IGI PRUDENTIAL INSURANCE LIMITED

सुरक्षाको पूर्वाधार, भविष्यको आधार

च.नं. १०७५(१)/२०८२/०८३

मितिः २०८३/०४/२९

श्री नेपाल स्टक एक्सचेञ्ज लिमिटेड
सिहंदरबार, काठमाण्डौ ।

बिषय : पहिलो त्रैमासिकको बित्तीय बिवरण प्रकाशित गरिएको जानकारी सम्बन्धमा ।

महाशय,

उपरोक्त सम्बन्धमा यस कम्पनीको आ.ब.२०८३/०८४ को पहिलो त्रैमासिकको अपरिष्कृत आर्थिक बित्तीय बिवरण मिति २०८३/०७/३० गतेको कारोबार राष्ट्रिय दैनिकमा प्रकाशित गरिएको ब्यहोरा जानकारी गराउदछौ । साथै सो प्रकाशित त्रैमासिक प्रतिवेदनको एक प्रति छायाँ कपि यसै साथ संलग्न गरिएको ब्यहोरा अनुरोध गर्दछौ ।

भवदीय

प्रबल ढकाल
प्रमुख- बित्त

IGI PRUDENTIAL INSURANCE LIMITED
लगानीको पूर्वाधार, भविष्यको आधार
प्रधान कार्यालय: आइजीआई कम्प्लेक्स, पानीपोखरी, काठमाडौं
फोन नम्बर: ०१-५९७१५१६, ५९७१५१७
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Quarterly Financial Results for 1st Quarter, F.Y. 2083/84 B.S.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Unaudited As at the end of this Quarter	Unaudited At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	3,331,151	2,822,264
Property and Equipment	1,253,573,966	1,260,930,163
Investment Properties	192,331,546	194,766,122
Deferred Tax Assets	110,366,326	113,257,657
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,354,259,672	4,449,817,216
Loans	-	-
Reinsurance Assets	7,368,447,653	6,414,428,311
Current Tax Assets	199,934,749	181,501,376
Insurance Receivables	805,807,275	313,240,317
Other Assets	747,497,372	827,325,197
Other Financial Assets	128,066,058	209,645,693
Cash and Cash Equivalent	515,305,724	632,562,489
Total Assets	**15,678,921,492**	**14,600,296,805**
Equity:		
Share Capital	3,029,334,639	3,029,334,639
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserves	1,876,438,109	1,862,548,590
Catastrophe Reserves	98,615,210	97,226,258
Retained Earnings	(16,015,963)	(28,238,657)
Other Equity	446,758,252	445,733,862
Total Equity	**5,435,130,247**	**5,406,604,692**
Liabilities:		
Provisions	82,802,652	83,951,928
Gross Insurance Contract Liabilities	9,213,638,600	8,030,020,303
Deferred Tax Liabilities	-	-
Insurance Payable	216,393,991	348,942,897
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	649,503,033	661,586,168
Other Financial Liabilities	81,552,968	69,190,818
Total Liabilities	**10,243,791,244**	**9,193,692,113**
Total Equity and Liabilities	**15,678,921,492**	**14,600,296,805**

Note: Immediate Previous year figures has been updated from last published 4th Quarterly Financial Statement due to changes in actuarial adjustments.

CONDENSED CONSOLIDATED 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	724,198,566	724,198,566	587,820,779	587,820,779
Premiums Ceded	(378,089,018)	(378,089,018)	(346,601,763)	(346,601,763)
Net Earned Premiums	**346,109,548**	**346,109,548**	**241,219,016**	**241,219,016**
Commission Income	154,721,599	154,721,599	127,228,614	127,228,614
Other Direct Income	-	-	-	-
Income from Investments and Loans	58,518,719	58,518,719	76,230,221	76,230,221
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	(845,265)	(845,265)	15,893,923	15,893,923
Other Income	162,948	162,948	72,436	72,436
Total Income	**558,667,550**	**558,667,550**	**460,644,210**	**460,644,210**
Expenses:		-		
Gross Claims Paid	1,125,676,998	1,125,676,998	483,051,529	483,051,529
Claims Ceded	(844,005,487)	(844,005,487)	(279,370,291)	(279,370,291)
Gross Change in Contract Liabilities	562,249,706	562,249,706	3,041,448,671	3,041,448,671
Change in Contract Liabities Ceded to Reinsurers	(553,651,357)	(553,651,357)	(2,754,968,009)	(2,754,968,009)
Net Claims Incurred	**290,269,860**	**290,269,860**	**490,161,900**	**490,161,900**
Commission Expenses	36,617,069	36,617,069	16,775,418	16,775,418
Service Fees	4,205,332	4,205,332	4,363,254	4,363,254
Other Direct expenses	182,009	182,009	-	-
Employee Benefits Expenses	133,332,405	133,332,405	111,670,608	111,670,608
Depreciation and Amortization Expenses	11,896,974	11,896,974	2,722,372	2,722,372
Impairment Losses	-	-	-	-
Other Operating Expenses	38,696,109	38,696,109	42,552,171	42,552,171
Finance Cost	-	-	-	-
Total Expenses	**515,199,758**	**515,199,758**	**668,245,722**	**668,245,722**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**43,467,792**	**43,467,792**	**(207,601,512)**	**(207,601,512)**
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	**43,467,792**	**43,467,792**	**(207,601,512)**	**(207,601,512)**
Income Tax Expenses	13,142,919	13,142,919		
Net Profit/(Loss) For The Year	**30,324,873**	**30,324,873**	**(207,601,512)**	**(207,601,512)**
Earning Per Share				
Basic EPS		4.00		(27.41)
Diluted EPS		4.00		(27.41)

CONDENSED CONSOLIDATED 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) For The Year	30,324,873	30,324,873	(207,601,512)	(207,601,512)
Other Comprehensive Income	4,964,468	4,964,468	(66,417,258)	(66,417,258)
Total Comprehensive Income	**35,289,341**	**35,289,341**	**(274,018,771)**	**(274,018,771)**

OTHER DETAILS

Fig in NPR

Particulars	Current Year Upto this Quarter (YTD)	Previous Year Upto this Quarter (YTD)
1. Total Issued Policy Count	77,897	50,817
2. Total Renewed Policy Count	17,832	17,729
3. Total Claims Paid Count	3,365	3,330
4. Outstanding Claims Count	8,970	9,598
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	6,306,012,237	5,335,430,872
6. Net Outstanding Claim including IBNR and IBNER (Amount)	839,060,145	817,516,502
7. Margin Over Best Estimate	82,369,815	65,229,588
8. Unearned Premium Reserve	2,792,829,277	2,258,801,589
9. Unexpired Risk Reserve	11,712,480	34,255,061
10. Earthquake Premium Reserve	20,614,790	10,293,949
11. Long Term Investments (Amount)	1,430,259,672	1,566,878,954
12. Short Term Investments (Amount)	2,924,000,000	3,373,600,000
13. Direct Premium (Amount)	1,321,766,358	981,647,666
14. Investment in Cost (Amount)	4,180,632,029	4,865,471,067
15. Solvency Margin Ratio	5.04	5.04

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 504.1.
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 issued by Nepal Insurance Authority. Company has a separate corporate governance unit and has established various mechanism and procedures to comply with Insurane 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) First Quarter of FY 2083/84

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 :	4	Net Worth per Share :	179.42
Price Earnings ratio (P/E) :	101.25	Total Assets per Share :	517.57

2. **Management Analysis**
   The reporting period has been affected by Bhotekoshi Flood followed by the Gen-Z protest and political turmoil of previous year imposing significant claims upon the company. Slower economic activities, low government expenditures & political instability has hindered the growth of the insurance business as well. 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 lower profitability of the company in the reporting period. But with the new policy reforms and stable government, things are expected to improve in upcoming days with political stability and revitalizing economic activities.
   The company has earned gross premium of 133.05 crores which is 34.30% 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 112.57 crores and has total investments of 435.43 crores till the end of first 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	61	Lowest Price	355.10	Total Trades	2,900
Highest Price	458.00	Last Price	405.00	Total Traded Shares	539,608

5. **Problems and Challenges**
   Reduced Economic activities and increased cost of doing business, 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, cut throat competition in the market, changing regulatory frameworks and policies, frequent natural catastrophies and increasing claims, 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**
   I, CEO of the company, take responsibility on the truthifulness of the information and particulars disclosed in this report to the best of my knowledge. Further, I declare that the particulars mentioned in the report, to the best of my knowledge are true, fair and complete except as mentioned in the notes at the time of publication of this report and have not knowingly concealed any material particulars information for the investor to take informed decisions.

NFRS based Quarterly Financial Statement for the quarter ended 31st Ashwin 2083

Condensed Statement of Financial Position

Fig in NPR.

Particulars	Current Year	Corresponding Previous year
Property, Plant And Equipment	1,253,573,966	1,260,930,163
Goodwill and Intangible Assets	3,331,151	2,822,264
Investment Properties	192,331,546	194,766,122
Deferred Tax Asset	110,366,326	113,257,657
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,354,259,672	4,449,817,216
Reinsurance Contract Assets (NFRS 17)	7,112,579,754	6,158,560,413
Insurance Contract Assets (NFRS 17)	-	-
Deferred Acquisition Cost Asset	59,006,921	59,006,921
Current Tax Assets	199,934,749	181,501,376
Reinsurance Assets	-	-
Insurance Receivables	-	-
Other Assets	688,490,451	768,318,275
Other Financial Assets	128,066,058	209,645,693
Cash And Cash Equivalents	515,305,724	632,562,489
Total Assets	**14,617,246,318**	**14,031,188,590**
Equity And Liabilities		
Share Capital	3,029,334,639	3,029,334,639
Retained Earnings	(16,015,963)	(28,238,657)
Catastrophe Reserves	98,615,210	97,226,258
Revaluation Reserves	110,635,000	110,635,000
Special Reserves	1,876,438,109	1,862,548,590
Other Equity	336,123,252	335,098,862
Total Equity	**5,435,130,247**	**5,406,604,692**
Liabilities		
Interest Bearing Borrowings	-	-
Reinsurance Contract Liabilities (NFRS 17)	-	-
Insurance Contract Liabilities (NFRS 17)	8,624,125,315	8,065,722,883
Provisions	82,802,652	83,951,928
Deferred Tax Liabilities	-	-
Current Tax Liabilities	-	-
Other Liabilities	393,635,135	405,718,270
Other Financial Liabilities	81,552,968	69,190,818
Total Liabilities	**9,182,116,071**	**8,624,583,898**
Total Equity and Liabilities	**14,617,246,318**	**14,031,188,590**

Condensed Statement of Profit or Loss Account

Fig in NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Insurance revenue	**724,198,566**	**724,198,566**	**587,820,779**	**587,820,779**
Impairments-Insurance	-	-	-	-
Insurance service expenses	(1,912,856,602)	(1,912,856,602)	(3,702,584,022)	(3,702,584,022)
Net expenses from reinsurance contracts held	1,174,289,425	1,174,289,425	2,814,965,151	2,814,965,151
Insurance Sevice Result	**(14,368,611)**	**(14,368,611)**	**(299,798,092)**	**(299,798,092)**
Net investment income	57,673,454	57,673,454	92,124,144	92,124,144
Finance expenses from insurance contracts issued	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-
Net investment result	**57,673,454**	**57,673,454**	**92,124,144**	**92,124,144**
Other Income	162,948	162,948	72,436	72,436
Other expenses	-	-	-	-
Profit before taxation	**43,467,792**	**43,467,792**	**(207,601,512)**	**(207,601,512)**
Income tax expense	(13,142,919)	(13,142,919)	-	-
Profit for the year	**30,324,873**	**30,324,873**	**(207,601,512)**	**(207,601,512)**
Earning Per Share				
1. Basic		4.00		(27.41)
1. Diluted		4.00		(27.41)

Note:

1. Risk Factoring has not been considered in NFRS 17 based Financial Statement.
2. No Discounting has been considered in Quarterly Financial based on NFRS 17.
3. Actuarial Liability has been estimated with the use of internal resource for the purpose of above published financial.

