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नेपाल पुनर्बीमा कम्पनी लिमिटेड
(नेपाल सरकारको स्वामित्वमा स्थापित)
बीमा समितिबाट इजाजत प्राप्त
Nepal Reinsurance Co.Ltd. (Nepal Re.)
(An Undertaking of Nepal Government)
Licensed from Insurance Board

थापाथली, काठमाडौं, नेपाल
फोन नं. ०१-५९७०४०१, ४०२
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Quarterly Financial Results for quarter ended on 31 Ashwin 2082, F.Y. 2082/83 B.S.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	At the end of this Quarter (Unaudited)	At the end of Immediate Previous Year (Unaudited)
Assets:		
Goodwill & Intangible Assets	749,248	551,498
Property and Equipment	586,335,974	590,421,230
Investment Properties	-	-
Deferred Tax Assets	175,312,261	169,983,051
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	19,637,193,958	21,491,098,565
Loans	132,768,655	103,307,762
Reinsurance Assets	6,615,625,697	2,996,507,762
Current Tax Assets (Net)	1,214,430,240	1,089,789,575
Insurance Receivables	7,146,023,913	7,452,633,962
Other Assets	2,584,874,032	95,304,869
Other Financial Assets	375,509,257	437,856,034
Cash and Cash Equivalents	1,501,530,767	1,047,079,201
Total Assets	**39,970,354,002**	**35,474,533,509**
Equity:		
Share Capital	13,422,187,078	13,422,187,078
Share Application Money Pending Allotment	-	
Share Premium	-	-
Special Reserve	4,921,649,024	4,921,649,024
Catastrophe Reserves	427,611,631	427,611,631
Retained Earnings	(6,927,844,496)	933,738,217
Other Equity	809,866,772	822,301,595
Total Equity	**12,653,470,008**	**20,527,487,545**
Liabilities:		
Provisions	1,437,567,443	1,455,401,700
Gross Insurance Contract Liabilities	22,733,951,037	10,439,124,964
Deferred Tax Liabilities	-	-
Insurance Payable	2,468,986,591	2,366,612,111
Current Tax Liabilities (Net)	-	-
Borrowings	-	-
Other Liabilities	673,181,631	681,934,317
Other Financial Liabilities	3,197,292	3,972,872
Total Liabilities	**27,316,883,994**	**14,947,045,964**
Total Equity and Liabilities	**39,970,354,002**	**35,474,533,509**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	1,813,772,485	1,813,772,485	1,916,114,835	1,916,114,835
Premiums Ceded	(161,272,007)	(161,272,007)	(141,534,040)	(141,534,040)
Net Earned Premiums	**1,652,500,479**	**1,652,500,479**	1,774,580,795	**1,774,580,795**
Commission Income	-	-	-	-
Other Direct Income	40,610,449	40,610,449	266,502,571	266,502,571
Income from Investments and Loans	196,596,508	196,596,508	366,553,219	366,553,219
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	(489,094)	(489,094)	(488,975)	(488,975)
Total Income	**1,889,218,342**	**1,889,218,342**	**2,407,147,610**	**2,407,147,610**
Expenses:	-		-	
Gross Claims Paid	1,222,252,086	1,222,252,086	919,443,979	919,443,979
Claims Ceded	-	-	-	-
Gross Change in Contract Liabilities	11,302,290,952	11,302,290,952	417,608,190	417,608,190
Change in Contract Liabities Ceded to Reinsurers	(3,521,431,760)	(3,521,431,760)	24,205,838	24,205,838
Net Claims Incurred	**9,003,111,278**	**9,003,111,278**	**1,361,258,007**	**1,361,258,007**
Commission Expenses	689,389,571	689,389,571	632,582,170	632,582,170
Service Fees	19,105,121	19,105,121	19,191,632	19,191,632
Other Direct expenses	177,725	177,725	253,955,270	253,955,270
Employee Benefits Expenses	26,019,605	26,019,605	37,696,410	37,696,410
Depreciation and Amortization Expenses	4,164,357	4,164,357	3,946,425	3,946,425
Impairment Losses	-	-	-	-
Other Operating Expenses	8,561,089	8,561,089	7,712,465	7,712,465
Finance Cost	272,311	272,311	522,697	522,697
Total Expenses	**9,750,801,056**	**9,750,801,056**	**2,316,865,076**	**2,316,865,076**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	(7,861,582,714)	(7,861,582,714)	90,282,535	90,282,535
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	(7,861,582,714)	(7,861,582,714)	90,282,535	90,282,535
Income Tax Expenses		-	26,985,763	26,985,763
Net Profit/(Loss) For The Year	**(7,861,582,714)**	**(7,861,582,714)**	**63,296,772**	**63,296,772**
Earning Per Share	-			
Basic EPS		(58.57)		5.36
Diluted EPS		(58.57)		5.36

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Up to this Quarter (YTD)	This Quarter	Up to this Quarter (YTD)
Net Profit/(Loss) For The Year	(7,861,582,714)	(7,861,582,714)	63,296,773	63,296,773
Other Comprehensive Income	(12,434,824)	(12,434,824)	9,375,295	9,375,295
Total Comprehensive Income	**(7,874,017,538)**	**(7,874,017,538)**	**72,672,068**	**72,672,068**

OTHER DETAILS

Particulars	Current Year	Previous Year
	Up to this Quarter (YTD)	Up to this Quarter (YTD)
5. Total Gross Outstanding Claim including IBNR and IBNER (Amount)	15,889,479,778	3,060,673,916
6. Net Outstanding Claim including IBNR and IBNER (Amount)	9,887,149,192	1,494,616,571
8. Unearned Premium Reserve (Amount)	6,844,471,259	7,027,786,637
11. Long Term Investments (Amount)	4,702,782,031	3,531,934,123
12. Short Term Investments (Amount)	14,934,411,927	17,371,278,480
13. Direct Premium (Amount)	2,806,307,607	2,558,884,264
14. Investment in Cost (Amount)	19,383,806,131	20,779,587,730

Note:

Above Interim financial statement has complied with the requirements of Nepal Accounting Standard - 34 "Interim Financial Reporting" wherever applicable including directives issued by Nepal Insurance Authority. Detailed interim report has been published in our website (www.nepalre.com.np).

Above financial statements include provisional figures based on latest data and information received by the company as Statement of Accounts(SOA) are still pending.

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

1. **Solvency Ratio related disclosure:**
   As per latest audited financial statements of the company, the solvency ratio as on Ashad end, 2080 is 3.65, which is higher than the regulatory requirement i.e. 1.5 times.
2. **Reinsurance related disclosure:**
   The company has arranged for adequate and appropriate retrocession program based on the directives issued by the Nepal Insurance Authority and strategy of the company.
3. **Details regarding legal proceeding:**
   There are a few numbers of legal proceedings from the company against tax assessment of previous fiscal years from the Large Taxpayer's Office.
4. **Corporate Governance:**
   The company is conducting its activities in accordance with the provision of Insurance Act, Insurance Regulation, Directives and Circulars issued by Nepal Insurance Authority, the internal control mechanism of the company and following the suggestions received from the internal and external auditor of the company and Nepal Insurance Authority.
5. **Any other disclosure as deemed relevant**
   None

Disclosure as per Securities Registration and Issuance Regulation 2073

Related to sub-Regulation (1) of Regulation (26)

1. **Financial Statements Quarter - I (FY 2082/83)**
   A. **Quarterly Statement of Financial position and Statement of Profit or Loss**
   The quarterly financial statements for first quarter have been published along with this report. The financial statement has been prepared in compliance with Nepal Accounting Standard - 34 "Interim Financial Reporting" and Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and directives and circulars issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The previous period figures have been regrouped and adjusted wherever required.
   B. **Major Financial Ratios**

Earnings Per Share	(58.57)	Net worth per share (Rs.)	94.27
P/E Ratio	(21.34)	Total Assets per share (Rs.)	297.79

2. **Management Analysis**
   Company has been able to position itself as preferred reinsurer within the country and has been able to demonstrate itself as trustworthy reinsurer among international brokers and reinsurers. In the current quarter investment return of the company is affected due to decrease in the interest rate offered by the bank and financial institutions As an investment diversification objective company has plan to increase its investment in alternatives as per Nepal Insurance Authority directive. The decrease in economic activity within the country and economic stress scenario worldwide has affected the growth of the insurance industry.
3. **Details regarding legal proceedings**
   There are a few numbers of legal proceedings from the company against tax assessment of previous fiscal years from the Large Taxpayer's Office.
4. **Analysis of company's share transactions**
   Since shares of the company are traded based on the trust of investors towards the Company and analysis of its returns and there has been satisfactory trading of shares in the capital market.
   The following figures depict the transactions of the company's share in capital market during the quarter:

Maximum share price:	NPR 1842	Total number of transactions	78,040
Minimum share price:	NPR 1161.5	Total number of shares traded:	13,344,051
Closing share price:	NPR 1250	Total number of transaction days:	51 days

**Source: As published in the website of Nepal Stock Exchange (www.nepalstock.com.np)*

5. **Problems and Challenges**
   a. Slowdown in industrial and economic activities within the country.
   b. Regular decrease in interest rate offered by the bank and financial institutions
   c. Exposure to catastrophe (CAT) risks and unpredictable claims.
   d. Shortage of technical and skilled manpower in reinsurance sector.
   e. Delay in receiving Statement of Accounts (SOAs) from cedent companies.
6. **Strategies initiated by Management to solve the problems and challenges:**
   a. Diversifying investments into alternative instruments as per Nepal Insurance Authority directive.
   b. Establish and cause to arrange insurance pools for management of reinsurance and claim payment of various risk exposure.
   c. Arranging adequate retrocession program to cover CAT and large risks.
   d. Conducting continuous training and development for human resources.
   e. Providing appropriate reinsurance coverage to national insurance companies to carter their reinsurance needs.
   f. Enhancing market relations with cedent companies and brokers.
   g. Accelerating collection of pending SOAs from cedent companies.
7. **Corporate Governance**
   The company is conducting its activities in accordance with the provision of Insurance Act, Insurance Regulation, Directives and Circulars issued by Nepal Insurance Authority, the internal control mechanism of the company and following the suggestions received from the internal and external auditor of the company and Nepal Insurance Authority.
8. **Declaration by Chief Executive Officer on truthfulness of information**
   I, hereby, declare that all the information provided in this document is true, complete and factual and that I take personal responsibility for any deviations thereof. I also declare that the Company's information or data, that assist investors in making informed investment decisions, have not been misstated in any way.