सानिमा जिआईसी इन्स्योरेन्स लि.
Sanima GIC Insurance Ltd.
टंगाल-५, काठमाण्डौ
फोन नं. ०१-४५२७१७०/७१/७२, ०१-४५२७१०१
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Quarterly Financial Results for Third Quarter, F.Y. 2082-83 B.S

CONDENSED STATEMENT OF FINANCIAL POSITION

Fig In NPR.

Particulars	At the end of this Quarter	At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	41,822,342	42,437,389
Property and Equipment	104,741,215	119,957,184
Investment Properties	-	-
Deferred Tax Assets	157,049,739	148,736,987
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	3,358,217,019	3,405,531,873
Loans	21,960,193	21,035,658
Reinsurance Assets	3,470,820,021	3,272,976,065
Current Tax Assets	56,780,957	35,430,844
Insurance Receivables	675,007,360	295,219,483
Other Assets	415,700,242	400,229,324
Other Financial Assets	83,476,617	138,595,703
Cash and Cash Equivalent	500,497,588	301,126,235
Total Assets	**8,886,073,293**	**8,181,276,745**
Equity:		
Share Capital	2,150,000,000	2,150,000,000
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Catastrophe Reserves	48,509,998	45,941,796
Special Reserve	775,256,170	749,574,148
Retained Earnings	192,757,998	172,729,113
Other Equity	123,823,580	142,706,360
Total Equity	**3,290,347,746**	**3,260,951,417**
Liabilities:		
Provisions	103,936,329	95,368,025
Gross Insurance Contract Liabilities	4,478,857,264	4,104,734,468
Deferred Tax Liabilities	-	-
Insurance Payable	611,669,291	325,451,476
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	349,068,275	346,793,425
Other Financial Liabilities	52,194,388	47,977,934
Total Liabilities	**5,595,725,547**	**4,920,325,328**
Total Equity and Liabilities	**8,886,073,293**	**8,181,276,745**

CONDENSED STATEMENT OF PROFIT OR LOSS

Fig In NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Income:				
Gross Earned Premiums	893,226,464	1,972,323,141	743,995,391	1,685,610,449
Premiums Ceded	(636,117,450)	(1,437,995,447)	(531,868,367)	(1,190,314,419)
Net Earned Premiums	**257,109,014**	**534,327,694**	**212,127,024**	**495,296,030**
Commission Income	113,733,220	277,461,890	120,099,649	270,245,826
Other Direct Income	4,007,061	11,590,667	4,732,756	12,592,423
Income from Investments and Loans	23,764,477	79,275,913	38,639,727	135,695,550
Net Gain/(Loss) on Fair Value Changes	-		-	
Net Realised Gains/(Losses)	6,513,327	(3,515,440)	37,028,796	110,655,659
Other Income	656,565	1,866,649	575,735	1,980,984
Total Income	**405,783,664**	**901,007,373**	**413,203,687**	**1,026,466,472**
Expenses:				
Gross Claims Paid	485,405,640	1,252,920,097	250,501,086	642,107,542
Claims Ceded	(345,424,620)	(910,277,381)	(161,132,557)	(393,682,692)
Gross Change in Contract Liabilities	(545,982,629)	264,460,848	(412,662,269)	1,265,096,194
Change in Contract Liabities Ceded to Reinsurers	499,690,937	(178,649,824)	434,216,304	(1,236,085,770)
Net Claims Incurred	**93,689,328**	**428,453,740**	**110,922,564**	**277,435,274**
Commission Expenses	18,331,440	43,566,864	12,648,164	26,785,483
Service Fees	1,208,142	3,661,406	991,670	3,037,422
Other Direct expenses	4,084,302	11,406,497	5,634,150	13,994,854
Employee Benefits Expenses	73,633,107	227,541,025	83,877,337	261,343,227
Depreciation and Amortization Expenses	15,132,791	23,414,873	8,781,659	26,646,889
Impairment Losses	-		-	
Other Operating Expenses	28,907,799	87,314,409	29,708,661	81,049,012
Finance Cost	1,514,235	2,271,353	840,158	2,520,473
Total Expenses	**236,501,144**	**827,630,167**	**253,404,363**	**692,812,634**
Net Profit/(Loss) Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**169,282,520**	**73,377,206**	**159,799,324**	**333,653,838**
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	**169,282,520**	**73,377,206**	**159,799,324**	**333,653,838**
Income Tax Expenses	22,013,162	22,013,162	47,939,797	100,096,151
Net Profit/(Loss)	**147,269,358**	**51,364,044**	**111,859,527**	**233,557,687**
Earning Per Share				
Basic EPS		3.19		15.57
Diluted EPS		3.19		15.57

CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig In NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Net Profit/(Loss)	147,269,358	51,364,044	111,859,527	233,557,687
Other Comprehensive Income	22,044,049	(19,396,421)	(944,081)	(35,771,560)
Total Comprehensive Income	**169,313,407**	**31,967,623**	**110,915,446**	**197,786,127**

Other Details

Particulars	Current Year	Previous Year
	Upto This Quarter (YTD)	Upto This Quarter (YTD)
1. Total Issued Policy Count	105,288	113,148
2. Total Renewed Policy Count	46,072	45,167
3. Total Claims Paid Count	4,404	5,626
4. Outstanding Claims Count	5,728	5,979
5. Gross Outstanding Claims Including IBNR & IBNER	2,747,676,949	3,267,801,335
6. Net Outstanding Claims Including IBNR & IBNER	492,656,932	432,152,983
7. Margin Over Best Estimate (MOBE)	10,861,928	11,905,905
8. Unearned Premium Reserve (Amount)	1,698,433,591	1,522,709,341
9. Unexpired Risk Reserve (Amount)	10,714,149	-
10. Earthquake Premium Reserve (Amount)	11,170,647	6,100,592
11. Long Term Investments (Amount)	765,748,892	371,000,858
12. Short Term Investments (Amount)	2,592,468,127	3,092,500,001
13. Direct Premium (Amount)	2,081,431,076	1,921,372,821
14. Investment in Cost (Amount)	3,441,775,362	3,523,694,999
15. Solvency Margin Ratio*	5.85	5.85

Notes:

1. The above figures are subject to change as per the direction of regulator and statutory auditor.
2. Reserving for the Quarter end is not done from actuary and has been carried out as per the guideline issued by regulator.
3. Solvency Margin is of Last Audited Financial.
4. Detailed interim report can be viewed at company's website (www.sgic.com.np)

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

1. **Solvency** Ratio related disclosure:
   Solvency Ratio of Company for FY 2081-82 end is 5.85 times.
2. **Reinsurance related disclosure:**
   Company has done reinsurance with the Local as well as foreign reinsurer as per the directive issued by regulator authority.
3. **Details regarding legal proceeding:**
   Nepal Reinsurance company declined to pay claim recovery of Khilung Kalika Agro Rs. 1,80,74,855, against that the company moved to Nepal Beema Pradhikaran and On 05 Shrawan 2079, Nepal Beema Pradhikaran has decided case in favour of company. Nepal Reinsurance Company not being satisfied with the decision of Nepal Beema Pradhikaran filed the case in Patan High Court and the Patan High Court has returned the case to Nepal Beema Pradhikaran for further decision making.
4. **Corporate Governance:**
   Company is highly committed to maintain the high standards of corporate governance by complying to legal & regulatory requirements.
5. **Regulatory limit on expenses ratio:**
   All the expesnes are within the limit.
6. **Any other disclosure as deemed relevant**

Information as required by Securities Registration and Issuance Regulation 2073 (Related to Sub rule (1) of rule 26)

1. **Information Regarding Financial Statement**

a) **Quarterly Financials**
Provisional unaudited third quarter report of FY 2082-83 are published with this report.

b) **Major Financial Highlights:**

Earnings Per Share (Annualized)	Rs. 3.19
Price to Earnings Ratio (PE Ratio)	155.05
Total Assets Value Per Share	Rs. 413.31
Net worth Per Share	Rs. 153.04

2. **Management Analysis:**
   a) *Positive income seen in 3rd quarter, after reporting loss consecutively in first and second quarter of current fiscal year caused due to claims arising from Gen-Z movement.*
   b) *The economy is stagnant at present, there is no any demand for loans from the private sector such as manufacturing and construction industries, which have consequently impacted the growth of non-life insurance sector. Due to recent changes seen in the political environment, we are hopeful that there will be sustainable growth in the overall economy.*
3. **Details Regarding Legal Action :**
   a) Case filed by or to company during the quarter:
   There are some normal business-related legal issues which do not have significant impact in company's overall business.
   b) Case by or against the promoter or director of company regarding disobedience of prevailing law commission of criminal offence:
   None to our knowledge.
   c) Case by or against the promoter or director of company regarding commission of financial crime:
   None to our knowledge.
4. **Analysis of share transaction and progress of organized institution:**
   a) Management's view of share transactions of organized institution of securities market:
   The price of share is determined by the open market, so the management has neutral view regarding share transaction and its movement.
   b) Maximum, minimum and last share price of the organized institution including total transaction and transaction days during the quarter:

Maximum Price	539
Minimum Price	460
Closing Price	493.90
No. of Traded Shares	1,389,777
No. of Transaction	10,449
Traded days	53

5. **Problems and Challenges:**

Internal
- Increment of Operating cost

External
- Slowdown in economy
- Decreasing market interest rate

Strategies to overcome challenges
- Maintaining appropriate portfolio mix
- Moving towards digitization
- Diversifying the investment

6. **Corporate Governance:**
   Company is committed to maintain the high standards of corporate governance by complying to legal & regulatory requirements. Required policies and structures are in place and are reviewed regularly and monitored regularly. Audit Committee ensures the establishment of effective internal controls and provides recommendation to management regarding internal control and compliance issues.
7. **Declaration by CEO:**
   I, CEO of the company, take responsibility for the truthfulness of the information and details disclosed in this report. I also hereby declare that to the best of my knowledge and belief, the information disclosed in this report are true, fair and complete and have not concealed any matters that can adversely affect the investment decision of the investors.