

LIFE INSURANCE CORPORATION (NEPAL) LIMITED
(Star Mall 4th Floor, Putalisadak, Tel:-014012613, www.licnepal.com.np)
Quarterly Financial Results for First Quarter, F.Y. 2080/81 B.S

Unaudited Unaudited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	At the end of this Quarter	At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	153,523	204,698
Property and Equipment	249,296,945	259,762,387
Investment Properties		
Deferred Tax Assets	37,349,724	44,645,333
Investment in Subsidiaries		
Investment in Associates		
Investments	92,184,319,582	79,671,798,122
Loans	22,057,770,975	19,978,198,415
Reinsurance Assets		
Current Tax Assets		
Insurance Receivables	22,979,504	29,649,913
Other Assets	107,934,711	68,721,382
Other Financial Assets	2,959,708,353	2,472,821,240
Cash and Cash Equivalent	384,862,273	978,228,939
Total Assets	118,004,375,590	103,414,739,763
Equity:		
Share Capital	2,653,200,000	2,653,200,000
Share Application Money Pending Allotment		
Share Premium	61,151,801	61,151,801
Catastrophe Reserves	514,899,366	360,594,845
Retained Earnings	2,006,010,266	569,334,118
Other Equity	622,961,569	580,862,691
Total Equity	5,858,223,002	4,225,143,455
Liabilities:		
Provisions	284,887,314	192,070,554
Gross Insurance Contract Liabilities	110,521,408,913	97,883,519,659
Deferred Tax Liabilities	124,382,932	124,382,932
Insurance Payable	43,842,445	26,907,196
Current Tax Liabilities	628,885,041	296,923,690
Borrowings		
Other Liabilities	28,648,149	70,400,828
Other Financial Liabilities	514,097,794	595,391,449
Total Liabilities	112,146,152,588	99,189,596,308
Total Equity and Liabilities	118,004,375,590	103,414,739,763

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	4,510,597,627	4,510,597,627	4,518,422,910	4,518,422,910
Premiums Ceded	- 19,582,202	- 19,582,202	- 22,806,289	- 22,806,289
Net Earned Premiums	4,491,015,425	4,491,015,425	4,495,616,621	4,495,616,621
Commission Income	1,187,473	1,187,473	2,530,570	2,530,570
Other Direct Income	67,368,582	67,368,582	68,417,866	68,417,866
Interest Income on Loan to Policyholders	531,840,234	531,840,234	482,888,691	482,888,691
Income from Investments and Loans	2,289,490,439	2,289,490,439	1,927,919,035	1,927,919,035
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	-	-	-	-
Total Income	7,380,902,153	7,380,902,153	6,977,372,783	6,977,372,783
Expenses:				
Gross Benefits and Claims Paid	2,702,972,029	2,702,972,029	1,958,911,013	1,958,911,013
Claims Ceded	- 4,171,733	- 4,171,733	- 650,000	- 650,000
Gross Change in Contract Liabilities	3,517,656,217	3,517,656,217	3,907,497,725	3,907,497,725
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-
Net Benefits and Claims Paid	6,216,456,513	6,216,456,513	5,865,758,738	5,865,758,738
Commission Expenses	306,295,476	306,295,476	356,669,848	356,669,848
Service Fees	33,679,586	33,679,586	44,949,197	44,949,197
Other Direct expenses	1,530,608	1,530,608	1,761,688	1,761,688
Employee Benefits Expenses	94,058,847	94,058,847	111,201,662	111,201,662
Depreciation and Amortization Expenses	3,174,940	3,174,940	3,810,748	3,810,748
Impairment Losses	-	-	-	-
Other Operating Expenses	56,583,578	56,583,578	67,605,136	67,605,136
Finance Cost	-	-	-	-

Total Expenses	6,711,779,548	6,711,779,548	6,451,757,017	6,451,757,017
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	669,122,605	669,122,605	525,615,766	525,615,766
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	669,122,605	669,122,605	525,615,766	525,615,766
Income Tax Expenses	609,392,409	609,392,409	493,935,089	493,935,089
Net Profit/(Loss) For The Year	59,730,196	59,730,196	31,680,677	31,680,677
Earning Per Share				
Basic EPS	9.01	9.01	#	#
Diluted EPS	9.01	9.01	#	#

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	59,730,196	59,730,196	31,680,677	31,680,677
Other Comprehensive Income	- 32,322,046	- 32,322,046	373,148,796	373,148,796
Total Comprehensive Income	27,408,150	27,408,150	404,829,472	404,829,472

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	701,723	686,626
2. First Year Premium	481,757,495	507,511,064
3. Single Premium	23,244,279	18,784,679
4. Renewal Premium	4,005,191,856	3,991,430,070
5. Total Benefits and Claims Paid in Count	12,031	8,163
6. Outstanding Benefits and Claims in Count	6,050	6,307
7. Declared Bonus rate (Mention the period)	Rs.41-64 (Per Thousand)	Rs.41-64 (Per Thousand)
8. Interim bonus rate	Rs.41-64 (Per Thousand)	Rs.41-64 (Per Thousand)
9. Long Term Investments (Amount)	85,096,971,559	71,241,248,588
10. Short Term Investments (Amount)	7,087,348,023	8,430,549,534

Detailed interim report has been published in our website.

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

- Solvency Ratio related disclosure: the solvency ratio of the company is 4.58 as on the Ashad end 2079.
- Reinsurance related disclosure: the company have reinsurance arrangement with hannover RE (Malaysia), Nepal RE (Nepal), & Himalyan RE (Nepal)
- Details regarding legal proceeding: The company has initiated legal proceedings concerning the tax assessment from fiscal year 2066/67 to fiscal year 2074/75, involving a sum of Rs.75,841,204
- Corporate Governance: The company adheres to the corporate governance directive set forth by the Nepal insurance authority.
- Regulatory limit on expenses ratio: The current management expenses ratio stands at 3.16%, reflecting a decrease from the 3.88% recorded in the same quarter of the previous year
- The company has restated the financial statements for the same quarter of the previous year.

Statement of Changes In Equity
(For The Quarter Ended Ashwin, 2080)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Restated Balance as at Shrawan 1, 2080	2,653,200,000	-	-	61,151,801	1,952,253,089	-	-	508,926,346	-	-	617,933,891	-	37,349,724	-	5,830,814,852
Profit/(Loss) For the Year					59,730,196.17										59,730,196.17
Other Comprehensive Income for the Year, Net of Tax					(32,322,045.75)										(32,322,045.75)
i) Changes in Fair Value of FVOCI Debt Instruments															-
ii) Gains/ (Losses) on Cash Flow Hedge															-
iii) Exchange differences on translation of Foreign Operation															-
iv) Changes in fair value of FVOCI Equity Instruments					32,322,045.75						(32,322,045.75)				-
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets															-
vi) Remeasurement of Post-Employment Benefit Obligations															-
Transfer to Reserves/ Funds					(5,973,019.62)			5,973,019.62							-
Transfer to Deferred Tax Reserves															-
Transfer of Depreciation on Revaluation of Property and Equipment															-
Transfer on Disposal of Revalued Property and Equipment															-
Transfer on Disposal of Equity Instruments Measured at FVTOCI															-
Transfer to Insurance Contract Liabilities															-
Share Issuance Costs															-
Contribution by/ Distribution to the owners of the Company															-
i) Bonus Share Issued															-
ii) Share Issue															-
iii) Cash Dividend															-
iv) Dividend Distribution Tax															-
v) Others (To be specified)															-
Balance as on Ashwin end, 2080	2,653,200,000	-	-	61,151,801	2,006,010,266		-	514,899,366			585,611,845	-	37,349,724	-	5,858,223,002

The accompanying notes form an Integral Part of Financial Statements.

Statement of Cash Flows
(For The Quarter Ended Ashwin, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	4,510,193,630	4,517,725,814
Commission Received	1,187,473	2,530,570
Claim Recovery Received from Reinsurers	4,171,733	650,000
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income	67,368,582	68,417,866
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid	(2,702,972,029)	(1,958,911,013)
Reinsurance Premium Paid	(19,582,202)	(22,806,289)
Commission Paid	(306,295,476)	(356,669,848)
Service Fees Paid	(33,679,586)	(44,949,197)
Employee Benefits Expenses Paid	(82,820,696)	(104,174,488)
Other Expenses Paid	(59,491,517)	(70,975,410)
Others (to be specified)		
Income Tax Paid	(99,909,363)	
Net Cash Flow From Operating Activities [1]	1,278,170,549	2,030,838,005
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Rental Income Received		
Acquisitions of Property and Equipment	(6,286,130)	
Proceeds From Sale of Property and Equipment	266,981	8,599,246
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits	(4,220,563,376)	(2,868,856,715)
Maturity of Deposits	221,650,424	477,421,291
Loans Paid	(155,859,708)	(1,694,826,386)
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received	2,240,247,440	1,923,714,733
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	(1,920,544,369)	(2,153,947,831)
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(642,373,820)	(123,109,826)
Cash & Cash Equivalents At Beginning of The Year/Period	1,027,236,093	1,101,338,765
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	384,862,273	978,228,939
Components of Cash & Cash Equivalents		
Cash In Hand	1,506,866	67,392
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	383,355,407	978,161,547

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepared Cash Flow Statement using Indirect Method as well.

The accompanying notes form an Integral Part of Financial Statements.

Statement of Distributable Profit or Loss
(For The Quarter Ended Ashwin, 2080)

Fig. in NPR

Particulars	Current Year
Opening Balance in Retained Earnings	1,952,253,089.22
Transfer from OCI reserves to retained earning in current year	(32,322,045.75)
Net profit or (loss) as per statement of profit or loss	59,730,196.17
Appropriations:	
i) Transfer to Insurance Fund	
ii) Transfer to Catastrophe Reserve	(5,973,019.62)
iii) Transfer to Capital Reserve	
iv) Transfer to CSR reserve	
v) Transfer to/from Regulatory Reserve	
vi) Transfer to Fair Value Reserve	32,322,045.75
vii) Transfer of Deferred Tax Reserve	
viii) Transfer to OCI reserves due to change in classification	
ix) Others (to be Specified)	
Deductions:	
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL	
a) Equity Instruments	
b) Mutual Fund	
c) Others (if any)	
ii) Accumulated Fair Value gain on Investment Properties	
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	
vi) Goodwill Recognised	
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	
ix) Overdue loans	
x) Fair value gain recognised in Statement of Profit or Loss	
xi) Investment in unlisted shares as per sec 16 of Financial Directive	
xii) Delisted share investment or mutual fund investment	
xiii) Bonus share/dividend paid	
xiv) Deduction as per Sec 17 of Financial directive	
xiv) Deduction as per Sec 18 of Financial directive	
xv) Others (to be specified)	
Adjusted Retained Earning	2,006,010,266
Add: Transfer from Share Premium Account	
Less: Amount apportioned for Assigned capital	
Less: Deduction as per sec 15(1) Of Financial directive	
Add/Less: Others (to be specified)	
Total Distributable Profit/(loss)	2,006,010,265.78

Life Insurance Corporation (Nepal) Limited
Notes to the Financial Statements for the quarter ended Ashwin 30, 2080

1 General Information

Life Insurance corporation (nepal) Limited (herein after referred to as the 'Company') was incorporated on 11/09/2057 26th December 2000 and operated as life insurance company after obtaining license on 23/04/2058 under the Insurance Act 2049. The registered office of the Company is located at Kathmandu. The Company's shares are listed on Nepal Stock Exchange .

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB), as per the provisions of The Institute of Chartered Accountants of Nepal Act, 1997. These confirm, in material respect, to NFRS as issued by the Nepal Accounting Standards Board. The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

(b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2, or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurement in its entirety, which are described as follows:

(c) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements.

(d) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(e) Going Concern

The Financial Statements are prepared on a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

Related Party Disclosure

Identify Related Parties

Holding Company: Life Insurance Corporation of India

Subsidiaries: None

Associates: None

Fellow Subsidiaries: None

Key Management

Personnel:

Name	Position
Mr. Pranay Kumar	CEO
Mr. Rohit Budiyaal	CTO

Operating Segment

Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio. Performance is measured based on segment profit as management believes that it is most relevant in evaluating the results of segment relative to other entities that operate within these industries.

Segment asset is disclosed below based on total of all asset for each business segment.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be presented.

Business Segments of the Company's are:

Endowment	Term
Anticipated Endowment	Micro Term
Modified Endowment	Special Term
Whole Life	Others (Endowment Single)

Segmental Information for the quarter ended Ashwin 2080

Particulars	Endowment	Anticipated Endowment	Modified Endowment	Whole Life	Term	Micro Term	Special Term	Others (Endowment Single)	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	1,969,684,875	649,248,942	1,472,041,858	393,456,057	1,868,877	610,176	644,992	23,041,850		4,510,597,627
Premiums Ceded	(4,922,176)	(3,941,258)	(7,780,486)	(2,742,892)	(138,124)	(15,986)	(4,568)	(36,712)		(19,582,202)
Inter-Segment Revenue										-
Net Earned Premiums	1,964,762,699	645,307,684	1,464,261,372	390,713,165	1,730,753	594,190	640,424	23,005,138	-	4,491,015,425
Commission Income	276,085	522,357	368,412	4,327	14,434	810	3	1,045		1,187,473
Other Direct Income	30,208,202	10,395,950	10,395,950	7,324,045	3,224	-	10,527	-		
Interest Income on Loan to Policyholders	187,146,824	33,768,147	241,010,604	68,646,682				1,267,977		4,492,202,898
Income from Investments and Loans	946,299,536	201,206,601	878,090,155	122,332,551	305,967	106,839	405,948	12,952,247		2,161,699,844
Net Gain/(Loss) on Fair Value Changes										-
Net Realised Gains/(Losses)										-
Other Income										
Total Segmental Income	3,128,693,346	891,200,739	2,594,126,493	589,020,770	2,054,378	701,839	1,056,902	37,226,407	-	-
Expenses:										
Gross Benefits and Claims Paid	1,234,139,726	396,293,768	815,185,916	235,105,984	27,854	636,800	979,047	20,602,934		2,702,972,029
Claims Ceded	(55,400)	(20,000)	(223,333)	(2,550,000)				(1,323,000)		(4,171,733.00)
Gross Change in Contract Liabilities	1,425,727,120	374,889,886	1,409,455,258	292,396,528	1,828,800	(41,672)	(66,973)	13,467,270		3,517,656,216.92
Change in Contract Liabilities Ceded to Reinsurers										-
Net Benefits and Claims Paid	2,659,811,446.00	771,163,654.00	2,224,417,841.00	524,952,512.00	1,856,654.00	595,128.00	912,074.00	32,747,204.00	-	-
Commission Expenses	149,768,379	45,354,071	91,898,093	18,735,219	50,811	60,338	12,758	415,807		306,295,476
Service Fees	14,735,720	4,839,808	10,981,960	2,930,349	12,981	4,456	4,803	169,509		33,679,586
Other Direct expenses										
Employee Benefits Expenses	32,265,909	10,704,529	24,474,625	6,646,447	32,092	9,753	11,214	394,056		74,538,626.05
Depreciation and Amortization Expenses										-
Impairment Losses										-
Other Operating Expenses	13,488,287	4,474,870	10,231,255	2,778,449	13,416	4,077	4,688	164,729		31,159,771.10
Finance Cost										-
Total Segmental Expenses	2,870,069,740.80	836,536,932.42	2,362,003,774.78	556,042,975.78	1,965,954.22	673,751.48	945,537.50	33,891,305.17	-	445,673,459.15
Total Segmental Results	258,623,605.20	54,663,806.58	232,122,718.22	32,977,794.22	88,423.78	28,087.52	111,364.50	3,335,101.83	-	(445,673,459.15)
Segment Assets										114,242,090,557
Segment Liabilities										110,521,408,913