National Life

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Quarterly Financial Results for Fourth Quarter, F.Y. 2081/82 B.S

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Group		Insurance	
	Unaudited	Audited	Unaudited	Audited
	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	484,350,002		3,602,666	688,725
Property and Equipment	1,139,882,521		1,035,090,324	812,074,288
Investment Properties	1,932,580,892		1,932,580,892	1,880,020,667
Deferred Tax Assets	85,172,858		-	-
Investment in Subsidiaries	-		1,725,560,799	-
Investment in Associates	-		-	1,130,100,721
Investments	80,253,106,169		76,089,817,771	69,024,591,341
Loans	12,717,775,044		12,688,377,512	12,538,665,275
Reinsurance Assets	2,538,694,509		24,349,103	18,084,686
Current Tax Assets	613,267,312		299,612,158	11,987,591
Insurance Receivables	977,832,519		-	-
Other Assets	514,613,263		64,713,298	115,979,281
Other Financial Assets	4,134,328,364		4,075,622,936	2,008,551,046
Cash and Cash Equivalent	5,667,423,924		5,315,041,725	2,871,117,677
Total Assets	**111,059,027,376**	-	**103,254,369,183**	**90,411,861,298**
Equity:				-
Share Capital	5,472,739,736		5,472,739,736	5,011,666,425
Share Application Money Pending Allotment			-	-
Share Premium	27,848,718		27,848,718	27,848,718
Special Reserves	1,382,725,716			
Catastrophe Reserves	752,955,057		667,215,788	623,524,306
Retained Earnings	551,471,074		510,124,120	1,706,533,846
Other Equity	**2,440,470,402**		**421,418,188**	**391,225,856**
Total Equity	**10,628,210,704**	-	**7,099,346,549**	**7,760,799,151**
Liabilities:				-
Provisions	490,078,466		134,855,191	137,272,394
Gross Insurance Contract Liabilities	95,924,048,152		92,537,449,100	79,601,803,021
Deferred Tax Liabilities	1,397,344,408		1,387,093,679	1,269,555,958
Insurance Payable	419,658,870		356,252,464	420,729,149
Current Tax Liabilities	-		-	-
Borrowings	-		-	-
Other Liabilities	893,391,378		597,325,220	551,468,815
Other Financial Liabilities	1,306,295,398		1,142,046,980	670,232,810
Total Liabilities	**100,430,816,673**	-	**96,155,022,633**	**82,651,062,147**
Total Equity and Liabilities	**111,059,027,376**	-	**103,254,369,183**	**90,411,861,298**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Group				Insurance			
	Unaudited		Audited		Unaudited		Audited	
	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	8,483,061,564	24,628,944,220			7,552,668,145	21,822,171,965	7,588,392,597	20,491,216,462
Premiums Ceded	(816,377,627)	(2,216,933,597)			(159,422,329)	(349,399,661)	(156,367,951)	(429,695,401)
Net Earned Premiums	**7,666,683,938**	**22,412,010,624**			**7,393,245,816**	**21,472,772,305**	**7,432,024,645**	**20,061,521,061**
Commission Income	91,538,956	370,825,673			(48,827,395)	-	(32,785,533)	5,102,956
Other Direct Income	57,753,492	131,278,972			36,411,163	97,449,116	28,077,275	85,693,541
Interest Income on Loan to Policyholders	317,900,857	1,174,979,968			317,900,857	1,174,979,968	550,628,922	1,238,135,563
Income from Investments and Loans	1,544,323,008	6,010,114,966			1,513,048,243	5,844,585,190	1,509,052,312	5,599,327,266
Net Gain/(Loss) on Fair Value Changes	38,612,020	56,004,162			21,228,609	21,228,609	16,893,614	16,893,614
Net Realised Gains/(Losses)	12,059,365	37,049,337			-	-	-	-
Other Income	26,370,714	26,391,881			13,587,227	13,608,394	8,581,104	8,830,480
Total Income	**9,755,242,351**	**30,218,655,584**			**9,246,594,519**	**28,624,623,582**	**9,512,472,341**	**27,015,504,482**
Expenses:								
Gross Benefits and Claims Paid	3,996,295,176	13,450,711,377			3,327,366,113	11,071,269,080	2,547,007,804	8,328,213,067
Claims Ceded	(532,198,659)	(1,928,935,452)			(50,639,057)	(136,831,146)	(31,557,946)	(110,444,979)
Gross Change in Contract Liabilities	4,698,385,097	12,732,508,966			4,474,384,851	12,458,484,201	5,172,494,642	13,676,659,548
Change in Contract Liabities Ceded to Reinsurers	(195,406,295)	(214,034,847)			8,772,868	(6,264,418)	1,191,606	5,176,369
Net Benefits and Claims Paid	**7,967,075,319**	**24,040,250,044**			**7,759,884,776**	**23,386,657,717**	**7,689,136,106**	**21,899,604,004**
Commission Expenses	726,427,341	2,259,177,919			699,217,495	2,184,249,258	526,460,012	1,687,971,606
Service Fees	56,221,913	168,747,931			55,449,343	161,045,792	55,740,184	150,461,407
Other Direct expenses	10,265,174	12,902,575			-	-	-	-
Employee Benefits Expenses	248,220,467	853,394,249			133,160,872	505,412,211	141,657,024	502,919,588
Depreciation and Amortization Expenses	54,195,543	120,674,204			40,800,924	69,468,134	42,276,634	66,502,871
Impairment Losses	52,098	52,098			52,098	52,098	-	-
Other Operating Expenses	442,037,031	1,248,518,368			392,492,969	1,100,105,129	192,215,622	814,123,374
Finance Cost	27,673,732	38,338,277			22,810,516	22,810,516	21,252,316	21,252,316
Total Expenses	**9,532,168,617**	**28,742,055,665**			**9,103,868,994**	**27,429,800,857**	**8,668,737,900**	**25,142,835,167**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**223,073,733**	**1,476,599,919**			**142,725,525**	**1,194,822,726**	**843,734,441**	**1,872,669,315**
Share of Net Profit of Associates accounted using Equity Method	-	-			-	-	7,349,074	7,349,074
Profit Before Tax	**223,073,733**	**1,476,599,919**			**142,725,525**	**1,194,822,726**	**851,083,515**	**1,880,018,389**
Income Tax Expenses	168,925,497	872,615,639			138,405,339	781,979,651	296,571,599	937,126,799
Net Profit/(Loss) For The Year	**54,148,236**	**603,984,281**			**4,320,186**	**412,843,074**	**554,511,915**	**942,891,589**
Earning Per Share					-	-	-	-
Basic EPS		11.59				7.92		18.81
Diluted EPS		11.59				7.92		18.81

*The profit of the company for F.Y. 2081/82 shall change after the actuarial valuation as a result of the surplus obtained after the valuation.

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	54,148,236	603,984,281			4,320,186	412,843,074	554,511,915	942,891,589
Other Comprehensive Income	642,173,597	731,569,548			576,156,879	729,893,853	921,619,979	1,244,079,211
Total Comprehensive Income	**696,321,834**	**1,335,553,828**			**580,477,065**	**1,142,736,928**	**1,476,131,894**	**2,186,970,800**

OTHER INDICATORS

Fig in NPR.

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	1,519,745	1,598,268
2. Total No. of Policies issued during the year	512,990	724,772
3. First Year Premium (Including Single Premium)	6,084,516,777	5,055,047,092
4. Single Premium	2,389,417,058	1,890,630,494
5. Renewal Premium	15,737,655,188	15,436,169,370
6. Total Benefits and Claims Paid in Count	67,480	58,088
7. Outstanding Benefits and Claims in Count	19,123	16,042
8. Gross Claim Outstanding Amount	2,022,452,119	588,931,209
9. Declared Bonus rate (2080/81)	63-85	63-85
10. Interim bonus rate	63-85	63-85
11. Long Term Investments (Amount)	68,891,717,771	57,569,233,341
12. Short Term Investments (Amount)	7,198,100,000	11,455,358,000
13. Policyholders Loan	12,622,458,609	12,468,149,274
14. Investment in Cost Value	70,569,516,934	63,916,518,474
15. Life Insurance Fund (Amount)	89,914,996,980	79,012,871,812
16. Unearned Premium Reserves for Term Policies (Amount)	1,377,653,085	1,708,636,860
17. Solvency Margin Ratio	1.34	1.34

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 for F.Y. 2081/82 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
7. The audited figures for the Group for the F.Y. 2080/81 has not been presented as the consolidation was not required during finalization.

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 18.53% 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 FOURTH QUARTER OF FINANCIAL YEAR 2081/82

1. Financial Statements

a) The Statement of Financial Position, Statement of Profit and Loss, Statement of Other Comprehensive Income and other details of fourth quarter of F.Y. 2081/82 have been published in this national daily.

b) Major Financial Indicators:

Earnings per Share: Rs. 7.92	Net Worth Per Share: 129.72
P/E Ratio: 78.73	Total Assets per Share: 1,886.70

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: 660	Minimum Price: 551	Last Price: 623.58
Transaction Volume: 6,567	Transaction Days: 63	

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.