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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
इमेल : nepalre@ntc.net.np
वेबसाइट : www.nepalre.com.np

Quarterly Financial Results for quarter ended on 30 POUSH 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	974,118	551,498
Property and Equipment	582,171,617	590,421,230
Investment Properties	-	-
Deferred Tax Assets	186,656,174	169,983,051
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	18,841,940,696	21,491,098,565
Loans	140,601,287	103,307,762
Reinsurance Assets	7,119,773,941	2,996,507,762
Current Tax Assets (Net)	1,514,510,490	1,089,789,575
Insurance Receivables	5,816,123,792	7,452,633,962
Other Assets	3,399,457,822	95,304,869
Other Financial Assets	398,597,030	437,856,034
Cash and Cash Equivalents	713,281,669	1,047,079,201
Total Assets	**38,714,088,635**	**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	(7,051,394,235)	933,738,217
Other Equity	783,397,642	822,301,595
Total Equity	**12,503,451,141**	**20,527,487,545**
Liabilities:		
Provisions	1,410,039,673	1,455,401,700
Gross Insurance Contract Liabilities	22,338,985,320	10,439,124,964
Deferred Tax Liabilities	-	-
Insurance Payable	1,757,884,432	2,366,612,111
Current Tax Liabilities (Net)	-	-
Borrowings	-	-
Other Liabilities	700,957,239	681,934,317
Other Financial Liabilities	2,770,830	3,972,872
Total Liabilities	**26,210,637,495**	**14,947,045,964**
Total Equity and Liabilities	**38,714,088,635**	**35,474,533,509**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Up to this Quarter (YTD)	This Quarter	Up to this Quarter (YTD)
Income:				
Gross Earned Premiums	2,283,907,826	4,097,680,311	2,461,286,015	4,377,400,850
Premiums Ceded	(290,001,257)	(451,273,263)	(234,242,009)	(375,776,049)
Net Earned Premiums	**1,993,906,570**	**3,646,407,048**	**2,227,044,006**	**4,001,624,801**
Commission Income	-	-	-	-
Other Direct Income	249,517,101	290,127,551	45,412,289	311,914,860
Income from Investments and Loans	133,670,516	330,267,024	260,892,163	627,445,382
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realized Gains/(Losses)	-	-	-	-
Other Income	9,080,695	8,591,601	(11,988,369)	(12,477,344)
Total Income	**2,386,174,882**	**4,275,393,224**	**2,521,360,089**	**4,928,507,699**
Expenses:	-	-	-	
Gross Claims Paid	2,421,467,540	3,643,719,627	1,415,189,663	2,334,633,641
Claims Ceded	-	-	-	-
Gross Change in Contract Liabilities	(361,181,815)	10,941,109,137	1,108,984,763	1,526,592,954
Change in Contract Liabilities Ceded to Reinsurers	(278,405,625)	(3,799,837,386)	(1,360,445,788)	(1,336,239,950)
Net Claims Incurred	**1,781,880,100**	**10,784,991,377**	**1,163,728,638**	**2,524,986,645**
Commission Expenses	524,347,449	1,213,737,020	518,566,490	1,151,148,660
Service Fees	13,007,850	32,112,971	13,626,695	32,818,327
Other Direct expenses	161,948,013	162,125,738	43,618,634	297,573,903
Employee Benefits Expenses	15,730,475	41,750,080	91,807,356	129,503,765
Depreciation and Amortization Expenses	4,164,357	8,328,713	3,829,629	7,776,054
Impairment Losses	-	-	-	-
Other Operating Expenses	8,445,261	17,006,350	15,274,564	22,987,029
Finance Cost	201,115	473,426	463,330	986,028
Total Expenses	**2,509,724,620**	**12,260,525,676**	**1,850,915,336**	**4,167,780,411**
Net Profit/(Loss) For the Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	(123,549,738)	(7,985,132,452)	670,444,753	760,727,288
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	(123,549,738)	(7,985,132,452)	670,444,753	760,727,288
Income Tax Expenses	-	-	201,050,564	228,036,327
Net Profit/(Loss) For the Year	**(123,549,738)**	**(7,985,132,452)**	**469,394,189**	**532,690,961**
Earnings Per Share	-			
Basic EPS		(59.49)		3.97
Diluted EPS		(59.49)		3.97

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	(123,549,738)	(7,985,132,452)	469,394,189	532,690,961
Other Comprehensive Income	(38,903,953)	(38,903,953)	(10,673,645)	(1,298,350)
Total Comprehensive Income	**(162,453,692)**	**(8,024,036,405)**	**458,720,544**	**531,392,611**

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)	15,528,297,963.65	4,169,658,679.00
6. Net Outstanding Claim including IBNR and IBNER (Amount)	9,247,561,751.43	1,243,155,546.00
8. Unearned Premium Reserve (Amount)	6,810,687,356.79	6,191,273,354.00
11. Long Term Investments (Amount)	4,160,177,988.85	3,671,686,059.00
12. Short Term Investments (Amount)	14,681,762,707.25	18,041,183,130.00
13. Direct Premium (Amount)	5,056,431,531.20	4,739,568,982.00
14. Investment in Cost (Amount)	18,541,156,911.07	21,574,237,404.00

Note:

Above Interim financial statement has comply 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 includes 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 - II (FY 2082/83)**
   A. **Quarterly Statement of Financial position and Statement of Profit or Loss**
   The quarterly financial statements for third 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	(59.49)	Net worth per share (Rs.)	93.16
P/E Ratio	(22.04)	Total Assets per share (Rs.)	288.43

2. **Management Analysis**
   Company has been able to position itself as preferred reinsurer within the country and also has been able to demonstrate itself as trustworthy reinsurer among international brokers and reinsurer. 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 1423.9	Total number of transactions	25792
Minimum share price:	NPR 1211	Total number of shares traded:	4,311,299.00
Closing share price:	NPR 1311	Total number of transaction days:	55 Days

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

5. **Problems and Challenges**
   a. Slow growth of industrial activities.
   b. Regular decrease in interest rate offered by the bank and financial institutions
   c. Impact of CAT risk and its upcoming exposure.
   d. Inadequate technical and actuarial manpower for CAT risk modeling.
   e. Unstable political environment of the country.
   f. Delay in receiving Statement of Accounts (SOAs) from cedent companies.
6. **Strategies initiated by Management to solve the problems and challenges:**
   a. Diversifying investment portfolio into alternative asset classes.
   b. Establish and cause to arrange insurance pools for management of reinsurance and claim payment of various risk exposure.
   c. Renegotiating retrocession arrangements to cap net claim exposure.
   d. Continuous Training and development program for underwriting and actuarial staff.
   e. Providing appropriate reinsurance coverage to national insurance companies to carter their reinsurance needs.
   f. Enhancing public relation with the market and cedent companies.
   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.