IGI PRUDENTIAL INSURANCE LIMITED

सुरक्षाको पूर्वाधार, भविष्यको आधार

च.नं. ३७०८(१)/२०८२/०८३

मितिः २०८३/०१/२८

श्री नेपाल स्टक एक्सचेञ्ज लिमिटेड
सिहंदरबार, काठमाण्डौ ।

बिषय : तेस्रो त्रैमासिकको वित्तीय बिवरण प्रकाशित गरिएको जानकारी सम्बन्धमा ।

महाशय,

उपरोक्त सम्बन्धमा यस कम्पनीको आ.ब.२०८२/०८३ को तेस्रो त्रैमासिकको अपरिष्कृत आर्थिक वित्तीय बिवरण मिति २०८३/०१/२७ गतेको कारोबार राष्ट्रिय दैनिकमा प्रकाशित गरिएको व्यहोरा जानकारी गराउदछौ । साथै सो प्रकाशित त्रैमासिक प्रतिवेदनको एक प्रति छायाँ कपि यसै साथ संलग्न गरिएको व्यहोरा अनुरोध गर्दछौ ।

भवदीय

शरण रेग्मी
नायब प्रमुख कार्यकारी अधिकृत

IGI PRUDENTIAL INSURANCE LIMITED
सुरक्षाको पूर्वाधार, भविष्यको आधार
प्रधान कार्यालय: आइजीआई कम्प्लेक्स, पानीपोखरी, काठमाडौं
फोन नम्बर: ०१-५९७१५१६, ५९७१५१७
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Quarterly Financial Results for 3rd Quarter, F.Y. 2082/83 B.S.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Unaudited As at the end of this Quarter	Audited At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	1,571,784	1,916,458
Property and Equipment	946,213,316	949,714,239
Investment Properties	-	-
Deferred Tax Assets	47,699,359	36,954,955
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,639,399,910	5,041,014,734
Loans	-	-
Reinsurance Assets	5,808,945,583	2,964,976,715
Current Tax Assets	155,533,942	99,458,607
Insurance Receivables	428,450,102	459,243,409
Other Assets	2,123,062,898	955,324,594
Other Financial Assets	64,006,609	66,717,481
Cash and Cash Equivalent	423,648,381	273,049,567
Total Assets	**14,638,531,884**	**10,849,170,759**
Equity:		
Share Capital	3,029,334,639	3,029,334,639
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserves	1,851,814,231	1,848,353,346
Catastrophe Reserves	96,152,822	95,806,733
Retained Earnings	5,984,494	154,405,651
Other Equity	551,799,372	577,611,415
Total Equity	**5,535,085,558**	**5,705,511,784**
Liabilities:		
Provisions	69,611,741	74,317,777
Gross Insurance Contract Liabilities	7,484,244,613	4,259,704,664
Deferred Tax Liabilities		-
Insurance Payable	887,283,284	129,701,987
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	590,586,554	584,475,729
Other Financial Liabilities	71,720,135	95,458,819
Total Liabilities	**9,103,446,326**	**5,143,658,975**
Total Equity and Liabilities	**14,638,531,884**	**10,849,170,759**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Unaudited Current Year		Unaudited Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	1,188,224,504	2,653,220,647	1,094,241,663	2,534,362,733
Premiums Ceded	(722,915,786)	(1,611,307,339)	(665,975,681)	(1,605,211,718)
Net Earned Premiums	**465,308,719**	**1,041,913,308**	**428,265,981**	**929,151,015**
Commission Income	146,785,526	367,090,549	144,376,547	364,258,022
Other Direct Income	-	-	-	-
Income from Investments and Loans	30,857,641	147,995,199	54,502,162	209,831,596
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	15,893,923	2,321,159	23,949,694
Other Income	127,042	454,400	532,589	639,566
Total Income	**643,078,928**	**1,573,347,380**	**629,998,439**	**1,527,829,893**
Expenses:		-		
Gross Claims Paid	445,911,115	1,584,843,595	619,839,810	1,866,006,233
Claims Ceded	(230,609,028)	(792,527,313)	(281,042,184)	(1,253,828,541)
Gross Change in Contract Liabilities	(161,848,394)	2,774,393,265	(179,227,210)	(108,550,864)
Change in Contract Liabities Ceded to Reinsurers	163,596,724	(2,522,359,466)	108,189,647	109,431,026
Net Claims Incurred	**217,050,416**	**1,044,350,081**	**267,760,063**	**613,057,854**
Commission Expenses	27,469,621	77,136,847	18,038,394	42,366,348
Service Fees	2,212,942	9,820,461	3,556,469	8,374,667
Other Direct expenses	-	-	-	-
Employee Benefits Expenses	95,089,564	303,740,330	112,393,533	328,104,938
Depreciation and Amortization Expenses	2,950,248	8,789,074	3,469,417	9,252,156
Impairment Losses	-	-	-	-
Other Operating Expenses	38,885,646	128,366,149	50,488,366	147,957,119
Finance Cost		518,625		
Total Expenses	**383,658,437**	**1,572,721,567**	**455,706,243**	**1,149,113,082**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**259,420,491**	**625,813**	**174,292,196**	**378,716,811**
Share of Net Profit of Associates accounted using Equity Method	-	-	-	
Profit Before Tax	**259,420,491**	**625,813**	**174,292,196**	**378,716,811**
Income Tax Expenses	77,816,130	187,744	52,287,659	113,615,043
Net Profit/(Loss) For The Year	**181,604,361**	**438,069**	**122,004,537**	**265,101,768**
Earning Per Share				
Basic EPS		0.02		11.67
Diluted EPS		0.02		11.67

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Unaudited Current Year		Unaudited Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	181,604,361	438,069	122,004,537	265,101,768
Other Comprehensive Income	15,134,240	(20,531,675)	15,033,913	15,033,913
Total Comprehensive Income	**196,738,601**	**(20,093,606)**	**137,038,450**	**280,135,680**

OTHER DETAILS

Fig. in NPR

Particulars	Current Year Upto this Quarter (YTD)	Previous Year Upto this Quarter (YTD)
1. Total Issued Policy Count	171,453	180,314
2. Total Renewed Policy Count	51,025	48,718
3. Total Claims Paid Count	10,693	13,916
4. Outstanding Claims Count	9,877	8,802
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	5,068,375,466	2,389,344,374
6. Net Outstanding Claim including IBNR and IBNER (Amount)	783,069,640	524,791,607
7. Margin Over Best Estimate	65,229,588	35,820,881
8. Unearned Premium Reserve	2,436,090,548	2,212,363,155
9. Unexpired Risk Reserve	34,255,061	-
10. Earthquake Premium Reserve	10,293,949	9,589,157
11. Long Term Investments (Amount)	1,643,299,910	1,517,668,673
12. Short Term Investments (Amount)	2,996,100,000	3,573,600,000
13. Direct Premium (Amount)	2,964,423,079	2,663,504,772
14. Investment in Cost (Amount)	4,438,014,575	4,884,907,818
15. Solvency Margin Ratio	506.20	342.70

Notes:

1. Interim Financial report has been published in the company's website www.igiprudential.com
2. Figures presented above are unaudited figures and may vary after acturial report/statutory audit
3. Above financial statements are prepared as per Nepal Financial Reporting Standard(NFRS)
4. The above figures are regrouped and rearranged wherever necessary.

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

1. **Solvency Ratio :** The solvency ratio of the company is 506.20.
2. **Reinsurance related Disclosure :** The company has various reinsurance arrangements with national and international reinsurance companies in order to mitigate its risk exposure as per the need of the company.
3. **Details regarding legal proceedings :** There are no legal proceedings against the company arising from activities other than normal business operations.
4. **Regulatory limit on expense ratio :** The expense ratio of the company is within the prescribed limit by Nepal Insurance Authority.
5. **Corporate Governance :** The company has complied with the corporate governance directive isuued by Nepal Insurance Authority. Company has a separate corporate governance unit and has established various mechanism and procedures to comply with Insurance Acts & Regulation, Directives & Circulars issued by Nepal Insurance Authority and all the relavant laws and regulation. The Board and management of the company is committed in upholding the best governance within the company.

Additional Disclosures as per Securities Registration and Issuance Regulation-2073 (Sub Rule(1) of Rule 26, Annex (14) Third Quarter of FY 2082/83

1. **Financial Statement**
   a. The statement of financial position and statement of Profit and Loss (Unaudited) has been published along with this report as per the Nepal Financial Reporting Standards(NFRS).
   b. Key Financial Indicators and ratios :

Earning per Share : 0.02	Net Worth per Share : 182.72
Price Earnings ratio (P/E) : -	Total Assets per Share : 483.23

2. **Management Analysis**
   The recent political turmoil and the Gen-Z protest has further affected the already slow economic activities and the low government expenditures & political instability has hindered the growth of the insurance business in expected manner. Also the recent protests and catastrophic events has imposed significant claims upon the company. On the other hand, significant reduction in the interest rates offered by the banks and fianancial institution has adversely affected the investment return of the company. All these reasons have contributed to reduction of profitability of the company in the reporting period. But with the recent formed new government and new reforms, things are expected to improve in upcoming days with political stability and revitalizing economic activities.
   The company has earned gross premium of 310.33 crores which is 13.46% higher than the gross premium earned in comparison to corresponding period of previous year. The company is aiming for higher business growth in upcoming period and formulating strategies to achieve so in a sustainable and organic manner. The Company paid total claims of 158.48 crores and has total investments of 463.40 crores till the end of third quarter of current fiscal year.
3. **Details to Legal Action**
   There are no legal proceedings by or against the company, board of directors and management of the company apart from those arising from activities other than normal business operations.
4. **Analysis of share transaction and progress of the company**
   a. Mangement View on share transaction of the insurance at securities market : The management of the company has neutral view on the share price and transaction as it is determined at Nepal Stock Exchange through open share market operations.
   b. Maximum , Minimum, Closing price , Total Traded days and Total Share transactions during the period.

Total Traded Days	53	Lowest Price	410.00	Total Trades	7,922
Highest Price	501.00	Last Price	443.00	Total Traded Shares	1,385,043

5. **Problems and Challenges**
   Reduced Economic activities, high inflation and lack of awareness among people about the need and importance of insurance are some of the major problems of insurance industry today. Also the recruitment and retention of quality human resources, unhealthy competition in the market, changing regulatory frameworks, political instability , challenging global economic scenariors are other problems and challenges faced by the companies. In order to tackle the above challenges, the company has formulated strategies for good governance, investment diversifications, better assets and liability management and enhancing its capabilites through various channels like digitisation ,strengthening employee capabilites to provide quality service to customers and offer value to all its stakeholders.
6. **Corporate Governance**
   The board of directors of the company and management is committed to follow good governance and ensure full compliance with all the applicable laws and regulations and directives & guidelines issued by Nepal Insurance Authority. The company has formed committees and various departments as per the corporate governance directive of NIA and all put their efforts collectively to ensure adequate compliance and risk management. The company holds its external and internal audit timely and both the the internal and external audit is carried out by the independent audit firms of Chartered Accountants.
7. **Declaration by CEO**
   The board of directors of the company and management is committed to follow good governance and ensure full compliance with all the applicable laws and regulations and directives & guidelines issued by Nepal Insurance Authority. The company has formed committees and various departments as per the corporate governance directive of NIA and all put their efforts collectively to ensure adequate compliance and risk management. The company holds its external and internal audit timely and both the the internal and external audit is carried out by the independent audit firms of Chartered Accountants.