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MAKE A VISIBLE DIFFERENCE
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Quarterly Financial Results for 1st Quarter, F.Y. 2083/84 B.S.

CONDENSED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	At the end of this Quarter Unaudited	At the end of Immediate Previous Year Unaudited
Assets:		
Goodwill & Intangible Assets	2,788,923	3,486,154
Property and Equipment	691,497,490	673,495,350
Investment Properties	57,423,450	58,150,329
Deferred Tax Assets	-	30,670,326
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	6,005,472,164	6,199,164,851
Loans	-	-
Reinsurance Assets	3,274,223,766	2,740,055,722
Current Tax Assets	107,607,330	83,459,633
Insurance Receivables	336,305,061	287,615,679
Other Assets	224,462,897	317,045,754
Other Financial Assets	150,533,289	189,580,770
Cash and Cash Equivalent	2,442,648,181	1,575,345,264
Total Assets	**13,292,962,550**	**12,158,069,832**
Equity:		
Share Capital	2,772,278,300	2,772,278,300
Share Application Money Pending Allotment	-	-
Share Premium	31,034,684	31,034,684
Special Reserve	2,457,817,862	2,457,817,862
Catastrophe Reserves	181,588,303	181,588,303
Retained Earnings	283,156,228	365,027,790
Other Equity	463,586,495	466,873,023
Total Equity	**6,189,461,873**	**6,274,619,962**
Liabilities:		
Provisions	38,342,561	38,342,561
Gross Insurance Contract Liabilities	5,813,825,607	4,857,234,481
Deferred Tax Assets/(Liabilities)	9,577,656	-
Insurance Payables	785,908,823	531,388,420
Current Tax Assets/(Liabilities)	-	-
Borrowings	-	-
Other Liabilities	264,073,711	284,547,323
Other Financial Liabilities	191,772,321	171,937,086
Total Liabilities	**7,103,500,677**	**5,883,449,870**
Total Equity and Liabilities	**13,292,962,550**	**12,158,069,832**

CONDENSED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Current Year (Unaudited)		Corresponding Previous Year (Unaudited)	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	573,714,710	573,714,710	526,282,812	526,282,812
Premiums Ceded	233,344,118	233,344,118	230,875,468	230,875,468
Net Earned Premiums	**340,370,592**	**340,370,592**	**295,407,344**	**295,407,344**
Commission Income	96,832,706	96,832,706	100,448,783	100,448,783
Other Direct Income	3,803,297	3,803,297	3,457,543	3,457,543
Income from Investments and Loans	42,557,035	42,557,035	52,876,057	52,876,057
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	4,762,473	4,762,473	15,609,869	15,609,869
Other Income	4,267,080	4,267,080	4,012,533	4,012,533
Total Income	**492,593,183**	**492,593,183**	**471,812,129**	**471,812,129**
Expenses:				
Gross Claims Paid	431,683,077	431,683,077	529,980,283	529,980,283
Claims Ceded	113,080,638	113,080,638	286,071,991	286,071,991
Gross Change in Contract Liabilities	635,689,568	635,689,568	792,681,335	792,681,335
Change in Contract Liabities Ceded to Reinsurers	556,158,827	556,158,827	627,931,897	627,931,897
Net Claims Incurred	**398,133,179**	**398,133,179**	**408,657,730**	**408,657,730**
Commission Expenses	21,989,344	21,989,344	17,902,825	17,902,825
Service Fees	5,141,579	5,141,579	4,266,306	4,266,306
Other Direct expenses	437,691	437,691	248,100	248,100
Employee Benefits Expenses	120,834,320	120,834,320	109,850,196	109,850,196
Depreciation and Amortization Expenses	12,935,185	12,935,185	11,620,007	11,620,007
Impairment Losses	-	-	-	-
Other Operating Expenses	50,081,259	50,081,259	38,030,759	38,030,759
Finance Cost	-	-	-	-
Total Expenses	**609,552,556**	**609,552,556**	**590,575,923**	**590,575,923**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**(116,959,374)**	**(116,959,374)**	**(118,763,795)**	**(118,763,795)**
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	**(116,959,374)**	**(116,959,374)**	**(118,763,795)**	**(118,763,795)**
Income Tax Expenses	(35,087,812)	(35,087,812)	(35,629,139)	(35,629,139)
Net Profit/(Loss) For The Year	**(81,871,562)**	**(81,871,562)**	**(83,134,656)**	**(83,134,656)**
Earning Per Share Annualized		(11.81)	-	(12.35)
Basic EPS		(11.81)	-	(12.35)
Diluted EPS				

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CONDENSED STATEMENT OF FINANCIAL POSITION

Particulars	As at the end of this Quarter	At the end of Immediate Previous Year
		Fig in NPR.
Assets:		
Goodwill & Intangible Assets	2,788,923	3,486,154
Property and Equipment	691,497,490	673,495,350
Investment Properties	57,423,450	58,150,329
Deferred Tax Assets	-	30,670,326
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	6,005,472,164	6,199,164,851
Loans	-	-
Reinsurance Assets	3,100,870,898	2,566,702,854
Insurance Contract Assets	23,343,149	23,343,149
Insurance Acquisition Cash Flows	107,607,330	83,459,633
Current Tax Assets	-	-
Insurance Receivables	201,119,747	293,702,604
Other Assets	150,533,289	189,580,770
Other Financial Assets	2,442,648,181	1,575,345,264
Cash and Cash Equivalent	12,783,304,621	11,697,101,286
Total Assets		
Equity:	2,772,278,300	2,772,278,300
Share Capital	-	-
Share Application Money Pending Allotment	-	-
Share Premium	31,034,684	31,034,684
Special Reserves	2,457,817,862	2,457,817,862
Catastrophe Reserves	181,588,303	181,588,303
Retained Earnings	283,156,228	365,027,790
Other Equity	463,586,495	466,873,023
Total Equity	**6,189,461,873**	**6,274,619,962**
Liabilities:		
Provisions	38,342,561	38,342,561
Insurance Contract Liabilities	6,263,429,368	5,101,007,222
Deferred Tax Liabilities	9,577,656	-
Insurance Payable	-	-
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	90,720,843	111,194,455
Other Financial Liabilities	191,772,321	171,937,086
Total Liabilities	**6,593,842,748**	**5,422,481,324**
Total Equity and Liabilities	**12,783,304,621**	**11,697,101,286**

CONDENSED 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)
Insurance Service Expenses	(1,228,710,763)	(1,228,710,763)	(1,466,549,052)	(1,466,549,052)
Insurance Service Results from Insurance Contracts Issued	(654,996,053)	(654,996,053)	(940,266,240)	(940,266,240)
Allocation of reinsurance premium paid	(233,344,118)	(233,344,118)	(230,875,468)	(230,875,468)
Amounts recovered from reinsurance contracts	669,239,465	669,239,465	914,003,888	914,003,888
Commission Income	96,832,706	96,832,706	100,448,783	100,448,783
Net Income/(Expense) from Reinsurance Contracts Held	532,728,053	532,728,053	783,577,203	783,577,203
Insurance Service Results (net of reinsurance)	(122,268,000)	(122,268,000)	(156,689,037)	(156,689,037)
Investment and Finance Results	-	-	-	-
Interest Income on Loan to Policyholders	-	-	-	-
Income from Investments & Loans	42,557,035	42,557,035	52,876,057	52,876,057
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-
Finance Cost	-	-	-	-
Net Investment Income	42,557,035	42,557,035	52,876,057	52,876,057
Insurance Finance Income/(expense)	-	-	-	-
Reinsurance Finance Income/(expense)	-	-	-	-
Net Insurance Finance Income/(Expense)	-	-	-	-
Net Investment and Finance Results	42,557,035	42,557,035	52,876,057	52,876,057
Other Income and Expenses	4,762,473	4,762,473	15,609,869	15,609,869
Net Realised Gains/ (Losses)	8,070,377	8,070,377	7,470,076	7,470,076
Other Income	-	-	-	-
Employee Benefits Expenses	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-
Impairment Losses	-	-	-	-
Other Operating Expenses	50,081,259	50,081,259	38,030,759	38,030,759
Net of other Income and Expenses	37,248,409	37,248,409	14,950,814	14,950,814
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	(116,959,374)	(116,959,374)	(118,763,794)	(118,763,794)
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	(116,959,374)	(116,959,374)	(118,763,794)	(118,763,794)
Income Tax Expense	(35,087,812)	(35,087,812)	(35,629,139)	(35,629,139)
Net Profit/(Loss) For The Year	(81,871,562)	(81,871,562)	(83,134,655)	(83,134,655)
Earning Per Share		(11.81)		(12.35)
Basic EPS		(11.81)		(12.35)
Diluted EPS				

CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Current Year (Unaudited)		Corresponding Previous Year (Audited)	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	(81,871,562)	(81,871,562)	(83,134,656)	(83,134,656)
Other Comprehensive Income	(2,467,812)	(2,467,812)	68,013,012	68,013,012
Total Comprehensive Income	**(84,339,373)**	**(84,339,373)**	**(15,121,644)**	**(15,121,644)**

Quarterly Financial Results for 1st Quarter, F.Y. 2083/84 B.S.

Particulars	Current Year Upto this Quarter (YTD)	Previous Year Upto this Quarter (YTD) (UnAudited)
1. Total Issued Policy Count	87,116	72,222
2. Total Renewed Policy Count	28,728	27,244
3. Total Claims Paid Count	3,350	2,801
4. Outstanding Claims Count (including Covid Claims)	11,440	10,112
5. Gross Outstanding Claim Including IBNR and IBNER	3,426,038,362	2,852,538,676
6. Net Outstanding Claim Including IBNR and IBNER	1,084,887,271	940,290,359
7. Margin over Best Estimate (MoBE)	5,718,413	6,825,971
8. Unearned Premium Reserve	1,363,937,318	1,171,423,169
9. Unexpired Risk Reserve	-	-
10. Earthquake Premium Reserve	90,777,252	28,877,310
11. Long Term Investments	1,161,402,564	825,975,564
12. Short Term Investment	4,290,128,661	5,770,420,889
13. Direct Premium	1,151,731,726	928,376,578
14. Investment in Cost	5,451,531,225	6,596,396,453
15. Solvency Margin Ratio	5.06	5.06

Note:

1. The detailed Interim Financial Report has been published in the company's website www.neco.com.np
2. Figures presented above are unaudited figures and might be changed after acturial report/statutory audit.
3. Above Financials are prepared as per Nepal Financial Reporting Standards (NFRS).
4. The above figures are regrouped and rearranged whenever necessary.

Disclosures as per section 84(3) of Insurance Act, 2079

1. **Solvency Ratio:** The solvency ratio of the company is 5.06 as per the acturial valuation report of FY 2081-82.
2. **Reinsurance related Disclosure:** The company has various reinsurance arrangements with national and international reinsurance companies in order to mitigate its risk exposure as per the need of the company.
3. **Details regarding legal proceedings:** There are no legal proceedings against the company arising from activities other than normal business operations.
4. **Regulatory limit on expense ratio:** The expense ratio of the company is within the prescribed limit by Nepal Insurance Authority.
5. **Corporate Governance:** The company has complied with the corporate governance directive issued by Nepal Insurance Authority. Company has a separate corporate governance unit and has established various mechanism and procedures to comply with Insurance Acts & Regulations, Directives & Circulars issued by Nepal Insurance Authority and all the relavant laws and regulation. The Board and management of the company is committed in upholding the best governance within the company.

Additional Disclosures as per Securities Registration and Issuance Regulation-2073 (Sub Rule (1) of Rule 26, Annex (14)

1. Financial Statements:

a) The statement of financial position and statement of Profit and Loss (Unaudited) has been published along with this report as per the Nepal Financial Reporting Standards (NFRS)

b) Major Financial Indicators:

Earning per Share Annualized (EPS)	(11.81)
Price Earning Ratio (P/E)	(44.27)
Net Worth per Share	223.26
Total Assets per Share	479.50

2. Management Analysis:

The company during the Year has written gross premium of 115.18 crores which is 24.06 % higher than the Gross Premium written in comparison to corresponding period of previous year. The company is aiming for higher business growth in upcoming period and formulating strategies to achieve so in a sustainable and organic manner. The Company paid total claims of 43.17 crores during the period. The company has utilized diversified investment portfolio & total investments of the company is 600.55 (fair Value) crores till the end of First Quarter of current Fiscal Year.

3. Details of Legal Proceedings:

There are no legal proceedings by or against the company, board of directors and management of the company apart from those arising from activities other than normal business operations.

4. Analysis of share transaction and progress of the company:

a) Mangement View on share transaction of the company at securities market: The management of the company has neutral view on the share price and transaction as it is determined at Nepal Stock Exchange through open share market operations.

b) Maximum, Minimum, Closing price, Total Traded days and Total Share transactions during the period:

Last Price	523	Total Trade Days	61
Highest Price	647	Total Trades	3,852
Lowest Price	503	Total Traded Shares	459,006

5. Problems and Challenges:

Effect of change in interest rate on deposit, high inflation, reduced economic activities and lack of awareness among people about the need and importance of insurance are some of the major problems of insurance industry today. Also the recruitment and retention of quality human resources, highly competitive market, changing regulatory frameworks, political instability, slowdown in economy etc. are other problems and challenges faced by the companies.

6. Corporate Governance:

The board of directors of the company and management is committed to follow good governance and ensure full compliance with all the applicable laws and regulations and directives and guidelines issued by Nepal Insurance Authority. The company has formed Audit committee, Risk Management committee and various departments as per the corporate governance directive of Nepal Insurance Authority for establishing good control system in the company. The company holds its external and internal audit timely and both the the internal and external audit is carried out by the independent audit firms of Chartered Accountants.

7. Declaration by CEO

I hereby declare that the particulars,data & information mentioned in this report, to the best of my knowledge, are true, fair and complete. I have not knowingly concealed any material particulars & information to misguide the investors. I personally take the responsibility on the truthfulness of data, information and particulars disclosed in this report.

2083-07-30