NEPAL INSURANCE COMPANY LIMITED
(Kamaladi, Kathmandu Nepal. 5321353, 5328690, 5345565/68,
Quarterly Financial Results for Third Quarter, F.Y. 2081/82 B.S

Unaudited	Audited

1 CONDENSED CONSOLIDATED 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	3,583,153	2,700,475
Property and Equipment	228,193,658	140,094,335
Investment Properties	-	-
Deferred Tax Assets	122,825,956	106,132,172
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,630,126,260	4,325,251,515
Loans	12,795,279	15,400,000
Reinsurance Assets	1,647,947,383	1,095,023,354
Current Tax Assets	24,525,836	41,992,776
Insurance Receivables	139,741,075	61,269,820
Other Assets	213,294,046	104,182,098
Other Financial Assets	219,798,053	151,813,394
Cash and Cash Equivalent	76,007,425	187,769,716
Total Assets	**7,318,838,123**	**6,231,629,655**
Equity:		
Share Capital	1,890,878,230	1,644,241,940
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserve	1,424,233,154	1,335,007,771
Catastrophe Reserves	104,393,116	95,470,577
Retained Earnings	87,103,918	264,464,944
Other Equity	103,177,031	119,012,064
Total Equity	**3,609,785,448**	**3,458,197,297**
Liabilities:		
Provisions	343,718,723	134,253,049
Gross Insurance Contract Liabilities	2,758,206,099	1,838,062,978
Deferred Tax Liabilities	-	-
Insurance Payable	266,785,051	372,144,109
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	231,808,972	246,619,336
Other Financial Liabilities	108,533,828	182,352,885
Total Liabilities	**3,709,052,674**	**2,773,432,358**
Total Equity and Liabilities	**7,318,838,123**	**6,231,629,655**

2 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	463,306,667	1,279,749,529	466,502,104	1,191,954,796
Premiums Ceded	- 199,278,509	- 687,365,242	- 271,903,959	- 700,611,948
Net Earned Premiums	**264,028,158**	**592,384,287**	**194,598,145**	**491,342,848**
Commission Income	72,778,125	165,383,696	54,614,700	126,987,470
Other Direct Income	-	-	-	-
Income from Investments and Loans	72,456,256	212,452,472	82,465,901	241,085,794
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	1,289,287	4,912,190	810,680	100,504,596
Total Income	**410,551,826**	**975,132,645**	**332,489,426**	**959,920,708**
Expenses:				
Gross Claims Paid	212,984,915	542,416,475	147,999,967	353,104,547
Claims Ceded	- 95,052,108	- 225,751,727	- 56,577,569	- 153,851,943
Gross Change in Contract Liabilities	- 150,018,221	219,142,847	- 117,126,101	- 75,043,762
Change in Contract Liabities Ceded to Reinsurers	204,551,797	- 130,931,435	74,549,239	44,836,451
Net Claims Incurred	**172,466,383**	**404,876,161**	**48,845,536**	**169,045,292**
Commission Expenses	5,001,544	11,221,209	4,093,986	10,967,489
Service Fees	1,997,002	6,535,440	924,516	3,335,561
Other Direct expenses	333,177	1,711,089	156,358	444,127

Employee Benefits Expenses	71,326,201	196,263,861	74,020,649	255,920,028
Depreciation and Amortization Expenses	22,256,152	31,638,468	3,744,600	10,267,233
Impairment Losses	-	-	-	-
Other Operating Expenses	11,463,768	65,461,557	44,325,555	81,805,041
Finance Cost	4,772,935	4,772,935	-	-
Total Expenses	**289,617,163**	**722,480,721**	**176,111,200**	**531,784,771**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**120,934,663**	**252,651,925**	**156,378,226**	**428,135,937**
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	**120,934,663**	**252,651,925**	**156,378,226**	**428,135,937**
Income Tax Expenses	28,511,682	74,201,159	49,100,874	133,483,210
Net Profit/(Loss) For The Year	**92,422,981**	**178,450,766**	**107,277,352**	**294,652,728**
Earning Per Share				
Basic EPS		12.58		23.89
Diluted EPS		12.58		23.89

3 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	92,422,981	178,450,766	107,277,352	294,652,728
Other Comprehensive Income	- 15,367,228	- 12,519,541	- 32,240,668	- 47,775,076
Total Comprehensive Income	**77,055,753**	**165,931,225**	**75,036,683**	**246,877,652**

4 OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count	160,121	159,077
2. Total Renewed Policy Count	32,483	23,054
3. Total Claims Paid Count	4,127	5,496
4. Outstanding Claims Count	4,707	4,162
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	1,405,718,356	-
6. Net Outstanding Claim including IBNR and IBNER (Amount)	413,771,658	-
7. Margin Over Best Estimate (MOBE)	-	-
8. Unearned Premium Reserve (Amount)	583,353,444	-
9. Unexpired Risk Reserve (Amount)	583,353,444	-
10. Earthquake Premium Reserve (Amount)	-	-
11. Long Term Investments (Amount)	1,234,587,793	324,505,447
12. Short Term Investments (Amount)	3,395,538,467	4,031,234,698
13. Direct Premium (Amount)	1,401,923,691	1,117,979,203
14. Investment in Cost (Amount)	4,644,300,673	4,332,988,135
15. Solvency Margin Ratio	4.34	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

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

1. Solvency Ratio related disclosure:

The Solvency Ratio (Based on RBC-S Valuation (FY 2023/24) of Company is 4.34.

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.

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NEPAL INSURANCE COMPANY LIMITED

Statement of Changes In Equity

(For the Quarter Ended Chaitra 2081)

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Ashadh end, 2081	1,644,241,940	-	-	-	264,464,949	-	1,335,007,771		95,470,577	10,868,263		17,337,957	- 15,929,821	106,735,659	-	3,458,197,296
Balance as on Shrawan 1, 2081	1,644,241,940	-	-	-	264,464,949	-	1,335,007,771	-	95,470,577	10,868,263	-	17,337,957	- 15,929,821	106,735,659	-	3,458,197,296
Prior period adjustment					3,737,785											3,737,785
Restated Balance as at Shrawan 1, 2080	1,644,241,940	-	-	-	268,202,734	-	1,335,007,771	-	95,470,577	10,868,263	-	17,337,957	- 15,929,821	106,735,659	-	3,461,935,081
Profit/(Loss) For the Year					178,450,766											178,450,766
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments												- 8,763,679		- 3,755,862		- 12,519,541
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments												-				-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds					- 99,932,429		89,225,383		8,922,538	1,784,508						- 0
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
CSR Expenses										- 5,100,000						- 5,100,000
Transfer of Regulatory Reserve																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued	246,636,291				- 246,636,291											-
ii) Share Issue																-
iii) Cash Dividend					- 12,980,857											- 12,980,857
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Asoj End, 2081	1,890,878,231	-	-	-	87,103,922	-	1,424,233,154	-	104,393,116	7,552,771	-	8,574,279	- 15,929,821	102,979,797	-	3,609,785,448

NEPAL INSURANCE COMPANY LIMITED

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Statement of Cash Flows

(For The Quarter Ended Chaitra 2081)

Fig. in NPR

Particulars	Current Quarter	Corresponding Previous Quarter
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	1,093,211,784	1,145,353,422
Reinsurance Commission Received	110,415,866	135,720,768
Claim Recovery Received from Reinsurers	329,431,560	153,851,943
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received	-	-
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid	(130,699,619)	(353,095,052)
Reinsurance Premium Paid	(488,086,733)	(700,611,948)
Commission Paid	(7,350,535)	(11,364,973)
Service Fees Paid	(8,199,088)	(3,335,561)
Employee Benefits Expenses Paid	(110,302,409)	(157,679,758)
Other Expenses Paid	(283,716,073)	(67,812,272)
Other Direct Expenses Paid		
Others (to be specified)	(376,241,320)	
Income Tax Paid	17,466,940	(206,738,417)
Net Cash Flow From Operating Activities [1]	**145,930,372**	**(65,711,849)**
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		-
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment	(88,982,001)	(12,643,715)
Proceeds From Sale of Property & Equipment		98,909,000
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		455,426,286
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits	(304,874,745)	(830,814,200)
Maturity of Deposits		
Loans Paid		
Proceeds from Loans	2,604,721	3,150,000
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received	133,559,361	240,155,148
Dividend Received		
Others		(46,411,488)
Total Cash Flow From Investing Activities [2]	**(257,692,664)**	**(92,228,970)**

NEPAL INSURANCE COMPANY LIMITED

Statement of Cash Flows

(For The Quarter Ended Chaitra 2081)

Fig. in NPR

Particulars	Current Quarter	Corresponding Previous Quarter
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		(7,867,186)
Dividend Distribution Tax Paid	-	
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	**-**	**(7,867,186)**
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	**(111,762,293)**	**(165,808,006)**
Cash & Cash Equivalents At Beginning of The Year/Period	187,769,717	219,378,677
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	**76,007,425**	**53,570,671**
Components of Cash & Cash Equivalents		
Cash In Hand	9,608,100	10,295,665
Cheuqe in Hand	16,178,050	18,435,185
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	50,221,275	24,839,820

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NEPAL INSURANCE COMPANY LIMITED

Statement of Distributable Profit or Loss

(For The Quarter Ended Chaitra 2081)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	268,202,733.51	120,912,999.87
Transfer from OCI reserves to retained earning in current year	-	331,665,410.71
Net profit or (loss) as per statement of profit or loss	178,450,765.95	(36,535,728.51)
Appropriations:		
i)Transfer to Insurance Fund		
ii)Transfer to Special Reserve	(89,225,382.97)	(182,033,197.06)
iii)Transfer to Catastrophe Reserve	(8,922,538.30)	(14,960,822.85)
iv)Transfer to Capital Reserve		
v)Transfer to CSR reserve	(1,784,507.66)	(3,640,663.94)
vi)Transfer to/from Regulatory Reserve		
vii)Transfer to Fair Value Reserve	-	50,826,828.87
viii)Transfer of Deferred Tax Reserve		(3,467,556.19)
ix)Transfer to OCI reserves due to change in classification		
x)Others (to be Specified)		2,135,959.60
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi)) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share Investment or mutual fund investment		
xiii) Bonus share/ dividend paid	(259,617,148)	(143,849,729)
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		
xv) Others (to be specified)		
Adjusted Retained Earning	87,103,922	121,053,502
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	**87,103,922**	**121,053,502.01**

NEPAL INSURANCE COMPANY LIMITED
Notes to Interim Financial Statements
(For The Quarter Ended Chaitra 2081)

1. General Information

Nepal Insurance Company Limited (herein after referred to as the 'Company') was incorporated on 1947 A.D. and operated as general insurance company after obtaining license on 17/02/2053 under the Insurance Act 2049.

The registered office of the Company is located at Kamaladi, Kathmandu, Nepal. The Company's shares are listed on 12/12/2064.

2. Basis of Preparation

i. Statement of Compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB), as per the provisions of The Nepal Chartered Accountants Act, 1997. These confirm, in material respect, to NFRS as issued by the Nepal Accounting Standards Board. The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

ii. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

i. Certain Financial Assets & Liabilities which are required to be measured at fair value
ii. Defined Employee Benefits
iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods & services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2, or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurement in its entirety, which are described as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2 - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3 - Inputs are unobservable inputs for the Asset or Liability.

iii. Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements.

iv Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

v Going Concern

The financial statements are prepared on a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

vi. Changes in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

3. Significant Accounting Policies

This note provides a list of the significant policies adopted in the preparation of these Financial Statements.

(a) Property, Plant and Equipment (PPE)

i. Recognition

Freehold land is carried at historical cost and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii. Depreciation

Depreciation on Property, Plant and Equipment other than Freehold Land i.e., the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Diminishing Balance Method (DBM)" based on Useful Life estimated by technical expert of the management.

The Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property, Plant and Equipment based on DBM is categorized as stated below:

List of Asset Categories	Rate of Depreciation (In %) for DBM
Land	Not Applicable
Buildings	5%

Leasehold Improvement	Lease Period
Furniture & Fixtures	25%
Computers and IT Equipment	25%
Office Equipment	25%
Vehicles	20%
Other Assets	20%

iii. Derecognition

An item of Property, Plant and Equipment is derecognized upon disposal or when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv. Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

(b) Intangible Assets

i. Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred.
Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

ii. Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in income statement on straight line method over the estimated useful life of the intangible assets from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM is categorized as stated below:

List of Asset Categories	Useful Life (In Years) for SLM
Software	5
License	License Period

iii. Derecognition

An Intangible Asset is derecognised when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv. Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognised in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Cash & Cash Equivalent

Cash & Cash Equivalents includes Cash in Hand, Bank Balances and short-term deposits with a maturity of three months or less.

(d) Financial Assets

i. Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii. Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income in these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. These financial assets are measured at fair value and changes are taken to statement of profit or loss.

iii. Derecognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Asset. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv. Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected Credit Losses are measured through a loss allowance at an amount equal to:

The 12-months Expected Credit Losses (Expected Credit Losses that result from those default events on the Financial Instrument that are possible within 12 months after the reporting date); or

Full Lifetime Expected Credit Losses (Expected Credit Losses that result from all possible default events over the life of the Financial Instrument).

For other assets, the Company uses 12 months Expected Credit Losses to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk Full Lifetime ECL is used.

(e) Financial Liabilities

i. Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii. Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair value due to short maturity of these instruments.

iii. Derecognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(f) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(g) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the Reinsurer's share of insurance contract liabilities. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the re-insurer. If a reinsurance asset is impaired, the company reduces the carrying amount accordingly and is recognized in statement of profit or loss.

(h) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(i) Reserves and Funds

i. Share Premium

If the Company issues share capital at premium it receives extra amount other than share capital such amount is transferred to share premium. The amount in share premium is allowed for distribution subject to provisions of company act & regulatory requirement.

ii. Special Reserve

The Company has allocated Special Reserve for the amount which is 50% of the net profit every year as per Regulator's Directive.

iii. Catastrophe Reserves

The Company has allocated catastrophe reserve for the amount which is 10% of the net profit for the year as per Regulator's Directive.

iv. Fair Value Reserves

The Company has policy of creating fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income as per regulator's directive.

v. Regulatory Reserves

Reserve created out of net profit in line with different circulars issued by regulatory authority.

vi. Actuarial Reserves

Reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.

vii. Cash Flow Hedge Reserve

Is the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss. Reserve represent effective portion of the gain or loss on the hedging instrument recognized in other comprehensive income.

viii. Revaluation Reserves

Reserve created against revaluation gain on property, plant & equipment & intangible assets, other than the reversal of earlier revaluation losses charged to profit or loss.

ix. Corporate Social Responsibility Reserve

As per NIA's Directive, 1% of net profit for the year is allocated as Corporate Social Responsibility Reserve.

x. Other Reserves

Reserve other than above reserves. Deferred tax reserve is included here.

(j) Insurance Contract Liabilities

i. Provision for Unearned Premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the polices.

ii. Outstanding Claims Provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii. Provision for Claim Incurred but Not Reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

Liability Adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(k) Employee Benefits

i. Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

ii. Post-Employment Benefits

- **Defined Contribution Plan**

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expense when they are due.

- **Defined Benefit Plan**

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight-Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii. Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv. Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

a) when the Company can no longer withdraw the offer of those benefits; and
b) when the entity recognises costs for a restructuring that is within the scope of NAS 37 and involves the

payment of termination benefits.

The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(l) Revenue Recognition

i. Gross Earned Premiums

Gross Earned Premiums are arrived at after deducting unearned premium reserves from Direct Premium and Premiums on Reinsurance Accepted. Direct premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the reporting period. They are recognized on the date on which the policy commences.
Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

ii. Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.
Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts.
Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

iii. Commission Income

Commission Income is recognised on accrual basis. If the income is for future periods, then they are deferred and recognised over those future periods.

iv. Investment Income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.
Investment income also includes dividends when the right to receive payment is established.

v. Net realised gains and losses

Net realised gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

(m) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.
The Company has following portfolios under which it operates its business:

i. Fire Portfolio

Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the fire insurance business.

ii. Motor Portfolio

Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.

iii. Marine Portfolio

Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

iv. Engineering Portfolio

Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.

v. Micro Portfolio

Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.

vi. Aviation Portfolio

Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.

vii. Cattle and Crop Portfolio

Cattle and Crop Insurance provides insurance against loss of or damage to cattle and crops.

viii. Miscellaneous Portfolio

All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(o) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(p) Leases (NFRS 16)

Leases in which the Company has substantial portion of the risks and rewards of ownership are classified as Finance Leases. Assets acquired under Finance Leases are capitalized at the lower of the Fair Value of the Leased Assets at the inception of the Lease Term & the Present Value of Minimum Lease Payments. Lease Payments are

apportioned between the Finance charge and the reduction of the outstanding liability. The Finance Charge is allocated to periods during the Lease Term at a constant periodic Rate of Interest on the remaining balance of the liability.

(q) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i. Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii. Deferred Tax

Deferred Tax is recognized on temporary differences between the carrying amounts of Assets & Liabilities in the Statement of Financial Position and their Tax Base. Deferred tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liabilities and their carrying amount in Financial Statements, except when the Deferred Income Tax arises from the initial recognition of goodwill, an Asset or Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profits or Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary differences.
The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(r) Provisions, Contingent Liabilities & Contingent Assets

i. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions for Contingent Liability are recognized in the books as a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii. Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii. Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(s) Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e., Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(t) Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

(u) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".
Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

Notes to Financial Statements (Continued…)

10 Related Party Disclosure

(a) Identify Related Parties

Holding Company:

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

Mr. Laxman Poudel	Former Chairman
Mr. Chandra Singh Saud	Director
Ms. Sabita Shrestha Joshi	Director
Mr. Nishant Jogai	Director
Mr. Bir Bikram Rayamajhi	Independent Director
Ms. Sajal Maskey	Director
Mr. Bir Krishna Maharjan	Chief Executive Officer

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits		
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	-	-

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances		
Performance based allowances		
i) Employee Bonus		
ii) Benefits as per prevailing provisions		
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	-	-

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year						
Previous Year						
Rental Income						
Current Year						
Previous Year						
Interest Income						
Current Year						
Previous Year						
Sale of Property & Equipment						
Current Year						
Previous Year						
Purchase of Property & Equipment						
Current Year						
Previous Year						
Premium Paid						
Current Year						
Previous Year						

Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						
Meeting Fees						
Current Year						
Previous Year						
Allowances to Directors						
Current Year						
Previous Year						
Others (to be specified)						
Current Year						
Previous Year						

(d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year						
Previous Year						
Other Receivables (to be Specified)						
Current Year						
Previous Year						
Payables including Reinsurance Payables						
Current Year						
Previous Year						
Other Payables (to be Specified)						
Current Year						
Previous Year						

11

NEPAL INSURANCE COMPANY LIMITED
Segment Reporting
(For The Quarter End Chaitra 2081)

Operating Segment

Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio. Performance is measured based on segment profit as management believes that it is most relevant in evaluating the results of segment relative to other entities that operate within these industries.

Segment asset is disclosed below based on total of all asset for each business segment.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be presented.

Business Segments of the Company's are:

i) Property
ii) Motor
iii) Marine
iv) Engineering
v) Micro
vi) Aviation
vii) Cattle and Crop
viii) Miscellaneous

Segmental Information for the Quarter ended Chaitra 31,2081

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	375,711,899	566,079,245	39,454,537	125,111,145	-	-	23,701,957	149,690,746		1,279,749,529
Premiums Ceded	(301,330,607)	(172,279,504)	(23,097,513)	(109,621,102)	-	-	(23,788,383)	(57,248,133)		(687,365,242)
Inter-Segment Revenue										-
Net Earned Premiums	**74,381,292**	**393,799,742**	**16,357,023**	**15,490,042**	**-**	**-**	**(86,426)**	**92,442,614**	**-**	**592,384,287**
Commission Income	67,775,504	48,358,563	6,234,963	21,466,699			3,599,975	17,947,993		165,383,696
Other Direct Income										
Income from Investments and Loans	14,205,753	31,551,469	2,000,122	3,963,248			599,710	5,386,496		57,706,798
Net Gain/ (Loss) on Fair Value Changes										-
Net Realised Gains/ (Losses)										-
Other Income										
Total Segmental Income	**156,362,549**	**473,709,774**	**24,592,108**	**40,919,989**	**-**	**-**	**4,113,259**	**115,777,103**	**-**	**815,474,782**
Expenses:										
Gross Claims Paid	155,281,240	236,555,147	8,436,814	43,830,278			13,722,913	84,590,084		542,416,475
Claims Ceded	(92,627,115)	(64,659,247)	(4,784,622)	(33,136,849)			(11,388,906)	(19,154,988)		(225,751,727)
Gross Change in Contract Liabilities	64,336,476	96,934,763	6,756,150	21,423,889	-	-	4,058,696	25,632,872		219,142,847
Change in Contract Liabities Ceded to Reinsurers	(38,439,161)	(57,915,683)	(4,036,602)	(12,800,147)	-	-	(2,424,952)	(15,314,891)		(130,931,435)
Net Claims Paid	**88,551,440**	**210,914,980**	**6,371,740**	**19,317,172**	**-**	**-**	**3,967,751**	**75,753,077**	**-**	**404,876,161**
Commission Expenses	4,200,134	2,204,527	202,676	3,342,825			399,258	871,788		11,221,209
Service Fees	1,172,198	3,879,112	187,191	320,748			38,108	938,084		6,535,440
Other Direct Expenses										-
Employee Benefits Expenses	44,440,233	66,957,405	4,666,791	14,798,489	-	-	2,803,532	17,705,832		151,372,283
Depreciation and Amortization Expenses										-
Impairment Losses										-
Other Operating Expenses	25,599,556	38,570,451	2,688,280	8,524,590	-	-	1,614,960	10,199,349		87,197,185
Finance Cost										-
Total Segmental Expenses	**163,963,562**	**322,526,475**	**14,116,677**	**46,303,824**	**-**	**-**	**8,823,609**	**105,468,129**	**-**	**661,202,277**
Total Segmental Results	**(7,601,013)**	**151,183,299**	**10,475,431**	**(5,383,835)**	**-**	**-**	**(4,710,351)**	**10,308,973**	**-**	**154,272,504**
Segment Assets										**1,787,688,458**
Segment Liabilities										**3,024,991,150**

12 Disclosure as required by other regulatory bodies and Nepal Financial Reporting Standards

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. 12.58 (annualized)
P.E. Ratio	63.69
Net worth per share	Rs. 190.91
Value of total assets per share	Rs. 387.06

2. Managerial Analysis

a) The company has earned gross insurance premiums of Rs. 127 crore and 98 lakhs by the end of Chaitra, the third quarter of 2081/82. 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. 1,032
Minimum price	Rs. 799.56
Final price	Rs. 801.43
Total days of transaction	56 days
Number of transactions	8052
Transaction amount	Rs 1,11,04,41,574

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.**

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 for investors to take decision have been concealed.