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

Fig. in NPR.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Particulars	Unaudited At the end of this Quarter	Unaudited At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	2,565,451	2,700,475
Property and Equipment	183,564,629	140,094,335
Investment Properties	-	-
Deferred Tax Assets	75,691,937	93,130,690
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,463,226,401	4,306,263,062
Loans	14,900,000	15,400,000
Reinsurance Assets	1,534,342,670	963,225,471
Current Tax Assets	45,058,995	43,862,578
Insurance Receivables	118,474,964	61,278,275
Other Assets	170,376,481	103,875,565
Other Financial Assets	273,035,167	151,813,394
Cash and Cash Equivalent	212,282,746	187,769,716
Total Assets	**7,093,519,438**	**6,069,413,561**
Equity:		
Share Capital	1,644,241,940	1,644,241,940
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserve	1,369,194,737	1,363,989,700
Catastrophe Reserves	97,019,472	96,498,968
Retained Earnings	295,827,514	292,025,823
Other Equity	128,547,251	87,414,787
Total Equity	**3,534,830,914**	**3,484,171,218**
Liabilities:		
Provisions	360,050,382	134,253,049
Gross Insurance Contract Liabilities	2,539,635,352	1,645,999,389
Deferred Tax Liabilities	-	-
Insurance Payable	324,295,998	372,152,564
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	227,083,847	188,585,557
Other Financial Liabilities	107,622,945	244,251,782
Total Liabilities	**3,558,688,524**	**2,585,242,342**
Total Equity and Liabilities	**7,093,519,438**	**6,069,413,561**

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	275,585,140	275,585,140	342,001,118	342,001,118
Premiums Ceded	-138,925,542	-138,925,542	-205,212,562	-205,212,562
Net Earned Premiums	**136,659,597**	**136,659,597**	**136,788,556**	**136,788,556**
Commission Income	39,274,140	39,274,140	35,444,356	35,444,356
Other Direct Income	-	-	-	-
Income from Investments and Loans	116,961,987	116,961,987	197,165,064	197,165,064
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	877,915	877,915	-	-
Total Income	**293,773,639**	**293,773,639**	**369,397,976**	**369,397,976**
Expenses:				
Gross Claims Paid	133,477,613	133,477,613	114,752,423	114,752,423
Claims Ceded	-46,369,726	-46,369,726	-54,783,868	-54,783,868
Gross Change in Contract Liabilities	554,733,951	554,733,951	432,424,204	432,424,204
Change in Contract Liabities Ceded to Reinsurers	-458,688,327	-458,688,327	-443,992,407	-443,992,407
Net Claims Incurred	**183,153,511**	**183,153,511**	**48,400,352**	**48,400,352**
Commission Expenses	1,723,039	1,723,039	4,089,715	4,089,715
Service Fees	2,723,496	2,723,496	1,274,664	1,274,664
Other Direct expenses	1,145,965	1,145,965	2,035,836	2,035,836
Employee Benefits Expenses	58,618,199	58,618,199	82,705,076	82,705,076
Depreciation and Amortization Expenses	3,956,199	3,956,199	3,309,498	3,309,498
Impairment Losses	-	-	-	-
Other Operating Expenses	23,936,105	23,936,105	19,386,401	19,386,401
Finance Cost	-	-	-	-
Total Expenses	**275,256,513**	**275,256,513**	**161,201,542**	**161,201,542**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**18,517,126**	**18,517,126**	**208,196,434**	**208,196,434**
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	**18,517,126**	**18,517,126**	**208,196,434**	**208,196,434**
Income Tax Expenses	8,107,052	8,107,052	62,020,130	62,020,130
Net Profit/(Loss) For The Year	**10,410,074**	**10,410,074**	**146,176,304**	**146,176,304**
Earning Per Share				
Basic EPS	2.53	-	-	39.12
Diluted EPS	2.53	-	-	39.12

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				2.53		39.12

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	10,410,074	10,410,074	146,176,304	146,176,304
Other Comprehensive Income	46,028,369	46,028,369	-3,956,002	-3,956,002
Total Comprehensive Income	**56,438,443**	**56,438,443**	**142,220,301**	**142,220,301**

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count	48,044	44,813
2. Total Renewed Policy Count	10,117	6,221
3. Total Claims Paid Count	1,059	1,243
4. Outstanding Claims Count	4,205	3,968
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	1,405,636,357	824,269,856
6. Net Outstanding Claim including IBNR and IBNER (Amount)	413,747,521	275,315,030
7. Margin Over Best Estimate (MOBE)	-	-
8. Unearned Premium Reserve (Amount)	591,545,160	461,205,385
9. Unexpired Risk Reserve (Amount)	591,545,160	461,205,385
10. Earthquake Premium Reserve (Amount)	-	-
11. Long Term Investments (Amount)	583,619,525	485,786,333
12. Short Term Investments (Amount)	3,879,606,876	3,315,418,368
13. Direct Premium (Amount)	487,601,858	349,859,674
14. Investment in Cost (Amount)	4,391,691,531	3,773,189,038
15. Solvency Margin Ratio	2.08	3.96

Note:

1. Figures Presented above may change after the statutory audit is completed.
2. The figures of the previous quarters have been restated as per requirement.
3. The detailed interim report has been published in the company's website www.nepalinsurance.com.np

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

1. Solvency Ratio related disclosure:

The Solvency Ratio (Based on Latest Audited Financial Statement of 2079-80) of Company is 2.08.

2. Reinsurance related disclosure:

Nepal Insurance Company has arranged reinsurance policy according to its underwriting policy, net worth & risk. Reinsurance arrangement done by the company is adequate. Globally trusted reinsurance companies are choosen for reinsurance placement.

3. Details regarding legal proceeding:

Except in the Regular course of business, there are no law-suits of material nature filed by or filed against the Insurance Company/ Promoters/directors on account of violation of prevailing laws or commission of criminal offences or financial crime.

4. Corporate Governance:

The company has been compliant with Corporate Governance Directive issued by Nepal Insurance Authority.

A. Compliance of Insurance Acts, Regulation
B. Compliance of Directives & Circulars issued by Nepal Insurance Authority.
C. Periodic Internal Audit.
D. Periodic Review and strengthening of Internal Control System.

5. Regulatory limit on expenses ratio:

The company's Management Expenses Ratio and Promotional Expenses Ratio is within the regulatory limit.

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 for the quarterly period are published herewith.
b) Key Financial Ratios

Earnings per share	Rs. 2.53 (annualized)	Net worth per share	Rs. 214.98
P.E. Ratio	407.11	Value of total assets per share	Rs. 431.42

2. Managerial Analysis

a) The company has earned gross insurance premiums of Rs. 27 crore and 55 lakhs by the end of Ashwin, the First quarter of 2081-082.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 expanding branches and delivering fast and efficient services to customers by analyzing the level and risk of the insurance market, diversifying, improving quality and business, based on past experience. This has enabled the company to offer quality insurance services to the insured.

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 share transaction details (Source: Nepal Stock Exchange Ltd.)

Maximum price	Rs. 1,121	Final price	Rs. 1,031	Number of transactions	24,217
Minimum price	Rs. 910	Total days of transaction	57 days	Transaction amount	Rs. 3,68,59,85,304

5. Problems and challenges

The insurance sector has faced challenges due to reduction in loans from banks and financial institutions, reduction of interest in deposits & slowdown in industrial and commercial activities in the country. A heavy monsoon rains in Nepal in last week of September 2024, have triggered flooding and landslide accrossed the country destroying large number of homes, cut of highways, downed power houses, innundating shops, godowns, stocks, workshops and also killing more than 200 people. The insured loss due to the destruction is reported to be more than 7 billions accross the Nepal. **The insured loss due to this event adversely affected the Net Profit of this quarter.**

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 regulators and the suggestions of the auditors.

7. Declaration of the Chief Executive Officer on accuracy and completeness

The details presented in this report are accurate and complete. No information necessary for investors to take decision have been concealed.