

Quarterly Financial Results for Third 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	331,296,061	331,197,043	3,430,121	3,602,666
Property and Equipment	1,154,046,687	1,174,964,826	1,012,833,929	1,026,886,901
Investment Properties	1,932,580,892	1,932,580,892	1,932,580,892	1,932,580,892
Deferred Tax Assets	59,768,574	62,136,647	-	-
Investment in Subsidiaries	-	-	1,812,224,670	1,812,224,670
Investment in Associates	-	-	-	-
Investments	86,047,702,332	80,288,484,068	82,658,275,113	76,089,817,771
Loans	13,350,482,481	14,233,679,441	13,300,805,780	14,204,281,909
Reinsurance Assets	3,711,782,306	2,592,400,209	28,280,958	24,349,103
Current Tax Assets	183,524,840	405,381,916	18,574,247	283,653,651
Insurance Receivables	1,129,254,001	950,199,264	-	-
Other Assets	969,277,600	404,311,108	36,028,030	65,042,564
Other Financial Assets	2,869,192,593	4,617,943,782	2,721,982,984	4,462,126,948
Cash and Cash Equivalent	10,401,280,655	5,872,069,458	9,901,384,013	5,413,465,039
Total Assets	122,140,189,021	112,865,348,652	113,426,400,738	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	1,408,712,044	1,391,306,952	-	-
Catastrophe Reserves	838,436,651	794,136,939	750,098,749	707,539,547
Retained Earnings	649,148,130	1,055,803,309	524,929,999	871,056,426
Other Equity	2,129,011,500	2,099,110,609	427,084,124	433,773,451
Total Equity	10,744,806,369	10,840,946,262	7,421,610,915	7,512,957,877
Liabilities:				
Provisions	284,862,489	257,679,082	134,855,191	134,855,191
Gross Insurance Contract Liabilities	107,087,405,394	97,913,565,914	102,479,604,207	94,587,747,065
Deferred Tax Liabilities	1,403,205,648	1,397,678,582	1,386,200,894	1,385,042,823
Insurance Payable	623,137,222	448,048,962	520,841,126	358,443,021
Current Tax Liabilities	-	-	-	-
Borrowings	100,000,000	-	-	-
Other Liabilities	737,144,697	1,224,716,787	375,661,106	615,463,267
Other Financial Liabilities	1,159,627,202	782,713,063	1,107,627,301	723,522,870
Total Liabilities	111,395,382,652	102,024,402,390	106,004,789,823	97,805,074,237
Total Equity and Liabilities	122,140,189,021	112,865,348,652	113,426,400,738	105,318,032,114

- NOTES:
- Unaudited figures presented above may change after the statutory audit is completed.
- The foreign employment policies issued by the insurance pool have not been included in the Total inforce policies count.
- The profit of the company shall change after actuarial valuation as a result of the surplus obtained after the valuation.
- The figures of the the previous quarters have been restated as per requirement.
- The fair valuation of the investment properties is done by the company on a yearly basis and hence are not reflected in the interim financial statement for the third quarter.
- The actuarial valuation of the employee benefits as per NAS 19 is done by the company on a yearly basis and hence are not reflected in the interim financial statement for the third quarter.
- The accounting for leases as per NFRS 16 is done yearly and hence has not been reflected in the interim financial statements for the third quarter.
- Group Financial Statement includes National Life Insurance Company Limited (Parent company), NLG Insurance Company Ltd. (Subsidiary Company) and National Capital Limited (Subsidiary Company)
- 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

- 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%.
- 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.
- 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.
- 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.
- Regulatory limit on expenses ratio:**
The management expense ratio of the company is 18.75% of the gross premium collected which is under the regulatory limit of 30%.

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	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	6,386,406,890	19,023,594,862	4,656,217,169	14,269,503,821	5,292,565,524	16,293,713,786	4,656,217,169	14,269,503,821
Premiums Ceded	(961,179,938)	(2,409,307,721)	(66,275,360)	(189,977,332)	(129,952,818)	(393,979,248)	(66,275,360)	(189,977,332)
Net Earned Premiums	5,425,226,952	16,614,287,141	4,589,941,809	14,079,526,489	5,162,612,706	15,899,734,537	4,589,941,809	14,079,526,489
Commission Income	191,107,882	394,805,318	18,186,612	48,827,395	-	-	18,186,612	48,827,395
Other Direct Income	29,680,847	82,133,444	13,293,894	61,037,953	25,039,065	69,849,856	13,293,894	61,037,953
Interest Income on Loan to Policyholders	264,295,654	923,734,683	253,201,994	857,079,111	264,295,654	923,734,683	253,201,994	857,079,111
Income from Investments and Loans	1,391,580,776	4,376,375,418	1,407,651,962	4,331,562,947	1,349,051,281	4,227,780,704	1,407,633,641	4,331,536,947
Net Gain/(Loss) on Fair Value Changes	30,353,275	34,284,044	10,553,639	17,392,142	-	-	-	-
Net Realised Gains/(Losses)	4,352,889	8,210,602	13,752,130	24,989,972	-	-	-	-
Other Income	26,053,454	60,038,546	13,906	21,167	1,194	4,907	13,906	21,167
Total Income	7,362,651,729	22,493,869,196	6,306,595,946	19,420,437,177	6,800,999,900	21,121,104,688	6,282,271,856	19,378,029,062
Expenses:								
Gross Benefits and Claims Paid	3,348,876,120	11,442,433,424	2,983,466,785	7,743,902,967	2,644,338,352	9,413,327,437	2,983,466,785	7,743,902,967
Claims Ceded	(448,081,680)	(1,445,860,546)	(29,500,505)	(86,192,089)	(28,423,958)	(87,025,048)	(29,500,505)	(86,192,089)
Gross Change in Contract Liabilities	2,038,235,786	9,112,117,979	1,986,060,638	7,984,099,350	2,786,753,718	7,802,608,484	1,986,060,638	7,984,099,350
Change in Contract Liabilities Ceded to Reinsurers	713,724,929	(1,243,766,846)	(15,981,440)	(15,037,286)	4,046,175	(3,931,855)	(15,981,440)	(15,037,286)
Net Benefits and Claims Paid	5,652,755,155	17,864,924,011	4,924,045,478	15,626,772,942	5,406,714,286	17,124,979,018	4,924,045,478	15,626,772,942
Commission Expenses	699,250,318	1,682,990,463	649,486,349	1,485,031,763	671,327,657	1,622,570,409	649,486,349	1,485,031,763
Service Fees	39,592,877	125,333,587	34,424,564	105,596,449	38,719,596	119,248,010	34,424,564	105,596,449
Other Direct expenses	9,862,591	12,520,064	-	-	-	-	-	-
Employee Benefits Expenses	247,739,042	676,324,443	132,127,737	382,551,441	135,587,416	397,937,538	125,695,676	372,251,339
Depreciation and Amortization Expenses	26,106,272	72,891,815	11,636,410	31,257,322	12,938,761	39,281,031	9,864,930	28,667,211
Impairment Losses	47,717,214	47,717,214	-	-	-	-	-	-
Other Operating Expenses	319,453,830	970,080,845	261,654,323	710,519,214	281,758,345	876,526,355	259,915,616	707,612,160
Finance Cost	4,328,856	9,856,818	1,067,775	1,574,252	-	-	-	-
Total Expenses	7,046,806,157	21,462,639,262	6,014,442,636	18,343,303,383	6,547,046,060	20,180,542,361	6,003,432,613	18,325,931,864
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	315,845,572	1,031,229,934	292,153,310	1,077,133,794	253,953,840	940,562,327	278,839,243	1,052,097,198
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-	-	-	-	-
Profit Before Tax	315,845,572	1,031,229,934	292,153,310	1,077,133,794	253,953,840	940,562,327	278,839,243	1,052,097,198
Income Tax Expenses	141,080,988	547,524,054	152,701,076	650,640,011	124,155,307	523,932,442	149,457,044	643,574,312
Net Profit/(Loss) For The Year	174,764,584	483,705,880	139,452,234	426,493,783	129,798,533	416,629,885	129,382,199	408,522,886
Earning Per Share								
Basic EPS		11.55		10.95		9.95		10.49
Diluted EPS		11.55		10.95		9.95		10.49

PUBLISHED AS PER ANNEXURE 14 OF RULE 26 OF SUB RULE (1) OF SECURITIES REGISTRATION AND ISSUE REGULATION, 2073 THIRD QUARTER OF FINANCIAL YEAR 2082/83

- Financial Statements**
a) The Statement of Financial Position, Statement of Profit and Loss, Statement of Other Comprehensive Income and other details of third quarter of F.Y. 2082/83 have been published in this national daily.
b) **Major Financial Indicators:**

Earnings per Share: Rs. 9.95	Net Worth Per Share: 130.39
P/E Ratio: 59.7	Total Assets per Share: 1,992.86
- 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.
- 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.
- 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: 638.9	Minimum Price: 557.2	Last Price: 594
Transaction Volume: 6,061	Transaction Days: 53	
- 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.
- 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.
- 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.

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	174,764,584	483,705,880	139,452,234	426,493,783	129,798,533	416,629,885	129,382,199	408,522,886
Other Comprehensive Income	328,526,154	117,590,928	(7,709,312)	153,736,974	287,551,643	96,561,845	(7,709,312)	153,736,974
Total Comprehensive Income	503,290,738	601,296,808	131,742,922	580,230,757	417,350,176	513,191,730	121,672,887	562,259,860

OTHER INDICATORS

Fig in NPR.

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	1,434,467	1,534,977
2. Total No. of Policies issued during the year	297,956	385,792
3. First Year Premium (Including Single Premium)	4,638,226,607	3,819,540,331
4. Single Premium	2,205,646,089	1,404,250,719
5. Renewal Premium	11,655,487,179	10,449,963,489
6. Total Benefits and Claims Paid in Count	49,209	33,336
7. Outstanding Benefits and Claims in Count	18,826	13,673
8. Gross Claim Outstanding Amount	1,965,899,747	1,415,507,075
9. Declared Bonus rate (2080/81)	60-85	63-85
10. Interim bonus rate	60-85	63-85
11. Long Term Investments (Amount)	72,752,692,113	61,719,895,422
12. Short Term Investments (Amount)	9,905,583,000	10,226,058,000
13. Policyholders Loan	13,257,755,008	12,174,217,305
14. Investment in Cost Value	77,130,657,401	66,655,847,584
15. Life Insurance Fund (Amount)	100,513,704,460	81,326,064,755
16. Unearned Premium Reserves for Term Policies (Amount)	1,635,276,243	1,231,787,961