National Life

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Group		Insurance	
	Unaudited	Unaudited	Unaudited	Unaudited
	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	484,117,028	484,350,002	3,372,140	3,602,666
Property and Equipment	1,127,499,044	1,139,882,521	1,023,047,135	1,035,090,324
Investment Properties	1,932,580,892	1,932,580,892	1,932,580,892	1,932,580,892
Deferred Tax Assets	146,728,831	85,172,858	-	-
Investment in Subsidiaries	-	-	1,725,560,799	1,725,560,799
Investment in Associates	-	-	-	-
Investments	83,315,340,816	80,253,106,169	79,217,384,109	76,089,817,771
Loans	12,571,048,979	12,717,775,044	12,529,866,710	12,688,377,512
Reinsurance Assets	3,369,097,292	2,538,694,509	27,789,514	24,349,103
Current Tax Assets	300,338,689	613,267,312	165,778,677	299,612,158
Insurance Receivables	1,103,730,829	977,832,519	-	-
Other Assets	539,819,311	514,613,263	25,578,729	64,713,298
Other Financial Assets	2,396,085,985	4,134,328,364	2,333,129,385	4,075,622,936
Cash and Cash Equivalent	6,863,363,566	5,667,423,924	6,583,379,611	5,315,041,725
Total Assets	**114,149,751,261**	**111,059,027,376**	**105,567,467,701**	**103,254,369,183**
Equity:				-
Share Capital	5,472,739,736	5,472,739,736	5,472,739,736	5,472,739,736
Share Application Money Pending Allotment			-	-
Share Premium	27,848,718	27,848,718	27,848,718	27,848,718
Special Reserves	1,382,725,716	1,382,725,716		
Catastrophe Reserves	767,050,958	752,955,057	681,311,689	667,215,788
Retained Earnings	572,463,421	551,471,074	638,071,819	510,124,120
Other Equity	2,286,746,693	2,440,470,402	378,856,341	421,418,188
Total Equity	**10,509,575,242**	**10,628,210,704**	**7,198,828,303**	**7,099,346,549**
Liabilities:				-
Provisions	284,193,311	490,078,466	134,855,191	134,855,191
Gross Insurance Contract Liabilities	99,879,494,386	95,924,048,152	95,379,050,757	92,537,449,100
Deferred Tax Liabilities	1,243,320,597	1,397,344,408	1,238,042,127	1,387,093,679
Insurance Payable	541,694,820	419,658,870	512,363,809	356,252,464
Current Tax Liabilities	-	-	-	-
Borrowings	-	-	-	-
Other Liabilities	900,340,853	893,391,378	494,581,256	597,325,220
Other Financial Liabilities	791,132,051	1,306,295,398	609,746,259	1,142,046,980
Total Liabilities	**103,640,176,018**	**100,430,816,673**	**98,368,639,398**	**96,155,022,633**
Total Equity and Liabilities	**114,149,751,261**	**111,059,027,376**	**105,567,467,701**	**103,254,369,183**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Group				Insurance			
	Unaudited		Unaudited		Unaudited		Unaudited	
	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	6,542,815,873	6,542,815,873	4,914,970,656	4,914,970,656	5,720,647,681	5,720,647,681	4,914,970,656	4,914,970,656
Premiums Ceded	(837,624,178)	(837,624,178)	(63,850,737)	(63,850,737)	(191,233,353)	(191,233,353)	(63,850,737)	(63,850,737)
Net Earned Premiums	**5,705,191,696**	**5,705,191,696**	**4,851,119,920**	**4,851,119,920**	**5,529,414,328**	**5,529,414,328**	**4,851,119,919**	**4,851,119,919**
Commission Income	110,129,406	110,129,406	16,947,960	16,947,960	-	-	16,947,960	16,947,960
Other Direct Income	38,854,836	38,854,836	23,146,292	23,146,292	23,067,328	23,067,328	23,146,292	23,146,292
Interest Income on Loan to Policyholders	340,332,540	340,332,540	298,892,637	298,892,637	340,332,540	340,332,540	298,892,637	298,892,637
Income from Investments and Loans	1,465,482,405	1,465,482,405	1,503,586,398	1,503,586,398	1,418,607,735	1,418,607,735	1,503,583,482	1,503,583,482
Net Gain/(Loss) on Fair Value Changes	(12,420,368)	(12,420,368)	14,672,843	14,672,843	-	-	-	-
Net Realised Gains/(Losses)	2,451,629	2,451,629	10,574,434	10,574,434	-	-	-	-
Other Income	58,068,385	58,068,385	5,496	5,496	3,687	3,687	5,496	5,496
Total Income	**7,708,090,529**	**7,708,090,529**	**6,718,945,980**	**6,718,945,980**	**7,311,425,618**	**7,311,425,618**	**6,693,695,787**	**6,693,695,787**
Expenses:								
Gross Benefits and Claims Paid	3,535,218,715	3,535,218,715	2,293,574,946	2,293,574,946	2,892,914,706	2,892,914,706	2,293,574,946	2,293,574,946
Claims Ceded	(487,227,939)	(487,227,939)	(25,461,421)	(25,461,421)	(30,512,986)	(30,512,986)	(25,461,421)	(25,461,421)
Gross Change in Contract Liabilities	4,590,779,713	4,590,779,713	3,214,326,127	3,214,326,127	3,196,203,712	3,196,203,712	3,214,326,127	3,214,326,127
Change in Contract Liabities Ceded to Reinsurers	(1,204,170,347)	(1,204,170,347)	1,485,505	1,485,505	(3,440,410)	(3,440,410)	1,485,505	1,485,505
Net Benefits and Claims Paid	**6,434,600,142**	**6,434,600,142**	**5,483,925,157**	**5,483,925,157**	**6,055,165,022**	**6,055,165,022**	**5,483,925,157**	**5,483,925,157**
Commission Expenses	499,268,979	499,268,979	426,130,931	426,130,931	477,193,164	477,193,164	426,130,931	426,130,931
Service Fees	44,315,111	44,315,111	36,383,399	36,383,399	41,470,607	41,470,607	36,383,399	36,383,399
Other Direct expenses	1,592,144	1,592,144	-	-	-	-	-	-
Employee Benefits Expenses	255,056,784	255,056,784	144,119,163	144,119,163	153,277,590	153,277,590	140,516,390	140,516,390
Depreciation and Amortization Expenses	26,041,739	26,041,739	9,782,795	9,782,795	13,333,994	13,333,994	9,651,550	9,651,550
Impairment Losses	-	-	-	-	-	-	-	-
Other Operating Expenses	254,707,136	254,707,136	206,807,956	206,807,956	228,749,068	228,749,068	205,915,731	205,915,731
Finance Cost	3,946,270	3,946,270	518,502	518,502	-	-	-	-
Total Expenses	**7,519,528,304**	**7,519,528,304**	**6,307,667,903**	**6,307,667,903**	**6,969,189,445**	**6,969,189,445**	**6,302,523,158**	**6,302,523,158**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**188,562,225**	**188,562,225**	**411,278,078**	**411,278,078**	**342,236,173**	**342,236,173**	**391,172,630**	**391,172,630**
Share of Net Profit of Associates accounted using Equity Method	-	-			-	-	-	-
Profit Before Tax	**188,562,225**	**188,562,225**	**411,278,078**	**411,278,078**	**342,236,173**	**342,236,173**	**391,172,630**	**391,172,630**
Income Tax Expenses	151,778,064	151,778,064	259,357,838	259,357,838	201,350,512	201,350,512	252,787,163	252,787,163
Net Profit/(Loss) For The Year	**36,784,161**	**36,784,161**	**151,920,240**	**151,920,240**	**140,885,661**	**140,885,661**	**138,385,467**	**138,385,467**
Earning Per Share					-	-	-	-
Basic EPS		0.67		11.71		10.30		10.66
Diluted EPS		0.67		11.71		10.30		10.66

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Group				Insurance			
	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	36,784,161	36,784,161	151,920,239	151,920,239	140,885,661	140,885,661	138,385,466	138,385,466
Other Comprehensive Income	(287,778,202)	(287,778,202)	748,543,784	748,543,784	(254,369,552)	(254,369,552)	748,543,784	748,543,784
Total Comprehensive Income	**(250,994,041)**	**(250,994,041)**	**900,464,022**	**900,464,022**	**(113,483,891)**	**(113,483,891)**	**886,929,250**	**886,929,250**

OTHER INDICATORS

Fig in NPR.

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	1,478,346	1,588,188
2. Total No. of Policies issued during the year	96,674	136,396
3. First Year Premium (Including Single Premium)	1,356,860,658	1,165,953,125
4. Single Premium	639,552,004	397,813,856
5. Renewal Premium	4,363,787,023	3,749,017,531
6. Total Benefits and Claims Paid in Count	17,863	17,607
7. Outstanding Benefits and Claims in Count	17,302	13,574
8. Gross Claim Outstanding Amount	1,743,817,966	1,342,178,286
9. Declared Bonus rate (2080/81)	63-85	63-85
10. Interim bonus rate	63-85	63-85
11. Long Term Investments (Amount)	71,973,701,109	57,483,271,096
12. Short Term Investments (Amount)	7,243,683,000	13,822,058,000
13. Policyholders Loan	12,473,092,236	11,335,564,396
14. Investment in Cost Value	74,281,015,764	65,210,705,863
15. Life Insurance Fund (Amount)	93,635,232,791	75,074,152,055
16. Unearned Premium Reserves for Term Policies (Amount)	1,373,839,725	1,277,990,610
17. Solvency Margin Ratio	1.34	4.73

NOTES:

1. Unaudited figures presented above may change after the statutory audit is completed.
2. The foreign employment polices issued by the insurance pool 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. Group Financial Statement includes National Life Insurance Company Limited (Parent company), NLG Insurance Company Ltd. (Subsidiary Company) and National Capital Limited (Subsidiary Company)
6. 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. 2080/81 as per Risk Based Capital & Solvency Directive 2024 is 134.3% which is greater than the mandatory limit of 130%.

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 6% 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, 2076/77 and 2077/78 totaling Rs. 52,45,24,061.

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 15.98% 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 FIRST QUARTER OF FINANCIAL YEAR 2082/83

1. Financial Statements

a) The Statement of Financial Position, Statement of Profit and Loss, Statement of Other Comprehensive Income and other details of first quarter of F.Y. 2082/83 have been published in this national daily.

b) Major Financial Indicators:

Earnings per Share: Rs. 10.30	Net Worth Per Share: 131.54
P/E Ratio: 56.11	Total Assets per Share: 1,928.97

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, 2076/77, and 2077/78 totaling Rs. 52,45,24,061.

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: 691	Minimum Price: 539	Last Price: 578
Transaction Volume: 6,617	Transaction Days: 51	

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 skilled 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.