

Quarterly Financial Results for (Second Quarter)  
F.Y. 2080/81

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Unaudited		Audited	
	At the end of this Quarter		At the end of Immediate Previous Year	
<b>Assets:</b>				
Goodwill & Intangible Assets		44,714,977		14,953,192
Property and Equipment		58,384,218		62,603,538
Investment Properties		-		-
Deferred Tax Assets		9,817,353		-
Investment in Subsidiaries		-		-
Investment in Associates		226,882,375		-
Investments		15,123,959,845		9,747,567,130
Loans		-		-
Reinsurance Assets		555,476,083		464,968,250
Current Tax Assets		-		24,088,572
Insurance Receivables		2,195,451,470		2,239,749,458
Other Assets		1,076,091,718		656,726,300
Other Financial Assets		853,967,180		30,650,923
Cash and Cash Equivalent		736,040,154		140,484,354
<b>Total Assets</b>		<b>20,880,785,373</b>		<b>13,381,791,718</b>
<b>Equity:</b>				
Share Capital		10,000,000,000		7,000,000,000
Share Application Money Pending Allotment		-		-
Share Premium		3,180,000,000		-
Special Reserves		756,926,822		358,193,656
Catastrophe Reserves		77,054,164		37,180,847
Retained Earnings		692,823,858		39,306,996
Other Equity		24,178,522		309,256,629
<b>Total Equity</b>		<b>14,730,983,366</b>		<b>7,743,938,127</b>
<b>Liabilities:</b>				
Provisions		12,653,959		73,061,038
Gross Insurance Contract Liabilities		5,362,998,241		4,937,490,000
Deferred Tax Liabilities		-		20,539,481
Insurance Payable		144,729,748		359,706,365
Current Tax Liabilities		231,353,779		-
Borrowings		-		-
Other Liabilities		106,584,276		6,221,914
Other Financial Liabilities		291,482,006		240,834,795
<b>Total Liabilities</b>		<b>6,149,802,007</b>		<b>5,637,853,592</b>
<b>Total Equity and Liabilities</b>		<b>20,880,785,373</b>		<b>13,381,791,718</b>

CONDENSED CONSOLIDATED 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)
<b>Income:</b>				
Gross Earned Premiums	1,255,418,766	2,242,156,618	574,813,653	909,460,487
Premiums Ceded	92,596,823	246,105,498	24,319,929	125,615,713
<b>Net Earned Premiums</b>	<b>1,162,821,943</b>	<b>1,996,051,120</b>	<b>550,493,724</b>	<b>783,844,774</b>
Commission Income	-	-	-	-
Other Direct Income	-	-	65,302,032	122,497,396
Income from Investments and Loans	288,981,084	473,286,120	206,563,898	374,296,952
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	101,458	295,288	18,399	23,313
<b>Total Income</b>	<b>1,451,904,485</b>	<b>2,469,632,528</b>	<b>822,378,054</b>	<b>1,280,662,434</b>
<b>Expenses:</b>				
Gross Claims Paid	536,115,613	637,516,300	120,756,424	141,753,178
Claims Ceded	-	-	-	-
Gross Change in Contract Liabilities	(94,708,144)	74,631,484	148,559,579	343,049,334
Change in Contract Liabilities Ceded to Reinsurers	147,115,382	(19,395,368)	-	-
<b>Net Claims Incurred</b>	<b>294,292,888</b>	<b>731,543,153</b>	<b>269,316,003</b>	<b>484,802,512</b>
Commission & Brokerage Expenses	326,114,183	555,154,151	212,313,538	243,228,425
Service Fees	11,097,283	19,816,067	10,690,433	21,637,784
Other Direct expenses	16,126,866	16,126,866	2,297,292	3,651,384
Employee Benefits Expenses	89,395,637	152,707,390	29,492,826	55,187,309
Depreciation and Amortization Expenses	8,192,333	12,625,240	5,430,953	8,048,783
Impairment Losses	-	-	-	-
Other Operating Expenses	95,950,926	120,628,069	25,110,383	33,003,923
Finance Cost	-	-	-	-
<b>Total Expenses</b>	<b>841,169,315</b>	<b>1,608,600,936</b>	<b>554,651,428</b>	<b>849,560,120</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>610,735,170</b>	<b>861,031,591</b>	<b>267,726,626</b>	<b>431,102,315</b>
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
<b>Profit Before Tax</b>	<b>610,735,170</b>	<b>861,031,591</b>	<b>267,726,626</b>	<b>431,102,315</b>
Income Tax Expenses	183,220,551	258,309,477	80,317,988	129,330,694
<b>Net Profit/(Loss) For The Year</b>	<b>427,514,619</b>	<b>602,722,114</b>	<b>187,408,638</b>	<b>301,771,620</b>
<b>Earning Per Share</b>				
Basic EPS		12.05		8.62
Diluted EPS		12.05		8.62

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Current Year - Unaudited		Corresponding Previous Year - Unaudited	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	427,514,619	602,722,114	187,408,638	301,771,620
Other Comprehensive Income	7,051,808	(581,662)	-	-
<b>Total Comprehensive Income</b>	<b>434,566,427</b>	<b>602,140,452</b>	<b>187,408,638</b>	<b>301,771,620</b>

OTHER DETAILS

Particulars	Current Year - Unaudited		Previous Year - Unaudited	
	Upto this Quarter (YTD)		Upto this Quarter (YTD)	
1. Total Issued Policy Count				
2. Total Renewed Policy Count				
3. Total Claims Paid Count				
4. Outstanding Claims Count				
5. Long Term Investments (Amount)		11,983,681,445		5,054,051,000
6. Short Term Investments (Amount)		3,140,278,400		3,082,599,600

Note:

- The above figures are unaudited and subject to change after audit finalization.
- The total issued policy count, Total Renewed Policy Count, Total Claims Paid Count and Outstanding Claims Count is not applicable to a reinsurance company hence, not disclosed.

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

- Solvency Ratio related disclosure: 2.06 (FY 2079/80).
- Reinsurance related disclosure: The Company has made adequate retrocession arrangement to cover the risks assumed.
- Details regarding legal proceeding: There are no legal cases filed against or by the Company.
- Corporate Governance: The Company has complied with the Corporate Governance Directive issued by Nepal Insurance Authority.
- The Company has complied with other applicable laws and directives issued by the regulatory bodies.

Disclosure as required by other regulatory bodies and Nepal Financial Reporting Standards

Publication of Information as Required by Securities Registration and Issuance Regulations, 2073 (Related to Schedule-14)

1. Financial Statement

- Statements of Financial Position and statement of Profit and Loss, Statement of Other Comprehensive Income for the quarterly period are published herewith.
- Key Financial Ratios

Earnings per share (annualized)	Rs. 12.05
P.E. Ratio	41.31
Net worth per share	Rs. 147.30
Value of total assets per share	Rs. 208.81

2. Managerial Analysis

- The company has earned gross insurance premiums of Rs.302 crore and 86 lakhs by the end of Poush, the Second quarter of FY 2080-81. The company has also generated income from investment by allocating the collected premium and reserved funds in the areas specified by the insurance authority.
- The company has adopted the strategy of consolidating the domestic business and is taking steps in establishing itself in International market to enhance the inflow of overseas business.

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 period share transaction details (Source Nepal Stock Exchange Ltd. website:- www.nepalstock.com)

Maximum price	Rs. 497.80
Minimum price	Rs. 309.20
Final price	Rs. 497.80
Total days of transaction	5
Number of transactions	9,436 shares
Transaction amount	Rs. 61,059,446.90

5. Problems and challenges

The economic recession has adversely affected the overall insurance sector. As the larger proportion of the business currently is from domestic market, the continuity of the recession might have some impact on the company for short period of time till the company establishes itself in the international market.

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 Insurance Authority, and the suggestions of the auditor in its work.

7. Declaration of the Chief Executive Officer on accuracy and completeness

I am aware for the accuracy of the information and details presented in this report. I also affirm that the details presented in this report are truthful, factual and complete and no details, information and information necessary for investors to make an informed decision have been concealed.