



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

थापाथली, काठमाण्डौ
फोन नं.०१-४५७०८०९,८०२
इमेल: nepare@ntc.net.np
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Quarterly Financial Results for quarter ended on 30 Ashwin 2081, F.Y. 2081/82 B.S

Consolidated Statement of Financial Position

Particulars	"At the end of this Quarter (Unaudited)"	Fig in NPR At the end of Immediate Previous Year (Audited)
Assets:		
Goodwill & Intangible Assets	978,611	1,018,680
Property and Equipment	584,485,147	584,974,177
Deferred Tax Assets	164,013,772	175,246,058
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	20,903,212,603	21,025,598,256
Loans	25,183,732	24,487,381
Reinsurance Assets	1,990,659,466	2,156,399,344
Current Tax Assets (Net)	558,661,518	411,792,245
Insurance Receivables	7,719,733,597	6,412,309,442
Other Assets	131,881,736	136,269,563
Other Financial Assets	374,261,660	462,999,017
Cash and Cash Equivalents	459,398,681	364,375,631
Total Assets	32,912,470,522	31,755,469,793
Equity:		
Share Capital	13,422,187,078	13,422,187,078
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserve	4,435,565,218	4,403,916,832
Catastrophe Reserves	327,230,031	324,065,193
Retained Earnings	557,757,687	529,907,108
Other Equity	792,243,780	782,235,517
Total Equity	19,534,983,795	19,462,311,728
Liabilities:		
Provisions	960,624,916	1,000,732,849
Gross Insurance Contract Liabilities	10,088,460,553	9,028,082,934
Deferred Tax Liabilities	-	-
Insurance Payable	2,219,184,449	2,124,590,872
Current Tax Liabilities (Net)	-	-
Borrowings	-	-
Other Liabilities	106,152,636	135,942,186
Other Financial Liabilities	3,064,173	3,809,224
Total Liabilities	13,377,486,727	12,293,158,065
Total Equity and Liabilities	32,912,470,522	31,755,469,793

Consolidated Statement of Profit or Loss

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	1,916,114,835	1,916,114,835	1,434,709,651	1,434,709,651
Premiums Ceded	(141,534,040)	(141,534,040)	(152,697,499)	(152,697,499)
Net Earned Premiums	1,774,580,795	1,774,580,795	1,282,012,151	1,282,012,151
Commission Income	-	-	-	-
Other Direct Income	266,502,571	266,502,571	43,088,929	43,088,929
Income from Investments and Loans	366,553,219	366,553,219	409,784,157	409,784,157
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	488,975	488,975	319,853	319,853
Total Income	2,407,147,610	2,407,147,610	1,735,205,090	1,735,205,090
Expenses:				
Gross Claims Paid	919,443,979	919,443,979	1,570,421,571	1,570,421,571
Claims Ceded	-	-	-	-
Gross Change in Contract Liabilities	417,608,190	417,608,190	26,980,366	26,980,366
Change in Contract Liabilities Ceded to Reinsurers	24,205,838	24,205,838	(165,178,271.78)	(165,178,271.78)
Net Claims Incurred	1,361,258,006	1,361,258,006	1,432,223,666	1,432,223,666
Commission Expenses	632,582,170	632,582,170	675,268,954	675,268,954
Service Fees	19,191,632	19,191,632	21,424,241	21,424,241
Other Direct expenses	253,955,270	253,955,270	29,819,107	29,819,107
Employee Benefits Expenses	37,696,410	37,696,410	27,282,050	27,282,050
Depreciation and Amortization Expenses	3,946,425	3,946,425	3,788,801	3,788,801
Impairment Losses	-	-	-	-
Other Operating Expenses	7,712,465	7,712,465	20,320,398	20,320,398
Finance Cost	522,697	522,697	729,946	729,946
Total Expenses	2,316,865,074	2,316,865,074	2,210,857,162	2,210,857,162
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	90,282,535	90,282,535	(475,652,072)	(475,652,072)
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	90,282,535	90,282,535	(475,652,072)	(475,652,072)
Income Tax Expenses	26,985,763	26,985,763	31,058	31,058
Net Profit/(Loss) For The Year	63,296,773	63,296,773	(475,683,130)	(475,683,130)
Earning Per Share				
Basic EPS		0.47	(3.71)	(3.71)
Diluted EPS		0.47	(3.71)	(3.71)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	63,296,773	63,296,773	(475,683,130.03)	(475,683,130.03)
Other Comprehensive Income	9,375,295	9,375,295	(16,918,128.91)	(16,918,128.91)
Total Comprehensive Income	72,672,068	72,672,068	(492,601,258.94)	(492,601,258.94)

OTHER DETAILS

Particulars	Current Year Upto this Quarter (YTD)	Previous Year Upto this Quarter (YTD)
1. Total Claims Paid Count		
2. Outstanding Claims Count		
3. Long Term Investments (Amount)	3,531,934,123	3,661,155,428
4. Short Term Investments (Amount)	17,371,278,480	16,849,816,736

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 Beema Pradhikaran. The interim financial report has been published in company's 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 - I (FY 2081/82)

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

Earning Per Share	0.47	Net worth per share (Rs.)	145.54
P/E Ratio	1,760.03	Total Assets per share (Rs.)	245.21

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, no major fluctuations are noted in the share price of the Company 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 1052	Total number of transactions : 51427
Minimum share price : NPR 686.1	Total number of shares traded : 6670643
Closing share price : NPR 830	Total number of transaction days : 57 days

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

5. Problems and Challenges

- Lack of growth of industrial activities.
 - Fluctuations in the interest rate offered by the bank and financial institutions
 - Impact of CAT risk and its upcoming exposure.
 - Shortage of technical and dedicated manpower in the insurance industry.
 - Unstable political environment of the country.
 - Delay in receiving Statement of Accounts (SOAs) from cedent companies.
- 6. Strategies initiated by Management to solve the problems and challenges:**
- Diversification of investment in alternatives as per Nepal Insurance Authority Directive.
 - Establish and cause to arrange insurance pools for management of reinsurance and claim payment of various risk exposure.
 - Obtaining appropriate reinsurance arrangement for covering the risk exposure.
 - Continuous Training and development activities for the development of human resource.
 - Providing appropriate reinsurance coverage to national insurance companies to cater their reinsurance needs.
 - Enhancing public relation with the market and 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.