# यूनाइटेड अजोड इन्स्योरेन्स लिमिटेड
# United Ajod Insurance Limited

केन्द्रिय कार्यालयः सिटिसि मल सुन्धारा, काठमाडौं
सम्पर्क नं.: ०१-५३३३७४३, ०१-५३४४०१३, ०१-५३४४०१३, ०१-५३३३७४३
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## Quarterly Financial Results For Second Quarter, F.Y. 2082/83 B.S

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*Fig in NPR.*

| Particulars | Unaudited At the end of this Quarter | Unaudited At the end of Immediate Previous Year |
|---|---|---|
| **Assets:** | | |
| Goodwill & Intangible Assets | 158,392,324 | 175,991,473 |
| Property and Equipment | 161,740,200 | 157,722,838 |
| Investment Properties | - | - |
| Deferred Tax Assets | - | - |
| Investment in Subsidiaries | - | - |
| Investment in Associates | - | - |
| Investments | 4,449,402,998 | 4,265,726,503 |
| Loans | 302,791 | 769,506 |
| Reinsurance Assets | 581,602,673 | 1,016,213,149 |
| Current Tax Assets | 154,951,338 | 90,070,018 |
| Insurance Receivables | 557,525,810 | 910,746,815 |
| Other Assets | 321,833,964 | 184,306,337 |
| Other Financial Assets | 306,843,093 | 214,500,730 |
| Cash and Cash Equivalent | 253,606,008 | 325,872,009 |
| **Total Assets** | **6,946,201,200** | **7,341,919,378** |
| **Equity:** | | |
| Share Capital | 2,310,000,000 | 2,310,000,000 |
| Share Application Money Pending Allotment | - | - |
| Share Premium | - | - |
| Special Reserves | 1,021,141,700 | 1,021,141,700 |
| Catastrophe Reserves | 45,151,294 | 45,151,294 |
| Retained Earnings | (5,987,722) | 100,641,272 |
| Other Equity | 596,050,430 | 606,124,378 |
| **Total Equity** | **3,966,355,702** | **4,083,058,644** |
| **Liabilities:** | | |
| Provisions | 215,957,144 | 60,415,265 |
| Gross Insurance Contract Liabilities | 2,080,489,841 | 2,020,201,668 |
| Deferred Tax Liabilities | 15,715,064 | 1,050,484 |
| Insurance Payable | 196,756,745 | 680,104,892 |
| Current Tax Liabilities | - | - |
| Borrowings | - | - |
| Other Liabilities | 151,624,768 | 170,812,255 |
| Other Financial Liabilities | 319,301,936 | 326,276,170 |
| **Total Liabilities** | **2,979,845,498** | **3,258,860,734** |
| **Total Equity and Liabilities** | **6,946,201,200** | **7,341,919,378** |

## 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 | 655,636,049 | 1,366,553,959 | 543,544,337 | 1,124,141,079 |
| Premiums Ceded | (313,321,100) | (778,680,754) | (292,789,892) | (680,345,671) |
| **Net Earned Premiums** | **342,314,949** | **587,873,205** | **250,754,445** | **443,795,408** |
| Commission Income | 38,583,561 | 108,455,109 | 64,922,048 | 115,633,988 |
| Other Direct Income | 4,681,925 | 9,397,602 | 7,772,140 | 7,772,140 |
| Income from Investments and Loans | 32,955,469 | 76,271,672 | 55,902,634 | 132,179,167 |
| Net Gain/(Loss) on Fair Value Changes | - | - | - | - |
| Net Realised Gains/(Losses) | - | - | - | - |
| Other Income | - | - | - | - |
| **Total Income** | **418,535,904** | **781,997,588** | **379,351,267** | **699,380,703** |
| **Expenses:** | | | | |
| Gross Claims Paid | 351,616,986 | 688,215,464 | 432,872,071 | 782,092,027 |
| Claims Ceded | (177,451,420) | (327,402,259) | (218,956,047) | (425,463,385) |
| Gross Change in Contract Liabilities | 685,682,756 | 1,683,440,636 | (256,890,996) | 523,087,556 |
| Change in Contract Liabities Ceded to Reinsurers | (692,832,793) | (1,470,199,222) | 172,273,638 | (554,608,308) |
| **Net Claims Incurred** | **167,015,529** | **574,054,619** | **129,298,666** | **325,107,890** |
| Commission Expenses | 7,935,530 | 21,326,960 | 9,588,491 | 16,994,707 |
| Service Fees | 2,520,012 | 5,651,586 | 1,731,404 | 3,925,448 |
| Other Direct expenses | 151,006 | 416,171 | 509,980 | 673,960 |
| Employee Benefits Expenses | 101,830,177 | 208,465,903 | 83,819,145 | 181,856,503 |
| Depreciation and Amortization Expenses | 36,106,244 | 51,230,789 | 5,310,035 | 11,010,095 |
| Impairment Losses | - | - | - | - |
| Other Operating Expenses | 39,191,210 | 69,517,419 | 27,143,291 | 63,784,138 |
| Finance Cost | 122,856 | 3,661,276 | - | - |
| **Total Expenses** | **354,872,563** | **934,324,722** | **257,401,012** | **603,352,741** |
| **Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax** | **63,663,341** | **(152,327,134)** | **121,950,255** | **96,027,962** |
| Share of Net Profit of Associates accounted using Equity Method | | | | |
| **Profit Before Tax** | **63,663,341** | **(152,327,134)** | **121,950,255** | **96,027,962** |
| Income Tax Expenses | 19,099,003 | (45,698,140) | 34,121,033 | 26,344,345 |
| **Net Profit/(Loss) For The Year** | **44,564,338** | **(106,628,994)** | **87,829,222** | **69,683,617** |
| **Earning Per Share** | | | | |
| Basic EPS | | (9.23) | | 6.64 |
| Diluted EPS | | (9.23) | | 6.64 |

## 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 | 44,564,338 | (106,628,994) | 87,829,222 | 69,683,617 |
| Other Comprehensive Income | 6,788,411 | (9,750,974) | (14,207,569) | (9,136,490) |
| **Total Comprehensive Income** | **51,352,749** | **(116,379,968)** | **73,621,653** | **60,547,127** |

## OTHER DETAILS

*Fig. in NPR*

| Particulars | Current Year Upto this Quarter (YTD) | Previous Year Upto this Quarter (YTD) |
|---|---|---|
| 1. Total Issued Policy Count | 207,530 | 87,524 |
| 2. Total Renewed Policy Count | 25,666 | 26,342 |
| 3. Total Claims Paid Count | 3,410 | 3,470 |
| 4. Outstanding claims count | 11,439 | 11,350 |
| 5. Gross outstanding claims includling IBNR & IBNER (Amount) | 2,989,640,834 | 1,292,516,787 |
| 6. Net outstanding claims includling IBNR & IBNER (Amount) | 667,740,178 | 425,513,226 |
| 7. Margin over best estimate (MOBE) | 64,656,123 | - |
| 8. Unearned premium reserve (Amount) | 776,259,393 | 705,491,956 |
| 9. Unexpired risk reserve (Amount) | 776,259,393 | 705,491,956 |
| 10. Earthquake premium reserve (Amount) | 10,177,500 | - |
| 11. Long Term Investments (Amount) | 1,350,332,720 | 716,723,722 |
| 12. Short Term Investments (Amount) | 3,099,070,278 | 3,399,828,134 |
| 13. Direct premium (Amount) | 1,476,736,081 | 1,203,210,757 |
| 14. Investment in cost (Amount) | 4,463,332,961 | 4,076,782,045 |
| 15. Solvency margin ratio (as per valuation report of actuary for FY 80/81) | 2.73 | 2.19 |

### Notes to financial statements

1) The above financial statement has been prepared as per the NFRS and directives issued by Nepal Insurance Authority.
2) The above figures are unaudited figures and may change after statutory audit.
3) The figures of previous quarter has been reinstated as per the requirements.
4)The figures have been rearranged and regrouped whenever necessary.
5)The provision for gratuity and leave has been adjusted as per management assumption based on past year experience.

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

1. The solvency margin ratio of company stands 2.73 times as per the valuation report of actuary for FY 80/81.
2. The company has made adequate reinsurance arrangement to cover and minimize risk for each class of business.
3. Details regarding legal proceeding: No any such legal case against the company.
4.The company has complied with corporate governance directive issued by Nepal Insurance Authority.
5.The company has complied with all other applicable law and directive issued by regulatory bodies.

## Disclosure as per Securities Registration and Issuance Regulation 2073 (Related to Sub rule (1) of Rule 26)

**1. Financial Statements**

a. The unaudited financial statements for the second quarter of FY 2082/83 and financial ratios have been published along with this report.

b. Major financial highlights and analysis

| Key Financial Ratios | This Quarter End (Poush, 2082) |
|---|---|
| Earnings per share (EPS) | (9.23) |
| Price Earnings Ratio | (48.75) |
| Net worth Per Share | 171.10 |
| Total Assets Per Share | 303.35 |

**2. Management Analysis**

a) The company has collected NPR. 1,532.23 million gross premium and has incurred NRP. 106.63 million net loss upto the second quarter end.

b) The company has not experienced any incidents and situations during the period that might affect the revenue. However, due to recent protest by Gen Z in Bhadra, 2082, profits and cash flow of the company of this quarter has been decreased as compared to the same period in last year .

**3. Legal Proceedings**

There has been no any pending litigations and dispute by and against the company during the said period. There have been no any known dispute, litigations, offences and breach of applicable laws by and against the promoters and directors of the company.

**4. Analysis on share Transaction of the Company**

The company remains committed towards providing the notices and information to investors and shareholders. The major highlights of share transaction during the quarter are as follows:-

| | | | |
|---|---|---|---|
| Maximum share price (NPR) | 487 | Minimum share price(NPR) | 422.7 |
| Closing share price (30th Poush, 2082) | 450 | Total No. of shares traded | 812,564 |
| Total No. of transaction days | 55 | Total No. of transactions | 7,202 |

**5. Problem and Challenges**

**Problem:**

- Increase in cost of operation due to inflation
- Limited investment opportunities
- Falling interest rate on bank deposit
- Short supply of qualified and skilled human resources
- Intense competition in insurance industry
- Outlook of reinsurance market towards Nepalese insurance market

**6. Management Strategy:**

- Effective and efficient service to client
- Staff training and development program
- Explore new investment opportunities
- Investment in IT to further develop digital insurance
- Explore favorable reinsurance market
- Efficiency in operations to reduce operational cost

**7. Corporate Governance**

The Board of Directors, Audit Committee, Senior Management & Compliance Officer are committed to prevail corporate good governance practices in the company.

**8. Declaration**

I, Chief Executive Officer of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the period up to second quarter of FY 2082/83, hereby declare that the information and details provided in this report are true, based on facts, and complete to the best of my knowledge and that the information necessary for taking informed decision by the investors are not concealed.

**COST ESTIMATE**

**SIZE: 192CC**

| | | | | |
|---|---|---|---|---|
| **Media: Karobar Daily**<br>**Rate: 1200/cc**<br>**Total Amount: 230,400/-**<br>**Discounted Rate: Flat**<br>**Taxable Amount: 48,000/-**<br>**VAT: 13%**<br>**Total Amount: 54,240/-** | **Media: Abhiyan Daily**<br>**Rate: 1300/cc**<br>**Total Amount: 101,400/-**<br>**Discounted Rate: Flat**<br>**Taxable Amount: 40,000/-**<br>**VAT: 13%**<br>**Total Amount: 45,200/-** | **Media: Nagarik**<br>**Rate: 1200/cc**<br>**Total Amount: 93,600/-**<br>**Discounted Rate: Flat**<br>**Taxable Amount: 42,240/-**<br>**VAT: 13%**<br>**Total Amount: 47,731/-** | **Media: Nayapatrika**<br>**Rate: 1400/cc**<br>**Total Amount: 2,68,800/-**<br>**Discounted Rate: Flat**<br>**Taxable Amount: 86,400/-**<br>**VAT: 13%**<br>**Total Amount: 97,632/-** | **Media: SAmapacharpatra**<br>**Rate: 1400/cc**<br>**Total Amount: 2,68,800/-**<br>**Discounted Rate: Flat**<br>**Taxable Amount: 37,000/-**<br>**VAT: 13%**<br>**Total Amount: 41,810/-** |