

RELIABLE NEPAL LIFE INSURANCE LIMITED

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Quarterly Financial Results for Fourth Quarter, F.Y. 2081/82 B.S

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Group		Insurance	
	Unaudited	Audited	Unaudited	Audited
	At the end of this Quarter	At the end of Immediate Previous Year	At the end of this Quarter	At the end of Immediate Previous Year
Assets:				
Goodwill & Intangible Assets	2,824,857	2,422,386	2,537,713	2,056,142
Property and Equipment	229,270,628	171,139,901	223,477,341	163,998,684.22
Investment Properties	-	-	-	-
Deferred Tax Assets	-	-	-	-
Investment in Subsidiaries	-	-	200,000,000	200,000,000
Investment in Associates	-	-	-	-
Investments	19,468,839,112	16,413,453,530	19,286,054,245	16,227,655,416
Loans	580,589,567	449,356,824	580,589,567	449,356,824
Reinsurance Assets	21,778,718	20,278,718	21,778,718	20,278,718
Current Tax Assets	385,692,832	340,560,367	381,760,222	339,016,890
Insurance Receivables	38,823,133	1,385,465	38,823,133	1,385,465
Other Assets	16,410,489	9,962,676	16,300,719	9,938,100
Other Financial Assets	562,237,089	177,650,547	552,783,748	176,790,772.29
Cash and Cash Equivalent	575,597,283	377,839,860	558,212,150	377,638,380
Total Assets	21,882,063,710	17,964,050,273	21,862,317,557	17,968,115,391
Equity:				
Share Capital	5,196,800,000	4,640,000,000	5,196,800,000	4,640,000,000
Share Application Money Pending Allotment	-	-	-	-
Share Premium	1,391,637,455	1,751,637,455	1,391,637,455	1,751,637,455
Catastrophe Reserves	222,268,826	161,367,204	222,268,826	161,367,204
Retained Earnings	799,182,304	694,542,140	789,983,990	706,498,303
Other Equity	65,444,256	71,536,196	63,104,343	71,180,376
Total Equity	7,675,332,841	7,319,082,995	7,663,794,614	7,330,683,338
Liabilities:				
Provisions	51,677,649	56,012,145	51,677,649	56,012,145
Gross Insurance Contract Liabilities	13,627,180,201	9,994,902,628	13,627,180,201	9,994,902,628
Deferred Tax Liabilities	46,574,343	5,701,625	49,504,592	10,684,332
Insurance Payable	23,491,340	69,545,462	23,491,340	69,545,462
Current Tax Liabilities	-	-	-	-
Borrowings	-	5,324,824	-	-
Other Liabilities	116,206,958	98,988,150	110,110,530	98,988,150
Other Financial Liabilities	341,600,378	414,492,445	336,558,631	407,299,337
Total Liabilities	14,206,730,869	10,644,967,278	14,198,522,943	10,637,432,053
Total Equity and Liabilities	21,882,063,710	17,964,050,273	21,862,317,557	17,968,115,391

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Group				Insurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:								
Gross Earned Premiums	1,708,756,354	5,399,961,548	1,228,455,679	4,211,149,493	1,708,756,354	5,399,961,548	1,228,455,679	4,211,149,493
Premiums Ceded	- 155,691,002	- 367,490,329	- 146,593,886	- 393,529,553	- 155,691,002	- 367,490,329	- 146,593,886	- 393,529,553
Net Earned Premiums	1,553,065,351	5,032,471,219	1,081,861,793	3,817,619,940	1,553,065,351	5,032,471,219	1,081,861,793	3,817,619,940
Commission Income	-	-	-	-	-	-	-	-
Other Direct Income	4,504,116	17,856,731	4,372,364	14,100,227	4,504,116	17,856,731	4,372,364	14,100,227
Interest Income on Loan to Policyholders	1,238,917	34,894,959	8,172,457	33,810,893	1,238,917	34,894,959	8,172,457	33,810,893
Income from Investments and Loans	357,751,550	1,431,981,471	360,054,234	1,339,450,455	359,913,417	1,427,231,690	359,031,702	1,333,208,969
Net Gain/(Loss) on Fair Value Changes	181,600,334	181,773,396	63,118,655	63,118,655	188,280,962	180,263,797	57,486,013	57,486,013
Net Realised Gains/(Losses)	4,112,220	159,364,048	641,862	518,313	- 12,359,924	135,036,730	2,196,207	2,196,207
Other Income	- 22,219,546	8,455,614	509,825	3,091,623	- 29,612,722	1,062,438	- 1,361,850	613,827
Total Income	2,080,052,942	6,866,797,438	1,518,731,191	5,271,710,107	2,065,030,119	6,828,817,563	1,511,758,686	5,259,036,076
Expenses:								
Gross Benefits and Claims Paid	399,950,066	1,439,050,367	311,703,958	1,245,702,007	399,950,066	1,439,050,367	311,703,958	1,245,702,007
Claims Ceded	- 84,124,676	- 188,488,410	77,709,229	- 115,723,025	- 84,124,676	- 188,488,410	77,709,229	- 115,723,025
Gross Change in Contract Liabilities	1,083,273,052	3,595,763,754	659,755,443	2,507,945,689	1,083,273,052	3,595,763,754	659,755,443	2,507,945,689
Change in Contract Liabilities Ceded to Reinsurers	-	-	- 19,908,506	- 19,908,506	-	-	- 19,908,506	- 19,908,506
Net Benefits and Claims Paid	1,399,098,443	4,846,325,711	1,029,260,124	3,618,016,166	1,399,098,443	4,846,325,711	1,029,260,124	3,618,016,166
Commission Expenses	177,087,835	536,219,724	159,073,992	486,908,946	177,087,835	536,219,724	159,073,992	486,908,946
Service Fees	9,601,726	37,285,765	5,999,471	28,369,674	9,601,726	37,285,765	5,999,471	28,369,674
Other Direct expenses	-	-	-	-	-	-	-	-
Employee Benefits Expenses	103,331,501	355,093,731	97,645,868	315,367,362	101,939,867	350,540,383	96,459,469	311,912,928
Depreciation and Amortization Expenses	13,530,286	35,135,043	19,572,375	29,183,977	13,105,472	33,377,613	18,477,632	27,889,112
Impairment Losses	-	-	3,889,892	3,889,892	-	-	3,889,892	3,889,892
Other Operating Expenses	204,218,703	410,353,854	123,246,453	369,524,959	202,957,044	405,046,966	123,823,787	366,981,117
Finance Cost	5,288,364	11,615,224	8,343,655	8,343,655	5,154,294	11,005,179	7,492,100	7,492,100
Total Expenses	1,912,156,857	6,232,029,051	1,447,031,829	4,859,604,630	1,908,944,680	6,219,801,341	1,444,476,466	4,851,459,934
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	167,896,085	634,768,387	71,699,361	412,105,477	156,085,438	609,016,222	67,282,221	407,576,142
Share of Net Profit of Associates accounted using Equity Method				-				-
Profit Before Tax	167,896,085	634,768,387	71,699,361	412,105,477	156,085,438	609,016,222	67,282,221	407,576,142
Income Tax Expenses	28,928,428	41,794,601	21,653,303	21,653,303	25,954,088	38,820,262	20,358,696	20,358,696
Net Profit/(Loss) For The Year	138,967,657	592,973,786	50,046,058	390,452,174	130,131,350	570,195,960	46,923,525	387,217,446
Earning Per Share								
Basic EPS		11.41		8.41		10.97		8.35
Diluted EPS		11.41		8.41		10.97		8.35

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

Particulars	Group				Insurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	138,967,657	592,973,786	50,046,058	390,452,174	130,131,350	570,195,960	46,923,525	387,217,446
Other Comprehensive Income	- 38,243,355	- 72,705,255	103,171,856	69,936,747	- 38,692,946	- 73,154,846	20,358,696	69,936,747
Total Comprehensive Income	100,724,303	520,268,531	153,217,914	460,388,921	91,438,404	497,041,114	67,282,221	457,154,193

OTHER INDICATORS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policies count	2,494,819	2,834,369
2. Total number of policies issued during the period	328,800	413,457
3. First Year Premium (including Single Premium)	2,235,528,998	1,666,511,574
4. Single Premium	408,324,268	40,488,235
5. Renewal Premium	3,164,432,550	2,544,637,919
6. Total Benefits and Claims Paid in Count	4,361	4,084
7. Outstanding Benefits and Claims in Count	276	216
8. Gross Claim Outstanding (Amount)	30,497,553	45,579,455
9. Declared Bonus rate (Mention the period)	20 to 75 (2080-81)	20 to 75 (2079-80)
10. Interim bonus rate	-	
11. Long Term Investments (Amount)	17,153,143,812	15,278,512,240
12. Short Term Investments (Amount)	2,913,500,000	1,598,500,000
13. Policyholders Loan	528,369,766	396,409,326
14. Investment in Cost Value	20,066,643,812	16,877,012,240
15. Life Insurance Fund including UPR (Amount)	13,575,721,252	9,949,323,172
16. Unearned Premium Reserve For Term Policies (Amount)	588,203,370	496,860,231
17. Solvency Margin Ratio	360.00	360.00

* The detailed interim report has been published in the website- www.reliablelife.com.np.

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

1. The company has maintained solvency ratio of 360 for the Fiscal Year 2080/81. (Approved by Nepal Insurance Authority)
2. The company has made adequate reinsurance arrangement to cover the risk from the class of its business.
3. There is no any legal proceeding by or against the company.
4. The company has complied with the corporate governance Directive issued by Nepal Insurance Authority.
5. The expense of company is within the expense ratio prescribed by Nepal Insurance Authority.

Reliable Nepal Life Insurance Limited
Consolidated Statement of Changes In Equity
For The Year Ended Ashadh 32, 2082
(For The Year Ended July 16, 2025)

Fig. in NPR

Previous Year																
Particulars	Insurance															
	Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Regulatory Reserves	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as at Shrawan 01, 2080	2,800,000,000	-	-	-	1,033,010,323	-	-	120,609,590	4,626,269		59,850,526	(17,214,473)	5,697,619	9,674,366	-	4,016,254,220
Profit/(Loss) For the Year					387,217,446											387,217,446
Other Comprehensive Income for the Year, Net of Tax																
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												100,112,295				100,112,295
v) Revaluation of Property, Plant and Equipment/ Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations													774,065			774,065
vii) Share of other comprehensive income of associates accounted for using the equity method																-
Transfer to Reserves During the Year					(44,833,376)			40,757,614	4,075,761		-					0
Transfer from Reserves During the Year					-				(3,214,169)		-					(3,214,169)
Transfer of Deferred Tax Reserves					44,154,364							(29,331,692)	(1,617,921)	21,275,246		34,479,998
Transfer of Depreciation on Revaluation of Property, Plant and Equipment																-
Transfer on Disposal of Revalued Property, Plant and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Transfer to Insurance Contract Liabilities					(38,803,058.57)						-	(48,209,517)	(4,368,387)	(30,949,613)		(122,330,575)
Prior Period Adjustments					-											-
Share Issuance Costs				(38,162,545)												(38,162,545)
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued	640,000,000				(640,000,000)											-
ii) Share Issue	1,200,000,000			1,789,800,000												2,989,800,000
iii) Cash Dividend																-
iv) Dividend Distribution Tax					(34,247,395)											(34,247,395)
v) Others (To be specified)																-
Balance as at Ashadh 31, 2081	4,640,000,000	-	-	1,751,637,455	706,498,304	-	-	161,367,204	5,487,861		59,850,526	5,356,613	485,376	(0)	-	7,330,683,339

Current Year																
Particulars	Insurance															
	Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Regulatory Reserves	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as at Shrawan 01, 2081	4,640,000,000	-	-	1,751,637,455	706,498,304	-	-	161,367,204	5,487,861		59,850,526	5,356,613	485,376	(0)	-	7,330,683,338
Profit/(Loss) For the Year					570,195,960											570,195,960
Other Comprehensive Income for the Year, Net of Tax																-
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												(78,096,301)				(78,096,301)
v) Revaluation of Property, Plant and Equipment/ Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations													-			-
vii) Share of other comprehensive income of associates accounted for using the equity method																-
Transfer to Reserves During the Year					(66,991,784)			60,901,622	6,090,162		-					(0)
Transfer from Reserves During the Year					-				(3,172,963)		-					(3,172,963)
Transfer of Deferred Tax Reserves					(20,741,884)							20,863,228	(121,344)	(19,765,819)		(19,765,819)
Transfer of Depreciation on Revaluation of Property, Plant and Equipment																-
Transfer on Disposal of Property, Plant and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Transfer to Insurance Contract Liabilities					(82,875,004)						-	46,688,813	(327,629)	19,765,819		(16,748,001)
Prior Period Adjustments					-											-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued	556,800,000			(360,000,000)	(196,800,000)											-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax					(29,301,600)											(29,301,600)
v) Others (To be specified)					(90,000,000)											(90,000,000)
Balance as at Ashadh 31, 2082	5,196,800,000	-	-	1,391,637,455	789,983,991	-	-	222,268,826	8,405,060		59,850,526	(5,187,646)	36,403	(0)	-	7,663,794,615

Reliable Nepal Life Insurance Limited
Consolidated Statement of Cash Flows
For The Year Ended Ashadh 32, 2082
(For The Year Ended July 16, 2025)

Fig. in NPR

Particulars	Group		Insurance	
	Current Year	Previous Year	Current Year	Previous Year
Cash Flow From Operating Activities:				
Cash Received				
Gross Premium Received	5,399,961,547.73	4,211,149,493.47	5,399,961,548	4,211,149,493
Fees and Commission	17,856,731.00	14,100,227.18	17,856,731	14,100,227
Claim Recovery Received from Reinsurers	188,488,409.89	115,723,024.73	188,488,410	115,723,025
Realised Foreign Exchange Income other than on Cash and Cash Equivalents				
Other Income	4,192,106.23	613,827.02	1,062,438	613,827
Cash Paid				
Gross Benefits and Claims Paid	(1,439,050,366.90)	(1,225,793,501.06)	(1,439,050,367)	(1,225,793,501)
Reinsurance Premium Paid	(367,490,328.78)	(393,529,553.38)	(367,490,329)	(393,529,553)
Commission Paid	(536,219,724.20)	(486,908,945.72)	(536,219,724)	(486,908,946)
Service Fees Paid	(37,285,764.66)	(28,369,674.25)	(37,285,765)	(28,369,674)
Employee Benefits Expenses Paid	(353,994,817.87)	(313,187,743.19)	(350,540,383)	(311,138,863)
Other Expenses Paid	(409,190,808.59)	(367,605,704.34)	(405,046,966)	(366,981,117)
Decrease / (Increase) in current assets	(228,528,835.70)	45,933,146.49	(226,599,475)	46,153,972
Increase / (Decrease) in current liabilities	(118,333,033.37)	140,966,222.40	(110,006,945)	126,151,114
Others (to be specified)				
Income Tax Paid				
Net Cash Flow From Operating Activities [1]	2,120,405,115	1,713,090,819	2,135,129,173	1,701,170,005
Cash Flow From Investing Activities				
Acquisitions of Intangible Assets	(1,045,249.14)	(169,499.14)	(649,749)	(169,499)
Proceeds From Sale of Intangible Assets	-	-	-	-
Acquisitions of Investment Properties	-	-	-	-
Proceeds From Sale of Investment Properties	-	-	-	-
Rental Income Received	-	-	-	-
Acquisitions of Property, Plant & Equipment	(98,336,631.64)	(59,152,203.73)	(97,270,329.04)	(58,862,266)
Proceeds From Sale of Property, Plant & Equipment	-	244,738.14	-	244,738
Payment for acquisition of Subsidiaries/ Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Receipts from Sale of Investments in Subsidiaries	-	-	-	-
Receipts from Sale of Investments in Associates	-	-	-	-
Purchase of Equity Instruments	(1,265,227,634.33)	(1,634,285,911.90)	(1,277,200,156)	(1,613,064,130)
Proceeds from Sale of Equity Instruments	133,358,835.84	2,196,206.02	135,036,730	2,196,206
Purchase of Mutual Funds	(9,500,000.00)	(9,500,000.00)	(9,500,000)	(9,500,000)
Proceeds from Sale of Mutual Funds	-	-	-	-
Purchase of Preference Shares	-	-	-	-
Proceeds from Sale of Preference Shares	-	-	-	-
Purchase of Debentures	(1,210,668.48)	(442,290,108.62)	(1,210,668)	(442,290,109)
Proceeds from Sale of Debentures	-	-	-	-
Purchase of Bonds	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Investments in Deposits	(1,994,348,356.22)	(3,663,100,000.00)	(1,994,348,356)	(3,663,100,000)
Maturity of Deposits	-	-	-	-
Proceeds from Finance Lease	-	-	-	-
Loans Paid	(131,232,742.73)	(86,307,051.32)	(131,232,743)	(86,307,051)
Proceeds from Loans	-	-	-	-
Interest Income Received	1,436,572,521.64	1,366,848,901.42	1,430,982,907	1,365,346,831
Dividend Received	31,143,741.16	3,102,551.80	31,143,741	1,673,031
Finance Cost	(11,361,533.69)	(7,648,290.30)	(11,005,179)	(7,492,100)
Total Cash Flow From Investing Activities [2]	(1,911,187,718)	(4,530,060,668)	(1,925,253,803)	(4,511,324,350)
Cash Flow From Financing Activities				
Interest Paid	-	-	-	-
Payment of Finance Lease	-	-	-	-
Proceeds From Issue of Share Capital	-	2,989,800,000.00	-	2,989,800,000
Share Issuance Cost Paid	-	(38,162,545.00)	-	(38,162,545)
Dividend Paid	-	-	-	-
Dividend Distribution Tax Paid	(29,301,600.00)	(34,247,394.89)	(29,301,600)	(34,247,395)
Others (to be specified)	-	-	-	-
Total Cash Flow From Financing Activities [3]	(29,301,600)	2,917,390,060	(29,301,600)	2,917,390,060
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	179,915,797	100,420,212	180,573,770	107,235,715
Cash & Cash Equivalents At Beginning of The Year/Period	378,497,833	278,077,622	377,638,380	270,402,664
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-	-	-
Cash & Cash Equivalents At End of The Year/Period	558,413,631	378,497,834	558,212,150	377,638,379
Components of Cash & Cash Equivalents				
Cash In Hand	116,848	83,132	116,848	83,132
Cheques In Hand	-	-	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-	-	-
Gold Coins	-	-	-	-
Balance With Banks	558,954,755	378,414,701	558,095,302	377,555,248

Reliable Nepal Life Insurance Limited
Consolidated Statement of Distributable Profit or Loss
For The Year Ended Ashadh 32, 2082
(For The Year Ended July 16, 2025)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	706,498,304	1,033,010,323
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss	570,195,960	387,217,446
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Catastrophe Reserves	(60,901,622)	(40,757,614)
iii) Transfer to Capital Reserves	-	-
iv) Corporate Social Responsibility Reserve	(6,090,162)	(4,075,761)
v) Transfer to Regulatory Reserves	-	-
vi) Transfer to Fair Value Reserves	-	-
vii) Transfer of Deferred Tax Reserves	(20,741,884)	44,154,364
viii) Transfer to OCI reserves due to change in classification		
ix) Others (Prior Period Adjustments)	-	-
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments	(180,263,797)	(58,898,805)
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	(52,500,000)	(52,500,000)
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/dividend paid	(226,101,600)	(674,247,395)
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive	(1,039,099)	(1,039,099)
xv) Others		
Adjusted Retained Earning	729,056,099	632,863,458
Add: Transfer from Share Premium Account	1,391,637,455	360,000,000
Add: Transfer from Regulatory Reserve	-	
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive	-	-
Add/Less: Others (Loss of Subsidiary)	-	-
Total Distributable Profits	2,120,693,554	992,863,458

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A Basis of Preparation

(a) 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. 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:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2 - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3 - Inputs are unobservable inputs for the Asset or Liability.

(b) 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.

(c) 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.

B Statement of compliance with NFRSs

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.

(a) Recent Accounting Pronouncements

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

Following new IFRS has been pronounced but has not been applied by the company:

- IFRS 17 Insurance Contracts was issued by the IASB on 18 May 2017 and has a mandatory effective date of annual periods beginning on or after 1 January 2022. It supersedes IFRS 4 Insurance Contract. IFRS 17 with corresponding effective date has not been endorsed by Accounting Standard Board (ASB) of Nepal yet.
- IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and effective internationally for the financials beginning on or after 1 January 2018. Accounting Standard Board of Nepal endorsed NFRS 9 Financial Instruments with some exceptions, mainly in the Impairment. Currently, Incurred Loss Model as specified in NAS 39 is used. The requirement of IFRS 9 is Expected Credit Loss Model. The standard has not yet been adopted by the Accounting Standard Board of Nepal.
- IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019. IFRS 16 is the new accounting standard for leases and will replace IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. The new standard removes the distinction between operating or finance leases for lessee accounting, resulting in all leases being treated as finance leases.
- Limitation of NFRS Implementation**
Wherever the information is not adequately available, and/or it is impracticable to develop the, such exception to NFRS implementation has been noted and disclosed in respective sections.

(b) Carve-outs

The Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with Alternative Treatment. Details of carve out provided are as follows:

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NAS 17: Lease

As per para 33, lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term *unless either:*

- i. Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- ii. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

The carve out is optional and provided for FY 2017-18 only. The company operates offices in number of leased facilities under operating lease agreements. The payments to the lessors are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increases.

NAS 39: Financial Instruments:

As per para 9, The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

The carve-out is optional and has been pronounced for the FY 2018-19 and 2019-20. Accordingly, the Company has opted the carve-out.

C Use of Estimates, assumptions and judgements

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 Significant Accounting Policies

This note provides a list of the significant policies adopted in the preparation of these Financial Statements.

(a) Property, Plant and Equipment (PPE)

i) Recognition

Freehold land is carried at historical cost and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

ii) Revaluation

The company has not applied revaluation model to any class of Property, Plant and Equipment.

iii) Depreciation

Depreciation on Property, Plant and Equipment other than Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on / Diminishing Balance Method (DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Rate of depreciation of Property, Plant and Equipment based on DBM is stated below:

List of Asset Categories	Rate of Depreciation (In %) for DBM
Land	Not Applicable
Buildings	5.00%
Leasehold Improvement	15.00%
Furniture & Fixtures	12.50%
Computers and IT Equipments	20.00%
Office Equipment	15.00%
Vehicles	15.00%
Other Assets	15.00%

iv) Derecognition

An item of Property and Equipment is derecognized upon disposal or when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the disposal or retirement of an item of Property and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

ii) Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected generate net cash inflow for the entity.

Amortisation is recognised in statement of profit or loss on diminishing balance method (DBM), from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Amortization rate of Intangible Assets based on DBM is stated below:

List of Asset Categories	Rate of Depreciation (In %) for DBM
Softwares	20%
Licenses	20%
Others (to be Specified)	

iii) Derecognition

An Intangible Asset is derecognised when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv) Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Cost Model:

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to PPE, the deemed cost for subsequent accounting is the fair value at the date of change in use. If PPE becomes an investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Cash & Cash Equivalent

For the purpose of presentation in the Statement of Cash Flows, Cash & Cash Equivalents includes Cash In Hand, Bank Balances and short term deposits with a maturity of three months or less.

(e) Financial Assets

i) Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. These financial assets are measured at fair value and changes are taken to statement of profit or loss.

iii) De-Recognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Asset. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv) Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Financial Liabilities

i) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii) Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair value due to short maturity of these instruments.

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurers. These assets are created for the Reinsurer's share of Insurance Contract Liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the re-insurer. If a reinsurance asset is impaired, the company reduces the carrying amount accordingly and is recognized in statement of profit or loss.

(i) Share Capital

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

i) Share Premium: If the Company issues share capital at premium it receives extra amount other than share capital such amount is transferred to share premium. The amount in share premium is allowed for distribution of bonus shares.

ii) Catastrophe Reserves: The Company has allocated catastrophe reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directive.

iii) Fair Value Reserves: The Company has policy of creating fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income as per regulator's directive.

iv) Regulatory Reserves: Reserve created out of net profit in line with different circulars issued by Insurance Board.

v) Actuarial Reserves: Reseserve against actuarial gain or loss on present value of defined benefit obligation resuting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.

vi) Cashflow Hedge Reserves: Is the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss. Reserve represent effective portion of the gain or loss on the hedging instrument recognized in other comprehensive income.

vii) Revaluation Reserves: Reserve created against revaluation gain on property, plant & equipments & intangible assets, other than the reversal of earlier revaluation losses charged to profit or loss.

viii) Other Reserves: Reserve other than above reserves, for e.g. deferred tax reserve, others (to be specified)

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Unapportioned surplus

Unapportioned surplus where the amount are yet to be allocated or distributed to either policyholders or shareholders by the end of the financial period, and held within the insurance contract liabilities.

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits**i) Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

ii) Post - Employment Benefits**- Defined Contribution Plan**

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expense when they are due.

- Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognises termination benefits at the earlier of the following dates:

- a) when the Company can no longer withdraw the offer of those benefits; and
 - b) when the entity recognises costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.
- The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition**i) Gross Premium**

Gross premiums are recognised as soon as the amount of the premiums can be reliably measured. First premium is recognised from inception date. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

ii) Unearned Premium Reserves

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Reinsurance Premium

Reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

iv) Fees and commission income

Commission Income shall be recognised on as soon as the income can be reliably measured. If the income is for future periods, then they are deferred and recognised over those future periods.

v) Investment income

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognised as an adjustment to the EIR of the instrument.

Investment income also includes dividends when the right to receive payment is established.

vi) Net realised gains and losses

Net realised gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

(n) Benefit, Claims and Expenses

i) Gross Benefits and Claims

Benefits and claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlements of claims. Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer is notified. Death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered

ii) Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contracts.

(o) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company has following portfolios under which it operates its business:

i) Endowment - This is a with profit plan that makes provisions for the family of the Life Assured in event of his early death and also assures a lump sum at a desired age on maturity. It costs moderate premiums, has high liquidity and is savings oriented. This plan is apt for people of all ages and social groups who wish to protect their families from a financial setback that may occur owing to their demise.

ii) Anticipated - This scheme provides for specific periodic payments of partial survival benefits during the term of the policy itself so long as the policy holder is alive. It is therefore suitable to meet specified financial requirements needed for occasions like Brata bandha, Academic Graduations etc. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. It is also with profit plan.

iii) Endowment Cum Whole Life - This plan is a combination of Endowment Assurance and Whole Life with profit plan. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the maturity of the policy to the assured in case of his survival.

iv) Whole Life - This plan is a combination of Endowment Assurance and Whole Life with profit plan. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the maturity of the policy to the assured in case of his survival.

iv) Foreign Employment Term - Term life insurance, also known as pure life insurance, is life insurance that guarantees payment of a stated death benefit during a specified term. Once the term expires, the policyholder can renew it for another term, convert the policy to permanent coverage, or allow the policy to terminate.

iv) Other Term - Term life insurance, also known as pure life insurance, is life insurance that guarantees payment of a stated death benefit during a specified term. Once the term expires, the policyholder can renew it for another term, convert the policy to permanent coverage, or allow the policy to terminate.

v) Special - Special Term insurance is a modified version of term insurance with added benefits.

vi) Others to be Specified- Life insurance policies other than above mentioned products are classified as others.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(r) Leases

Finance Leases

Leases in which the Company has substantial portion of the risks and rewards of ownership are classified as Finance Leases. Assets acquired under Finance Leases are capitalised at the lower of the Fair Value of the Leased Assets at the inception of the Lease Term & the Present Value of Minimum Lease Payments. Lease Payments are apportioned between the Finance charge and the reduction of the outstanding liability. The Finance Charge is allocated to periods during the Lease Term at a constant periodic Rate of Interest on the remaining balance of the liability.

Operating Lease

Leases in which the Company doesn't have substantial portion of the risks and rewards of ownership are classified as Operating Leases. Payment made under Operating Leases are charged as per NFRS 16.

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary differences between the carrying amounts of Assets & Liabilities in the Statement of Financial Position and their tax bases. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liabilities and their carrying amount in Financial Statements, except when the Deferred Tax arises from the initial recognition of goodwill, an Asset or Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profits or Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary differences.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

(i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. Provisions for Contingent Liability are recognized in the books as a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

(ii) Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

(iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(u) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(v) Earnings Per Share

Basic Earning per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earning per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

E Changes in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

F Related Party Disclosure**(a) Identify Related Parties****Holding Company:****Subsidiaries: Reliable Investment & Capital Market Limited****Associates:****Fellow Subsidiaries:****Key Management Personnel:**

Mr. Udaya Nepali Shrestha	Chairperson
Mr. Indra Prasad Sharma	Director
Prof. Dr. Prakash Bhattarai	Director
Mr. Sharad Chandra Paudel	Director
Mrs. Anju Pandey Pant	Director
Dr. Bhishma Karki	Director
Mr. Dibesh Lohani	Director
Mr. Narayan Babu Lohani	CEO

(b) Key Management Personnel Compensation:

Particulars	Insurance	
	Current Year	Previous Year
Short-term employee benefits	17,752,009	16,168,594
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	17,752,009	16,168,594

Payment to Chief Executive Officer (CEO)

Particulars	Insurance	
	Current Year	Previous Year
Annual salary and allowances	10,483,212	9,530,193
Performance based allowances		
i) Employee Bonus	2,468,684	1,908,299
ii) Benefits as per prevailing provisions	4,800,113	4,730,102
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	17,752,009	16,168,594

Payment to Deputy Chief Executive Officer (DCEO)

Particulars	Insurance	
	Current Year	Previous Year
Annual salary and allowances	-	-
Performance based allowances		
i) Employee Bonus		
ii) Benefits as per prevailing provisions		
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	-	-

(c) Related Party Transactions:

Particulars	Insurance					
	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year						
Previous Year						
Rental Income						
Current Year						
Previous Year						
Interest Income						
Current Year						
Previous Year						
Sale of Property, Plant & Equipment						
Current Year						
Previous Year						
Purchase of Property, Plant & Equipment						
Current Year						
Previous Year						
Premium Paid						
Current Year						
Previous Year						
Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						
Meeting Fees						
Current Year					2,063,606	2,063,606
Previous Year					1,729,139	1,729,139
Allowances to Directors						
Current Year					956,625.00	956,625
Previous Year					815,000.00	815,000
Others						
Current Year		1,629,641.68				
Previous Year						

Reliable Nepal Life Insurance Limited
Consolidated Statement of Segmental Information
For The Year Ended Ashadh 32, 2082
(For The Year Ended July 16, 2025)

Segmental Information for the year ended Ashadh 32, 2082 (July 16, 2025)

Particulars	Insurance									
	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Whole Life	Foreign Employment Term	Other Term	Special Term	Others to be specified	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	3,393,854,145	1,261,521,339	151,431,726	-	225,031,117	368,123,221	-	-	-	5,399,961,548
Premiums Ceded	(62,882,329)	(57,075,893)	(2,889,567)	-	(64,385,728)	(180,256,812)	-	-	-	(367,490,329)
Inter-Segment Revenue										-
Net Earned Premiums	3,330,971,816	1,204,445,446	148,542,159	-	160,645,388	187,866,410	-	-	-	5,032,471,219
Commission Income	-	-	-	-	-	-	-	-	-	-
Other Direct Income	10,940,567	5,690,988	1,225,176	-	-	-	-	-	-	17,856,731
Interest Income on Loan to Policyholders	27,650,181	1,509,490	5,735,288	-	-	-	-	-	-	34,894,959
Income from Investments and Loans	670,085,943	140,061,069	58,167,254	-	17,863,015	25,909,369	-	515,145,039	-	1,427,231,690
Net Gains/ (Losses) on Fair Value Changes	63,955,388	13,367,927	5,551,690	-	-	-	-	97,388,793	-	180,263,797
Net Realised Gains/ (Losses)	63,399,808	13,251,800	5,503,462	-	1,690,099	2,451,401	-	48,740,160	-	135,036,730
Other Income	498,815	104,262	43,300	-	13,297	19,287	-	383,476	-	1,062,438
Total Segmental Income	4,167,502,517	1,378,430,982	224,768,329	-	180,211,800	216,246,467	-	661,657,468	-	6,828,817,563
Expenses:										
Gross Benefits and Claims Paid	240,750,238	800,903,101	21,052,445	-	139,544,734	236,799,849	-	-	-	1,439,050,367
Claims Ceded	(14,784,602)	(15,375,138)	(404,542)	-	(40,537,115)	(117,387,012)	-	-	-	(188,488,410)
Gross Change in Contract Liabilities	2,962,767,161	370,921,925	166,840,170	-	61,053,358	34,181,140	-	-	-	3,595,763,754
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	3,188,732,796	1,156,449,888	187,488,073	-	160,060,978	153,593,977	-	-	-	4,846,325,711
Commission Expenses	394,317,895	93,800,234	14,784,854	-	-	33,316,742	-	-	-	536,219,724
Service Fees	24,984,087	9,033,713	1,114,219	-	1,208,224	945,522	-	-	-	37,285,765
Employee Benefits Expenses	160,712,378	62,599,796	7,325,968	-	12,073,504	17,963,238	-	89,865,498	-	350,540,383
Depreciation and Amortization Expenses	18,520,296	7,213,923	844,236	-	1,391,336	2,070,061	-	3,337,761	-	33,377,613
Impairment Losses							-	-	-	-
Other Operating Expenses	72,813,279	28,361,825	3,319,145	-	5,470,092	8,138,528	-	13,122,541	-	131,225,410
Medical Fee	4,110,456	959,425	102,355	-	-	-	-	-	-	5,172,236
Finance Cost	6,106,464	2,378,556	278,359	-	458,748	682,535	-	1,100,518	-	11,005,179
Agent Incentive Expenses	233,489,283	4,315,340	3,979,764	-	-	-	-	26,864,932	-	268,649,320
Total Segmental Expenses	4,103,786,934	1,365,112,701	219,236,973	-	180,662,880	216,710,603	-	134,291,251	-	6,219,801,341
Total Segmental Results	63,715,583	13,318,282	5,531,356	-	(451,080)	(464,136)	-	527,366,217	-	609,016,222
Segment Assets	10,387,804,246	2,228,365,209	885,272,142	-	270,942,806	399,712,104	-	7,690,221,050	-	21,862,317,557
Segment Liabilities	13,893,538,621	2,840,310,394	1,278,166,671	-	355,488,254	522,422,952	-	2,972,390,666	-	21,862,317,557

Disclosure as required by Securities Registration and Issue Regulations, 2073
(Related to sub-rule (1) of Rule 26)

1. Financial Statements

a) Statements related to Financial Position and Profit or Loss have been published along with this.

Transactions with related parties:

a. Group comprises of Reliable Nepal Life Insurance Ltd. (Company), Reliable Investment and Merchant Capital Ltd. (Subsidiary).

b. No intra-group transactions.

b) Key Financial Indicators:

Earnings per Share Rs.	10.97	Market Price per Share Rs.	476.68
Price Earnings Ratio	43.44	Return on Total Assets	3.48%
Net Worth per Share Rs.	147.47	Total Assets per share	420.69

2. Managerial Analysis

a) Details relating to the change in the Company's Premium, income and liquidity in the quarter and its main reason:

Company has been able to earn Net Profits of Rs. 57.01 crores. There are 276 outstanding claims which are on the process of decision. Investment has increase by 3.68% which indicated for sustainability of the company.

b) Management's analytical details regarding future business plan: Besides various financial constraints in Nepalese Financial Market management is satisfied with current financial performance.

c) Analytical details of the incidents that may have major impact on reserves, profit or cash flow (if any), based on previous experience: Current adverse economic situation has had adverse effect on new business growth however increase in investment portfolio will help for profitability.

3. Statement related to legal proceedings:

a) Case filed by or against the Company in this quarter:

There have been no legal cases except the cases which are related to dispute of claim and fraudulent by the employee.

b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or director of the Company:

No such information has been received.

c) Case relating to commission of financial crime filed against any promoter or director of the Company:

No such information has been received.

4. Statements related to Share Transactions:

a) Management view on the transactions of the shares of the Company in the share market:

Company's share was started for trading from 17th of September 2023 and movements in the share price are determined by the open market principles. Hence, management has neutral opinion regarding the share price movements.

b) Maximum, minimum and closing share price, total transaction days and total transacted number of shares in the quarter:

Maximum Price (Rs.)	561	Minimum Price (Rs.)	430
Closing Price (Rs.)	476.68	Total Transaction Days	63
No. of Share Transactions	3479401		

5. Problems and Challenges:

Internal Problems and Challenges:

- Challenge to manage Operational Risk with the increase in business volume
- Challenge of Human Resources
- Limitation of Investment scope
- Additional claim Liabilities due to Disaster.

External Problems and Challenges:

- Cut throat competition between Life insurance Companies
- Interest rate risk
- Reduce income level of general people.

Company's Strategy to mitigate problems and challenges:

- Expanding business activities with caution observing the changes in internal and external environment
- Providing trainings to staff to enhance skills and abilities
- Introducing new products and services considering the interest of the customers
- Effective risk management, monitoring and controlling on various risk

6. Corporate Governance

Company has been meticulously following the laws in force, directions issued by regulatory authorities Nepal Insurance Authority, Securities Board, Company Registrar office. Company has created Compliance Department, Internal Audit Department and Risk Management Department to perform their responsibilities in an independent manner. Risk Management Department and Internal Audit Department have also been working to mitigate the risks arising from the business activities of the Company. Risk Management Sub-Committee and Audit Committee of Board review the work of Risk Management Department and Internal Audit Department respectively and provide guidelines.

7. CEO's declaration regarding truth and fairness

I, CEO, take responsibility for the truth and fairness of the information and statements in this report till date. Besides, I declare that, to the extent of my knowledge and belief, the statements are true and fair and any information necessary for investors to take informed decisions has not been suppressed.