नेपाल इन्स्योरेन्स

(Kamaladi, Kathmandu Nepal. 5321353, 5328690, 5345565/68,
www.nepalinsurance.com)

Quarterly Financial Results for Second 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	2,970,427	2,700,475
Property and Equipment	190,619,843	140,094,335
Investment Properties	-	-
Deferred Tax Assets	83,312,370	106,132,172
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,830,119,967	4,325,251,515
Loans	13,600,000	15,400,000
Reinsurance Assets	1,377,065,272	1,095,023,354
Current Tax Assets	59,333,158	41,992,776
Insurance Receivables	126,173,700	61,269,820
Other Assets	175,098,882	104,182,098
Other Financial Assets	196,289,222	151,813,394
Cash and Cash Equivalent	25,302,923	187,769,716
Total Assets	**7,079,885,766**	**6,231,629,655**
Equity:		
Share Capital	1,644,241,940	1,644,241,940
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserve	1,378,021,663	1,335,007,771
Catastrophe Reserves	99,771,967	95,470,577
Retained Earnings	301,388,184	264,464,944
Other Equity	117,720,029	119,012,064
Total Equity	**3,541,143,783**	**3,458,197,296**
Liabilities:		
Provisions	350,668,895	134,253,049
Gross Insurance Contract Liabilities	2,430,551,655	1,838,062,978
Deferred Tax Liabilities	-	-
Insurance Payable	359,921,745	372,144,109
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	227,383,082	182,352,885
Other Financial Liabilities	170,216,607	246,619,336
Total Liabilities	**3,538,741,983**	**2,773,432,357**
Total Equity and Liabilities	**7,079,885,766**	**6,231,629,653**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	540,857,723	816,442,862	383,451,575	725,452,692
Premiums Ceded	- 349,161,191	- 488,086,733	- 223,495,427	- 428,707,989
Net Earned Premiums	**191,696,532**	**328,356,129**	**159,956,148**	**296,744,703**
Commission Income	53,331,430	92,605,571	36,928,414	72,372,770
Other Direct Income	-	-	-	-
Income from Investments and Loans	23,034,230	139,996,217	517,188,611	714,353,675
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	2,744,988	3,622,903	781,591	781,591
Total Income	**270,807,180**	**564,580,819**	**714,854,763**	**1,084,252,739**
Expenses:				
Gross Claims Paid	195,953,947	329,431,560	90,352,157	205,104,580
Claims Ceded	- 84,329,893	- 130,699,619	- 42,490,507	- 97,274,374
Gross Change in Contract Liabilities	- 185,572,883	369,161,068	68,676,855	44,739,101
Change in Contract Liabities Ceded to Reinsurers	123,205,096	- 335,483,231	- 44,739,101	- 32,369,550
Net Claims Incurred	**49,256,267**	**232,409,778**	**71,799,404**	**120,199,756**
Commission Expenses	4,496,626	6,219,665	2,783,787	6,873,502
Service Fees	1,814,942	4,538,438	1,136,382	2,411,045
Other Direct expenses	231,947	1,377,912	- 1,748,067	287,769
Employee Benefits Expenses	66,319,461	124,937,660	99,194,303	181,899,378
Depreciation and Amortization Expenses	5,426,117	9,382,316	13,247,374	16,556,872
Impairment Losses	-	-	-	-
Other Operating Expenses	30,061,685	53,997,789	21,419,783	40,806,184
Finance Cost	-	-	-	-
Total Expenses	**157,607,045**	**432,863,558**	**207,832,965**	**369,034,507**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**113,200,135**	**131,717,261**	**507,021,798**	**715,218,232**
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	**113,200,135**	**131,717,261**	**507,021,798**	**715,218,232**
Income Tax Expenses	37,582,425	45,689,477	155,400,362	217,420,492
Net Profit/(Loss) For The Year	**75,617,710**	**86,027,785**	**351,621,437**	**497,797,740**
Earning Per Share				
Basic EPS		10.46		60.55
Diluted EPS		10.46		60.55

CONDENSED CONSOLIDATED STATEMENT OF OTHER

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	75,617,710	86,027,785	351,621,437	497,797,740
Other Comprehensive Income	- 43,180,682	2,847,687	- 11,578,405	- 15,534,408
Total Comprehensive Income	**32,437,029**	**88,875,472**	**340,043,031**	**482,263,333**

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count	99,912	84,792
2. Total Renewed Policy Count	20,508	13,872
3. Total Claims Paid Count	2,451	2,035
4. Outstanding Claims Count	4,540	4,443
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	1,231,038,604	1,021,574,926
6. Net Outstanding Claim including IBNR and IBNER (Amount)	362,354,864	352,577,641
7. Margin Over Best Estimate (MOBE)	-	-
8. Unearned Premium Reserve (Amount)	583,353,444	478,097,772
9. Unexpired Risk Reserve (Amount)	583,353,444	478,097,772
10. Earthquake Premium Reserve (Amount)	-	-
11. Long Term Investments (Amount)	1,096,496,998	379,318,663
12. Short Term Investments (Amount)	3,733,622,969	3,932,267,266
13. Direct Premium (Amount)	1,093,211,784	793,629,842
14. Investment in Cost (Amount)	4,801,283,332	3,575,170,905
15. Solvency Margin Ratio	4.32	2.08

Notes :

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 RBC-S Valuation) 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 (annualized)	Rs. 10.46	Net worth per share	Rs. 215.37
P.E. Ratio	93.21	Value of total assets per share	430.59

2. **Managerial Analysis**
   a) The company has earned gross insurance premiums of Rs. 81 crore and 64 lakhs by the end of Poush, the Second 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. 1,044	Final price	Rs. 975.00	Number of transactions	6,276
Minimum price	Rs. 949.90	Total days of transaction	55 days	Transaction amount	Rs. 87,13,98,123.70

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 the Company.**
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 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.