नेशनल लाईफ इन्स्योरेन्स कम्पनी लिमिटेड

NATIONAL LIFE INSURANCE COMPANY LIMITED

फोनः ४५१४७९९, फ्याक्सः ९७७-०१-४५३५६३३, वेभः www.nationallife.com.np

Quarterly Financial Results for Third Quarter, F.Y. 2080/81 B.S.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

	Unaudited	Unaudited	Unaudited	Unaudited
Particulars	**Group**		**Insurance**	
	At the end of this Quarter	**At the end of Immediate Previous Year**	**At the end of this Quarter**	**At the end of Immediate Previous Year**
Assets:				
Goodwill & Intangible Assets	984,678		984,678	1,280,631
Property and Equipment	769,147,725		766,534,212	615,028,747
Investment Properties	1,466,554,527		1,466,554,527	1,150,628,527
Deferred Tax Assets			-	-
Investment in Subsidiaries			102,000,000	-
Investment in Associates	943,060,893		943,060,893	943,060,893
Investments	66,345,906,570		66,278,547,359	58,731,143,070
Loans	11,556,582,741		11,556,582,741	10,575,873,896
Reinsurance Assets	19,276,292		19,276,292	23,261,055
Current Tax Assets			-	228,129,805
Insurance Receivables			-	-
Other Assets	134,073,223		134,073,223	51,693,427
Other Financial Assets	1,406,738,130		1,404,476,268	1,217,336,706
Cash and Cash Equivalent	1,922,470,510		1,835,438,112	1,463,158,567
Total Assets	**84,564,795,288**		**84,507,528,305**	**75,000,595,324**
Equity:				
Share Capital	5,011,666,425		5,011,666,425	5,011,666,425
Share Application Money Pending Allotment			-	-
Share Premium	27,848,718		27,848,718	27,848,718
Catastrophe Reserves	509,788,031		509,788,031	470,882,363
Retained Earnings	720,184,012		721,050,589	375,510,527
Other Equity	590,476,550		533,031,708	497,264,871
Total Equity	**6,859,963,736**		**6,803,385,470**	**6,383,172,905**
Liabilities:				
Provisions	93,166,765		93,166,765	93,166,765
Gross Insurance Contract Liabilities	74,578,114,027		74,578,114,027	65,784,043,162
Deferred Tax Liabilities	1,307,042,914		1,307,418,440	1,199,932,029
Insurance Payable	454,383,184		454,383,184	279,290,367
Current Tax Liabilities	112,841,219		113,506,415	-
Borrowings			-	-
Other Liabilities	363,169,010		363,169,010	493,026,364
Other Financial Liabilities	796,114,434		794,384,995	767,963,732
Total Liabilities	**77,704,831,553**		**77,704,142,835**	**68,617,422,419**
Total Equity and Liabilities	**84,564,795,288**		**84,507,528,305**	**75,000,595,324**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

	Group				Insurance			
Particulars	**Current Year**		**Corresponding Previous Year**		**Current Year**		**Corresponding Previous Year**	
	This Quarter	**Upto this Quarter (YTD)**	**This Quarter**	**Upto this Quarter (YTD)**	**This Quarter**	**Upto this Quarter (YTD)**	**This Quarter**	**Upto this Quarter (YTD)**
Income:								
Gross Earned Premiums	4,334,924,224	12,902,823,866			4,334,924,224	12,902,823,866	3,686,541,589	11,373,733,628
Premiums Ceded	(92,797,010)	(273,327,450)			(92,797,010)	(273,327,450)	(89,691,123)	(242,161,633)
Net Earned Premiums	**4,242,127,214**	**12,629,496,415**			**4,242,127,214**	**12,629,496,415**	**3,596,850,465**	**11,131,571,994**
Commission Income	12,726,382	37,888,489			12,726,382	37,888,489	10,790,323	33,394,488
Other Direct Income	21,995,992	57,616,266			21,995,992	57,616,266	25,001,190	63,427,250
Interest Income on Loan to Policyholders	238,727,438	687,506,641			238,727,438	687,506,641	22,503,196	396,617,809
Income from Investments and Loans	1,397,546,260	4,090,274,954			1,397,546,260	4,090,274,954	1,198,333,560	3,555,873,120
Net Gain/(Loss) on Fair Value Changes	160,807	160,807			-	-	-	-
Net Realised Gains/(Losses)	28,047	28,047			-	-	-	-
Other Income	8,846	249,375			8,846	249,375	-	48,300
Total Income	**5,913,320,986**	**17,503,220,996**			**5,913,132,132**	**17,503,032,141**	**4,853,478,735**	**15,180,932,962**
Expenses:					-	-	-	-
Gross Benefits and Claims Paid	2,056,404,768	5,781,205,263			2,056,404,768	5,781,205,263	1,891,634,762	5,655,872,212
Claims Ceded	(27,771,312)	(78,887,033)			(27,771,312)	(78,887,033)	(42,158,845)	(85,841,071)
Gross Change in Contract Liabilities	2,742,434,172	8,504,164,906			2,742,434,172	8,504,164,906	2,079,433,370	6,735,645,935
Change in Contract Liabities Ceded to Reinsurers	(689,233)	3,984,763			(689,233)	3,984,763	(19,219,827)	8,217,994
Net Benefits and Claims Paid	**4,770,378,395**	**14,210,467,898**			**4,770,378,395**	**14,210,467,898**	**3,909,689,460**	**12,313,895,070**
Commission Expenses	394,075,822	1,161,511,594			394,075,822	1,161,511,594	349,308,402	1,088,685,248
Service Fees	31,815,954	94,721,223			31,815,954	94,721,223	35,968,505	111,315,720
Other Direct expenses	-	-			-	-	-	-
Employee Benefits Expenses	126,056,801	362,237,736			125,081,629	361,262,564	121,447,806	283,222,423
Depreciation and Amortization Expenses	8,158,227	24,226,237			8,158,227	24,226,237	8,917,883	24,532,805
Impairment Losses	-	-			-	-	-	-
Other Operating Expenses	237,990,929	622,359,401			237,539,280	621,907,752	218,189,759	578,458,997
Finance Cost	-	-			-	-	-	-
Total Expenses	**5,568,476,128**	**16,475,524,088**			**5,567,049,307**	**16,474,097,267**	**4,643,521,815**	**14,400,110,263**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**344,844,859**	**1,027,696,907**			**346,082,825**	**1,028,934,874**	**209,956,919**	**780,822,699**
Share of Net Profit of Associates accounted using Equity Method	-	-			-	-	-	-
Profit Before Tax	**344,844,859**	**1,027,696,907**			**346,082,825**	**1,028,934,874**	**209,956,919**	**780,822,699**
Income Tax Expenses	212,486,741	640,183,810			212,858,131	640,555,200	130,133,040	482,750,127
Net Profit/(Loss) For The Year	**132,358,117**	**387,513,097**			**133,224,694**	**388,379,674**	**79,823,879**	**298,072,572**
Earning Per Share					-	-	-	-
Basic EPS		10.31			-	10.33	-	9.02
Diluted EPS		10.31			-	10.33	-	9.02

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

	Group				Insurance			
Particulars	**Current Year**		**Corresponding Previous Year**		**Current Year**		**Corresponding Previous Year**	
	This Quarter	**Upto this Quarter (YTD)**	**This Quarter**	**Upto this Quarter (YTD)**	**This Quarter**	**Upto this Quarter (YTD)**	**This Quarter**	**Upto this Quarter (YTD)**
Net Profit/(Loss) For The Year	132,358,117	387,513,097			133,224,694	388,379,674	79,823,879	298,072,572
Other Comprehensive Income	436,450,137	321,791,542			437,117,827	322,459,232	(166,299,134)	22,548,121
Total Comprehensive Income	**568,808,255**	**709,304,640**			**570,342,521**	**710,838,906**	**(86,475,255)**	**320,620,693**

OTHER DETAILS

Fig in NPR.

Particulars	**Current Year**	**Previous Year**
	Upto this Quarter (YTD)	**Upto this Quarter (YTD)**
1. Total inforce Policy count	1,589,896	1,529,442
2. First Year Premium	3,229,421,294	2,620,066,550
3. Single Premium	984,211,654	787,991,117
4. Renewal Premium	9,673,402,572	8,753,667,078
5. Total Benefits and Claims Paid in Count	41,218	36,571
6. Outstanding Benefits and Claims in Count	12,731	10,721
7. Declared Bonus rate (Mention the period)	63-85	63-85
8. Interim bonus rate	63-85	63-85
9. Long Term Investments (Amount)	58,049,394,359	50,655,876,311
10. Short Term Investments (Amount)	8,229,153,000	8,075,266,759

Note:

1. Figures presented above may change after the statutory audit is completed.
2. The foreign employment polices issued formerly by the insurance pool in the previous years have not been included in the Total inforce policies count.
3. The profit of the company shall change after ther actuarial valuation as a result of the surplus obatined after the valuation.
4. The figures of the the previous quarters have been restated as per requirement.
5. The fair valuation of the investment properties is done by the company on a yearly basis and hence are not reflected in the interim financial statement for the quarter.
6. The actuarial valuation of the employee benefits as per NAS 19 is done by the company on a yearly basis and hence are not reflected in the interim financial statement for the quarter.
7. The accounting for Associates using the equity method as per NAS 28 is done yearly and hence has not been reflected in the interim financial statements.
8. The detailed interim report has been published in the company's website www.nationallife.com.np

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

1. Solvency Ratio related disclosure:
The latest solvency ratio of the company as per the Actuarial Valuation of F.Y. 2078/79 is 642% which is greater than the mandatory limit of 150%.

2. Reinsurance related disclosure:
The company has reinsurance arrangements with the following reinsurers:
a) Hannover Rueck SE
b) Nepal Re-insurance
c) Himalayan Re-insurance
The mandatory direct cessation to domestic reinsurers of 8% each as per the reinsurance directive 2080 has been complied with. The company has made adequate arrangements to reinsure its risk on the basis of its net worth.

3. Details regarding legal proceeding:
The company is currently in litigation with Inland Revenue Department for the Assessment of F.Y. 2072/73, 2073/74,2074/75,2075/76 totaling Rs.22,84,72,485.

4. Corporate Governance:
The company has fully complied with the corporate good governance directive 2080 issued by Nepal Insurance Authority. The company is continuously monitoring the compliance with the corporate good governance directive with the help of its comprehensive manuals and regulations. The Board of Directors, Audit Committee, Senior Management and Compliance Officer are committed to upholding corporate good governance practices in the company.

5. Regulatory limit on expenses ratio:
The management expense ratio of the company is 17.55% of the gross premium collected which is under the regulatory limit of 30%.

PUBLISHED AS PER ANNEXURE 14 OF RULE 26 OF SUB RULE (1) OF SECURITIES REGISTRATION AND ISSUE REGULATION, 2073

THIRD QUARTER OF FINANCIAL YEAR 2080/81

1. Financial Statements

a) The Statement of Financial Position, Statement of Profit and Loss, Statement of Other Comprehensive Income and other details of second quarter of F.Y. 2080/81 have been published in this national daily.

b) Major Financial Indicators:

Earnings per Share: Rs.10.33	Net Worth Per Share: 135.75
P/E Ratio: 54.89	Total Assets per Share: 1686.22

2. Management Analysis:

a) Company's deposits, earnings and liquidity situation in the quarter: Satisfactory

b) Analytical Details regarding the business plan of the management for the next period:
The company has planned to increase its market share by increasing its penetration in new geographical markets and bringing in new policies that are relevant to the market. The company has also planned to increase its agency network to increase its market share.

c) Any incidents and situations etc. from the past that might affect the deposits, profits and cash flow of the company: No.

3. Details of Legal Proceedings:
The company is currently in litigation with the Inland Revenue Department for the Assessment of F.Y. 2072/73, 2073/74,2074/75,2075/76 totaling Rs.22,84,72,485.

4. Analysis of Share Transaction of the company:

a) Opinion of the management regarding the share transactions of the company in the securities market: Satisfactory

b) Details of the Maximum, Minimum, Last price, Total transaction days and Transaction volume of the company in the quarter:

Maximum Price: 632	Minimum Price:530.2	Last Price:567
Transaction Volume: 5944	Transaction Days: 58	

5. Problems and Challenges:
The strategy of the management for solving the company's internal and external problems and challenges: At present the lack of adequate human resources, lack of long-term investment opportunities, increasing competition in the market have been the main challenges for the company. The company has prepared proper business plans and strategies to grow the company's business.

6. Corporate Good Governance:
Details of the actions taken by the management for enhancing the Corporate Good Governance: The company has fully complied with the corporate good governance directive 2080 issued by Nepal Insurance Authority. The company is continuously monitoring the compliance with the corporate good governance directive with the help of its comprehensive manuals and regulations. The Board of Directors, Audit Committee, Senior Management and Compliance Officer are committed to upholding Corporate good governance practices in the company.

7. Self-Declaration of Chief Executive Officer about the truthfulness of financials/information:
I, CEO of the company, take responsibility on the truthfulness of the information and particulars disclosed in this report to the best of my knowledge. Further, I declare that the particulars mentioned in the report, to the best of my knowledge, are true, fair and complete except as mentioned in the notes at the time of publication of this report and have not knowingly concealed any material particulars information for the investor to take informed decisions.