

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

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	153,525	291,498
Property and Equipment	234,530,521	243,502,837
Investment Properties	-	-
Deferred Tax Assets	5,626,497	2,039,812
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	97,494,742,041	84,268,472,528
Loans	22,354,169,448	21,680,293,973
Reinsurance Assets	-	-
Current Tax Assets	306,610,142	-
Insurance Receivables	22,979,504	6,187,349
Other Assets	14,317,670	21,390,108
Other Financial Assets	3,243,870,199	2,837,985,738
Cash and Cash Equivalent	269,503,136	852,897,687
Total Assets	123,946,502,684	109,913,061,530
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	530,876,195	368,965,747
Retained Earnings	2,079,482,472	616,932,822
Other Equity	78,016,957	6,795,915
Total Equity	5,402,727,425	3,707,046,285
Liabilities:		
Provisions	588,034,114	549,861,101
Gross Insurance Contract Liabilities	117,375,116,551	104,893,848,124
Deferred Tax Liabilities	-	-
Insurance Payable	47,799,659	18,872,484
Current Tax Liabilities	-	183,495,415
Borrowings	-	-
Other Liabilities	172,035,953	232,322,068
Other Financial Liabilities	360,788,982	327,616,053
Total Liabilities	118,543,775,259	106,206,015,245
Total Equity and Liabilities	123,946,502,684	109,913,061,530

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR Q3 END FY 2080/81

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	4,234,311,577	12,897,456,939	4,215,552,805	12,945,070,472
Premiums Ceded	- 11,009,621	- 27,534,509	- 20,937,846	- 68,500,094
Net Earned Premiums	4,223,301,956	12,869,922,430	4,194,614,959	12,876,570,378
Commission Income	277,773	1,187,473	1,300,443	7,117,437
Other Direct Income	57,899,593	174,142,618	63,612,870	194,649,234
Interest Income on Loan to Policyholders	577,203,865	1,691,191,442	587,848,593	1,708,856,482
Income from Investments and Loans	2,318,613,107	6,881,310,373	2,068,476,794	6,028,347,762
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	-	-	-	-
Total Income	7,177,296,294	21,617,754,336	6,915,853,659	20,815,541,293
Expenses:				
Gross Benefits and Claims Paid	2,462,587,521	7,719,567,188	2,570,388,017	6,551,807,315
Claims Ceded	12,510,132	5,971,733	24,804,168	18,507,501
Gross Change in Contract Liabilities	3,573,037,554	10,370,959,859	3,242,091,109	10,905,492,576
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-
Net Benefits and Claims Paid	6,048,135,207	18,096,498,780	5,837,283,294	17,475,807,392
Commission Expenses	274,986,485	935,924,717	340,746,632	1,052,625,852
Service Fees	31,839,910	96,524,419	31,459,612	109,770,266
Other Direct expenses	-	-	-	-
Employee Benefits Expenses	81,615,489	250,882,064	26,629,167	239,515,274
Depreciation and Amortization Expenses	3,103,709	9,376,542	3,769,051	11,283,168
Impairment Losses	-	-	-	11,059,182
Other Operating Expenses	102,366,159	245,482,214	100,385,089	253,349,379
Finance Cost	-	-	-	-
Total Expenses	493,911,752	1,538,189,956	502,989,551	1,677,603,121
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	635,249,335	1,983,065,600	575,580,815	1,662,130,780
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	635,249,335	1,983,065,600	575,580,815	1,662,130,780
Income Tax Expenses	604,368,606	1,790,639,723	543,535,328	1,552,336,900
Net Profit/(Loss) For The Year	30,880,729	192,425,877	32,045,487	109,793,880
Earning Per Share				
Basic EPS		9.67		5.52
Diluted EPS		9.67		5.52

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	30,880,729	192,425,877	32,045,487	109,793,880
Other Comprehensive Income	- 10,122,483	- 16,879,491	- 388,083,717	- 6,119,438
Total Comprehensive Income	20,758,246	175,546,386	- 356,038,230	103,674,442

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	
1. Total inforce Policy count	693,377	689,740
2. First Year Premium	998,141,132	1,081,365,890
3. Single Premium	52,202,767	45,253,963
4. Renewal Premium	7,612,801,463	7,602,897,814
5. Total Benefits and Claims Paid in Count	13,399	10,058
6. Outstanding Benefits and Claims in Count	5,944	6,708
7. Declared Bonus rate (as on 16.07.2022)	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)	86,355,660,299	75,984,658,467
10. Short Term Investments (Amount)	8,626,081,373	6,300,820,839

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)
- 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 3.44%, reflecting a decrease from the 4.1% 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 Cash Flows
(For The Quarter Ended Chaitra, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	12,897,456,940	8,729,517,668
Commission Received	1,187,473	5,816,994
Claim Recovery Received from Reinsurers	3,744,181	4,866,667
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income	174,142,618	131,036,364
Others (to be specified)	287,752	2,677,168
Cash Paid		
Gross Benefits and Claims Paid	(7,719,567,188)	(3,981,419,298)
Reinsurance Premium Paid	(7,362,951)	(17,161,923)
Commission Paid	(1,034,418,304)	(819,701,976)
Service Fees Paid	(143,401,255)	(181,811,561)
Employee Benefits Expenses Paid	(219,716,636)	(197,577,213)
Other Expenses Paid	(497,450,220)	(100,274,092)
Others (to be specified) change in current assets and current liabilities	(670,206,525)	(566,626,913)
Income Tax Paid	(2,037,544,364)	(704,812,701)
Net Cash Flow From Operating Activities [1]	747,151,521	2,304,529,184
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	(2,394,108)	(2,694,749)
Proceeds From Sale of Property and Equipment		
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments	(20,659,279)	(84,615,615)
Proceeds from Sale of Equity Instruments	1,957,881	
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		(1,131,477,000)
Proceeds from Sale of Debentures	975,582,000	
Purchase of Bonds		(652,467,700)
Proceeds from Sale of Bonds	313,004,300	
Investments in Deposits	(10,765,918,893)	(2,721,191,415)
Maturity of Deposits		
Loans Paid	(454,671,981)	(2,693,114,174)
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received	8,398,230,534	4,545,105,002
Dividend Received	49,985,068	74,138,508
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	(1,504,884,478)	(2,666,317,143)
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]	(757,732,957)	(361,787,959)
Cash & Cash Equivalents At Beginning of The Year/Period	1,027,236,093	1,129,863,065
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	269,503,136	768,075,106
Components of Cash & Cash Equivalents		
Cash In Hand	363,930	89,314
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	269,139,206	767,985,792

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 Chaitra, 2080)

Fig. in NPR

Particulars	Current Year
Opening Balance in Retained Earnings	1,906,299,182.25
Transfer from OCI reserves to retained earning in current year	(16,879,491.00)
Net profit or (loss) as per statement of profit or loss	192,425,877.02
Appropriations:	
i) Transfer to Insurance Fund	
ii) Transfer to Catastrophe Reserve	(19,242,587.70)
iii) Transfer to Capital Reserve	
iv) Transfer to CSR reserve	
v) Transfer to/from Regulatory Reserve	
vi) Transfer to Fair Value Reserve	16,879,491.00
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	2,079,482,472
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)	2,079,482,472

Statement of Changes In Equity
(For The Quarter Ended Chaitra, 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	1,906,299,182	-	-	511,633,607	-	-	-	-	78,016,957	-	5,210,301,548
Profit/(Loss) For the Year					192,425,877.02										192,425,877.02
Other Comprehensive Income for the Year, Net of Tax					(16,879,491.00)										(16,879,491.00)
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					16,879,491.00										16,879,491.00
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets															-
vi) Remeasurement of Post-Employment Benefit Obligations															-
Transfer to Reserves/ Funds					(19,242,587.70)			19,242,587.70							-
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 Chaitra end, 2080	2,653,200,000	-	-	61,151,801	2,079,482,472	-	-	530,876,195	-	-	-	-	78,016,957	-	5,402,727,425

The accompanying notes form an Integral Part of Financial Statements.

Life Insurance Corporation (Nepal) Limited
Notes to the Financial Statements for the quarter ended Chaitra, 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. Anirban Datta	DCEO
Mr. Rohit Budiyaal	CTO