issued during the period	142,570	245,920
3. First Year Premium (including Single Premium)	732,082,834	644,535,582
4. Single Premium	118,065,350	23,272,766
5. Renewal Premium	1,652,930,370	1,287,995,464
6. Total Benefits and Claims Paid in Count	1,958	1,545
7. Outstanding Benefits and Claims in Count	335	301
8. Gross Claim Outstanding (Amount)	47,294,869	45,253,855
9. Declared Bonus rate (Mention the period)	20 to 75 (2079-80)	20 to 75 (2079-80)
10. Interim bonus rate	-	-
11. Long Term Investments (Amount)	16,296,330,662	13,820,591,639
12. Short Term Investments (Amount)	2,294,600,000	1,375,400,000
13. Policyholders Loan	460,353,005	354,774,885
14. Investment in Cost Value	18,500,160,472	16,879,868,890
15. Life Insurance Fund including UPR (Amount)	11,532,299,569	8,492,706,261
16. Unearned Premium Reserve For Term Policies (Amount)	536,347,372	521,682,274
17. Solvency Margin Ratio	1.84	1.84

* The detailed interim report has been published in the website- www.reliablelife.com.np.

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

1. The company has maintained solvency ratio of 1.84 for the Fiscal Year 2079/80. (Approved by Nepal Insurance Authority)
2. The company has made adequate reinsurance arrangement to cover the risk from the class of its business.
3. There is no any legal proceeding by or against the company.
4. The company has complied with the corporate governance Directive issued by Nepal Insurance Authority.
5. The expense of company is within the expense ratio prescribed by Nepal Insurance Authority.

Disclosure as required by Securities Registration and Issue Regulations, 2073
(Related to sub-rule (1) of Rule 26

1. Financial Statements:

a) Statements related to Financial Position and Profit or Loss have been published along with this. Transactions with related parties:

a. Group comprises of Reliable Nepal Life Insurance Ltd. (Company), Reliable Investment and Merchant Capital Ltd. (Subsidiary).

b. No intra-group transactions.

b) Key Financial Indicators:

Earnings per Share Rs.	15.10	Market Price per Share Rs.	509
Price Earnings Ratio	33.70	Return on Total Assets	3.55%
Net Worth per Share Rs.	166.66	Total Assets per share	425.06

2. Management Analysis:

a) Details relating to the change in the Company's Premium, income and liquidity in the quarter and its main reason:

Company has been able to earn Net Profits of Rs. 35.04 crores. There are 335 outstanding claims which are on the process of decision. Investment has increase by 10.18% which indicated for sustainability of the company.

b) Management's analytical details regarding future business plan:

Besides various financial constraints in Nepalese Financial Market management is satisfied with current financial performance.

c) Analytical details of the incidents that may have major impact on reserves, profit or cash flow (if any), based on previous experience:

Current adverse economic situation has had adverse effect on new business growth however increase in investment portfolio will help for profitability.

3. Statement related to legal proceedings:

a) Case filed by or against the Company in this quarter:

There have been no legal cases except the cases which are related to dispute of claim and fraudulent by the employee.

b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or director of the Company:

No such information has been received.

c) Case relating to commission of financial crime filed against any promoter or director of the Company:

No such information has been received.

4. Statements related to Share Transactions:

a) Management view on the transactions of the shares of the Company in the share market:

Company's share was started for trading from 17th of September 2023 and movements in the share price are determined by the open market principles. Hence, management has neutral opinion regarding the share price movements.

b) Maximum, minimum and closing share price, total transaction days and total transacted number of shares in the quarter:

Maximum Price (Rs.)	612	Minimum Price (Rs.)	390
Closing Price (Rs.)	509	Total Transaction Days	55
No. of Share Transactions	1978672		

Problem and Challenges:

Internal Problems and Challenges:

- Challenge to manage Operational Risk with the increase in business volume
- Challenge of Human Resources
- Limitation of Investment scope
- Additional claim Liabilities due to Disaster.

External Problems and Challenges:

- Cut throat completion between Life insurance Companies
- Interest rate risk
- Reduce income level of general people.

Company's Strategy to mitigate problems and challenges:

- Expanding business activities with caution observing the changes in internal and external environment
- Providing trainings to staff to enhance skills and abilities
- Introducing new products and services considering the interest of the customers
- Effective risk management, monitoring and controlling on various risk

6. Corporate Governance

Company has been meticulously following the laws in force, directions issued by regulatory authorities Nepal Insurance Authority, Securities Board, Company Registrar office. Company has created Compliance Department, Internal Audit Department and Risk Management Department to perform their responsibilities in an independent manner. Risk Management Department and Internal Audit Department have also been working to mitigate the risks arising from the business activities of the Company. Risk Management Sub-Committee and Audit Committee of Board review the work of Risk Management Department and Internal Audit Department respectively and provide guidelines.

7. CEO's declaration regarding truth and fairness

I, CEO, take responsibility for the truth and fairness of the information and statements in this report till date. Besides, I declare that, to the extent of my knowledge and belief, the statements are true and fair and any information necessary for investors to take informed decisions has not been suppressed.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(For the Quarter ended Paush 29, 2081

Fig in NPR.

Particulars	Group				Insurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	Unaudited	Unaudited	Audited	Audited	Unaudited	Unaudited	Audited	Audited
	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	1,176,983,997	2,385,013,204	917,383,859	1,932,531,046	1,176,983,997	2,385,013,204	917,383,859	1,932,531,046
Premiums Ceded	-79,595,444	-166,288,062	-98,352,515	-179,913,417	-79,595,444	-166,288,062	-98,352,515	-179,913,417
Net Earned Premiums	**1,097,388,553**	**2,218,725,142**	**819,031,344**	**1,752,617,630**	**1,097,388,553**	**2,218,725,142**	**819,031,344**	**1,752,617,630**
Commission Income	-	-	-	-	-	-	-	-
Other Direct Income	4,434,869	9,319,369	3,280,509	5,605,547	4,434,869	9,319,369	3,280,509	5,605,547
Interest Income on Loan to Policyholders	11,102,109	21,422,820	12,850,366	15,626,734	11,102,109	21,422,820	12,850,366	15,626,734
Income from Investments and Loans	253,269,949	694,073,861	336,549,072	641,601,275	252,377,373	691,928,320	334,016,384	639,068,587
Net Gain/(Loss) on Fair Value Changes	-162,977,793	20,105,699	-	-	-167,818,764	11,930,031	-	-
Net Realised Gains/(Losses)	32,154,817	104,448,965	-778,812	-778,812	32,647,243	95,616,096	-	-
Other Income	1,043,533	2,286,700	550,343	554,965	-275,107	-407,555	27,239	31,861
Total Income	**1,236,416,037**	**3,070,382,555**	**1,171,482,822**	**2,415,227,338**	**1,229,856,275**	**3,048,534,223**	**1,169,205,842**	**2,412,950,358**
Expenses:								
Gross Benefits and Claims Paid	338,834,928	673,291,473	302,593,996	599,495,360	338,834,928	673,291,473	302,593,996	599,495,360
Claims Ceded	-78,635,827	-144,834,304	-74,085,200	-127,620,732	-78,635,827	-144,834,304	-74,085,200	-127,620,732
Gross Change in Contract Liabilities	582,261,140	1,572,761,154	560,159,343	1,165,187,320	582,261,140	1,572,761,154	560,159,309	1,165,187,320
Change in Contract Liabities Ceded to Reinsurers	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	**842,460,240**	**2,101,218,323**	**788,668,138**	**1,637,061,948**	**842,460,240**	**2,101,218,323**	**788,668,104**	**1,637,061,948**
Commission Expenses	115,803,771	241,353,823	99,374,374	218,639,183	115,803,771	241,353,823	99,374,374	218,639,183
Service Fees	8,827,380	17,887,599	6,880,379	14,493,983	8,827,380	17,887,599	6,880,379	14,493,983
Other Direct expenses	-	-	-	-	-	-	-	-
Employee Benefits Expenses	67,678,837	168,133,271	90,994,366	161,193,943	66,378,160	165,929,462	89,429,900	159,629,477
Depreciation and Amortization Expenses	4,225,086	7,778,620	3,239,086	6,376,246	3,456,608	6,891,287	3,137,160	6,274,320
Impairment Losses	-	-	-	-	-	-	-	-
Other Operating Expenses	85,097,986	165,286,429	72,051,901	147,784,025	83,686,426	162,405,071	70,139,776	145,871,900
Finance Cost	298,234	337,570	-	-	-	-	-	-
Total Expenses	**1,124,391,534**	**2,701,995,634**	**1,061,208,245**	**2,185,549,328**	**1,120,612,584**	**2,695,685,565**	**1,057,629,694**	**2,181,970,811**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**112,024,503**	**368,386,921**	**110,274,577**	**229,678,010**	**109,243,691**	**352,848,658**	**111,576,148**	**230,979,547**
Share of Net Profit of Associates accounted using Equity Method								
Profit Before Tax	**112,024,503**	**368,386,921**	**110,274,577**	**229,678,010**	**109,243,691**	**352,848,658**	**111,576,148**	**230,979,547**
Income Tax Expenses	-41,757,914	2,458,256			-41,757,914	2,458,256		
Net Profit/(Loss) For The Year	**153,782,417**	**365,928,665**	**110,274,577**	**229,678,010**	**151,001,605**	**350,390,402**	**111,576,148**	**230,979,547**
Earning Per Share								
Basic EPS		15.77		11.48		15.10		11.55
Diluted EPS		15.77		11.48		15.10		11.55

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(For the Quarter ended Paush 29, 2081

Fig in NPR.

Particulars	Group				Insurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	Unaudited	Unaudited	Audited	Audited	Unaudited	Unaudited	Audited	Audited
	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	153,782,417	365,928,665	110,274,577	229,678,010	151,001,605	350,390,402	111,576,148	230,979,547
Other Comprehensive Income	55,263,973	49,050,341	-23,421,000	-2,780,286	55,263,973	49,050,341	-27,794,424	-7,153,710
Total Comprehensive Income	**209,046,390**	**414,979,006**	**86,853,577**	**226,897,724**	**206,265,578**	**399,440,743**	**83,781,724**	**223,825,837**