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Quarterly Financial Results for Second Quarter, F.Y. 2082/83 B.S

	Unaudited	Audited

Fig in NPR

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Particulars	At the end of this Quarter	At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	3,537,009	3,930,010
Property and Equipment	257,641,836	247,404,342
Investment Properties	-	-
Deferred Tax Assets	102,131,592	102,554,647
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	5,316,638,323	4,444,502,294
Loans	11,850,000	12,550,000
Reinsurance Assets	1,264,035,693	959,560,033
Current Tax Assets	82,557,919	67,670,217
Insurance Receivables	180,220,637	69,801,387
Other Assets	232,344,193	216,056,030
Other Financial Assets	102,583,455	126,180,755
Cash and Cash Equivalent	41,957,053	57,633,478
Total Assets	7,595,497,704	6,307,843,194
Equity:	-	-
Share Capital	2,548,575,005	1,890,878,229
Share Application Money Pending Allotment	-	-
Share Premium	81,481,510	-
Special Reserve	1,518,638,062	1,516,158,826
Catastrophe Reserves	112,405,371	112,157,447
Retained Earnings	4,179,647	162,960,552
Other Equity	70,130,674	78,950,603
Total Equity	**4,335,410,269**	**3,761,105,657**
Liabilities:	-	-
Provisions	132,842,470	83,498,319
Gross Insurance Contract Liabilities	2,584,275,361	1,961,785,861
Deferred Tax Liabilities	-	-
Insurance Payable	35,432,732	165,219,434
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	199,834,132	190,863,770
Other Financial Liabilities	307,702,742	145,370,152
Total Liabilities	3,260,087,436	2,546,737,538
Total Equity and Liabilities	7,595,497,704	6,307,843,194

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	563,805,157	981,131,333	540,857,723	816,442,862
Premiums Ceded	- 251,667,591	- 461,055,040	- 349,161,191	- 488,086,733
Net Earned Premiums	**312,137,565**	**520,076,292**	**191,696,532**	**328,356,129**
Commission Income	12,331,623	78,622,744	53,331,430	92,605,571
Other Direct Income	-	-	-	-
Income from Investments and Loans	61,432,073	111,662,212	23,034,230	139,996,217
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	194,731	475,720	2,744,988	3,622,903
Total Income	**386,095,992**	**710,836,968**	**270,807,180**	**564,580,819**
Expenses:				
Gross Claims Paid	492,722,757	675,040,577	195,953,947	329,431,560
Claims Ceded	- 262,372,806	- 328,526,637	- 84,329,893	- 130,699,619
Gross Change in Contract Liabilities	- 11,934,881	1,292,747,911	- 185,572,883	369,161,068
Change in Contract Liabities Ceded to Reinsurers	- 96,020,672	- 1,174,813,066	123,205,096	- 335,483,231
Net Claims Incurred	**122,394,398**	**464,448,786**	**49,256,267**	**232,409,778**
Commission Expenses	2,247,465	7,636,333	4,496,626	6,219,665
Service Fees	1,675,143	5,401,165	1,814,942	4,538,438
Other Direct expenses	317,856	1,494,458	231,947	1,377,912
Employee Benefits Expenses	69,023,316	133,567,000	66,319,461	124,937,660
Depreciation and Amortization Expenses	- 4,725,675	5,999,911	5,426,117	9,382,316
Impairment Losses	-	-	-	-
Other Operating Expenses	46,513,261	79,493,287	30,061,685	53,997,789
Finance Cost	1,398,053	3,227,678	-	-
Total Expenses	**238,843,817**	**701,268,618**	**157,607,045**	**432,863,558**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	147,252,175	9,568,350	113,200,135	131,717,261
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	**147,252,175**	**9,568,350**	**113,200,135**	**131,717,261**
Income Tax Expenses	45,915,026	4,609,878	37,582,425	45,689,477
Net Profit/(Loss) For The Year	**101,337,149**	**4,958,472**	**75,617,710**	**86,027,785**
Earning Per Share				
Basic EPS		0.39		10.46
Diluted EPS		0.39		10.46

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

	Corresponding Previous Year

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	101,337,149	4,958,472	75,617,710	86,027,785
Other Comprehensive Income	- 6,440,738	8,045,842	- 43,180,682	2,847,687
Total Comprehensive Income	**94,896,411**	**13,004,314**	**32,437,029**	**88,875,472**

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count	108,891	99,912
2. Total Renewed Policy Count	24,462	20,508
3. Total Claims Paid Count	3,676	2,451
4. Outstanding Claims Count	5,526	4,540
5. Gross Outstanding Claim including IBNR and IBNER (Amount)	1,180,472,360	1,231,038,604
6. Net Outstanding Claim including IBNR and IBNER (Amount)	482,871,246	362,354,864
7. Margin Over Best Estimate (MOBE)	-	-
8. Unearned Premium Reserve (Amount)	453,950,806	583,353,444
9. Unexpired Risk Reserve (Amount)	-	-
10. Earthquake Premium Reserve (Amount)	-	-
11. Long Term Investments (Amount)	1,762,529,420	1,096,496,998
12. Short Term Investments (Amount)	3,554,108,903	3,733,622,969
13. Direct Premium (Amount)	1,181,210,327	1,093,211,784
14. Investment in Cost (Amount)	5,300,073,795	4,801,283,332
15. Solvency Margin Ratio	4.29	4.34

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 RBC-S Valuation (FY 2024/25) of Company is 4.29.
2. **Reinsurance related disclosure:**
   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. 0.39	Net worth per share	Rs. 170.11
P.E. Ratio	-	Value of total assets per share	Rs. 298.03

2. **Managerial Analysis**
   a) The company has earned Gross Insurance Premiums of Rs. 98 crores and 11 lakhs by the end of Poush, the second quarter of 2082/83. 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. 544	Final price	Rs. 509	Number of transactions	6,378
Minimum price	Rs. 498	Total days of transaction	55 days	Transaction amount	Rs 380,376,893

5. **Problems and challenges**
   The insurance sector in Nepal has faced some problems recently due to adverse situations. Reduced interest rates in fixed deposits and slow business activities have already weakened the sector. The Gen-Z movement caused widespread unrest, vandalism, fire, and damage to insured properties leading to a sharp rise in claim expenses under insurance policies. Soon after, heavy monsoon rains on October 2025, triggered floods and landslides claims.
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 informations have been concealed.