National Life

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Quarterly Financial Results for Fourth Quarter, F.Y. 2082/83 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	330,804,749	331,197,043	3,249,442	3,602,666
Property and Equipment	1,179,493,213	1,174,964,826	1,036,067,836	1,026,886,901
Investment Properties	2,010,065,532	1,932,580,892	2,010,065,532	1,932,580,892
Deferred Tax Assets	60,663,960	62,136,647	-	-
Investment in Subsidiaries	-	-	1,812,224,670	1,812,224,670
Investment in Associates	-	-	-	-
Investments	97,189,209,444	80,288,484,068	93,819,815,083	76,089,817,771
Loans	12,438,272,287	14,233,679,441	12,381,187,848	14,204,281,909
Reinsurance Assets	2,966,448,325	2,592,400,209	19,342,078	24,349,103
Current Tax Assets	308,172,979	405,381,916	123,036,891	283,653,651
Insurance Receivables	1,485,627,410	950,199,264	-	-
Other Assets	704,421,554	404,311,107	50,302,922	65,042,564
Other Financial Assets	3,886,773,632	4,617,943,781	3,876,036,886	4,462,126,948
Cash and Cash Equivalent	2,314,678,875	5,872,069,458	1,802,787,475	5,413,465,039
Total Assets	**124,874,631,960**	**112,865,348,652**	**116,934,116,663**	**105,318,032,114**
Equity:				-
Share Capital	5,691,649,325	5,472,739,736	5,691,649,325	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	1,420,213,017	1,391,306,952	-	-
Catastrophe Reserves	835,396,411	794,136,939	745,908,412	707,539,547
Retained Earnings	604,079,762	1,055,803,309	489,868,696	871,056,426
Other Equity	1,877,068,939	2,099,110,608	315,625,386	433,773,451
Total Equity	**10,456,256,172**	**10,840,946,262**	**7,270,900,537**	**7,512,957,877**
Liabilities:				-
Provisions	479,738,129	257,679,082	322,981,580	134,855,191
Gross Insurance Contract Liabilities	110,019,114,846	97,913,565,914	106,202,391,150	94,587,747,065
Deferred Tax Liabilities	1,036,178,746	1,397,678,582	1,028,904,938	1,385,042,823
Insurance Payable	438,006,751	448,048,962	338,046,310	358,443,021
Current Tax Liabilities	-	-	-	-
Borrowings	98,300,000	-	-	-
Other Liabilities	930,651,891	1,224,716,787	527,229,648	615,463,267
Other Financial Liabilities	1,416,385,425	782,713,063	1,243,662,500	723,522,871
Total Liabilities	**114,418,375,788**	**102,024,402,390**	**109,663,216,126**	**97,805,074,237**
Total Equity and Liabilities	**124,874,631,960**	**112,865,348,652**	**116,934,116,663**	**105,318,032,114**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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)
Income:								
Gross Earned Premiums	9,848,738,869	28,872,333,732	8,483,061,564	24,628,944,220	8,552,945,967	24,846,659,753	7,552,668,145	21,822,171,965
Premiums Ceded	(1,144,657,731)	(3,553,965,452)	(816,377,626)	(2,216,933,596)	(293,951,522)	(687,930,771)	(159,422,329)	(349,399,660)
Net Earned Premiums	**8,704,081,138**	**25,318,368,280**	**7,666,683,938**	**22,412,010,624**	**8,258,994,445**	**24,158,728,982**	**7,393,245,816**	**21,472,772,305**
Commission Income	30,097,904	424,903,222	91,538,956	370,825,673	-	-	(48,827,395)	-
Other Direct Income	71,815,445	153,948,890	57,753,493	131,278,973	54,322,292	124,172,150	36,411,164	97,449,116
Interest Income on Loan to Policyholders	368,084,599	1,291,819,282	317,900,857	1,174,979,968	368,084,599	1,291,819,282	317,900,857	1,174,979,968
Income from Investments and Loans	1,834,472,853	6,210,848,271	1,544,323,008	6,010,114,966	1,792,952,413	6,020,733,117	1,513,048,243	5,844,585,190
Net Gain/(Loss) on Fair Value Changes	(6,396,417)	27,887,627	38,612,020	56,004,162	7,748,464	7,748,464	21,228,609	21,228,609
Net Realised Gains/(Losses)	(3,447,753)	4,762,849	12,059,365	37,049,337	-	-	-	-
Other Income	7,146,063	67,184,609	26,370,714	26,391,881	6,842,762	6,847,669	13,587,227	13,608,394
Total Income	**11,005,853,832**	**33,499,723,030**	**9,755,242,351**	**30,218,655,584**	**10,488,944,975**	**31,610,049,664**	**9,246,594,521**	**28,624,623,582**
Expenses:								
Gross Benefits and Claims Paid	5,860,745,889	17,303,179,313	3,996,295,176	13,450,711,377	4,552,972,888	13,966,300,325	3,327,366,113	11,071,269,080
Claims Ceded	(1,122,895,492)	(2,568,756,038)	(532,198,659)	(1,928,935,452)	(158,727,806)	(245,752,854)	(50,639,057)	(136,831,146)
Gross Change in Contract Liabilities	5,156,251,708	14,268,369,687	4,698,385,097	12,732,508,966	4,529,415,358	12,332,023,842	4,474,384,851	12,458,484,202
Change in Contract Liabities Ceded to Reinsurers	(641,296,966)	(1,885,063,812)	(195,406,295)	(214,034,847)	8,938,880	5,007,025	8,772,868	(6,264,418)
Net Benefits and Claims Paid	**9,252,805,139**	**27,117,729,150**	**7,967,075,319**	**24,040,250,044**	**8,932,599,320**	**26,057,578,338**	**7,759,884,775**	**23,386,657,718**
Commission Expenses	693,035,233	2,376,025,697	726,427,341	2,259,177,919	647,417,165	2,269,987,574	699,217,495	2,184,249,258
Service Fees	65,045,987	190,379,575	56,221,913	168,747,931	61,942,458	181,190,469	55,449,343	161,045,792
Other Direct expenses	(9,014,912)	3,505,152	10,265,174	12,902,575	-	-	-	-
Employee Benefits Expenses	238,745,054	915,069,498	248,220,467	853,394,249	148,425,956	546,363,494	133,160,872	505,412,211
Depreciation and Amortization Expenses	55,768,397	128,660,212	54,195,543	120,674,204	47,576,421	86,857,453	40,800,924	69,468,134
Impairment Losses	9,782,786	57,500,000	52,098	52,098	-	-	52,098	52,098
Other Operating Expenses	459,408,181	1,429,489,024	442,037,030	1,248,518,368	415,094,782	1,291,621,136	392,492,970	1,100,105,129
Finance Cost	29,706,635	39,563,453	27,673,732	38,338,277	25,611,404	25,611,403	22,810,516	22,810,516
Total Expenses	**10,795,282,500**	**32,257,921,761**	**9,532,168,617**	**28,742,055,665**	**10,278,667,506**	**30,459,209,867**	**9,103,868,993**	**27,429,800,856**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**210,571,332**	**1,241,801,269**	**223,073,734**	**1,476,599,919**	**210,277,469**	**1,150,839,797**	**142,725,528**	**1,194,822,726**
Share of Net Profit of Associates accounted using Equity Method	-	-			-	-	-	-
Profit Before Tax	**210,571,332**	**1,241,801,269**	**223,073,734**	**1,476,599,919**	**210,277,469**	**1,150,839,797**	**142,725,528**	**1,194,822,726**
Income Tax Expenses	249,714,421	797,238,475	168,925,498	872,615,638	256,290,822	780,223,265	138,405,339	781,979,652
Net Profit/(Loss) For The Year	**(39,143,089)**	**444,562,794**	**54,148,236**	**603,984,281**	**(46,013,353)**	**370,616,532**	**4,320,189**	**412,843,074**
Earning Per Share						-	-	-
Basic EPS		7.96		11.59		6.64		7.92
Diluted EPS		7.96		11.59		6.64		7.92

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	(39,143,089)	444,562,794	54,148,236	603,984,281	(46,013,353)	370,616,532	4,320,189	412,843,074
Other Comprehensive Income	(1,036,803,471)	(919,212,542)	642,173,597	731,569,547	(978,341,795)	(881,779,951)	576,156,879	729,893,853
Total Comprehensive Income	**(1,075,946,560)**	**(474,649,748)**	**696,321,833**	**1,335,553,828**	**(1,024,355,148)**	**(511,163,419)**	**580,477,068**	**1,142,736,927**

OTHER INDICATORS

Fig in NPR.

Particulars	Current Year Upto this Quarter (YTD)	Previous Year Upto this Quarter (YTD)
1. Total inforce Policy count	1,441,457	1,519,745
2. Total No. of Policies issued during the year	407,737	512,990
3. No. of renewed policies	365,823	340,146
4. First Year Premium (Including Single Premium)	7,105,872,619	6,084,516,777
5. Single Premium	3,330,380,233	2,389,417,058
6. Renewal Premium	17,740,787,134	15,737,655,188
7. Total Benefits and Claims Paid in Count	71,515	67,480
8. Outstanding Benefits and Claims in Count	23,277	19,123
9. Gross Claim Outstanding Amount	2,488,216,408	2,022,452,119
10. Declared Bonus rate (2080/81)	60-85	63-85
11. Interim bonus rate	60-85	63-85
12. Long Term Investments (Amount)	77,867,096,083	68,891,717,771
13. Short Term Investments (Amount)	15,952,719,000	7,198,100,000
14. Policyholders Loan	12,332,551,546	14,146,760,542
15. Investment in Cost Value	89,518,170,831	70,569,516,934
16. Life Insurance Fund (Amount)	103,714,174,742	93,987,710,761
17. Unearned Premium Reserves for Term Policies (Amount)	1,534,438,216	1,377,653,085
18. Solvency Margin Ratio	1.66	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 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. 2081/82 as per Risk Based Capital & Solvency Directive 2025 is 165.5% 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 4% 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 1,155,592,576.

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 17.72% 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 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 fourth quarter of F.Y. 2082/83 have been published in this national daily.

b) Major Financial Indicators:

Earnings per Share: Rs. 6.64	Net Worth Per Share: 127.75
P/E Ratio: 87.20	Total Assets per Share: 2,054.49

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. 1,155,592,576.43.

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: 623.8	Minimum Price: 558.6	Last Price: 579
Transaction Volume: 3,568	Transaction Days: 64	

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.