नेपाल इन्स्योरेन्स कम्पनी लिमिटेड
NEPAL INSURANCE COMPANY LIMITED

रजिष्टर्ड कार्यालय : का.म.न.पा. २८, कमलादी, काठमाण्डौं ।
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Quarterly Financial Results for Fourth Quarter, F.Y. 2081/82 B.S

Fig. in NPR.

Particulars	Unaudited: At the end of this Quarter	Audited: At the end of Immediate Previous Year
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Assets:		
Goodwill & Intangible Assets	3,882,055	2,700,475
Property and Equipment	264,207,705	140,094,335
Investment Properties	-	-
Deferred Tax Assets	94,893,459	106,132,172
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	4,463,323,825	4,325,251,515
Loans	12,550,000	15,400,000
Reinsurance Assets	1,020,219,854	1,095,023,354
Current Tax Assets	21,328,510	41,992,776
Insurance Receivables	170,047,775	61,269,820
Other Assets	238,255,222	104,182,098
Other Financial Assets	178,607,915	151,813,394
Cash and Cash Equivalent	60,746,432	187,769,716
Total Assets	**6,528,062,751**	**6,231,629,655**
Equity:		
Share Capital	1,890,878,230	1,644,241,940
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserve	1,493,237,413	1,335,007,771
Catastrophe Reserves	111,293,542	95,470,577
Retained Earnings	162,252,464	264,464,944
Other Equity	102,949,658	119,012,064
Total Equity	**3,760,611,307**	**3,458,197,297**
Liabilities:		
Provisions	287,905,567	134,253,049
Gross Insurance Contract Liabilities	2,033,133,804	1,838,062,978
Deferred Tax Liabilities	-	-
Insurance Payable	140,807,449	372,144,109
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	183,270,801	246,619,336
Other Financial Liabilities	122,333,823	182,352,885
Total Liabilities	**2,767,451,444**	**2,773,432,358**
Total Equity and Liabilities	**6,528,062,751**	**6,231,629,655**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *Fig. in NPR.*

Particulars	Current Year: This Quarter	Current Year: Upto this Quarter (YTD)	Corresponding Previous Year: This Quarter	Corresponding Previous Year: Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	557,106,252	1,836,855,782	374,593,939	1,566,548,735
Premiums Ceded	-198,970,300	-886,335,542	-155,563,978	-856,175,925
Net Earned Premiums	**358,135,952**	**950,520,240**	**219,029,961**	**710,372,810**
Commission Income	65,249,113	230,632,809	91,029,794	218,017,264
Other Direct Income	-	-	-	-
Income from Investments and Loans	68,738,573	281,191,045	-22,434,471	317,563,647
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	488,982	5,401,172	103,519,324	105,111,595
Total Income	**492,612,620**	**1,467,745,266**	**391,144,609**	**1,351,065,317**
Expenses:				
Gross Claims Paid	439,322,632	981,739,107	180,800,020	533,904,567
Claims Ceded	-285,255,423	-511,007,150	-79,470,717	-233,322,660
Gross Change in Contract Liabilities	-224,582,261	-5,439,414	-57,131,817	-87,339,128
Change in Contract Liabities Ceded to Reinsurers	164,024,400	33,092,966	159,459,394	159,459,394
Net Claims Incurred	**93,509,349**	**498,385,509**	**203,656,881**	**372,702,173**
Commission Expenses	7,088,387	18,309,596	6,963,277	17,930,765
Service Fees	2,410,118	8,945,558	1,402,710	4,738,271
Other Direct expenses	179,660	1,890,749	397,069	841,196
Employee Benefits Expenses	133,113,183	329,377,044	80,478,957	336,398,984
Depreciation and Amortization Expenses	12,381,829	44,020,297	29,646,902	39,914,136
Impairment Losses	-	-	-	-
Other Operating Expenses	39,484,766	104,946,323	8,446,777	90,251,818
Finance Cost	2,227,370	7,000,304	6,449,675	6,449,675
Total Expenses	**290,394,661**	**1,012,875,382**	**337,442,247**	**869,227,018**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**202,217,959**	**454,869,884**	**53,702,361**	**481,838,298**
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	**202,217,959**	**454,869,884**	**53,702,361**	**481,838,298**
Income Tax Expenses	64,209,441	138,410,600	44,598,773	178,081,983
Net Profit/(Loss) For The Year	**138,008,519**	**316,459,284**	**9,103,588**	**303,756,316**
Earning Per Share				
Basic EPS		16.74		18.47
Diluted EPS		16.74		18.47

Fig. in NPR.

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	138,008,519	316,459,284	9,103,588	303,756,316
Other Comprehensive Income	-1,581,838	-14,101,378	140,592,481	-44,229,032
Total Comprehensive Income	**136,426,681**	**302,357,906**	**149,696,069**	**259,527,284**

OTHER DETAILS

Fig. in NPR.

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count	215,048	206,893
2. Total Renewed Policy Count	43,969	31,153
3. Total Claims Paid Count	7,529	9,182
4. Outstanding Claims Count	4,489	3,710
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	943,262,799	948,702,213
6. Net Outstanding Claim including IBNR and IBNER (Amount)	345,355,449	317,701,897
7. Margin Over Best Estimate (MOBE)	38,938,655	38,938,655
8. Unearned Premium Reserve (Amount)	596,370,507	354,149,733
9. Unexpired Risk Reserve (Amount)	-	-
10. Earthquake Premium Reserve (Amount)	32,249,339	32,249,339
11. Long Term Investments (Amount)	1,277,302,636	452,384,115
12. Short Term Investments (Amount)	3,186,021,188	3,923,302,335
13. Direct Premium (Amount)	1,878,986,949	1,552,785,149
14. Investment in Cost (Amount)	4,438,555,314	4,300,483,004
15. Solvency Margin	433.60	433.60

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 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 Expense 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. 16.74	Net worth per share	Rs. 198.88
P.E. Ratio	38.55	Value of total assets per share	Rs. 345.24

2. Managerial Analysis

a) The company has earned gross insurance premiums of Rs. 183 crore and 68 lakhs by the end of Ashad, the Fourth 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. 821.39	Final price	Rs. 645.18	Number of transactions	8,280
Minimum price	Rs. 571.33	Total days of transaction	63 days	Transaction amount	Rs 73,99,71,804.80

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 and 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, vehicles, 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 laws, 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.