



**SUSTAINING
GROWTH,
ENRICHING
LIVES**



SUSTAINING GROWTH, ENRICHING LIVES.

At Nepal Life, growth is not just about reaching the next milestone, it is a steady promise we make to every policyholder, partner, and community we serve. “Sustaining Growth, Enriching Lives” reflects this commitment. It captures how we balance ambition with prudence, innovation with trust, and performance with purpose. Our growth is built on strong foundations: capital resilience, prudent risk management, sound governance, rigorous Asset–Liability Management, and a broad distribution network, supported by continuous investment in technology, service quality, and the people who make our progress possible.

Our approach is guided by universal principles embedded into every decision, minimizing our environmental footprint, safeguarding stakeholder interests, and upholding the highest standards of ethics and transparency. Our promise extends beyond financial security. We are working to expand financial inclusion across Nepal, from bustling cities to remote rural communities, and empowering customers through financial education so that every family can plan their future with confidence. This commitment goes hand in hand with our responsibility to the environment and the communities that sustain us.

For us, compliance is not a box to tick; it is how we honor our commitments, to nature, to regulators, and to our own culture and values. Sustainable growth is not merely an outcome but a way of operating, ensuring our progress aligns with the nation's long-term well-being and that what we build today strengthens, rather than compromises, the prospects of tomorrow.

This is how a foundation becomes a culture. Governance that is lived, not layered. Risk that is managed, not feared. Growth that is steady, not speculative. Behind every number lies a real story: a child's education secured, a retirement made safer, a family supported through uncertainty. These are the lives we are privileged to enrich, and the reason we remain committed to sustaining growth, year after year.



INTEGRATED ANNUAL REPORT

This Annual Report presents an integrated overview of the Company's performance, governance framework, strategic priorities, risk management and internal control environment, sustainability practices and approach to value creation, together with the consolidated financial statements of the Group and related disclosures, for the fiscal year 2024/25, covering the period from 16th July 2024 to 16 July 2025, unless otherwise stated. The report is intended to provide stakeholders with transparent, balanced, and decision-useful information on how the Company creates and sustains long-term value.

The Report sets out the Company's commitment to Integrated Reporting (IR) as a means of strengthening accountability, transparency, credibility, and sustainability. Through this approach, the report presents a holistic view of how we create value over time, encompassing both financial and non-financial dimensions. It explains Nepal Life's business strategy for sustaining its leadership position in the Nepalese life insurance market and clarifies the respective roles and responsibilities of the Board of Directors, management, and key functions in delivering that strategy.

Scope and Reporting Boundary

This report covers the key activities, performance outcomes, and significant developments of the Company during the reporting period and is aligned with the Company's annual reporting cycle for both financial and non-financial disclosures. Financial aspects of this report have been presented from the Group's perspective, whereas non-financial aspects reflect the Company's perspective.

Frameworks, Guidelines and Standards

The report has been prepared in compliance with the following applicable frameworks, guidelines, and standards as adapted for Nepal Life Insurance Company Limited:

- Nepal Financial Reporting Standards (NFRS)
- Companies Act, 2006
- Insurance Act, 2022, National Insurance Policy, 2023 and Insurance Regulations, 2025
- Directives, Guidelines, Policies and Circulars issued by the Nepal Insurance Authority (NIA).
- Directives, Guidelines, Policies and Circulars issued by the Securities Board of Nepal (SEBON), Nepal Stock Exchange Limited (NEPSE), CDS and Clearing Limited and Office of Company Registrar.
- Accounting Policy

In addition, the report draws on the principles of Integrated Reporting and incorporates Environmental, Social, and Governance (ESG) considerations, reflecting evolving best practices in corporate reporting and sustainability.

Structure of the Annual Report

This Annual Report has been structured to provide stakeholders with clear, coherent, and connected information across the following key areas:

- Organizational overview and the external environment in which Nepal Life operates
- Environmental, Social and Governance (ESG) initiatives and sustainability commitments
- Corporate governance structure, roles, responsibilities, and practices
- Internal control systems and risk management processes

- Key risks and opportunities and the mechanisms in place to manage them
- Corporate social responsibility and community development activities
- Information technology governance and cybersecurity framework
- Financial Statements and Disclosures for FY 2024/25, including Notes to Accounts and Ratio Analysis
- Outlook, highlighting key strategic priorities, opportunities, and challenges ahead

Forward-Looking Statements

This report contains forward-looking statements relating to the Company's outlook, expectations, strategic intentions and future plans. These statements are based on current assumptions and judgments and are subject to risks, uncertainties, and external factors that may cause actual results to differ materially. The Company undertakes no obligation to update such statements to reflect subsequent events or circumstances.

Reporting Currency

Unless otherwise indicated, the reporting currency is Nepalese Rupees (NPR).

Feedback and Concerns

We welcome your feedback and are committed to continually enhancing the clarity and relevance of this report.

Please share us your feedback

Company Secretary,
Nepal Life Insurance Company Limited,
Kamaladi, Kathmandu, Nepal
Telephone: 01-5970592/01-5970971
Email: info@nepallife.com.np

LIST OF ABBREVIATIONS

AI	Artificial Intelligence	IT	Information Technology
ALM	Asset-Liability Management	IR	Integrated Reporting
AML/CFT	Anti-Money Laundering/ Countering the Financing of Terrorism	KPI	Key Performance Indicator
AUM	Assets Under Management	KYC	Know Your Customer
BOD	Board of Directors	KYD	Know Your Diagnostic Center
CAT XL	Catastrophe Excess of Loss	LDC	Least Developed Country
CEO	Chief Executive Officer	LEA	Leadership Excellence Awards
CI	Critical Illness	LEAP	Leadership
CIT	Citizen Investment Trust	LMS	Learning Management System
CPI	Consumer Price Index	MDRT	Million Dollar Round Table
CRM	Customer Relationship Management	MFA	Multi Factor Authentication
CRU	Customer Relationship Unit	MFI	Microfinance Institution
CSR	Corporate Social Responsibility	NAV	Net Asset Value
DCEO	Deputy Chief Executive Officer	NEPSE	Nepal Stock Exchange Limited
DPS	Dividends Per Share	NFRS	Nepal Financial Reporting Standard
ECDD	Enhanced Due Diligence	NIA	Nepal Insurance Authority
EMDE	Emerging Market and Developing Economy	NLIC	Nepal Life Insurance Company Limited
EPS	Earnings Per Share	NPR	Nepalese Rupees
ERM	Enterprise Risk Management	NRB	Nepal Rastra Bank
ESG	Environment, Social, Governance	ORSA	Own Risk and Solvency Assessment
FE	Foreign Employment	PEVC	Private Equity Venture Capital
FPI	First Premium Income	PR	Public Relations
FY	Fiscal Year	PTD	Permanent Total Disability
GDP	Gross Domestic Product	PWB	Premium Waiver Benefit
GNI	Gross National Income	RBC	Risk Based Capital
HOD	Head of Department	SEBON	Securities Board of Nepal
HR	Human Resource	SIDS	Small Island Developing States
ICAN	The Institute of Chartered Accountants of Nepal	SOP	Standard Operating Procedure
IMF	International Monetary Fund	TAT	Turnaround Time
		TOR	Terms of Reference
		TPI	Total Premium Income

CHOOSE EXCELLENCE

CHOOSE NEPAL LIFE INSURANCE



NEPAL**LIFE**
INSURANCE



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NOTICE OF 26TH ANNUAL GENERAL MEETING

OF NEPAL LIFE INSURANCE COMPANY LIMITED

Dear Shareholders,

As per the decision of the 405th meeting of the Board of Directors held on 12th of December 2025, the 26th Annual General Meeting (AGM) of the Company is going to be held on the following date, time, and venue to discuss and decide on the proposed agendas. This notice is hereby published for the information of all respected shareholders.

Date: January 3, 2026 Saturday

Time: 9:00 AM

Venue: Hotel Vishuwa, Birgunj (Parsa)

Agenda Items for Discussion:

A) ORDINARY AGENDA ITEMS

1. To approve the Annual Progress Report for Fiscal Year 2024/25 presented by the Chairperson on behalf of the Board of Directors.
2. To discuss and approve the Balance Sheet, Profit and Loss Account, Cash Flow Statement, and other Financial Statements for Fiscal Year 2024/25, along with the Auditor's Report.
3. To appoint an Auditor for Fiscal Year 2025/26 pursuant to Section 111 of the Companies Act, 2006, and to determine the remuneration thereof (the current auditor, M/s P. L. Shrestha & Company is eligible for reappointment).
4. To approve the proposal of the Board of Directors to

distribute 16.05% cash dividend (including tax on cash dividend and bonus shares) based on the current paid-up capital for Fiscal Year 2024/25.

5. To elect three (3) Directors representing the Promoter Shareholders (Group 'A') on the Board of Directors.

B) SPECIAL AGENDA ITEMS

1. To approve the proposal of the Board of Directors to issue 5% bonus shares based on the existing paid-up capital. Following the issuance of bonus shares, to increase the issued capital and paid-up capital accordingly as per the revised share structure. Any fractional shares arising after the distribution of bonus shares shall be adjusted later in the name of the respective shareholders.
2. To approve amendments to the Company's Memorandum of Association and Articles of Association, including revision of objectives and other necessary updates, as proposed by the Board of Directors in accordance with prevailing requirements.
3. To authorize the Board of Directors to make necessary amendments/modifications to the Memorandum of Association and Articles of Association as required by regulatory authorities or offices in connection with the proposed amendments.

C) ANY OTHER AGENDA ITEMS WITH THE PERMISSION OF THE CHAIRPERSON.

INFORMATION REGARDING THE ANNUAL GENERAL MEETING

1. Shareholders attending the Annual General Meeting are requested to bring their original share certificate or document evidencing the opening of a beneficiary (Demat) account, along with the published admission card or any valid official identification document for entry into the meeting hall.
2. Shareholders wishing to appoint a proxy to attend the meeting on their behalf must submit the proxy application to the Company's Registered Office in Birgunj or Head Office in Kathmandu by 1:00 PM on 31st of December 2025. The person appointed as proxy must be a shareholder of the Company.
3. The Company's share registration book shall remain closed for one day on 22nd of December 2025. Shareholders who have traded their shares on Nepal Stock Exchange Ltd. on or before 21st of December 2025 and whose names are recorded in the Company's Share Register accordingly shall be eligible to receive the cash dividend and bonus shares approved by the Meeting.
4. The schedule related to the election of directors shall be as published by the Election Officer. The election notice and program will be posted on the notice board at the Company's Head Office, Kamaladi, Kathmandu.
5. Shareholder wishing to participate in the General Meeting must be physically present at the meeting venue and sign the attendance register available at the venue. The attendance register will be open from 8:00 AM.
6. If a shareholder appoints more than one person as proxy, only the proxy whose appointment is received by the Company on the earliest date shall be entitled to participate in the meeting as the authorized representative.
7. After appointing a proxy to attend the meeting, if a shareholder wishes to change the proxy, notice of such change must be registered at the Company's Registered Office in Birgunj or at the Head Office in Kathmandu by 1:00 PM on 1st of January 2026.
8. In the case of a minor shareholder, the person whose name is registered as guardian in the Company's share register book shall be entitled to attend the meeting or appoint a proxy.
9. In the case of jointly held shares, only the person whose name appears first in the Company's share register book, or one person appointed by unanimous agreement as representative, shall be entitled to attend the meeting.
10. Shareholders who wish to raise any matter under the heading "Miscellaneous" among the agenda items must submit the subject of discussion in writing to the Chairperson of the Board of Directors through the Company Secretary at least 7 days prior to the meeting.
11. For further information regarding the General Meeting, shareholders are requested to contact the Company's Head Office, Kamaladi, Kathmandu.

Note: The Company will send a notice, including the matters to be discussed at the Annual General Meeting, to the addresses of the respected shareholders. If any shareholder is unable to receive the said notice, they are requested to attend the General Meeting based on this notice.



By order of the Board,
Nepal Life Insurance Company Ltd.

Company Secretary



ORGANIZATIONAL OVERVIEW

Nepal Life is guided by a clear vision to ensure economic safety and security for every Nepali family through inclusive and innovative life insurance solutions.

ABOUT US

Nepal Life Insurance Company Limited, hereinafter referred to as “Nepal Life” or “the Company”, established under the Companies Act 1997 and Insurance Act 1992 as a public limited company on 2001/05/04, stands today as Nepal’s premier life insurer. It was among the first privately promoted life insurance companies in the country, founded by a distinguished group of Nepali entrepreneurs and business houses. From its inception at its Head Office in Kamaladi, Kathmandu, Nepal Life has, for over two decades, built a strong legacy within the nation’s life insurance landscape.

Nepal Life’s equity shares are traded on the Nepal Stock Exchange (NEPSE) under the symbol NLIC. Listed since 22nd January 2003, the Company today has approximately 90.2 million listed shares with the market capitalization NPR 73.3 billion as of year-end (16th July 2025). Its shareholding structure comprises 51% promoter holdings and 49% public holdings, reflecting a resilient and diversified investor base.

With a commanding market share of 26.4% in terms of Total Premium Income (TPI), Nepal Life leads Nepal’s life insurance industry by gross premiums, customer base, and distribution strength. Since commencing operations in 2001, the Company has now entered in its 25th year of operation, evolving into a dominant institution defined by a robust capital base, sizable life

fund, strong claims record, extensive branch network, and a rapidly growing policyholder community. Over the years, the Company has played a formative role in expanding life insurance awareness and access across the nation.

Built on the pillars of protection, prudence, and trust, Nepal Life has upheld a culture of sound corporate governance, ethical conduct, and disciplined risk management from the very beginning. The Company operates under Nepal’s prevailing insurance laws, including the Insurance Act 2022, Insurance Regulation 2025 and is regulated by the Nepal Insurance Authority. Its policies, systems, and disclosures are aligned with regulatory directives, viewing compliance not just as an obligation but as an integral part of strategic planning, product development, and service excellence.



Nepal Life's core mandate is to safeguard the long-term financial well-being of individuals, families, and institutions. Its diverse portfolio of 24 life insurance products: ranging across Endowment, Endowment cum Whole Life, Anticipated, Anticipated cum Whole Life, Endowment Anticipated cum Whole Life, Term, Joint Life, Group Term plans, Micro Insurance and Foreign Employment (FE) plans is further complemented by supplementary riders that offer enhanced protection and tailored benefits.

To expand access nationwide, the Company has established a vast distribution network of 194 offices across provinces, districts, and towns, supported by a professionally trained agency force of 60,989 agents, of which 31,773 are active, forming the backbone of its distribution model. Additionally, its 695 employees (including 118 contractual and outsource) deliver operational and service excellence across the corporate office and regional sales points. Together, they form the human infrastructure that ensures customers receive expert guidance from purchase to claim.

In parallel with its physical expansion, Nepal Life is actively strengthening its digital footprint and modernizing systems and processes to enhance efficiency, transparency, and customer experience. The Company is integrating technology-driven solutions with its traditional distribution channels, promoting online premium payments, digital communication, and customer self-service platforms, while progressively reducing reliance on paper-based processes. Continuous investment in digital transformation remains central to sustaining Nepal Life's competitive advantage in an evolving insurance landscape.

As a leading life insurance company, Nepal Life is committed to sustainability in its truest sense - protecting lives today while caring for the planet and future generations. Beyond providing financial protection and peace of mind to policyholders, the Company is dedicated to conducting its business in a manner that respects the environment and supports long-term societal well-being.

Nepal Life is progressively reducing its environmental footprint by promoting digital solutions in place of paper-based processes,

encouraging online premium payments and e-communication, and strengthening eco-friendly practices across its offices and operational value chain. These initiatives contribute to greater operational efficiency, resource conservation, and reduced environmental impact.

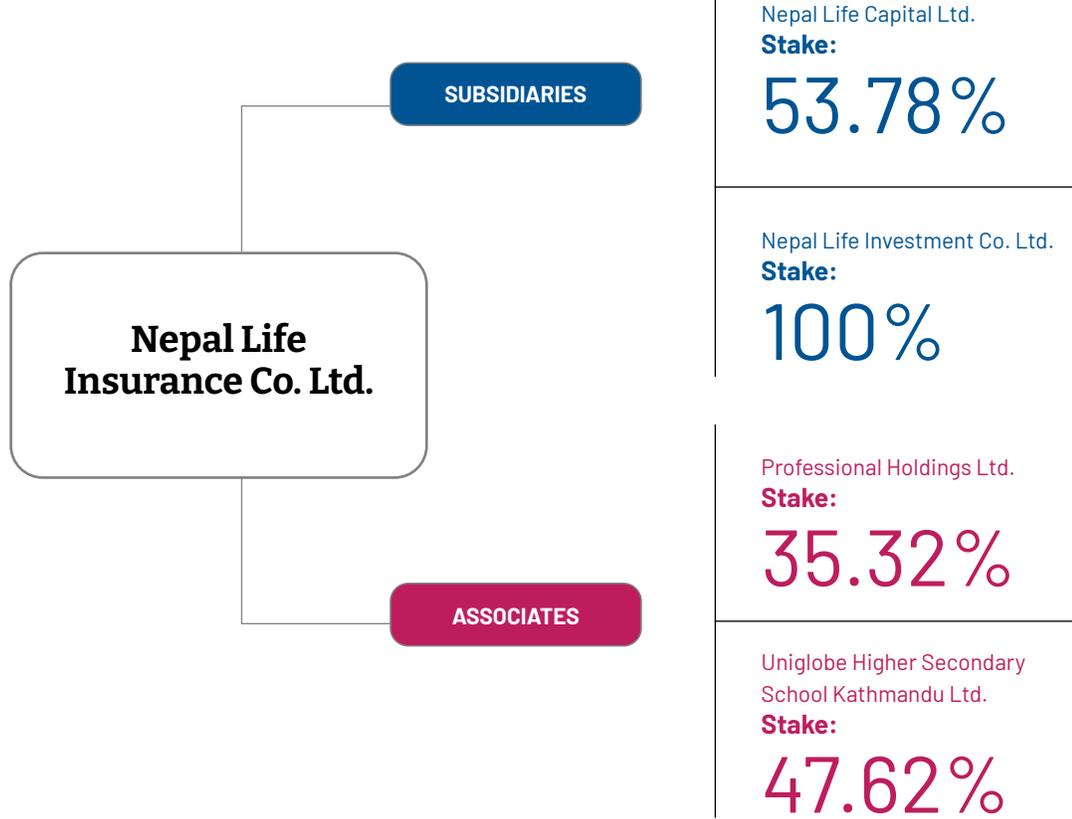
In line with prevailing regulatory guidelines and sound governance principles, the Company is also exploring opportunities to support responsible, sustainable, and environmentally conscious investments as part of its broader investment strategy. By integrating sustainability considerations into operational and investment decision-making, Nepal Life seeks to balance long-term financial performance with environmental stewardship.

Further expanding its role in Nepal's financial sector, Nepal Life operates through two subsidiaries: Nepal Life Capital Limited and Nepal Life Investment Company Limited, which focus on capital market operations and investment management. These entities support the Company's diversified investment strategies while offering specialized financial solutions.

As a responsible corporate citizen, Nepal Life embeds social responsibility into its corporate ethos. Recognizing life insurance as a pillar of household financial security and national financial stability, the Company actively supports initiatives in financial literacy, insurance awareness, health, education, environmental stewardship, and community development. These efforts reflect the company's belief that business success and societal progress go hand in hand.

Looking ahead, Nepal Life remains committed to strengthening its foundations: strong governance, prudent risk management, customer centric service, sustainability-led practices and long-term value creation. The Company aims to deepen life insurance penetration, elevate customer experience through innovation and digital transformation, and further reinforce its financial and governance frameworks. With this vision, Nepal Life strives to continue its journey as a trusted partner in safeguarding Nepali families' financial futures and contributing meaningfully to the nation's sustainable growth and prosperity.

GROUP STRUCTURE



NEPAL LIFE CAPITAL LTD.

Nepal Life Capital Limited is a public limited company and a subsidiary of Nepal Life Insurance Company Limited, with a paid-up capital of NPR 426 million. The company operates in Kathmandu and began its operations in 2014. Established to provide comprehensive merchant banking and capital market services in Nepal, the company focuses on investment banking, portfolio management, and advisory services, supporting the growth and development of the capital market.



NEPAL LIFE INVESTMENT CO. LTD.

Nepal Life Investment Co. Ltd. is a public limited company and a wholly owned subsidiary of Nepal Life Insurance Company Limited. The company operates in Kathmandu and began its operations following its inauguration on May 9, 2025. It was established with an authorized capital of NPR 5 billion and an initial paid up capital of NPR 1.8 billion, and focuses on managing and diversifying investments across various sectors in Nepal to generate long-term value and consistent returns for its parent and stakeholders.



PROFESSIONAL HOLDINGS LTD.

Established in 2005, Professional Holdings Ltd. operates in Nepal's education sector with a strong focus on academic excellence and institutional development. The company currently serves 3,806 students and maintains a solid financial position with a paid-up capital of NPR 521 million and an annual turnover of NPR 769 million and total group turn over of NPR 1870 million, reflecting stable operations and sustained growth.



UNIGLOBE HIGHER SECONDARY SCHOOL KATHMANDU LTD.

Founded in 2014, Uniglobe Higher Secondary School is an established academic institution contributing to higher education in Nepal. The college presently educates 3,262 students and is supported by a paid-up capital of NPR 315 million and an annual turnover of NPR 527 million, demonstrating sound financial performance and operational strength.





VISION

To endeavor through the noble institution of life insurance in making every family economically safe and secure whereby every citizen of Nepal may contribute his/her might in building a healthy, prosperous, strong and vibrant nation.



MISSION

To cater to the financial and social needs of every segment of society by designing differentiated and innovative insurance instruments.

To provide after sales service to customers that can be hailed as the best.



STRATEGIC OBJECTIVES

- i. Achieve profitable market leadership through sustained market share gains and deeper category penetration.
- ii. Strengthen financial resilience via disciplined asset allocation, asset and liability management (ALM), and capital management.
- iii. Deliver digital and customer excellence by modernizing platforms and digitizing core journeys to improve experience and efficiency.
- iv. Elevate execution by upholding robust governance, streamlining the operating model, and developing a high-performance, value aligned workforce.



OUR CORE VALUES

THE 6CS DRIVING OUR SUCCESS

At the heart of our organization lies six foundational values that guide every aspect of our decisions and performance, ensuring we deliver excellence and uphold our commitment to all stakeholders.



CUSTOMER CENTRICITY

We place policyholders at the center of all our decisions and interactions, striving to meet their needs with unwavering dedication and care.

COMPLIANCE

We operate with uncompromising integrity, adhering to all applicable laws, regulations, and internal policies, reflecting our commitment to integrity and ethical business practices.



COMMITMENT

We hold ourselves accountable for achieving meaningful outcomes, consistently delivering on our promises in a timely and dependable manner.

COMPETENCE

Through ongoing development and the application of expertise, we maintain the highest professional standards to serve our customers effectively.



COMMUNICATION

We prioritize clear, prompt, and respectful communication, ensuring transparency and timely disclosure of adverse information.

COLLABORATION

We work as one team, actively promoting synergy across functions and with our partners, fostering co-operation to achieve shared organizational objectives.



These values are not only principles we believe in but are the foundation of our continuous growth and success.

CODE OF CONDUCT

Nepal Life is committed to upholding the highest standards of professionalism, integrity, and ethical behavior across all levels of the organization. The Company's Code of Conduct establishes clear expectations that all employees shall follow to ensure responsible behavior, compliance with policies, and adherence to the Company's core values.

The Board of Directors and the Chief Executive Officer are equally bound by this Code of Conduct. In accordance with the Insurance Act, 2022 and the Insurer's Corporate Governance Directive, 2024, clear provisions have been established regarding their appointment, powers, duties, responsibilities, and code of conduct. Both the Board and the CEO strictly comply with these statutory and regulatory requirements, thereby ensuring transparency, integrity, and accountability in the governance and management of the Company.

Nepal Life has a zero-tolerance culture towards unethical or illegal behavior, including harassment, discrimination, fraud, or corruption, and ensures appropriate actions are taken in case of violations. Employees are encouraged to report any concerns or breaches of the Code through established reporting channels, promoting accountability, transparency, and protection for whistleblowers.

KEY PRINCIPLES OF THE CODE OF CONDUCT INCLUDE:

INTEGRITY AND PROFESSIONALISM

Employees shall perform their duties honestly, responsibly, and in the best interests of the Company, ensuring that their actions do not compromise ethical standards.

COMPLIANCE WITH POLICIES AND LAWS

Employees must comply with all applicable laws, regulatory requirements, and internal policies while performing their duties.

CONFIDENTIALITY

Employees must safeguard confidential information, including customer data and strategic Company information, and shall use such information solely for authorized purposes.

CONFLICT OF INTEREST

Employees shall avoid situations where personal interests conflict with their responsibilities and must promptly disclose any potential conflicts.

RESPECTFUL WORKPLACE

Employees must maintain a safe, inclusive, and respectful work environment, free from harassment, discrimination, or misconduct.

RESPONSIBLE USE OF RESOURCES

Employees must use the assets, resources, and time of the Company solely for official purposes and shall prevent any misuse or waste.

FAIR REPRESENTATION

Employees shall act in a manner that preserves and enhances the reputation of the Company when interacting with customers, partners, and stakeholders.

TRANSPARENCY AND ACCOUNTABILITY

Employees must maintain accurate records, report activities truthfully, and shall be accountable for their actions.

COMMITMENT TO PERFORMANCE

Employees shall diligently execute their responsibilities and must contribute positively to the achievement of the Company's objectives.

UPHOLDING COMPANY VALUES

Employees must adhere to the Company's ethical guidelines, support good governance, and shall act in accordance with the principles set out in this Code.

OUR SUCCESS METRICS

197

Office Network

47

Lakh Policy Holders

24

products

Upto
85

Bonus Rate

NPR
245

Billion - Life Fund

NPR
254

Billion - Investment

NPR
326

Billion - Total Premium

NPR
7

Billion - Total Death Claim

NPR
103

Billion - Total Claim Paid

NPR
13

Billion - Shareholder's Fund

Upto Mid-October 2025

KEY STRATEGIC AREA



If you change 1% a day, you change 365% in a year.
Let's take this 1% effort now

A LEGACY OF TRUST AND GROWTH



2001



Started Operation



2002



IPO
NPR 50 Million



2003



Crossed
10,000 policy holders



2004



Crossed
NPR 100 Million FPI



2005



Crossed
NPR 1 Billion Investment



2016



FPO (12.41 times over subscription)



2015



Best Managed Life Insurance Company for the 2nd Time-New Business Age



2014



Highest Contribution to the insurance sector by Market Share of 41%



2017

Crossed NPR 1 Billion Profit



2018



Best Life Insurance Company of the year-Karobar



2019



Highest Tax payer Award in Insurance Companies



2020



Office Network Crossed 200+



2021



Investment in Investment Banking Firm-Nepal Life Capital Ltd.



2006



First Maturity Payout



2007



Crossed NPR 1 Billion Life Fund



2008



10,000 Agents Crossed



2009



Inauguration of Nepal Life Building (City Centre)



2013



Best Managed Life Insurance Company of the Year-New Business Age



2012



Crossed NPR 1 Billion FPI



2011



NLIC Re-Branding to Nepal Life



2010



Centralized System of Operation Started



2022



Established Own Building in Pokhara



2023



Outstanding Performance in the Life Insurance Industry of Nepal (ICC Award 2023)



2024



Investment Diversification
 • Education
 • Hydro
 • PEVC
 • Real Estate Management



2025



- Estd. of Nepal Life Investment Co. Ltd.
- Historic NPR 10 Billion+ FPI Collection
- Best Presented Annual Report Award



CORPORATE INFORMATION

Company Type	Public Limited Company
Registered Office	Birgunj, Parsa
Corporate Office	Kamaladi, Kathmandu
Registration Number	700/055/56
Date of Registration with Registrar of Companies	1999/02/01
Date of Approval from Nepal Insurance Authority	2001/04/17
Date of Commencement of Business	2001/05/04
Operating Area	All over Nepal
Office Network	194
Number of Workforce (Including contractual and outsource)	695
Date of Share Listing	2003/01/22
Offered Bonus Share (5%)	451,438,160
Proposed Cash Dividend (16.05%)	1,449,354,094
Net Worth	13,004,294,174
Net Worth per Share	144
Capital Structure:	
Authorized Capital	10,000,000,000
Issued Capital	9,028,763,209
Paid-up Capital	9,028,763,209
Share Structure:	
Promoters	51%
Public	49%
Number of Shareholders	188,400
Life Insurance Fund	232,740,574,817
Total Investment	239,421,146,408
Gross Insurance Premium Collected	48,202,201,095
Net Profit	2,294,358,442
Earnings Per Share (Before including bonus shares)	25.41
Active Policy Number	1,862,260
Active Agent Number	31,773
Solvency	153.70
Actuarial Evaluator	BDO LLP India
External Auditors	P. L. Shrestha & Co., Chartered Accountants
Internal Auditors	S.R. Pandey & Co., Chartered Accountants
Actuarial Evaluator of Gratuity and Leave Liabilities	K.A. Pandit
Information Technology Auditor	Eminence Ways Pvt. Ltd
Credit Rating	AA-

1

Head Office

7

Province Office

1

Sub Province Office

38

Branches

150

Sub Branches



NEPALLIFE
INSURANCE

Upto Mid-October 2025

BOARD OF DIRECTORS

LEFT TO RIGHT

Mr. Kamlesh Kumar Agrawal, Director
Mr. Shakti Kumar Golyan, Director
Ms. Sharmila Shrestha Maharjan, Director
Mr. Krishna Raj Lamichhane, Director
Mr. Govind Lal Sanghai, Chairman
Mr. Bimal Prasad Dhakal, Director





PROFILE OF THE DIRECTORS



Mr. Govind Lal Sanghai
Chairperson

Mr. Govind Lal Sanghai, the current Chairperson of the Board, represents the promoter's group on the Board of Directors. He is associated with Triveni Group, one of Nepal's most reputed and diversified industrial and business conglomerates. Triveni Group has a significant presence across key sectors of the national economy, including the cement industry, tea estates, hydropower, agricultural, banking, insurance, automobiles, education, retail (Big Mart), entertainment (Big Movies), as well as import and export trade.

Mr. Sanghai began his professional career in business at the age of 24 and has gained significant experience in the trade, insurance, and banking sectors. During the early and crucial phase of Nepal Life's establishment, he served as the Company's Managing Director.

Mr. Kamlesh Kumar Agrawal
Director
Represents Promoter Shareholders

Mr. Kamlesh Kumar Agrawal represents the promoters' group on the Board of Directors. Having been actively involved in the industrial and business sectors of Nepal for a long time, Mr. Agrawal currently serves as the President of the Nepal Chamber of Commerce, one of the country's most prestigious organizations of industrialists and entrepreneurs. At present, he is also the Chair of Kathmandu Valley Water Supply Limited and Nepal Life Investment Company Limited, a wholly owned subsidiary of Nepal Life. In addition, he serves as a Director of Champadevi Eco-Friendly Company, City Hotels Ltd. (Hyatt Centric), Janata Agro & Forestry Ltd., and Green Ventures Ltd. He is also the Chairperson of Robin Foaming & Paper Pvt. Ltd. and Robin Polymers Pvt. Ltd.

In the past, he has gained valuable experience by serving as a Director at the Rastriya Beema Sansthan and the Citizen Investment Trust (CIT).

Mr. Shakti Kumar Golyan
Director
Represents Promoter Shareholders

Mr. Shakti Kumar Golyan represents the promoter's group on the Board of Directors. He is the Executive Director for Golyan Group, one of Nepal's reputed business conglomerates. Mr. Golyan has been actively involved in various business ventures for the past 24 years and currently serves as the Chairperson of City Hotels Ltd. (Hyatt Centric). He holds a Bachelor's degree in Science from the University of Leeds, U.K., and is also an alumnus of the S.P. Jain Institute of Management and Research, Mumbai.



Mr. Bimal Prasad Dhakal

Director

Represents Public Shareholders

Mr. Bimal Prasad Dhakal represents the general shareholders' group on the Board of Directors. He holds a Master's degree in Law and has been practicing as an advocate for the past 28 years. A senior advocate by profession, Mr. Dhakal has made significant contributions in various capacities, including as an Advocate at the Supreme Court, Secretary of the High Court Bar Association, Member of the Central Executive Council of the Nepal Bar Association, Member of the Judicial Transparency Promotion Committee, Member of the Commercial Law Committee and Member of the Telecommunication Law Committee. He is currently also serving as the Director of Professional Holdings Limited and Ghorahi Cement Industry.

In addition, he has gained valuable experience through his association with several prominent organizations, including United Telecom, Air Dynasty Heli Services Pvt. Ltd., World Bank, Asian Development Bank, Nepal Telecommunications Authority and Bank of Asia.

Mr. Krishna Raj Lamichhane

Director

Represents Public Shareholders

Mr. Krishna Raj Lamichhane represents the general shareholders' group on the Board of Directors. He has extensive experience in the banking sector, having served for around 20 years at Nepal Bank Limited, and successfully held the position of Chief Executive Officer (CEO) at two development banks.

He had also served as a Director at the Rastriya Beema Sansthan, Nepal Clearing House Ltd. and Credit Information Bureau Ltd. Furthermore, he has gained remarkable experience in the banking sector by serving as the President of the Development Bankers Association Nepal.

Ms. Sharmila Shrestha Maharjan

Director

Represents Public Shareholders

Ms. Sharmila Shrestha Maharjan serves on the Board of Directors as a representative of the general shareholders' group. She holds a Master's degree in Business Administration (MBA) and possesses over 20 years of professional experience in the banking, finance, and insurance sectors.

She also served as a Director at Jyoti Life Insurance Company Limited (which later merged to form SuryaJyoti Life Insurance Company Limited) for about five years. Currently, she is serving as an Independent Director at Emerging Nepal Limited, a public-private equity platform which provides institutional, financial and technical facilitation services to all potential investors.

MANAGEMENT TEAM

LEFT TO RIGHT

Mr. Amit Kumar Keyal, Deputy Chief Executive Officer

Mr. Umapati Pokhrel, National Sales Head

Mr. Om Prakash Pudasaini, Head of Business Operations

Mr. Prem Prasad Regmi, Chief Financial Officer

Mr. Pravin Raman Parajuli, Chief Executive Officer





PROFILE OF THE MANAGEMENT TEAM



Mr. Pravin Raman Parajuli
Chief Executive Officer

Mr. Pravin Raman Parajuli has been serving as the Chief Executive Officer of Nepal Life since July 20, 2022. Prior to his appointment as CEO, he served as the Senior Deputy Chief Executive Officer of the Company from January 9, 2022 to July 19, 2022. He is also serving as a Director of Nepal Life Investment Company Limited, a wholly owned subsidiary of Nepal Life. In addition, he is serving as the President of the Life Insurers' Association of Nepal (Jeevan Bimak Sangh Nepal - JEBISAN).

With a distinguished career spanning nearly two decades in Nepal's insurance and financial sectors, Mr. Parajuli has held several prominent leadership roles, including CEO of Reliance Life Insurance, CEO of Nabil Investment Banking, and senior positions at NMB and Nabil Bank. An MBA in Finance from Kathmandu University School of Management (KUSOM), Mr. Parajuli has also contributed significantly to Nepal's capital market, serving as the Chairman of the Merchant Bankers Association of Nepal from 2015 to 2017.



Mr. Amit Kumar Keyal
Deputy Chief Executive Officer

Mr. Amit Kumar Keyal, a Chartered Accountant and MBA in Finance, brings around 18 years of experience in Board Advisory, Growth Strategy, business planning & expansion roles in various diversified markets across India, Europe, Middle East, Africa, and Nepal. His previous stints were with large billion-dollar conglomerates like Tata Steel (India & Europe), Landmark Group (Dubai) & Pernod Ricard (India) whereby he has contributed through various recommendations and enabled the board & the management to take informed decisions which has added value to various stakeholders keeping in the company's vision and mission at the core.

A Fellow Member of the Institute of Chartered Accountants of India and the Risk Management Association of India, Mr. Keyal currently serves as the Deputy CEO of Nepal Life Insurance, overseeing strategic areas including alternate investments, risk management, business strategy and planning, and digital transformation. He also serves as a Director of Nepal Life Investment Company Ltd., Nepal Life Capital Ltd., and Professional Holdings Limited.



Mr. Umapati Pokharel
National Sales Head

Mr. Umapati Pokharel has been associated with Nepal Life since 2002, beginning his journey with the Company as an agent and steadily rising through the ranks to now lead the nationwide sales function as the National Sales Head. With core expertise in driving sales from the very beginning of his association, he has played a pivotal role in strengthening Nepal Life's market presence and agency network across the country.

Prior to his career in the insurance sector, Mr. Pokharel built a distinguished career in the education field with over 25 years of experience. He holds an M.A. and LLB, his enthusiasm, leadership and versatile personality have helped the organization to reach every heart of the customer, employees, and agency force, contributing to Nepal Life's growth and reach.



Mr. Om Prakash Pudasaini
Head of Business Operations

Mr. Om Prakash Pudasaini has been associated with Nepal Life since 2008 and has been a key contributor to the Company's operational strength and organizational development for 17 years. With over 27 years of professional experience spanning the life insurance, manufacturing, and service sectors in Nepal, he brings a wide-ranging perspective and deep industry understanding to his leadership role. He currently leads critical operations and oversees key strategic departments of the company in his role as Head of Business Operations. In addition, he serves as the company's Compliance Officer, ensuring adherence to regulatory requirements and best practices in corporate governance. Previously, he contributed to Nepal Life as Company Secretary, where he played a pivotal role in strengthening institutional governance and enhancing corporate governance frameworks.

Mr. Pudasaini holds an MBA degree from Tribhuvan University and has cultivated strong expertise in policy formulation, operational management, administration, and regulatory and industry coordination. Prior to joining Nepal Life, he served at Sri Bhrikuti Pulp & Paper and the Nepal Chamber of Commerce, where he gained valuable experience in industry operations, fostering sound industrial relations, policy advocacy, and providing business support to the wider business community.

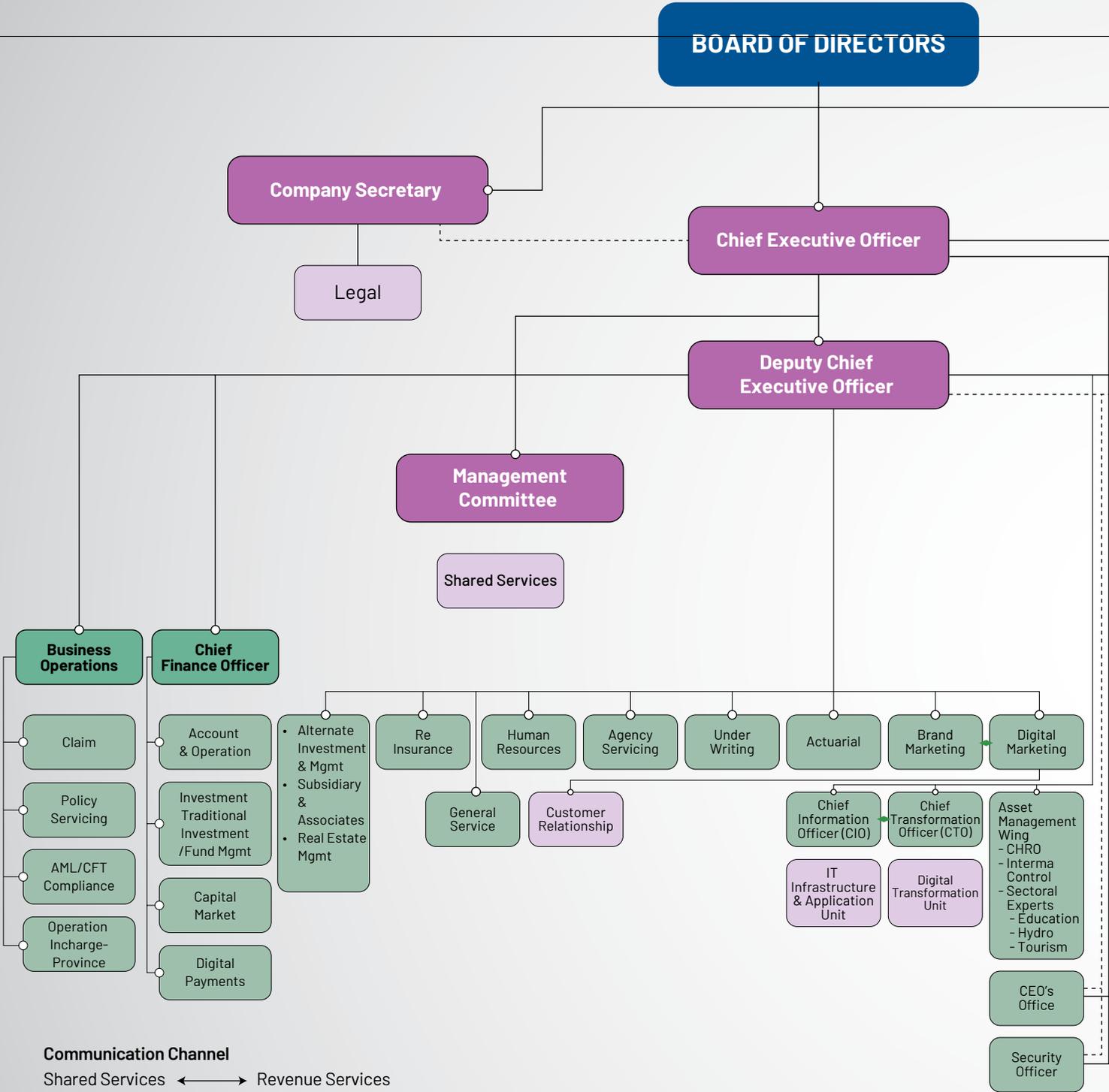


Mr. Prem Prasad Regmi
Chief Financial Officer

Mr. Prem Regmi, a qualified Chartered Accountant, has been associated with Nepal Life Insurance since 2021 and has since played a significant role in strengthening the Company's leadership and financial governance. He brings with him 15 years of diverse experience spanning banking, insurance, and auditing. His professional foundation was built through more than five years at S.R. Pandey & Co., P.L. Shrestha & Co., Chartered Accountants, where he gained extensive exposure to financial auditing, compliance, and advisory services across multiple sectors. Before joining Nepal Life, Mr. Regmi served as the Chief Financial Officer at Mahalaxmi Bikas Bank, where he played a pivotal role in strengthening financial governance, enhancing reporting standards, and contributing to award-winning financial disclosures recognized at the national level.

In addition to his executive responsibilities, Mr. Regmi also serves as a Director on the Boards of Nepal Life Capital Limited.

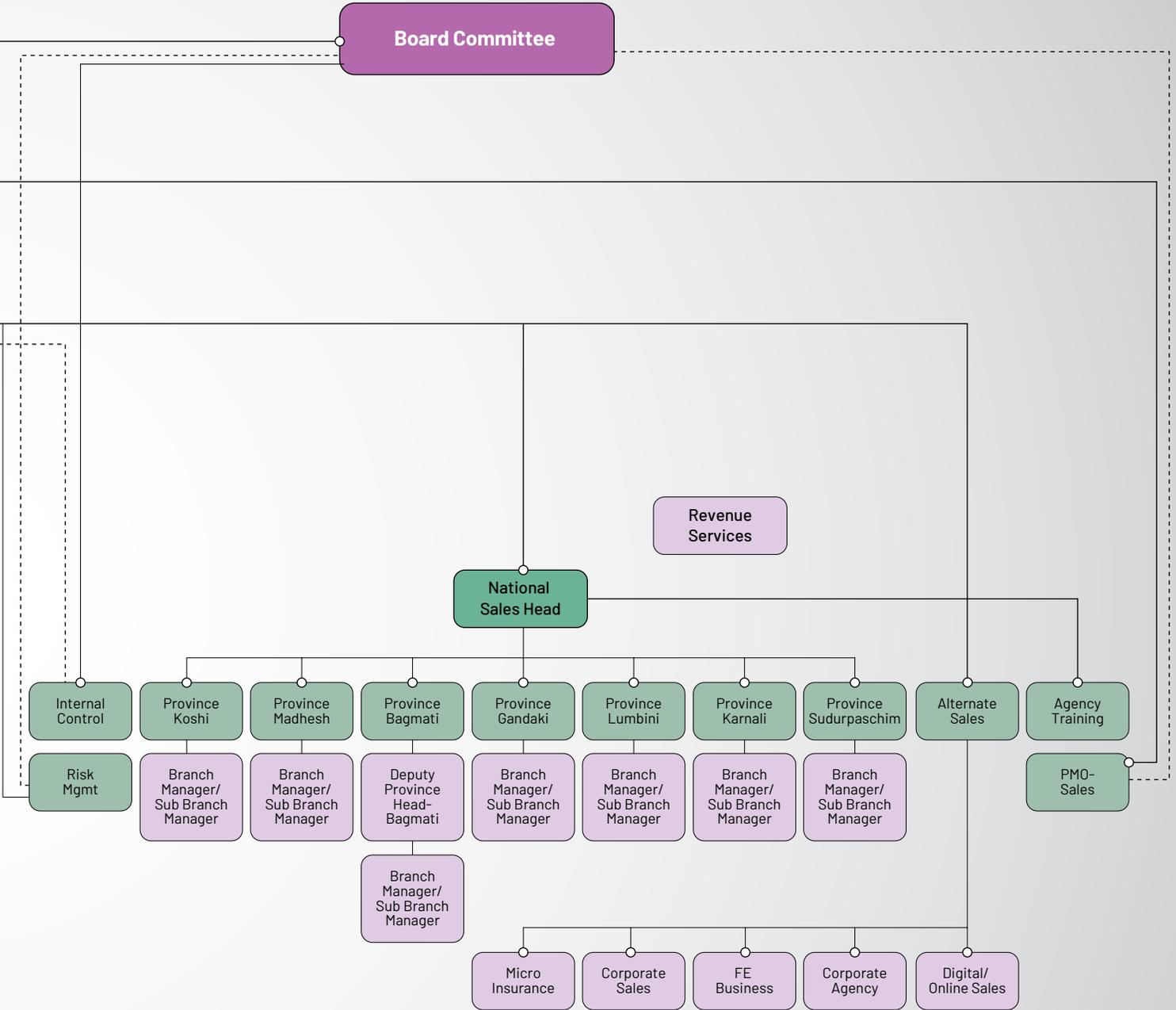
ORGANIZATIONAL CHART



Communication Channel

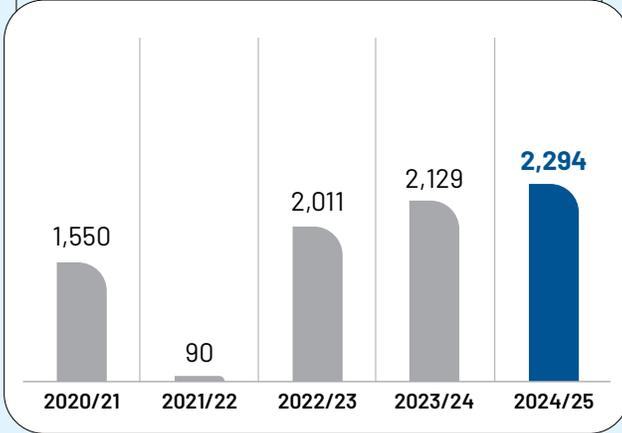
Shared Services ↔ Revenue Services

- CRM - Customer Relationship Management
- PMO - Project Management Officer
- BM - Branch Manager
- SBM - Sub Branch Manager

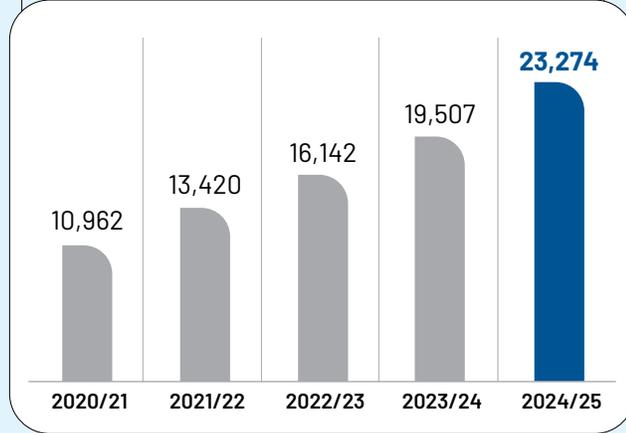


FINANCIAL HIGHLIGHTS

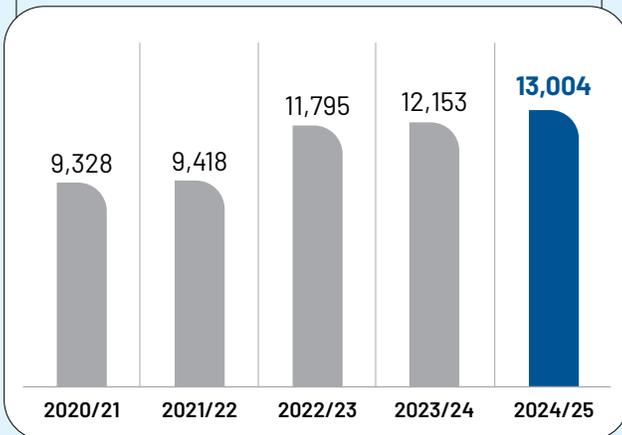
Net Profit (Rs. In Million)



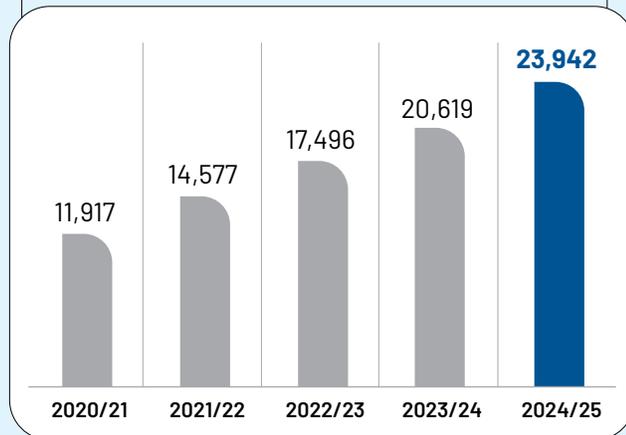
Life Insurance Fund (Rs. in Ten Million)



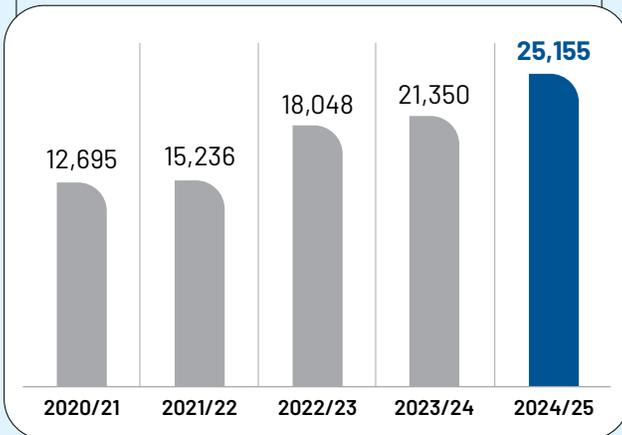
Shareholders' Fund (Rs. in Million)



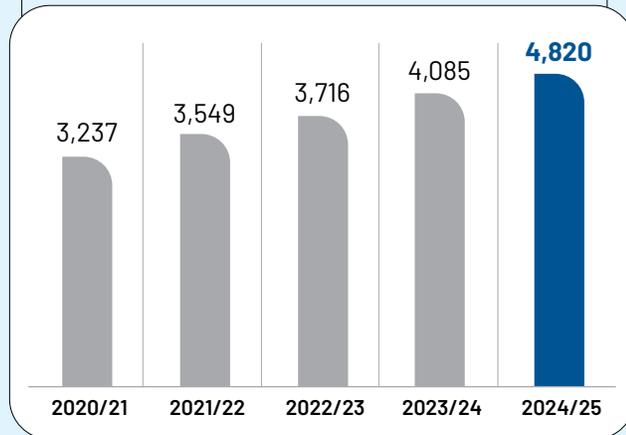
Total Investments (Rs. in Ten Million)



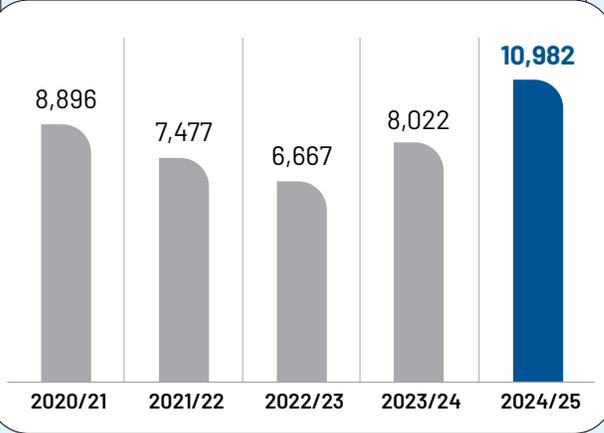
Total Assets (Rs. in Ten Million)



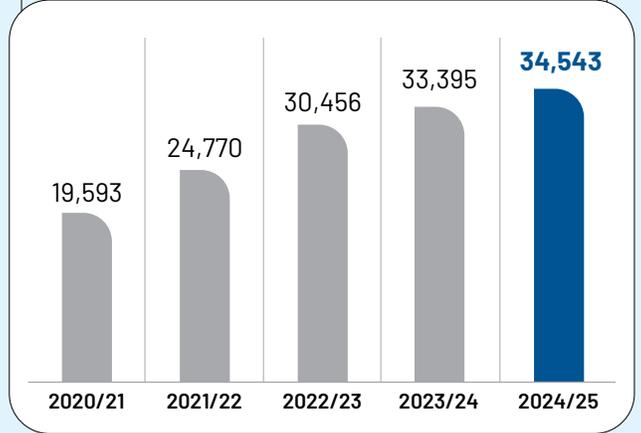
Total Premium Income (Rs. in Ten Million)



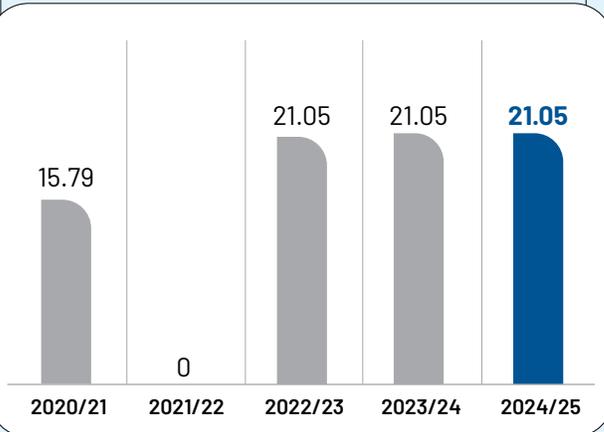
First Premium Income (Rs. in Million)



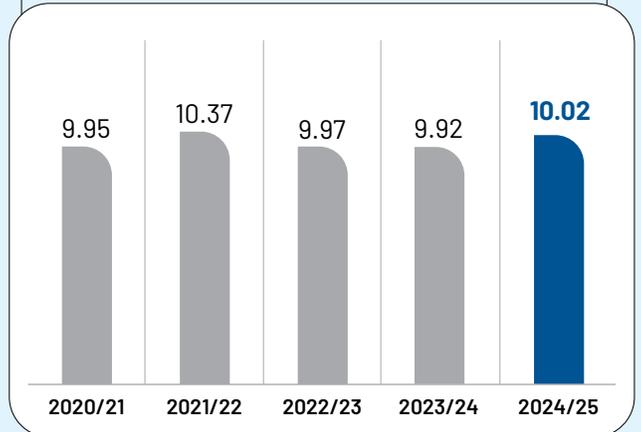
Loan to Policyholder (Rs. in Million)



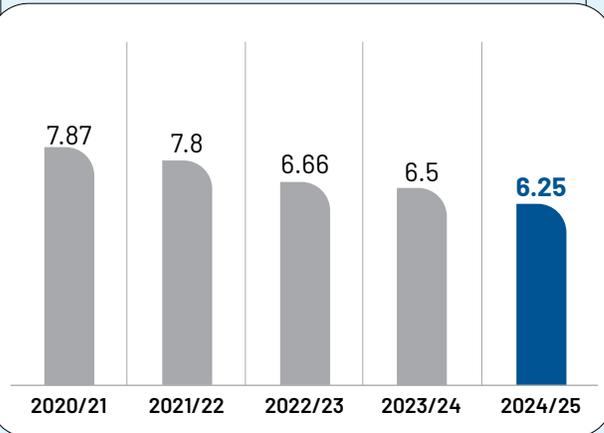
Dividend (In %)



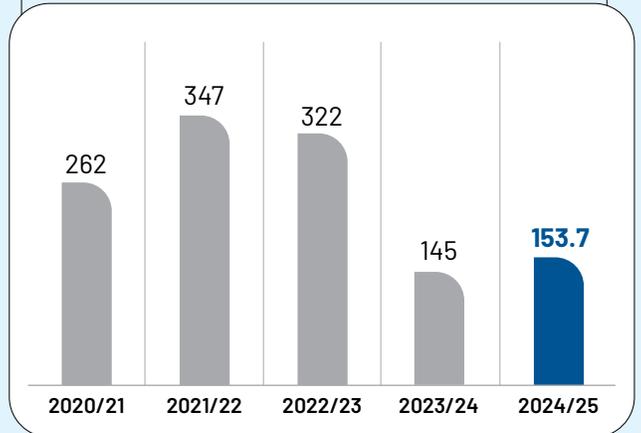
Yield on Investment (In %)



Management Expense Ratio (In %)



Solvency Margin (In %)



Cost and Revenue Per Employee

Particular	2024/25	2023/24	2022/23	2021/22	2020/21
Net Profit per employees	3,928,696	3,571,852	3,318,851	235,387	3,097,899
Cost Per Employee (Employee Expenses to Number of Employee)	1,693,257	1,706,133	1,716,561	1,246,674	1,243,527
Revenue collection per Employee (TPI)	82,538,016	68,539,375	61,324,767	53,528,482	51,052,143

Major Indicators - FY 2024/25

Average Ticket Size Per Policy

FPI	10,981,573,674
No. of Policies Issued	774,351
Average Ticket Size	14,182

Average FPI Per Agent

FPI	10,474,081,728
No. of Active Agents	31,773
Average FPI Per Agent	329,654

Average Incentive Per Agent

Agency Expenses	1,612,356,776
No. of Active Agents	31,773
Average Incentive Per Agent	50,746

Training Details

Training	No. of Training	Participants
Employees	121	4,930
Agents	1,922	9,153



774,351

NO. OF POLICIES
ISSUED



75,072

NO. OF CLAIMS
SETTLED

Investment Income Mix

Particular	2024/25	2023/24
Interest on FD/Call Deposits	15,632,137,534	14,504,525,344
Interest on Debentures	562,992,114	505,036,099
Interest Income on Loan to Policyholders	3,699,699,500	3,392,665,117
Interest Income on other loans	33,631,344	41,458,472
Late Payment Fees on Premium	538,054,820	458,791,497
Reinsurance Commission	105,028,752	63,163,747
Dividend Income	39,931,015	122,019,769
Rental Income	28,470,238	33,543,433
Other Income	52,863,855	37,360,355
	20,692,809,172	19,158,563,832

Particular	2081/82	2080/81	Growth
Total Investment Value	239,421,146,408	205,356,290,090	16.59%

Agency Expenses	1,612,356,776
Agency Commission	3,666,852,656
Total	5,279,209,432

Region-wise Business (FPI)

Province	Amount	%
Koshi	1,671,097,277	15.2%
Madhesh	1,118,210,057	10.2%
Bagmati	4,459,764,605	40.6%
Gandaki	832,736,577	7.6%
Lumbini	1,697,502,902	15.5%
Karnali	389,134,520	3.5%
Sudurpashchim	813,127,736	7.4%
	10,981,573,674	

Financial Performance Summary

Particulars	2024/25 (Rs in Million)	2023/24 (Rs in Million)	Change (In %)
Gross Earned Premiums	48,202	40,849	18%
Net Earned Premiums	47,694	40,173	19%
Investment & Other Income	68,387	59,332	15%
Gross Benefits and Claims Paid	19,192	15,016	28%
Gross Change in Contract Liabilities	36,937	33,039	12%
Profit Before Tax	5,661	5,396	5%
Net Profit	2,294	2,129	8%
Distributable Profit	2,252	1,923	17%
Earning Per Share	25	26	-2%
Dividend Per share	21	21	0%
Proposed Dividend- Cash	16	11	45%
Proposed Dividend- Bonus Share	5	10	-100%
Position at the Year End			
Shareholder's equity	13,004	12,153	7%
Gross Insurance Contract Liabilities	234,755	196,735	19%
Total Investment	239,421	206,187	16%
Total Assets	251,552.15	213,496.33	18%
Ratio			
Return on Total Assets	1%	1%	-9%
Return on Equity	18%	18%	3%

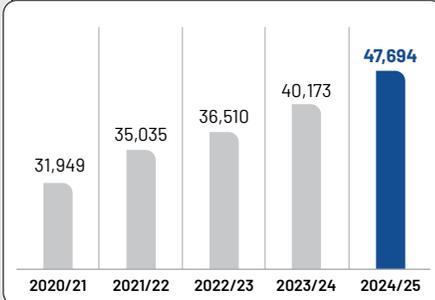
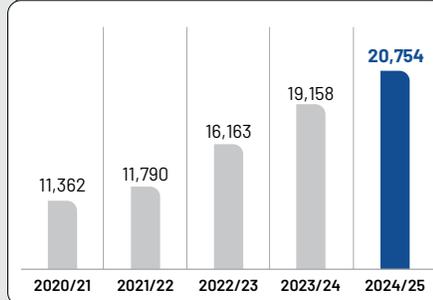
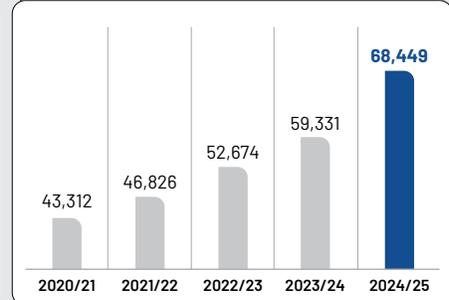
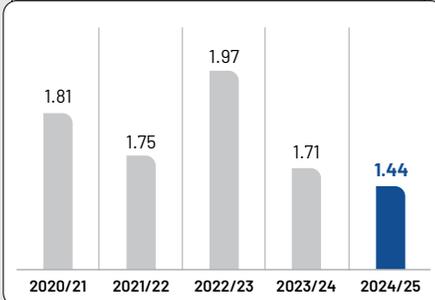
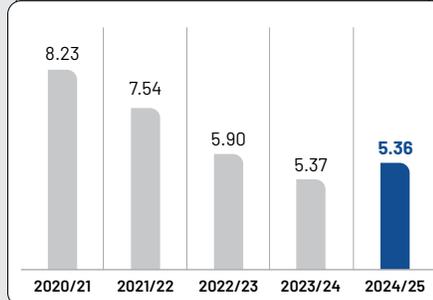
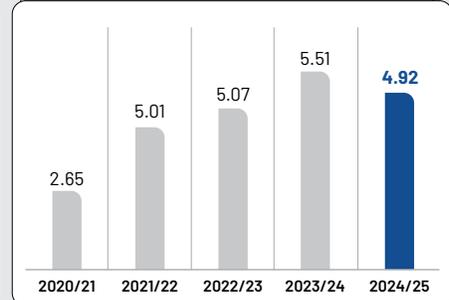
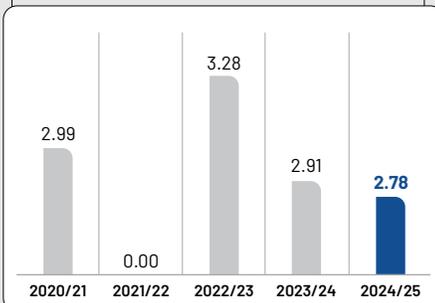
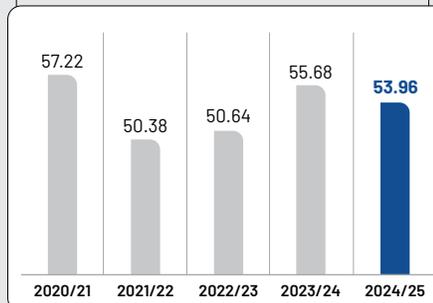
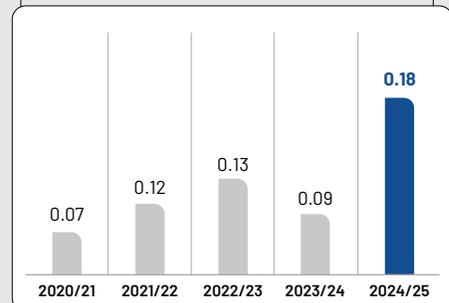
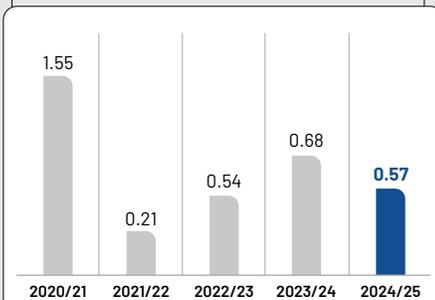
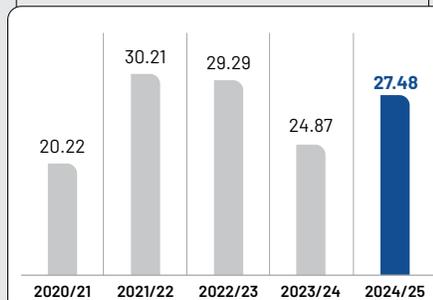
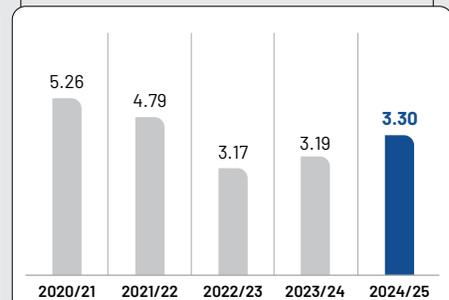
Particulars	2024/25 (Rs in Million)
Risk Based Capital Requirement	18,476
Total solvency Available Capital Resources	28,396
Solvency surplus/decifict	9,920
Solvency Ratio	153.70%
Minimum Solvency Ratio required By Regulator	130%

Key Operating and Financial Ratios

Particular	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
Premium Growth Ratio	18.00%	9.92%	4.72%	9.65%	17.02%	19.68%
First Year Premium Growth Rate						
Endowment	25.92%	16.97%	-14.94%	-31.37%	-10.78%	6.67%
Anticipated Endowment	-34.37%	-35.74%	-42.06%	-2.76%	-13.79%	-30.57%
Endowment Cum Whole Life	-13.17%	-14.53%	-33.10%	19.43%	57.96%	-12.63%
Foreign Employment Term	-37.36%	26.99%	253.47%	198.22%	-75.85%	-8.36%
Othes(Other Term)	221.21%	7.39%	10.84%	345.66%	-7.11%	27.21%
Renewal Premium Growth Rate						
Endowment	15.17%	8.18%	7.11%	23.44%	36.98%	52.49%
Anticipated Endowment	2.13%	-2.61%	0.87%	4.64%	15.63%	2.58%
Endowment Cum Whole Life	16.85%	14.92%	22.73%	25.61%	30.83%	25.76%
Foreign Employment Term						
Othes(Other Term)	119.33%	253.49%	79.40%	-9.32%	-38.35%	-0.30%
Single Premium Growth Rate						
Endowment	119.16%	187.12%	630.20%	-86.74%	-46.39%	54.71%
Anticipated Endowment	-56.99%	-77.94%	-33.09%	255.59%	177.93%	209.05%
Endowment Cum Whole Life						
Foreign Employment Term						
Othes(Other Term)						
Retention Ratio	98.95%	98.34%	98.24%	98.72%	98.71%	98.64%
Commission Ratio	7.61%	7.80%	8.37%	9.95%	11.01%	11.72%
Persistency ratio	97.29%	97.74%	97.77%	97.06%	97.45%	98.29%
Reinsurance premium ceded on gross premium (%)	1.05%	1.66%	1.76%	1.28%	1.29%	1.36%
Expense of Management to Gross Direct Premium Ratio	6.25%	6.50%	6.66%	7.79%	8.57%	10.06%



VALUE ADDED STATEMENT

Net Earned Premium (in Million)

Investment and Other Income (in Million)

Total Value Added (in Million)

Remuneration to Employee (in %)

Commision to intermediaries (in %)

Taxes to the Government (in %)

Dividend to the Shareholders (in %)

Increase in life Insurance Fund (in %)

Depreciation and Amotization (in %)

Retained as Reserve as Growth (in %)

Net Claims and Benefit paid to the Policy Holder (in %)

Other Expenditure (in %)


Value Added Statement

During FY 2024/25, the Company generated NPR 68.45 billion in economic value through its insurance and investment activities. A substantial portion of this value was distributed to policyholders in the form of claims, benefits, and growth in contract liabilities, reflecting the Company's strong policyholder-centric approach. The remaining value was equitably shared among employees, the Government of Nepal, business partners, shareholders, and retained to support long-term sustainability and future growth.

Value Creation:	FY 2024/25	%
Net Earned Premium	47,694,142,060	69.68%
Investment and Other Income	20,754,562,181	30.32%
Total Value Added	68,448,704,242	100.00%
Value Distribution :		
Distribution To Employee	988,862,167	1.44%
Distribution to Intermediaries/Business Partners	3,666,852,656	5.36%
Contribution to the Government via Taxes	3,366,934,095	4.92%
Value To Policy Holder:		
Contribution to Life Fund	36,936,981,820	53.96%
Net Claims and Benefit paid to the Policyholders	18,808,617,963	27.48%
Dividend to the Shareholders	1,900,792,255	2.78%
Retained for Sustainable Growth	393,566,187	0.57%
Other Distribution:		
Retained for Business Sustainability-Depreciation & Amortization	124,102,733	0.18%
Other Expenditure	2,261,994,367	3.30%
Total Value Distribution	68,448,704,242	100.00%

Economic Value Added (EVA)

Economic value added is a financial tool that evaluates the value added considering factors such as net profit, capital invested, volume and cost of debenture etc.

Particulars	Amount (NPR)
Net Operating Profit After Tax (NOPAT)	2,294,358,441.81
Total Equity (Capital Employed)	13,004,294,173.61
Weighted Average Cost of Capital (WACC)	10.02%
Cost of Capital (WACC × Capital Employed)	1,303,030,276.20
EVA (NOPAT - Cost of Capital)	991,328,165.62

Market Value Added (MVA)

Particulars	Amount (NPR)
Market Value of Equity (Market Capitalization)	69,783,310,845.45
Total Equity (Capital Invested)	13,004,294,173.61
MVA (Market Value - Total Equity)	56,779,016,671.85

The company demonstrates strong value creation based on its financial performance:

- EVA of NPR 991.33 million indicates that the company is generating returns above its cost of capital, highlighting efficient capital utilization and profitability.
- MVA of NPR 56.78 billion reflects significant market confidence and shareholder value creation, as the market perceives the company's future growth potential positively.



MANAGEMENT REPORT

This assessment highlights Nepal Life's internal capabilities and challenges, alongside external factors shaping its growth and risk landscape. It offers a concise perspective on the Company's market position, opportunities for expansion, and key uncertainties in a changing operating environment.



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Focus remained on responsible business practices, expanding insurance awareness, supporting financial inclusion, and upholding high standards of ethical conduct.

CHAIRPERSON'S MESSAGE

STRENGTH THROUGH TRUST AND TRANSFORMATION

Dear Stakeholders,

On behalf of the Board of Directors, I extend my sincere appreciation to all our stakeholders for your continued trust and confidence in Nepal Life Insurance Company Limited. It is my privilege to present the 26th Annual Report of the Company, prepared in accordance with the requirements of the prevailing laws, regulations and good governance practices. This report reflects not only the Company's sustained financial progress, but also our collective commitment to enriching lives through long-term financial protection and security.

FINANCIAL PERFORMANCE AND KEY IMPACT

During the review year, the Company delivered a strong and resilient financial performance despite a challenging economic environment. Total premium income reached NPR 48.20 billion, enabling the Company to maintain a leading 26.4% market share in Nepal's life insurance sector. The Life Insurance Fund increased to NPR 232.74 billion, while total investments expanded to NPR 239.4 billion. During the year, the Company disbursed NPR 19.19 billion in life insurance claims. Reflecting this performance and sound capital position, the Company proposed a dividend of 21.05%, amounting to NPR 1.90 billion, based on the paid-up capital of NPR 9.03 billion.

STRATEGIC DIRECTION AND INITIATIVES

The fiscal year 2024/25 was marked by economic moderation, evolving demographic trends, and increasing regulatory and operational complexity across the financial services sector.

In this environment, Nepal Life remained focused on strengthening its institutional foundations, progressing with discipline, and preserving the trust placed in the Company by all the stakeholders.

During the year, the Company continued to advance its long-term strategic priorities, with emphasis on reinforcing governance standards, strengthening risk management practices, and ensuring that growth remained aligned with long-term sustainability and financial soundness. Recognizing the growing importance of technology in enhancing efficiency and service delivery, Nepal Life continued to progress on its digital transformation journey. Environmental, social, and governance considerations also continued to be embedded into the Company's business approach. Focus remained on responsible business practices, expanding insurance awareness, supporting financial inclusion, and upholding high standards of ethical conduct, reflecting Nepal Life's broader responsibility to the communities and society it serves.

CHALLENGES AND RISK LANDSCAPE

The operating environment during the year remained challenging, characterized by economic uncertainty, and rising cost pressures, evolving customer expectations, and a fluid macroeconomic and political landscape. The life insurance sector continued to face structural challenges arising from long-term liability management, limited availability of suitable long-term investment instruments, and the need to balance return objectives with prudential capital and risk requirements.

In addition, rapid technological change has increased exposure to cyber and operational risks, requiring continuous investment in systems, skills, and controls. The Company remains attentive to these external and emerging risks and continues to strengthen its risk management and governance frameworks to navigate uncertainty while protecting long-term stability.



While the Nepal Insurance Authority has prescribed a minimum solvency margin of 130%, the Company has maintained a solvency margin of 153.7% for the fiscal year 2024/25, reflecting the Company's strong financial health and stability.

RISK GOVERNANCE AND FINANCIAL SOUNDNESS

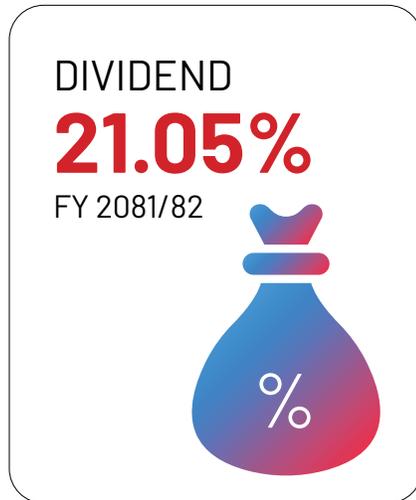
Risk governance remained a central focus throughout the year. The Company continued to manage insurance, market, credit, and operational risks within a disciplined framework, while maintaining a zero-tolerance approach to misconduct and financial crime.

I am pleased to inform you that the Company's actuarial valuation has been prepared fully in accordance with the Risk-Based Capital (RBC) framework issued by the Nepal Insurance Authority. While the Authority has prescribed a minimum solvency margin of 130%, Nepal Life maintained a solvency margin of 153.7% for the fiscal year 2024/25, reflecting the Company's strong financial health, capital efficiency and stability. These details have been duly documented in the actuarial valuation report.

Alongside this, the Company continued to strengthen internal control systems and mitigate potential risks inherent in the life insurance business, ensuring that growth was supported by prudent governance and financial discipline.

BOARD OVERSIGHT AND GOVERNANCE

The annual assessment of the Board of Directors for the fiscal year confirmed that the Board discharged its responsibilities diligently and effectively, upholding high standards of corporate governance, strategic oversight, and ethical leadership. The Board continued to benefit from a diverse mix of skills and experience in insurance, sales, banking/finance, corporate governance, regulatory compliance, and industry-specific domains. Throughout the year, the Board ensured effective oversight of the Company's strategy, monitored key risks and regulatory compliance, and fostered a collaborative, transparent, and accountable culture. This was further supported by ongoing director training in governance, AML/CFT, AI, and regulatory matters.



While overall performance remains strong, the Board remains committed to continuous improvement, with a particular focus on further strengthening Environment, Social, Governance (ESG) integration, digital transformation and cybersecurity oversight, stakeholder communication, and succession planning at executive and senior management levels. These efforts aim to support the Company's long-term sustainable growth.

FUTURE OUTLOOK

Looking ahead, the Company remains committed to continuous improvement, with particular focus on strengthening environmental, social, and governance practices, enhancing oversight of digital transformation and cybersecurity, improving stakeholder communication, and ensuring effective succession planning at senior management levels. These priorities are integral to guiding the Company forward with resilience and responsibility.

ACKNOWLEDGEMENT

I would like to express my heartfelt gratitude to the Government of Nepal, Nepal Insurance Authority, Securities Board of Nepal, Office of the Company Registrar, Nepal Stock Exchange Limited, CDS and Clearing Limited, as well as to all our valued customers, shareholders, founders, and former directors for their continued support in the Company's journey of growth and progress. I am confident that we will continue to receive your support in the future.

I also extend my sincere appreciation to my fellow Board members for their guidance and commitment, and to the management team, agency force, and employees for their dedication and professionalism. which has been instrumental in guiding and supporting the Company's growth and success.

Together, we remain committed to guiding Nepal Life with integrity, prudence, and a long-term perspective, ensuring that the Company continues to create lasting value for all those it serves.

Thank you.

Govind Lal Sanghai

Chairperson
Board of Directors



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Company achieved a historic milestone, collecting a first premium income of NPR 10.98 billion, the highest ever collected by any life insurer to date, marking a 36.89% growth over the previous year, significantly higher than the industry growth of 29.25%

CEO'S MESSAGE

A VISION FOR SUSTAINABLE GROWTH

The past fiscal year marked an important milestone in our journey, as the Company entered its 25th year of operation. This milestone is not only a reflection of sustained growth over time, but also of the lives enriched through protection, security, and financial confidence we provide to millions of families across Nepal. This progress has been made possible through the continued trust and support of our shareholders, policyholders, agency force, employees, the Nepal Insurance Authority, other regulatory bodies, and our valued partners, and I sincerely thank them for their confidence and collaboration, which remain fundamental to the Company's sustained growth and resilience.

In the year under review, global inflation moderated from earlier peaks but remained above targets in several economies, keeping financial conditions tight. In Nepal, household purchasing power was under pressure and medical costs elevated, with outward migration affecting labor markets. At the same time, banking-system liquidity improved, and resilient remittances supported consumption and services.

Regulatory emphasis on prudential strength, transparent disclosure, consumer protection and AML/CFT continued to lift standards across the sector. Demographic shifts, slower population growth and evolving family structures underscored the growing importance of long-term financial protection, disciplined savings and retirement planning.

PERFORMANCE, FINANCIAL STRENGTH, AND IMPACT

Despite the adverse and challenging economic conditions, our Company demonstrated a strong performance. During the year, the Company achieved a historic milestone, collecting a first premium income of NPR 10.98 billion, the highest ever collected by any life insurer to date, marking a 36.89% growth over the previous year, significantly higher than the industry growth of 29.25%. Total premium income reached NPR 48.20 billion, reflecting a robust 18% growth, compared to the industry average of 17.84%, with the industry's total premium income amounting to NPR 182.38 billion. On this basis, the Company maintained a strong market share of 26.4%, reaffirming its leadership position in Nepal's life insurance sector.

The Company's Life Fund increased to NPR 232.74 billion, up from NPR 195.07 billion last year, marking a growth of 19.31%, supported by sustained premium growth. Following actuarial valuation, the Company reported a net profit of NPR 2.29 billion for the fiscal year 2024/25. During the review year, the Company paid a total of NPR 19.19 billion under all types of life insurance claims. We honored claims transparently and on time, achieving a claim settlement ratio of 99.01%, with 94% of claims processed and settled within 15 days of date of complete notification.

Our AA- credit rating assigned by ICRA Nepal, currently represents the highest in the sector was affirmed, reflecting balance-sheet strength and disciplined risk management.

CAPITAL DISCIPLINE AND INVESTMENTS

Amid a challenging market, we stayed aligned with shareholders' core expectations and delivered: protect capital, grow intrinsic value, and predictable returns. Our dividend remained prudent and consistent, funded by recurring cash flows and paced to preserve capital strength while supporting approved growth investments. During the year, we were able to propose a total dividend of 21.05% to shareholders, comprising 16.05% cash and 5% bonus shares.

Stable fixed income remains the anchor for liability matching, and alongside this core, we are selectively adding strategic exposures, including strategic assets and private equity/venture capital allocations within defined limits as prescribed by the regulatory directives for insurance companies to broaden return drivers and support sustainable growth.

Our total investment portfolio reached NPR 239.4 billion during the year. As fixed-deposit rates decline and reinvestment yields face pressure, our balanced diversification, together with disciplined duration and credit selection, is designed to stabilize portfolio yields over time without compromising asset-liability management. We have strengthened our strategic investment platform through our subsidiaries, Nepal Life Capital and Nepal Life Investment. Within Nepal Life, an Alternate Investment Wing has been established to originate and assess non-traditional exposures under clear governance and risk limits.



Our physical presence today is truly national in scale. We now operate across all 77 districts through a 194-location network, comprising our corporate office, 8 provincial/sub-provincial offices, and 185 branches/sub-branches.

RISK MANAGEMENT AND GOVERNANCE

The Company has adopted a full transition to the Risk-Based Capital framework in its first year of implementation and has continued to advance in line with its requirements in the second year. This transition represents a critical step in sustaining growth responsibly as it aligns capital with actual exposure to insurance, market, credit and operational risks. This transition embeds risk awareness in decision-making, improves capital allocation under stress scenarios and reinforces policyholder protection and market confidence.

Governance and conduct remain the backbone of our Company. We operate with zero tolerance for misconduct, AML/CFT breaches. Our risk-based AML/CFT framework is embedded at the frontline with enhanced due diligence, real-time screening and transaction monitoring for higher-risk profiles.

DISTRIBUTION STRENGTH AND PEOPLE

Our physical presence today is truly national in scale. We now operate across all 77 districts through a 194-location network, comprising our corporate office, 8 provincial/sub-provincial offices, and 185 branches/sub-branches. We are systematically upgrading and standardizing our branches to a unified layout and service model, ensuring that every customer, wherever they are in Nepal, receives the same standard of service. In parallel, we continue to invest strategically in land and properties, both for self-use to secure critical locations and optimize long-term occupancy costs, and for lease or rental to generate stable income and enhance capital efficiency. This nationwide presence ensures that protection and service remain accessible to communities across Nepal, regardless of location. People and distribution remain our core strength, supported by 577 employees, 118 contractual and outsource staff and an agency force of 60,989 of which 31,773 are active. The distribution is led by the agency network, which sources more than 95% of new business and serves as our primary interface with households across Nepal. We are deepening a learning culture and mindset, led by management and cascading to the frontline, by building learning into leadership routines and translating those routines into practical coaching on the ground. We view human capital as the first line of risk control: decisions are taken within defined limits, supported by targeted guidance, early challenge and time escalation. This reduces operational and conduct risk while enhancing service quality.

FUTURE READINESS AND SUSTAINABILITY

As market leader, our objective is to blend technology with our core strengths: trust, scale and nationwide reach, to create a seamless, secure and intelligent digital ecosystem that elevates customer experiences and strengthens. We continue to simplify processes so that turnaround times decrease and unit costs decline without weakening controls. During the year, we laid the foundations through independent capability assessments by top-tier advisors and the formation of a dedicated Digital Transformation Unit. The roadmap prioritizes core-system modernization and integration, customer- and agent-centric digital platforms, data and analytics enablement, and resilient infrastructure and cybersecurity aligned with regulatory directives. We are building digital literacy and AI awareness across teams and will deliver in phases, balancing ambition

YIELD ON INVESTMENT

10.02%

FY 2081/82



with realism to ensure execution keeps pace with market adoption and our ESG commitments.

Our commitment to inclusion and sustainability continues to strengthen. We are expanding insurance awareness and access through financial-literacy initiatives, branch-led outreach and partnerships that bring protection to first-time buyers and single-earner households. On the investment side we are prioritizing credible green opportunities, while within operations we continue to advance efficient energy use. Transparent, timely disclosures remain the foundation of our relationship with regulators and investors.

ACKNOWLEDGEMENT

I extend my deepest appreciation to our Board of Directors and Board-level committees for their strategic direction and invaluable guidance, to our senior management team for their continued support, to our dedicated agency force and employees whose tireless efforts and commitment continue to drive Nepal Life forward.

Together, we remain committed to further strengthening the foundations for sustainable growth, while ensuring that this growth continues to translate into meaningful protection and long-term security for families across Nepal.

Regards,

Pravin Raman Parajuli
Chief Executive Officer



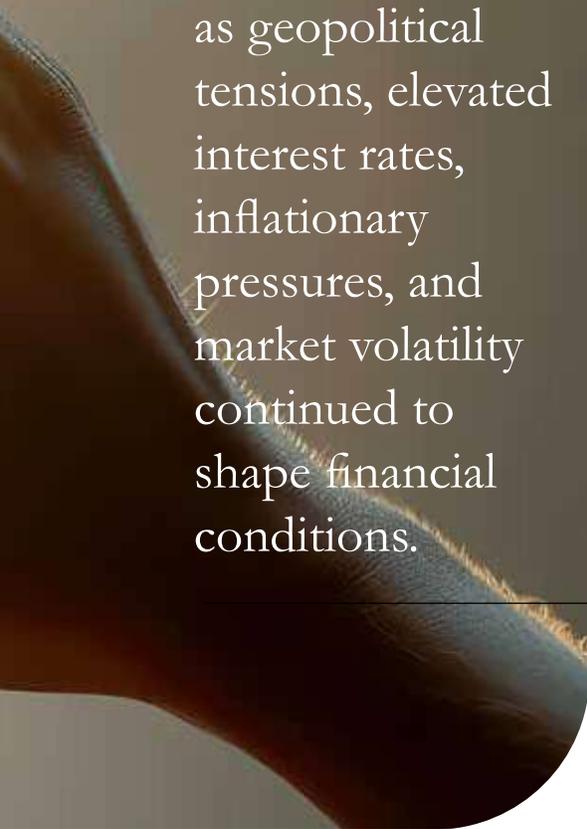
PERFORMANCE OVERVIEW

Fiscal Year 2024/25 unfolded amid a complex and rapidly shifting socio-economic and geopolitical landscape, both globally and domestically. In this demanding environment, Nepal Life upheld its leadership in the life insurance sector, demonstrating resilience, operational discipline, and an unwavering commitment to its policyholders and shareholders.

Globally, economic recovery remained uneven as geopolitical tensions, elevated interest rates, inflationary pressures, and market volatility continued to shape financial conditions. These dynamics exerted pressure on capital markets, investment yields, and cross-border economic activity.



Globally, economic recovery remained uneven as geopolitical tensions, elevated interest rates, inflationary pressures, and market volatility continued to shape financial conditions.



Domestically, Nepal faced moderated economic growth driven by improved liquidity conditions, sluggish credit expansion, rising import costs, persistent inflation, and subdued private investment. Nevertheless, strong remittance inflows helped stabilize household incomes and provided an important cushion for the national economy.

Regional geopolitical shifts, coupled with global supply-chain disruptions, influenced commodity prices and dampened investment sentiment. These developments affected insurers directly through fluctuations in investment markets and indirectly through their impact on consumer purchasing power.

Against this challenging backdrop, Nepal Life continued to navigate with prudence and foresight, safeguarding its financial resilience while steadily expanding and serving its growing customer base.

Industry Overview

Life insurance in Nepal is steadily evolving, shaped by regulatory reforms, rising public awareness, and intensifying competition. The sector continues to be defined by long-term liabilities, capital-intensive operations, actuarial complexities, and a strong reliance on the effectiveness of its distribution networks.

In FY 2024/25, the industry recorded broad-based growth across most business segments despite persistent macroeconomic pressures and heightened competitive dynamics. Total Premium Income rose to approximately NPR 182 billion, an increase of 17% year-on-year. Traditional life insurance business expanded by 32% to around

NPR 38 billion, while First Premium Income grew by 29% to roughly NPR 45 billion, driven by sustained new business generation.

Renewal premiums, which comprise the largest share of industry income, increased by 13% to about NPR 138 billion, underscoring the strength and stability of the industry's in-force portfolio. Microinsurance and Foreign Employment Insurance each registered growth of 14%, reaching approximately NPR 3.1 billion and NPR 3.6 billion respectively, reflecting a steady expansion of inclusive and migrant-focused insurance segments.

Overall, the industry's performance during the fiscal year highlights moderate yet meaningful growth, rising competitive intensity, and a gradual shift toward scale, operational efficiency, and customer-centric service delivery. These developments are setting the foundation for deeper structural improvements and accelerated digital transformation in the years ahead.

PECULIAR CHALLENGES FACING THE INDUSTRY

The life insurance sector continues to navigate a number of structural and emerging challenges, including:

- Volatile financial markets affecting long-term investment returns.
- Limited availability of diversified long-term investment instruments
- Intensified competition among both traditional insurers and new market entrants.
- High dependency on agency networks, necessitating continuous training, upskilling, and performance enhancement.

Category	2023/24	2024/25	Growth (%)
First Premium Income	34.52	44.62	29%
Micro Business	2.67	3.06	14%
Foreign Employment	3.13	3.57	14%
Renewal	122	138	13%
Total Premium Income	157	182	17%

KEY RISKS

The industry's risk landscape remains multifaceted:

1. Market Risk:

Interest rate movements influencing the valuation of long-term liabilities and investment portfolios.

2. Liquidity Risk:

Tightening macro-financial conditions within the banking sector affecting cash flows and liquidity buffers.

3. Operational Risk:

Greater digital reliance heightening the need for robust cybersecurity and resilient IT infrastructure.

4. Regulatory Risk:

Ongoing adaptation to evolving directives and compliance standards issued by the Nepal Insurance Authority (NIA).

5. Underwriting Risk:

Shifts in mortality and morbidity trends requiring refined actuarial assumptions and risk assessment models.

KEY OPPORTUNITIES

Despite its challenges, the industry is presented with significant avenues for growth:

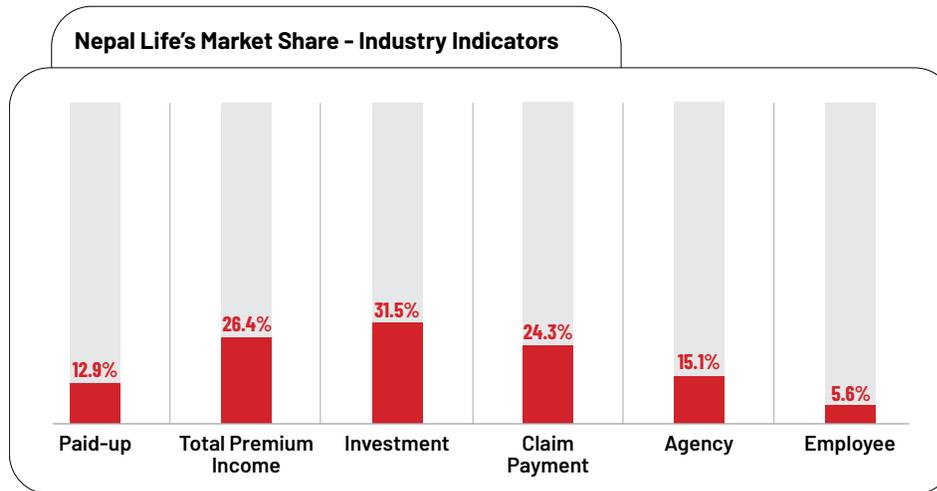
- A growing middle-class population increasingly seeking long-term financial protection and savings solutions.
- Underpenetrated rural and semi-urban markets, offering substantial potential for coverage expansion.
- Scope for product innovation, including tailored protection, savings, and retirement products.
- Rapid digital transformation, enabling broader reach, enhanced service quality, and improved customer engagement.



PERFORMANCE REVIEW OF THE ORGANIZATION

(In Billion)

Category	2023/24	2024/25	Growth (%)	Industry Growth (%)	Market Share (%)
First Premium Income	8.02	10.98	37%	29%	25%
Micro Business	0.01	0.09	960%	14%	3%
Foreign Employment	0.62	0.39	(37%)	14%	11%
Renewal	32.83	37.22	13%	13%	27%
Total Premium Income	40.85	48.20	18%	17%	26%



Agency and employee data are based on the total insurance industry; remaining indicators pertain to life insurance only.

Nepal Life has effectively leveraged its strong brand equity, extensive agency network, and prudent investment philosophy to harness opportunities in the market while mitigating key risks, positioning itself for stable growth and sustained market leadership.

Despite prevailing challenges, Nepal Life delivered steady and commendable performance across all major financial

and operational indicators. The Company sustained its dominant market share, broadened its customer outreach, and further strengthened its service delivery standards.

Nepal Life continues to maintain a strong and well-diversified market presence across key business segments. Traditional business remains a cornerstone of the Company's portfolio, supported by growth



Against the industry backdrop, Nepal Life outperformed the market in key segments while maintaining a strong and diversified market share, reinforcing its leadership position.

that exceeded overall industry performance and reinforced by consistent agency productivity. First Premium Income also expanded ahead of industry trends, reflecting effective new-business generation and sustained customer confidence in Nepal Life's product offerings.

The microinsurance segment demonstrated exceptional momentum, marking deeper penetration into underserved communities and significant progress in rural and semi-urban markets. By contrast, the Foreign Employment Insurance segment experienced a decline during the period. In response, the Company is recalibrating its strategy to stabilize this portfolio and better align with evolving regional labor dynamics.

Renewal premiums remain a foundation of strength, underpinned by strong persistence, continued customer trust, and disciplined collection processes. The Company's Total Premium Income performance further reaffirms Nepal Life's resilience, with growth slightly outpacing overall industry movement.

Overall, the Company's broad-based momentum, particularly in segments where growth surpassed the industry, combined with its stable market share, reflects a solid competitive position and a strong platform for future expansion.

PRODUCT-WISE SALES COMPOSITION

Product Category	Sales Contribution (%) FY 2024/25
Endowment	65.0%
Endow. Cum Whole Life	21.1%
Anticipated Endowment	12.6%
Foreign Employment Term	0.8%
Others (Other Term)	0.4%

The Company's sales portfolio continues to be dominated by endowment products, which accounted for 65.0 % of total sales, underscoring customers' strong preference for insurance solutions that combine life protection with long-term savings. Endowment-cum-whole life plans contributed 21.1%, while anticipated policies



represented 12.6% of overall sales. Foreign Employment Term made up 0.8 %, and term-based offerings accounted for only a marginal share. This distribution clearly reflects the market's continued inclination toward savings-linked, long-duration products over pure risk-cover solutions.

PRODUCT-WISE PROFITABILITY

Product Category	Profit Contribution (%) FY 2024/25
Endowment	62.6 %
Endow. Cum Whole Life	20.9%
Anticipated Endowment	0.01%
Foreign Employment Term	13.5%
Others (Other Term)	3.0%

Profitability in FY 2024/25 was primarily driven by endowment products, which contributed 62.6% of the total product profits, reflecting their stable margins. Endowment cum whole life plans accounted for 20.9% of profits. In contrast, the anticipated endowment policies contributed only a negligible share 0.01%, while Foreign Employment

Term products generated a notable 13.5% of total profits despite lower sales volumes. Additionally, other term products contributed 3.0%.

LIFE FUND AND FINANCIAL STRENGTH

Nepal Life's life fund demonstrated solid growth, reaching NPR 232.74 billion during the year, compared to NPR 195.07 billion in the previous period. This expansion was supported by disciplined cashflow management, product mix and prudent investment management reinforcing the Company's financial strength and long-term policyholder security.

INVESTMENT PERFORMANCE

The Company maintained a well-diversified investment portfolio totaling NPR 239.42 billion, up from NPR 206.18 billion last year. The portfolio comprises fixed-income instruments along with selective equity exposure in both listed and unlisted entities across investment companies, investment banking, education, Private Equity Venture Capital (PEVC), hydropower, and commercial property. This balanced asset mix ensured performance stability despite ongoing market uncertainties.

PROFITABILITY

Profitability strengthened during the fiscal year, with net profit rising to NPR 2.29 billion, compared to NPR 2.12 billion in the previous year. Profit margins remained robust, reflecting the Company's financial discipline, operational efficiency, and commitment to long-term value creation for its stakeholders.

The year's performance underscores Nepal Life's resilience, adaptability, and strategic foresight in navigating a challenging economic and regulatory environment. With a solid foundation, strong governance discipline, and a customer-first philosophy, the Company is well-positioned to sustain its leadership in Nepal's life insurance sector and deliver long-term, sustainable growth for all stakeholders.

PROFITABILITY STRENGTHENED DURING THE FISCAL YEAR, WITH NET PROFIT RISING TO NPR

2.29 B

COMPARED TO **NPR 2.12 BILLION** IN THE PREVIOUS YEAR

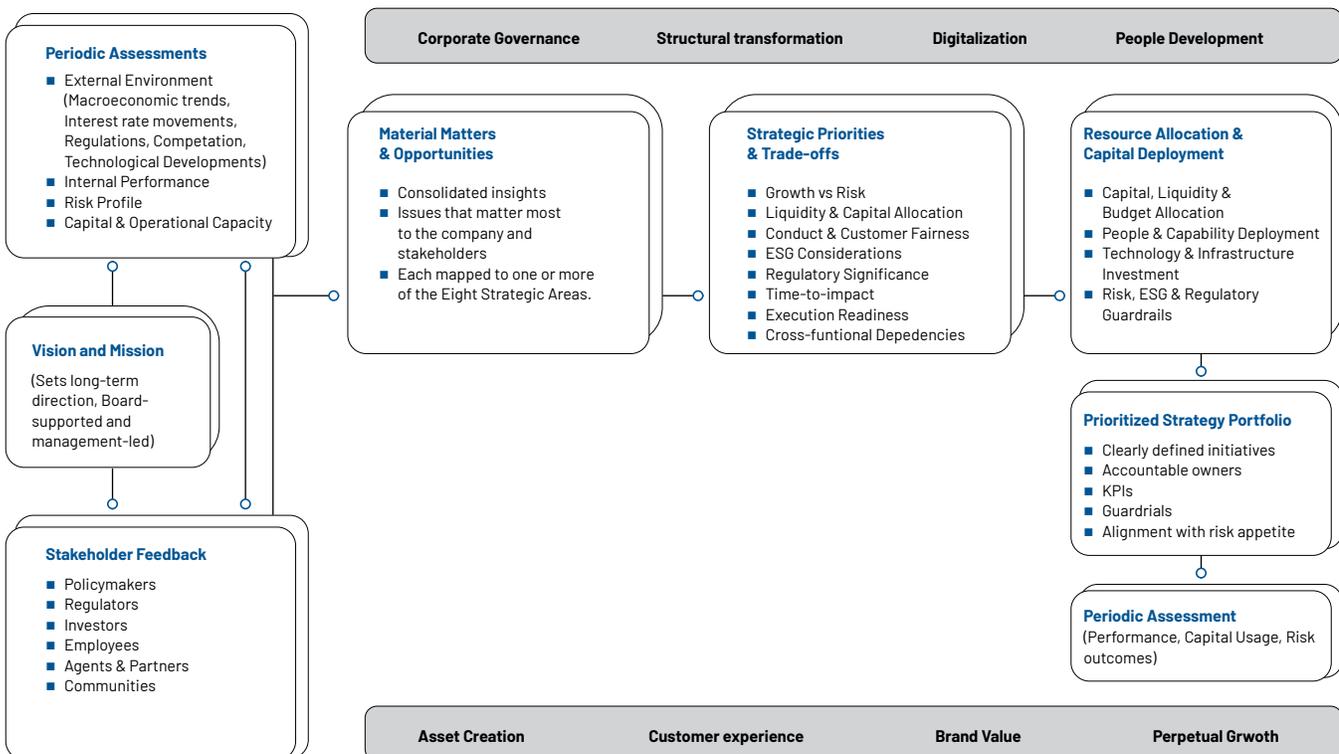
STRATEGIC PRIORITIES AND RESOURCE ALLOCATION

Our strategy is developed through a structured process led by management and supported by the Board. It begins with our vision and mission, takes into account market dynamics, stakeholder expectations, and regulatory developments, and ultimately translates into a focused portfolio of initiatives. The foundation of this strategy is eight strategic areas that shape how we operate across the organization.

We periodically conduct a systematic assessment of the issues that matter most to the company and its stakeholders. This includes analyzing external conditions, macroeconomic trends, interest-rate movements, regulatory changes, competition, and technological developments, alongside our internal performance, risk profile, capital position, and operational capacity. Stakeholder priorities, such as those of policyholders, agents and partners, employees, regulators, investors, and

communities, are captured through feedback mechanisms. The outcome is a concise set of material matters and opportunities, each aligned with one or more of our eight strategic areas.

Using these insights, management defines clear strategic priorities and the trade-offs required to pursue them. Decisions balance growth with risk, liquidity, and capital; uphold conduct and customer fairness obligations; and consider relevant Environmental, Social and Governance (ESG) implications. Each decision is evaluated based on value at stake, execution readiness, regulatory significance, time to impact, and cross-functional interdependencies. This process results in a prioritized strategy portfolio with defined owners, KPIs, and guardrails aligned with our risk appetite.



Key Strategic Areas	Objectives	KPIs (Key Performance Indicators)	Resource Allocation	Achievements (This Year)	Targets
Corporate Governance	<ul style="list-style-type: none"> Strengthen Board oversight, risk appetite governance, and three lines-of-defense Tighten conduct, AML/CFT, data-privacy and disclosure controls Enhance transparency through timely, high-quality statutory/regulatory reporting and clear accountability for control remediation 	<ul style="list-style-type: none"> Board/Committee independence and effectiveness Meeting attendance (%) Audit related issue closure cycle time Regulatory compliance exceptions Risk appetite exceptions Number of policies and guidelines 	<ul style="list-style-type: none"> Tracking through software to ensure compliance Onboarding of independent professionals Dedicated human resources 	<ul style="list-style-type: none"> Regulatory compliance remained strong with no critical issues, a non-material operational issue was observed and improved. 	<p>Short</p> <ul style="list-style-type: none"> Build ESG Policy and constitute management level ESG Committee <p>Mid</p> <ul style="list-style-type: none"> Embed enterprise-wide risk & compliance framework linked to strategy Build stronger independent risk oversight Establish ESG KPIs <p>Long</p> <ul style="list-style-type: none"> Nationally trusted governance posture ESG KPIs mapping and stewardship disclosures
Structural Transformation	<ul style="list-style-type: none"> Build enterprise agility and a strategy-first board, management cadence Shift mindset from traditional to strategic across policies, operations, and management practice Sense and adopt external/regional changes quickly Evolve organogram dynamically with clear roles and spans Embed a culture of continuous improvement. 	<ul style="list-style-type: none"> Organizational level change Policy review and revision Processes redesigned around outcomes Regular strategic scans Cadence adherence 	<ul style="list-style-type: none"> Actuarial support Pool of doctors and health institutions to ensure risk-based approach is followed for business onboarding Sectoral expert consultants Process redesign Manager upskilling 	<ul style="list-style-type: none"> Initiation of an annual assessment of the Board and its Committees by the Chairperson Harmonized KPIs across all units for head of departments Shift from traditional to alternative investments across key sectors: Investment Company, Education, PE/Vc, Real Estate, Hydropower, Commercial Property, and Investment Banking. New strategic units stood up: Asset Management unit and Digital Transformation unit 	<p>Short</p> <ul style="list-style-type: none"> Embed continuous-improvement culture with measurable productivity gains <p>Mid</p> <ul style="list-style-type: none"> Maintain a dynamic organogram and skills base with critical-role coverage. Evolve the operating model with business needs: redesign a few high-volume processes for speed/quality. <p>Long</p> <ul style="list-style-type: none"> Sustain continuous improvement with visible productivity and service gains across regions. Be partnership/ecosystem ready to plug in new capabilities as the market evolves. Align to evolving business and market needs by rapidly adopting regional trends

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Key Strategic Areas	Objectives	KPIs (Key Performance Indicators)	Resource Allocation	Achievements (This Year)	Targets
Digitalization	<ul style="list-style-type: none"> Deepen digital infrastructure End-to-end digital journeys for sales/ cross sales, service, and claims. Strengthen cyber and reliability Risk management 	<ul style="list-style-type: none"> Digital adoption of key journey Incident response Data quality and governance Data quality score 	<ul style="list-style-type: none"> Investment in Technology – NPR 12.80 million Data platform team 	<p>Digital Penetration on renewal payments:</p> <ul style="list-style-type: none"> Digital Penetration on renewal payments: 35%. Established a Digital transformation unit <p>Built a digital transformation roadmap</p> <ul style="list-style-type: none"> Built a digital transformation roadmap <p>Power BI dashboards live for Board, executives and departments</p> <ul style="list-style-type: none"> Power BI dashboards live for Board, executives and departments <p>Implementation of Prophet, software for actuarial services</p> <ul style="list-style-type: none"> Implementation of Prophet, software for actuarial services 	<p>Short</p> <ul style="list-style-type: none"> Digitize top journeys Expand self-service & QR/digital payments <p>Mid</p> <ul style="list-style-type: none"> End-to-end digital ops on core lines <p>Long</p> <ul style="list-style-type: none"> Advance a full digital ecosystem Seamless omnichannel experience for customers, agents, and partners.
People Development	<ul style="list-style-type: none"> Build a value-aligned, high-performance workforce Optimize workforce structure and boost internal mobility Build leadership pipeline and role-based learning 	<ul style="list-style-type: none"> Employee engagement Critical- role retention Internal mobility moves Succession coverage Number of trainings Attrition rate Active agents Agent activation/renewal MDRT/Other national level awards progression 	<ul style="list-style-type: none"> Learning and Development (Staff/ Agency): NPR 13.7 million/46.39 million Agency Training Unit 	<p>Participation in Business Excellence Conference (Staff Recognition): 238</p> <ul style="list-style-type: none"> Participation in Leadership Excellence Awards (Agency Recognition): 440 <p>Participation in MDRT: 95</p> <ul style="list-style-type: none"> Participation in MDRT: 95 <p>Number of Staff Training/Trainees: 115/4,205</p> <ul style="list-style-type: none"> Number of Staff Training/Trainees: 115/4,205 <p>Number of Agency Training/Trainees: 121/4,930</p> <ul style="list-style-type: none"> Number of Agency Training/Trainees: 121/4,930 <p>Attrition Rate: 3.29%</p> <ul style="list-style-type: none"> Attrition Rate: 3.29% <p>Initiated Leadership Associate Program (Annual/semi annual intensive leadership development initiative aimed at preparing high-potential employees for future managerial roles.</p> <ul style="list-style-type: none"> Initiated Leadership Associate Program (Annual/semi annual intensive leadership development initiative aimed at preparing high-potential employees for future managerial roles. 	<p>Short</p> <ul style="list-style-type: none"> Leadership acceleration Role-based learning paths Institutionalize continuous learning <p>Mid</p> <ul style="list-style-type: none"> Improve mobility and critical-role coverage Uplift manager capability <p>Long</p> <ul style="list-style-type: none"> Succession pipeline for critical roles and future leaders. Strengthen workforce value proposition with credible recognition and career paths.

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Key Strategic Areas	Objectives	KPIs (Key Performance Indicators)	Resource Allocation	Achievements (This Year)	Targets
Assets Creation	<ul style="list-style-type: none"> Accelerate quality asset creation and optimize asset allocation Robust ALM, disciplined capital deployment Diversification, value creation and return optimization 	<ul style="list-style-type: none"> AUM mix aligned to ALM Yield vs benchmark Realized gains Capital deployed to strategic assets Concentration limits Post-investment performance reviews 	<ul style="list-style-type: none"> Creation of independent unit Investment software Diversification Induction of resources to the investee companies Independent sectoral consultants 	<ul style="list-style-type: none"> Total Asset under Management: NPR 240.45 billion, Total Alternate Investments: NPR 5.48 billion 	<p>Short</p> <ul style="list-style-type: none"> Monetize idle land assets, redeploy capital, protect liquidity buffers. Grow quality assets, alternate-asset capability under tight governance. Fully roll out software for pipeline, execution, and monitoring <p>Mid</p> <ul style="list-style-type: none"> Scale the asset platform for yield/revenue maximization within risk appetite Deepen sector coverage via consultants Revenue and yield maximization <p>Long</p> <ul style="list-style-type: none"> Maintain a resilient, diversified, ESG-aligned portfolio across cycles Institutionalize the plowback of gains and capital redeployment to high-conviction ideas Yield maximization with principal protection
	Customer Experience	<ul style="list-style-type: none"> Offer suitable products that meet customer needs. Deliver simple, swift, and reliable service at every customer touchpoint. Ensure fair and timely claims processing. Drive customer retention through consistent satisfaction and trust. 	<ul style="list-style-type: none"> Persistence Grievance resolution standard Renewal collection rate Claims settlement TAT Digital service adoption 	<ul style="list-style-type: none"> Core CRM Platforms Frontline coordinators Customer education explainers. 	<ul style="list-style-type: none"> Claim settlement ratio: 99.01% Average claim settlement TAT: 7 days Average TAT to resolve grievance: 6 days Closing complaints pending for the year: 0 Customer Survey: 8,401

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Key Strategic Areas	Objectives	KPIs (Key Performance Indicators)	Resource Allocation	Achievements (This Year)	Targets
Brand Value	<ul style="list-style-type: none"> Build and protect trust through reliable service outcomes, transparent governance, and resilient financial performance that enables sustainable growth. Ensure consistent, compliant communication across all channels, partners, and materials. Strengthen stakeholder reputation through transparency, reliability, and measurable impact. Mobilize employees, agents, and policyholders as advocates Advance ESG-aligned practices that reinforce trust and long-term value creation. 	<ul style="list-style-type: none"> Claim settlement ratio and TAT Dividend and bonus stability Persistence Agency onboarding Brand reach and reputation Digital presence and engagement Brand standards adherence across all branches/agents/materials 	<ul style="list-style-type: none"> Brand/PR Budget: NPR 13.5 million, CSR: 29.82 million, 	<ul style="list-style-type: none"> Established the brand as the first premium collector in history Consistent digital content cadence Received Credit Rating AA-, currently the highest in the sector Received the "Best Presented Annual Report Award 2024" Received "Best Life Insurance Of the Year Award 2025" 	<p>Short</p> <ul style="list-style-type: none"> Digital Brand Acceleration <p>Mid</p> <ul style="list-style-type: none"> Expand customer-education series Align ESG activities with brands purpose and report disclosures <p>Long</p> <ul style="list-style-type: none"> Build a durable advocacy engine (regulators, shareholders, policyholders, employees and agents) Maintain brand trust through stable value creation and consistent conduct.
	<ul style="list-style-type: none"> Achieve profitable market leadership through sustained market share gains and deeper customer penetration. Balance new-customer acquisition and retention. Drive innovation in products, channels, and partnerships to meet evolving market needs. Ensure cost efficiency and disciplined management of capital to support attractive, sustainable stakeholder returns Grow business in alignment with ESG principles. 	<ul style="list-style-type: none"> Market share trajectory Total premium growth Persistence and renewal collection Bonus and dividend capacity and stability Cost efficiency and productivity Product mix quality 	<ul style="list-style-type: none"> Diversified investment Workforce Deployment to strategic assets Product pipeline Partnerships 	<ul style="list-style-type: none"> Collection of FPI NPR 10.98 billion, the most ever collected by any life insurer to date 35.28% annual growth in FPI, 6.03% greater than industry average. Market leader with 29.25% market share based on TPI. Shareholder Return: 21.05%, Policyholder reasonable expectation: Rs 56 - 85 per Rs 1000 	<p>Short</p> <ul style="list-style-type: none"> Protect and extend market leadership Expand product portfolio Strengthen customer retention Cost discipline Advance ESG-aligned initiatives <p>Mid</p> <ul style="list-style-type: none"> Expand product portfolio Improve critical-role coverage and mobility across growth engines (sales, service, analytics) Build bonus/dividend capacity through steady earnings quality and risk balance. <p>Long</p> <ul style="list-style-type: none"> Position Nepal Life as a financial conglomerate, ecosystem-enabled delivering consistent market-share gains, resilient margins, strong bonuses, and sustainable dividends Run a continuous strategy revisit and redeploy cycle so growth, returns, and stakeholder expectations reinforce each other across cycles.

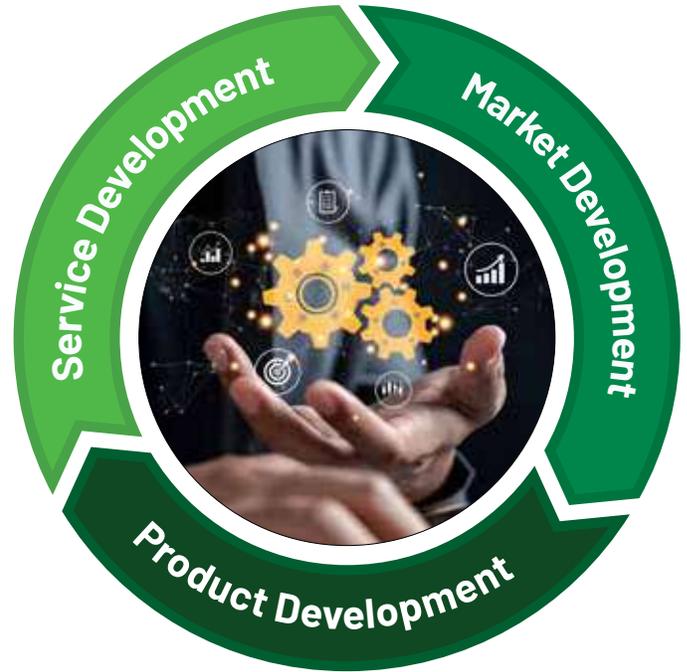
BUSINESS DEVELOPMENT STRATEGY

Market Development

Market development at Nepal Life Insurance is driven by province-wise performance analysis, reflecting Nepal's diverse geographic, economic, and demographic realities. Business growth, persistency, claims trends, and agency productivity are reviewed at the provincial level, enabling targeted market strategies rather than a one-size-fits-all approach. We conduct quarterly province-level performance and strategy meetings involving regional managers and senior management team. These forums assess progress against targets, identify bottlenecks, review competitor activity, and recalibrate deployment strategies. Special focus is placed on untapped and underpenetrated markets, including emerging urban centers, semi-urban districts, and insurance-penetration-low rural areas. Market expansion decisions are informed by competitor benchmarking, including product features, pricing standards, service expectations, and distribution practices within each province. Go-to-market execution leverages Nepal Life's extensive branch and agency network, supported by data-driven targeting to improve reach, productivity, and cost efficiency. Existing customer data is used to identify life-stage and location-based cross-selling opportunities, strengthening presence across provinces.

Product Development

At Nepal Life product development is guided by customer demand, competitive pricing, regulatory requirements, and long-term sustainability, while reinforcing the company's strong market standing as a trusted life insurer. Product design and enhancement decisions are informed by feedback from agents, branches, regulators, and other key stakeholders. Pricing is set competitively, balancing affordability for customers with risk, cost-to-serve, and profitability considerations. The products are continuously assessed against market standards and peer offerings to ensure relevance and competitiveness across different income segments and regions. We actively consider gender-wise needs, geographic differences, and socio-economic profiles when refining products and benefits. Targeted offerings and riders address protection, savings, and retirement needs in both mature and untapped markets, enabling broader inclusion and deeper penetration.



Service Development

Service development at Nepal Life is centered on accessibility, responsiveness, and customer trust. The company operates a dedicated CRM service function daily from 7:00 AM to 6:00 PM, ensuring consistent support for policyholders, agents, and partners.

Customers can access services through multiple channels, including branches, call support, agents, and digital platforms, providing convenience across provinces and customer segments. Service standards are clearly defined for policy issuance, endorsements, claims processing, renewals, and customer inquiries, with branch-level accountability and structured escalation mechanisms. Collections are streamlined via dynamic QR, while timely renewal reminders sustain persistency.

Nepal Life maintains a robust grievance-handling framework, ensuring complaints are tracked, reviewed, and resolved within defined timelines. Regular monitoring of service quality, turnaround times, claim settlement performance, and complaint resolution helps identify improvement areas. Insights from service performance reviews feed into process simplification, staff training, and system enhancements, supporting the company's commitment to better, faster, and more reliable service nationwide.

BUSINESS SUSTAINABILITY

Nepal Life Insurance Company's sustainability approach is anchored in its responsibility to protect policyholders over the long term, strengthen trust in insurance, and contribute to Nepal's economic and social resilience. As a market-leading life insurer with a wide geographic presence (190+ branches as of mid-July 2025) and a large long-term investment book, Nepal Life's sustainability priorities are deeply connected to financial inclusion, customer service excellence, disaster resilience, and strong governance.

Key Sustainability Pillars

1. INCLUSIVE PROTECTION AND FINANCIAL AWARENESS

Inclusive protection and awareness are at the center of Nepal Life's sustainability impact. Through nationwide reach and structured awareness programs (including insurance awareness walkathons and rural activation initiatives listed in the Company's CSR activities), the Company supports broader understanding of life insurance and helps households make informed decisions on protection and savings. Through these initiatives, the Company seeks to expand access to life insurance products for rural, low-income and underserved segments, and improving financial literacy to support informed decision-making.

2. CUSTOMER TRUST AND SERVICE EXCELLENCE

Customer trust underpinned by reliable claims service remain fundamental to Nepal Life's sustainability. The Company's growing scale of claims obligations are reflected in its published figures on benefits and claims paid, reinforcing the importance of efficient claims processes, effective grievance handling, and transparent service standards across its nationwide network.

Operating in a disaster-prone environment, Nepal Life also contributes to community resilience through targeted CSR initiatives and branch-coordinated disaster response and relief efforts. During the year, the Company supported flood-affected households across multiple locations through the distribution of specific relief materials to identified families. CSR listings also include relief support for earthquake-affected communities, reinforcing Nepal Life's commitment to social responsibility and community wellbeing.

3. RESPONSIBLE INVESTMENT AND RISK MANAGEMENT

As a long-term institutional investor, Nepal Life recognizes the importance of responsible investing and risk oversight in protecting policyholder funds and supporting long-term stability. The Company's financial disclosures reflect a significant investment portfolio, underscoring the importance of prudent investment governance, risk management, and oversight through Board structures. The Company continues to strengthen its risk management framework by incorporating environmental, social and governance (ESG) considerations into investment decisions where feasible, and strengthening risk management frameworks to address climate, disaster and long-term systemic risks.



4. PEOPLE, AGENTS AND DISTRIBUTION ECOSYSTEM

Nepal Life strengthens sustainability from within by investing in people and responsible distribution. Initiatives such as the “Nepal Life Pathshala” learning management system support professional development and standardized training for agents and teams, helping reinforce responsible selling and service quality. The Company continues to invest in employee and agent capability, ethical conduct, diversity, health, safety and wellbeing to ensure a resilient and responsible workforce.

5. ENVIRONMENTAL STEWARDSHIP (OPERATIONS)

Nepal Life’s environmental footprint is primarily operational in nature, and the Company focuses on practical measures to minimize its impact. Key initiatives include digitization and paper reduction, awareness-linked environmental campaigns, responsible waste management, and improved resource efficiency across operations.

Environmental stewardship is also supported through CSR initiatives such as the “One Branch – One Tree” campaign, which promotes local environmental engagement. Through these efforts, Nepal Life aims to reduce the environmental impact of its operations by enhancing energy efficiency, optimizing resource use, and encouraging environmentally responsible practices across its branch network.

6. GOVERNANCE, ETHICS AND DATA PROTECTION

Nepal Life’s sustainability progress is underpinned by strong governance and oversight. The Board has adopted Beema Samiti Guidelines on Board Effectiveness and operates through defined committees, including audit and risk/investment oversight, to ensure accountability, transparency, and structured risk management, covering IT, cyber, and compliance risks.

The Company maintains robust corporate governance, regulatory compliance, data privacy, cyber security, and ethical business practices across all operations, reinforcing trust with policyholders, employees, and stakeholders.

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Environmental stewardship is also supported through CSR initiatives such as the “One Branch – One Tree” campaign.

Pillar	Key Performance Indicator	Baseline (FY 2024/25)	Remarks	Direction (FY 2025/26)
Inclusive protection	New lives covered in rural / underserved areas	8,479	No. of new policies issued in rural municipalities	Increase outreach and coverage in rural and underserved locations
Inclusive protection	Financial literacy programs conducted (sessions / participants)	48 Session 1,440 Participants	Conducted at locations assigned by the NIA in the following districts: Bhaktapur, Sindhupalchowk, Pyuthan and Rupandehi	Expand financial literacy sessions and participant reach
Customer trust and service excellence	Claims settlement ratio (%)	99.01%	94% were processed and settled within 15 days from the date of complete claim notification.	Maintain timely and transparent claims settlement and further strengthen turnaround efficiency
Customer trust and service excellence	Grievances resolved within service-level timelines (%)	100%	All complaints received during the year were resolved, with an average TAT of 6 days and no pending complaints at year-end.	Maintain timely and effective grievance resolution in line with internal service standards.
Distribution conduct	Number of training programs conducted, and trainees covered	Staff: 115 trainings 4,205 trainees Agency: 121 trainings/ 4,930 trainees	Based on total training programs conducted and participations during the fiscal year for staff as well as agency	Enhance training coverage and capability development
Governance & cyber	Employees trained on data privacy and cyber security (%)	30%	Training delivered through standalone and embedded sessions	Progress towards comprehensive employee coverage
Governance & cyber	Material data breaches	Nil	No material data breach incidents reported during the year	Maintain zero material data breach incidents
Environmental stewardship	Policies and services completed paperless (%)	80%	Digital Operation vis-à-vis last year paper work operation.	Increase digitization and paperless servicing
Responsible investment	Investment portfolio	Sector-based screening through investment exposure to hydropower and climate-relevant assets	Approximately 9% of total alternate investments are in hydropower projects, with a further 12.5% invested through PE/VC funds with underlying hydropower exposure.	Expand ESG and climate risk considerations in investment review
Digital enablement	Renewal premium collections through digital channels (%)	35 %	Share of renewal premiums collected through digital payment channels	Increase digital renewal collections to 40%.

नेपालकै

★★ सर्वाधिक विश्वासिलो ★★

नेपाल लाइफ
इन्स्युरेन्स सँगै जीवन बीमा गरौं

नेपाल लाइफ
समुन्नत
जीवन बीमा



१ गुणा लगाणी गरी पाउनुहोस् बीमाइको
3 गुणा रकम
+ बोनस भुक्तानी*

जोखिमयुक्त पेसा अपनाउनु भएका १८ वर्ष देखि ६५ वर्षसम्मका
बीमितहरुले पाउनुहुनेछ बीमाइको ३ गुणा रकम + बोनस भुक्तानी।

दुर्घटनाबाट मृत्यु हुँदा

बीमाइको

3 गुणा + BONUS

सामान्य मृत्यु हुँदा

बीमाइको

2 गुणा + BONUS

जीवन रहँदा

बीमाइको

1 गुणा + BONUS



*दुर्घटनाबाट बीमितको मृत्यु हुँदा
बीमाइको टेबलर जोखिम बहन हुने।



MACROECONOMIC OUTLOOK

GLOBAL ECONOMIC OVERVIEW

The global economy entered 2025 on a path of moderate but uneven expansion, as outlined in the International Monetary Fund's 'World Economic Outlook' (October 2025).

The IMF estimates that world output grew by 3.3% in 2024 and projects further expansion of 3.2% in 2025 and 3.1% in 2026. These figures indicate a continued post-pandemic normalization, though one that remains below the long-term average of 3.4% recorded between 2007 and 2016. While the world economy avoided a sharp slowdown, growth has settled into a lower gear, weighed down by tighter financial conditions, reduced investment appetite and lingering structural weaknesses across both advanced and developing economies.

Advanced economies faced a subdued growth environment, shaped largely by the lagged effects of elevated interest rates and ongoing policy tightening aimed at ensuring a durable decline in inflation. Although inflation pressures eased substantially from their post-pandemic peaks, core inflation in several major markets remained above central bank targets, prompting caution on monetary easing. Investment activity slowed, credit conditions tightened, and consumer sentiment softened. Labor markets, though still resilient, began to show signs of cooling, contributing to a more moderate pace of expansion.

Emerging Market and Developing Economies (EMDEs) continued to drive global growth, supported by relatively stronger domestic demand, an ongoing recovery in services, and improving trade flows in key Asian markets. Many economies in this group saw a rebound aided by fiscal consolidation, stabilizing external balances, and a gradual easing of supply-chain disruptions. However, performance remained



uneven across regions, reflecting differences in macroeconomic fundamentals, access to external financing, and sensitivity to global commodity price movements. Several EMDEs continued to face high sovereign borrowing costs, currency pressures, and constrained fiscal space.

Low-income and vulnerable economies faced heightened uncertainty due to elevated debt burdens and limited fiscal space, which constrained their capacity to implement countercyclical policies. These economies remained particularly exposed to climate-related shocks, commodity price volatility and external financing risks. For Least Developed Countries (LDCs) and Small Island Developing States (SIDS), climate-induced damages, including extreme floods, prolonged droughts, cyclones and rising sea levels, continued to erode productive capacity, disrupt infrastructure, and impose significant fiscal pressures. The United Nations cautioned that escalating climate risks threaten decades of development gains, underscoring the urgent need for enhanced climate adaptation, resilience-focused investments and more accessible concessional financing for vulnerable economies.

Globally, trade growth remained subdued as structural realignment of supply chains continued, shaped by geopolitical tensions, industrial policy interventions, and intensifying strategic competition among major economies. Investment sentiment was dampened by policy uncertainty, elevated financing costs, and ongoing adjustments within energy and

THE IMF ESTIMATES THAT WORLD OUTPUT GREW BY **3.3%**

IN 2024 AND PROJECTS FURTHER EXPANSION OF **3.2%**

IN 2025 AND **3.1%** IN 2026.



technology sectors. At the same time, climate-related disruptions have introduced additional complexity to economic planning, particularly in countries lacking adaptive capacity.

Overall, the IMF's October 2025 projections indicate that the global economy is gradually stabilizing, although growth remains below its historical trend. Resilience in key emerging Asian economies and a measured recovery in advanced economies support a modest growth outlook, yet the broader environment remains cautious. Tight global financial conditions, subdued investment, and weaker trade dynamics continue to pose significant challenges, while structural constraints, including aging populations, soft productivity growth, and elevated debt levels, weigh on medium-term prospects.

Moreover, risks remain skewed to the downside, with potential disruptions stemming from renewed trade tensions, geopolitical conflicts, financial-market volatility, and climate-related shocks. In this context, prudent macroeconomic management, targeted structural reforms, and strengthened international cooperation will be essential to bolster global resilience and sustain a more durable and inclusive global growth path in the years ahead.

नेपालकै

★★ सर्वाधिक ★★
विश्वासिलो

नेपाल लाइफ
इन्स्युरन्स संगै जीवन बीमा गरी



नौलो

नेपाल लाइफ

जीवन सम्बृद्धि
जीवन बीमा

नेपाल लाइफ नौलो जीवन सम्बृद्धिले ल्याउँछ
हरेक व्यक्तिको जीवनमा सुख र सम्बृद्धि

मुख्य विशेषता

- ४-४ वर्षमा बीमाङ्क रकम फिर्ता हुने र अवधि समाप्तिमा बोनस दिइने
- बीमा अवधि भित्र मृत्यु भएमा प्रदान गरेको रकम नघटाई बीमाङ्क रकम + आर्जित बोनस एकमुष्ट पाइने

NEPAL'S ECONOMIC OVERVIEW

Nepal's economy in fiscal year 2024/25 continued a gradual recovery amid persistent global uncertainties and domestic structural constraints.



According to the National Statistics Office, real GDP growth is estimated at 4.61% in 2024/25, up from 3.67% in 2023/24, with agriculture, industry, and services expanding by 3.28%, 4.53%, and 4.21% respectively. The economy remains service-dominated, with services accounting for about 62% of GDP, agriculture 25.2%, and industry 12.8%. Gross fixed capital formation stands at around 24% of GDP, while gross national saving is estimated at just over 36% of GDP, indicating scope to deepen domestic investment and productivity.

Price and macroeconomic stability strengthened alongside the recovery. Average consumer price inflation eased to 4.06% in 2024/25 from 5.44% in the previous year, with year-on-year inflation at just 2.20% in mid-July 2025, comfortably below Nepal Rastra Bank's 5% ceiling.

Agriculture, still the backbone of rural livelihoods, remained a key pillar of this recovery. Output in agriculture, forestry and fishing grew by 3.28%, while the sector's share in GDP edged up to just over 25%. Favorable weather and improved access to inputs such as seeds and fertilizers supported paddy and other crop production. However, growing climate volatility, including erratic monsoons, floods and droughts, continues to pose risks to yields, farm incomes, and overall food security, underscoring the need for climate-resilient farming and investment in irrigation and rural infrastructure.

Tourism continued to rebuild its role as a key engine of growth. Tourist arrivals reached 1,147,834 in 2024/25, a 1.7% increase over the previous year, while travel income rose 7.7% to NPR 88.66 billion. This revival supported employment and incomes across transport, accommodation, trekking, hospitality and cultural services, and contributed positively to foreign exchange earnings, even though outbound travel and other service payments kept the overall services balance in deficit.

The hydropower sector is rapidly reshaping Nepal's growth narrative. Installed electricity capacity reached 3,591 MW in 2024/25, of which 3,390 MW is hydroelectric. Higher generation has eased domestic power constraints and created a growing surplus for export. Power sales to India have increased, and Nepal has begun exporting electricity to Bangladesh via India's grid, positioning

ACCORDING TO THE NATIONAL STATISTICS OFFICE, REAL GDP GROWTH IS ESTIMATED AT **4.61%**

IN 2024/25, UP FROM **3.67%**

IN 2023/24, WITH AGRICULTURE, INDUSTRY, AND SERVICES EXPANDING BY **3.28%, 4.53% & 4.21%** RESPECTIVELY.

hydropower as a scalable, long-term source of foreign exchange and fiscal revenue, and as a strategic asset in regional energy integration. As electricity exports to India expand over time, they are also expected to partially offset Nepal's large merchandise trade deficit with its largest trading partner, thereby supporting a gradual narrowing of the bilateral trade deficit.

External sector indicators strengthened significantly, supported by robust exports and rising remittances. Merchandise exports surged 81.8% to NPR 277.03 billion, reversing a 3% decline in the previous year, while imports increased by 13.3% to NPR 1,804.12 billion, compared with a 1.2% fall a year earlier. Although the

trade deficit widened modestly to NPR 1,527.09 billion, the export-import ratio improved from 9.6% to 15.4%, reflecting a gradual strengthening of the export base.

Remittance inflows, still a cornerstone of external stability and household income, rose by 19.2% to NPR 1,723.27 billion in 2024/25. Consequently, the current account recorded a surplus of NPR 409.20 billion, and the overall balance of payments posted a surplus of NPR 594.54 billion. Gross foreign exchange reserves reached USD 19.50 billion, up 27.7%, sufficient to cover an estimated 15.4 months of prospective imports of goods and services, providing a strong buffer against external shocks.



Monetary and financial conditions eased as external buffers strengthened, and inflation declined. Deposits at banks and financial institutions increased by 12.6% to NPR 7,264 billion and private sector credit expanded by 8.4% to NPR 5,498 billion. The World Bank notes that Nepal Rastra Bank has reduced the policy rate to 5.0%, with lending rates falling to record lows; however, credit demand remains subdued and non-performing loans have risen to around 4.6%, underscoring the need for continued vigilance over financial-sector soundness.

Fiscal and investment dynamics are gradually evolving. Total public debt stands at roughly 43.71% of GDP, moderate by international standards, though revenue mobilization and capital expenditure execution continue to be structural weaknesses. The Nepal Investment Summit 2024 sought to strengthen the investment pipeline, with the Department of Industry approving projects worth approximately NPR 9.13 billion across finance, real estate, hydropower and tourism, and introducing an automatic route for foreign investment approvals.

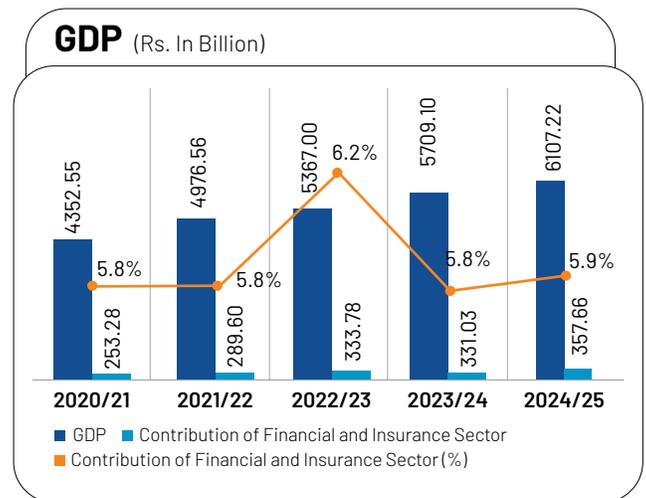
A significant milestone for Nepal's external profile was the country's first sovereign credit rating. In November 2024, Fitch Ratings assigned Nepal a long-term foreign-currency issuer rating of 'BB-' with a Stable Outlook, reaffirmed again in November 2025. The rating reflects Nepal's low and largely concessional public debt burden, strong external liquidity, and medium-term growth prospects anchored in hydropower, balanced against an underdeveloped, shock-prone economy and institutional constraints. Over time, this rating is expected to bolster investor confidence, provided macroeconomic discipline and structural reforms are sustained.

Looking ahead, the growth outlook is positive but more uncertain than earlier projections suggested. The World Bank and Asian Development Bank initially expected Nepal's growth to rise to around 5.1-5.5% over FY 2024/25-2025/26, supported by strong tourism, hydropower expansion, and improved agricultural performance. However, following public unrest and heightened political uncertainty in late 2025, the World Bank's latest 'Nepal Development Update' now forecasts growth to slow to about 2.1% in FY 2025/26, down from 4.6% in FY 2024/25, before recovering to around 4.7 percent in FY 2026/27 as reconstruction and public investment gain momentum.

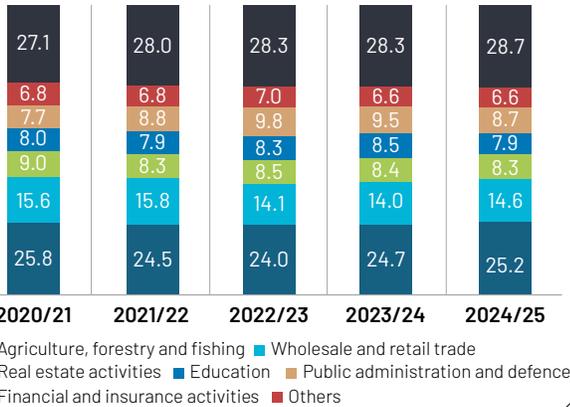
In this context, Nepal enters the coming years with stronger macroeconomic buffers, lower growth in 2025/26, lower inflation, a current account surplus and robust reserves, but also with heightened downside risks. Political uncertainty, including upcoming elections, climate-induced disasters, weak global demand, and financial-sector strains could weigh on the outlook. At the same time, a credible electoral outcome that reinforces policy continuity and governance reforms could help anchor an economically and politically stable environment for investment and growth. Conversely, successful execution of hydropower and infrastructure projects, effective follow-through on investment summit commitments, and reforms to improve the business environment and public investment management could lift potential growth. Sustaining Nepal's growth trajectory at this crucial crossroads will depend on preserving macroeconomic stability, strengthening financial-sector resilience, creating more and better jobs domestically, and investing in climate-resilient and productivity-enhancing infrastructure.

DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS INCREASED BY 12.6% TO

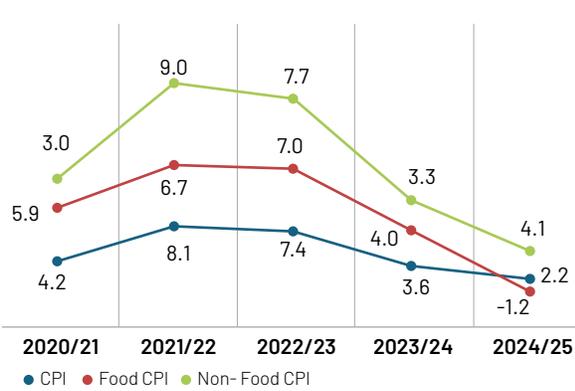
NPR 7,264
BILLION AND PRIVATE SECTOR CREDIT EXPANDED BY 8.4% TO
NPR 5,498
BILLION.



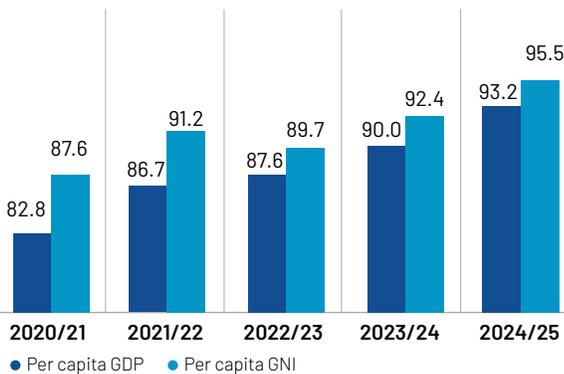
GDP Contribution (In %)



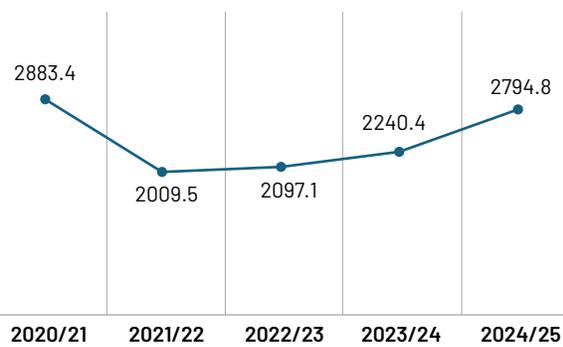
Consumer Price Index (In %)



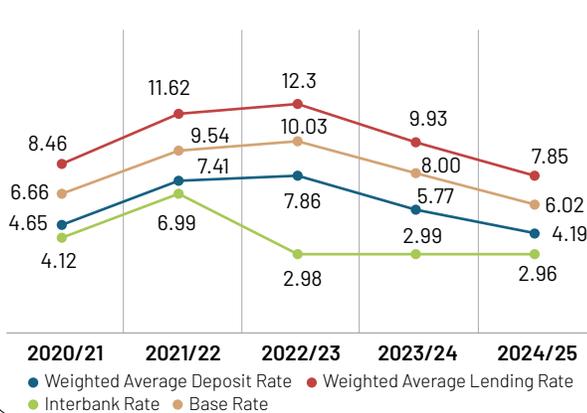
Per Capita (at constant prices)(NPR 000')



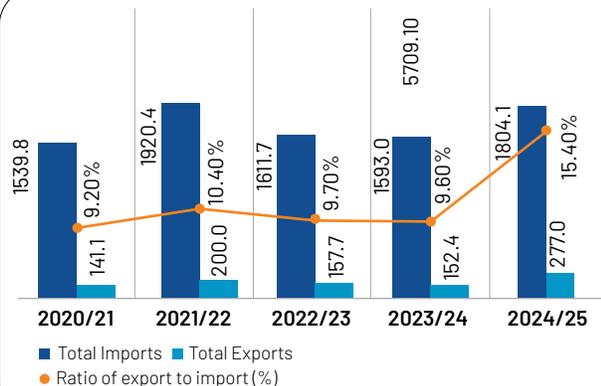
NEPSE Index



Structure of Interest Rate



Foreign Trade (In Billion)



OPERATING ENVIRONMENT

PESTLE ANALYSIS



POLITICAL

- Although FY 2024/25 saw a relatively stable political environment and efforts to boost economic activity and investor confidence, the history of frequent coalition changes continues to create policy uncertainty and weaken economic morale.
- Public policy emphasis on infrastructure and economic development has opened opportunities for alternate investments; however, delays, bureaucratic hurdles, and political transitions still pose risks to investment returns.



ECONOMIC

- Despite low inflation, real purchasing power continued to erode, heightening the risk of lapses and surrenders among more price-sensitive customer segments.
- Strong remittance inflows and rising tourism supported financial stability and enhanced household savings capacity. However, heavy reliance on external income sources exposes the market to global shocks through policy interventions and labor out-migration risks.
- Moderate GDP growth and increasing disposable incomes have created a favorable environment for financial products, including life insurance.



SOCIAL

- While basic banking awareness is relatively high, understanding of life insurance as a tool for long-term family protection and income security remains limited, constraining deeper market penetration.
- Rapid urbanization, the growth of a middle class, and shifting attitudes toward formal financial planning have increased openness to insurance and retirement solutions. In contrast, rural and remote areas continue to lag due to lower financial literacy.
- Insurance awareness is gradually improving through media, agents and outreach programs, steadily strengthening public acceptance of life insurance.



TECHNOLOGY

- Expansion of digital payments, mobile banking and online services has made premium payments and customer interactions more convenient, supporting renewal collections and retention.
- Rising cybersecurity threats have heightened the risk of data breaches, necessitating greater investment in digital security, risk controls, and data-protection measures.
- Rapid development in artificial intelligence and data analytics are enabling more efficient operations but also introducing challenges related to model accuracy, ethical data use, and the need for specialized technical expertise.



LEGAL

- The Insurance Act 2022, National Insurance Policy 2023 and Insurance Regulation 2025 provide a clear and stringent legal framework for insurers, strengthening policyholder protection.
- Risk-Based Capital (RBC) and solvency directives link capital requirements to actual exposure, benefiting prudent insurers but constraining high-risk expansion strategies.
- Stricter rules on consumer protection, AML/CFT compliance, disclosure, and IT risk have increased compliance requirements and necessitated significant investment, but they also enhance market discipline and build public trust.



ENVIRONMENTAL

- Increasing climate-related disasters, such as floods and landslides, have raised mortality and health risks, strengthening public awareness of protection needs and supporting demand for life and health coverage.
- Climate change has introduced greater uncertainty in underwriting and risk assessment, requiring adjustments to pricing and coverage and increasing product complexity and operational workload.
- Environmental and climate risks affect key investment sectors including hydropower, infrastructure, real estate, exposing long-term portfolio to project delays, physical damage and cash-flow disruptions.
- Growing regulatory and public focus on environmental sustainability and ESG practices presents opportunities to enhance brand reputation through green initiatives, while also raising expectations for responsible investment and transparent reporting.

TOWS FRAMEWORK

STRENGTHS

- Experienced leadership and governance
- Strong financial indicators and performance
- Leading market share
- Strong brand reputation
- ICRA Nepal Rating AA-, highest in the sector
- Extensive agency and branch network across the country
- Growing digital and technological adoption
- Diversified product portfolio
- Life-fund of NPR 232 billion

WEAKNESSES

- Heavy reliance on traditional modes of distribution
- Lower penetration in rural and remote areas
- Dependence on domestic fixed-income investments with yield volatility
- Over dependency on par products
- Limited digital services

OPPORTUNITIES

- Low life insurance penetration in Nepal
- Rising remittance and expanding middle-class income
- Growing demand for retirement, health and critical illness protection
- Digital channels, automation and AI to improve efficiency and reach
- ESG, green and impact-focused investment opportunities
- Strategic partnerships with corporates and MFIs

SO - MAXI-MAXI STRATEGIES

- Leverage strong brand and market leadership to expand life insurance penetration in Nepal's underinsured population.
- Utilize extensive agency and branch network in addressing the evolving protection needs of the growing middle-class and remittance-earning households.
- Deploy digital platforms, automation, and AI to enhance customer onboarding, servicing, and claims efficiency, improving reach beyond physical branches.
- Channel large life fund and strong investment capability into ESG-aligned and impact-focused investments, strengthening long-term returns and sustainability credentials.

WO - MINI-MAXI STRATEGIES

- Accelerate adoption of digital distribution channels to reduce reliance on traditional sales models and improve nationwide reach.
- Partner with MFIs, cooperatives, and corporate entities to enhance penetration in rural and remote areas.
- Utilize digital platforms and simplified product communication to improve accessibility and customer understanding across diverse income groups.
- Gradually diversify investment avenues by leveraging emerging ESG and alternative investment opportunities while maintaining risk discipline.

THREATS

- Highly competitive life and micro-insurance industry
- Interest rate volatility and potential economic slowdown
- Less availability of long-term investment instruments that creates risk of Asset-Liability Mismatch
- Climate change and its impact
- Cybersecurity, data privacy and AML/CFT risks
- Political and policy uncertainty

ST - MAXI-MINI STRATEGIES

- Strengthen investment management and portfolio allocation strategies to mitigate the impact of interest rate volatility.
- Leverage diversified product offerings and strong market positioning to remain competitive.
- Strengthen asset-liability management practices using the Company's large life fund and financial expertise to mitigate long-term investment constraints.
- Integrate climate risk considerations into investment and underwriting decisions, supported by robust governance and risk management frameworks.

WT - MINI-MINI STRATEGIES

- Reduce dependence on traditional distribution by embedding digital sales and servicing processes to sustain competitiveness.
- Improve operational efficiency through technology adoption to manage cost pressures during economic and interest rate volatility.
- Strengthen rural outreach and product accessibility to protect market share in an increasingly competitive environment.
- Adopt a cautious and diversified investment approach to manage yield volatility and asset-liability mismatch risks.



FORWARD OUTLOOK



Nepal Life has been leading with example as the nation's most trusted and future-ready life insurer, delivering sustainable growth while narrowing Nepal's protection gap. Building on its strong foundation, financial resilience, and long-standing relationships, the Company aims to reinforce its position as a market-leading life insurer by combining prudent risk management with innovation in products, distribution, and technology. The strategy is anchored in responsible growth, customer-centricity, disciplined capital allocation, and a robust governance framework aligned with emerging regulatory expectations and global insurance practices.

Operating Environment & Business Outlook

The operating environment is expected to remain challenging in the short term, shaped by economic uncertainty, elevated cost pressures, and evolving political developments that influence consumer confidence and business sentiment. While these conditions may moderate the pace of new business growth and weigh on customer affordability, the sector is still projected to grow steadily over the medium to long term, supported by low insurance penetration,

rising awareness, and increasing protection and retirement needs. Overall business volumes are likely to expand at a measured pace in the near term as the Company continues to deepen its presence and broaden its coverage. However, persistency may remain under pressure in certain customer segments due to income volatility and shifting financial priorities. To address this, the Company has prioritized to strengthen customer engagement, value communication, and renewal support to sustain and improve persistency across key product lines and policy durations.



On the investment front, the Company operates in a market where attractive, long-term, high-quality instruments remain limited. With declining interest rates and a constrained universe of investible instruments, reinvestment of maturing assets increasingly occurring at comparatively lower yields, making it more challenging to sustain portfolio returns even as the size of the life fund continues to grow. These conditions underscores the importance of careful asset allocation, duration management, and disciplined risk-return assessment to protect policyholder value and support sustainable surplus emergence.

Over the medium to long term, subject to macroeconomic stability and market development, the Company anticipates gradual improvement in investment opportunities and a more conducive environment for long-term infrastructure and capital market instruments. However, the timing and extent of such improvements remain uncertain and will depend on broader economic and political developments.

Deepening Market Presence & Protection Coverage

We are committed to expanding the reach across both urban and rural segments to ensure broader access to life insurance solutions. Leveraging the strong agency force, alternate channels, and emerging digital platforms, we will focus on:

- Designing need-based, customer-centric protection plans, savings, and retirement products tailored to different life stages and income segments.
- Enhancing cross-sell and up-sell opportunities to increase coverage per life and deepen relationships with existing policyholders.
- Expanding outreach to underserved and underinsured communities through micro-insurance, inclusive products, and simplified onboarding.

Strengthening Risk Management & Compliance

We recognize that strong risk management and a resilient balance sheet remain fundamental to sustainable growth. Through prudent reserving, disciplined investment management, and optimal capital deployment, we seek to safeguard stakeholders interests while supporting growth opportunities.

- Enhance Enterprise Risk Management (ERM) framework to proactively identify, measure, and mitigate underwriting, market, credit, liquidity, operational, and emerging risks.



- Deepen the use of actuarial analysis, scenario testing, and stress testing to support informed decision-making, product pricing, and capital planning.
- Align more closely with evolving regulatory requirements and prudential standards
- Strengthen compliance, internal control systems, and data governance to reinforce transparency, accountability, and stakeholder confidence.

Enhancing Operational & Service Excellence

Operational excellence and service quality are central to management's forward-looking agenda. By optimizing operations and enhancing service delivery, we aim to reinforce customer trust, improve productivity, and sustain cost efficiencies.

- Streamline processes across policy issuance, endorsements, claims, and customer servicing through process re-engineering and automation.
- Reduce turnaround times for key customer journeys, with core focus on faster and more transparent claims processing.
- Enhance service standards across all touchpoints: branch, agency, call center, and digital channels to deliver consistent and superior customer experience.
- Embed a culture of continuous improvement, performance measurement, and service quality across the organization.

Advancing Digital Transformation

Digital transformation is a key enabler of the Company's long-term vision. Through a focused digital roadmap, we intend to become a more agile, data-driven, and customer-centric insurer, ready to respond to evolving expectations and market dynamics.

- Develop and scale digital sales and servicing platforms that complement traditional distribution channels and offer customers anywhere-anytime access.
- Leverage data analytics and emerging technologies to strengthen underwriting, improve risk selection, and enable more personalized offerings.
- Modernize core systems and integrate front-end and back-end platforms to create a seamless, omnichannel experience for customers and intermediaries.
- Enhance cybersecurity frameworks and information security practices to protect customer data and ensure system resilience.

Responsible & Inclusive Insurance

We are committed to aligning growth with responsible business practices and broader socio-economic development. By linking business strategy with inclusive growth and responsible conduct, we aim to contribute meaningfully to Nepal's long-term development.

- Promote financial literacy and insurance awareness to help individuals and families make informed protection decisions.
- Continue to support inclusive insurance initiatives that extend protection to low- and middle-income segments, migrant families, women, and small entrepreneurs.
- Seek opportunities to integrate Environmental, Social, and Governance (ESG) considerations into investment decisions and corporate practices, in alignment with emerging global trends and local priorities.
- Strengthen stakeholder engagement and disclosure practices to enhance transparency and reinforce Nepal Life's role as a responsible corporate citizen.

Human Capital & Organizational Culture

We recognize that people and culture are central to executing its vision. Through sustained investment in human capital, we aim to build an agile organization equipped to deliver on its strategic priorities.

- Attracting, developing, and retaining talent with the technical, digital, and leadership capabilities required for a changing insurance landscape.
- Building a high-performance, values-driven culture grounded in integrity, customer focus, collaboration, and accountability.
- Investing in continuous learning, reskilling, and upskilling to empower employees and distribution partners to adapt to new tools, products, and regulatory requirements.
- Fostering diversity, inclusion, and employee well-being to support a resilient and engaged workforce.

Key Strengths Underpinning the Journey Ahead

- A strong brand with deep trust among stakeholders
- Robust financial fundamentals and a resilient balance sheet.
- An extensive and diversified distribution network.
- A growing suite of products tailored to varied customer needs.
- Experienced leadership, sound governance, and a maturing risk culture.
- A committed workforce and expansive agency network.



नेपाल लाइफ iEnsure सँग
मेरो निर्धक्कता, परिवारको सुनिश्चितता



ठ्यूनतम
लगानी



अधिकतम
जोखिम बहन



लगानी फिर्ताको
सुनिश्चितता



कर छुट
लाभ





VALUE CREATION MODEL

At Nepal Life, Sustaining Growth, Enriching Lives describes how value is created and shared. We create sustainable value by transforming six forms of capital: financial, manufactured, intellectual, human, social and relationship, and natural into protection and saving solutions that empower individuals and businesses to plan for the long term.

At Nepal Life, Sustaining Growth, Enriching Lives describes how value is created and shared. We create sustainable value by transforming different forms of capital: financial, intellectual/organizational, human, social and relationship, and natural into protection and saving solutions that empower individuals and businesses to plan for the long term.

Our value creation process follows a clear strategic vision and a strong governance framework that ensures responsible decision-making and long-term stability. Through disciplined risk management, sound investments, and prudent capital allocation, we safeguard the trust of our policyholders and shareholders. These six capitals flow through our core business activities, from product innovation, sales and distribution, underwriting, investment management, customer service, and claims management, creating outcomes that deliver both financial performance and positive societal impact. Along with that, we continuously leverage technology and data-driven insights to improve customer experience, enhance operational resilience, and expand financial inclusion across Nepal.

A part of these outcomes are reinvested to renew and strengthen each capital base: enhancing employee capabilities, upgrading systems and infrastructure, nurturing trusted relationships, and promoting sustainable practices. This continuous cycle of reinvestment sustains our competitiveness, deepens stakeholder trust, and reinforces our purpose of securing the financial future of individuals, families, and enterprises across the nation.

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Through disciplined risk management, sound investments, and prudent capital allocation, we safeguard the trust of our policyholders and shareholders.



SUSTAINING GROWTH, ENRICHING LIVES

As a life insurance company, Nepal Life Insurance Company Limited collects small, regular savings from millions of policyholders, manages these funds prudently over the long term and provides financial protection and benefits when they are most needed. Through this process, we create value not only for our policyholders and shareholders, but also for employees, business partners, regulators, the financial system and the wider community.

Nepal Life Insurance operates with an integrated business model that highlights the interactions, interdependence and key drivers of our ability to create sustainable value over time. By viewing our value creation across the short, medium and long term, we give stakeholders a clearer understanding of how we operate, grow and manage risks, helping them make well-informed decisions about their relationship and investment with the Company. As we embed ESG principles more deeply into our strategy and operations, our business model will continue to evolve in a disciplined and forward-looking manner.

Our value chain approach focuses on the optimal use of all our capitals financial, intellectual/organizational, human, social and relationship, and natural. While maintaining a thorough understanding of how each organizational function contributes to value creation. We continuously identify and assess risks and opportunities, and translate them into strategic actions supported by a strong governance and risk management framework. This enables us to manage our operations efficiently and responsibly, delivering maximum value to our policyholders, shareholders, employees, regulators and community, and supporting the long-term leadership and resilience of Nepal Life.

Business Activities/Value Creation Process

Nepal Life's business activities include core functions such as product design and pricing, distribution, underwriting, servicing, investments, and claims, supported by systems and security, agency training, human resources, and brand management. Backed by strong governance and risk management, these activities generate value for all stakeholders. Financial outcomes are reinvested to strengthen the Company's capitals, creating a self-reinforcing cycle of sustainable value creation.

The table outlines each activity's objective, how it creates value, the capitals it draws on, the key risks and controls that ensure reliable outcomes, and the stakeholders most affected.

Business Activities	Value Creation	Risks/Controls	Associated Capitals	Impacted Stakeholders
Product Design and Development Convert insights into protection/savings solutions (features, riders, benefits) aligned to purpose and risk appetite.	<ul style="list-style-type: none"> Protection/saving for customers at fair value Income for agents Premium growth and margin mix Inclusive reach 	<ul style="list-style-type: none"> Suitability/Fair value, regulatory gaps, mis selling; Product governance, pre-filing checklist, legal sign-off, pre-review, suitability checks 	Intellectual/Organizational Human Social and Relationship	Policyholders Agency Actuaries Regulators
Pricing and Reinsurance Set prudent prices and optimize reinsurance to keep earnings and solvency resilient.	<ul style="list-style-type: none"> Adequate Pricing Capital Protection Claim paying comfort 	<ul style="list-style-type: none"> Model/pricing, Misaligned appetite; Independent validation, back-testing, risk limits 	Financial Intellectual/Organizational Social & Relationship	Investors Reinsurers Regulators Policyholders
Distribution and Onboarding Acquire customers efficiently with clean proposal capture.	<ul style="list-style-type: none"> Efficient reach and clean onboarding Accessibility 	<ul style="list-style-type: none"> KYC/AML, Onboarding fraud; eKYC, PEP/sanctions screening, identification, blacklist rules 	Social & Relationship Intellectual/Organizational	Policyholders Agents
Underwriting and Issuance Select risks accurately and issue policies quickly with clear terms and documentation.	<ul style="list-style-type: none"> Accurate selection Consistent application of risk appetite Issuance TAT 	<ul style="list-style-type: none"> Inconsistent decisions, Fraud/impersonation; Underwriting guidelines, maker-checker, identification 	Intellectual/Organizational Human Financial	Policyholders Regulators
Capital and Investment Management Match assets to liabilities, generate stable and risk-adjusted returns, protect solvency and liquidity.	<ul style="list-style-type: none"> Yield maximization Solvency and liquidity readiness Financial stability Earnings volatility contained via ALM discipline Supports bonuses/benefits and reinvestment capacity 	<ul style="list-style-type: none"> Market/Credit/Liquidity risk/Concentration; Strategic asset allocation, Committee oversight, limits and watchlists, sector caps, diversification 	Financial Intellectual/Organizational Social & Relationship	Policyholders Investors Regulators

Business Activities	Value Creation	Risks/Controls	Associated Capitals	Impacted Stakeholders
Policy and Agency Servicing Manage renewals, endorsements and retention to sustain lifetime value, support agency operation	<ul style="list-style-type: none"> Frictionless service leading to high customer satisfaction Higher persistency Fewer lapses and leakages 	<ul style="list-style-type: none"> Lapse/leakages, service delays, data errors: Service TAT tracking, validation and reconciliations 	Social and Relationship Human	Policyholders Agents
Claims and Payout Assess and settle claims fairly and promptly with clear communication	<ul style="list-style-type: none"> Timely and fair payment leading to increased trust and retention Improve referrals and retention Reduce leakage and fraud 	<ul style="list-style-type: none"> Fraud, documentation gaps, dispute escalation: Fraud analytics and red flags, checklists and peer review 	Human Intellectual/Organizational Social & Relationship	Policyholders
Information Systems & Security Provide secure, resilient platforms and reliable data across the value chain	<ul style="list-style-type: none"> Infrastructure for smooth operations Data integrity and security Automation lowering cost per transaction 	<ul style="list-style-type: none"> Downtime gaps, cyber/privacy risk, vendor risk: Due diligence, vendor SLAs, access control and encryption, incident monitoring and management, business continuity tests 	Intellectual/Organizational Financial	Policyholders Agents Employees
Agency Training Build professional, ethical agency force to raise productivity and business onboarding quality	<ul style="list-style-type: none"> Better need based coaching Productivity uplift Higher conversion and persistency 	<ul style="list-style-type: none"> Field conduct and skill gap: Field coaching and supervision 	Human Social and Relationship	Agents Policyholders
Human Resource Management Attract, develop and retain critical talent, sustain engagement and inclusion	<ul style="list-style-type: none"> Employee motivation and satisfaction Strengthen employer brand 	<ul style="list-style-type: none"> Attrition and succession gaps, wellbeing/safety risks, incentive distortion: Workforce planning, role coverage map, performance and potential review, HR policies, health/safety and mental-wellbeing programs 	Human Social and Relationship	Employees
Branding and Communication Build and protect brand image through consistent, transparent stakeholder communication.	<ul style="list-style-type: none"> Brand awareness and confidence Stronger reputation Community connection 	<ul style="list-style-type: none"> Reputation risk, disclosure accuracy, Community alignment: Media protocol, escalation paths, multilevel review, CSR Governance 	Intellectual/Organizational Social and Relationship	Policyholders Partners Community Investors

GOVERNANCE

CORE VALUES

VISION AND MISSION

KEY STRATEGIC AREAS

Corporate Governance, Structural Transformation, Digitalization, People Development, Asset Creation, Customer Experience, Brand Value, Perpetual Growth

OUR INPUTS:
FINANCIAL CAPITAL
 - Paid Up Capital: NPR 9.02 billion
 - Total Equity: NPR 13 Billion
 - Total Investment & Loan: NPR 228.41 billion
 - Cash & Cash Equivalent – 11.60 billion
 - Total Assets: NPR 251.55 billion

HUMAN CAPITAL EMPLOYEE
 - HRIS
 - Young, Highly Qualified, Experienced and Competent Professionals
 - Workforce strength: 695
 - Workforce diversity
 • Male: 60.7%
 • Female: 39.3%
 - Training Manhours – 15,794
 - Investment in Training – Rs. 13.7 million

AGENCY FORCE
 - Active Agency: 31,773
 - Investment in Training – 46.39 million

INTELLECTUAL / ORGANIZATIONAL CAPITAL
 - 2.5 decades of industry experience with continuously Leading from 1 decade
 - Standard Policy, Procedure and System
 - Automation of payment, Underwriting & Claim Process

TANGIBLE CAPITAL
 - Office Network: 194
 - Districts covered: 100 % (77 out of 77)
 - Property, Plant and Equipment: NPR 812 million
 - Investment in Technology: NPR 12.80 million

SOCIAL AND RELATIONSHIP CAPITAL
 - Build a strong relationship with our stakeholders & strategic business partners
 - CSR initiatives to strengthen local communities – NPR Rs 29.82 million
 - Brand loyalty & market reputation
 - Distribution channels focusing on various market segments

NATURAL CAPITAL
 - Planting & Greenery within premises
 - Investment Diversification

WE USE THESE RESOURCES TO RUN THE BUSINESS

CORE ACTIVITIES - BUSINESS FUNCTION
PRODUCT DESIGN, REINSURANCE & PRICING
 - Endowment, Anticipated, Whole Life, Term, Foreign Employment, Group & Micro

SALES AND MARKETING
 - Branches, agents, corporate Cell, digital partners

Agency Creation, Training & Onboarding
 - Provide necessary training, facilities and onboarding the agency

Underwriting & Policy Servicing
 - Risk assessment, policy issuance, premium collection, changes, necessary coaching

Loans & Surrenders
Investment & Asset-Liability Management
 - Investing life fund in approved instruments
 - Managing interest rate, credit & liquidity risk

Claims & Benefits Management
 - Death, disability, maturity, survival benefits
 - Support Function

HUMAN RESOURCE
 - Managing the Required Manpower
 - Right Man Right Place

Information Technology
 - Managing necessary IT support and infrastructure

Accounts, Finance and Operation
 - Arranging the necessary support to verify the amount, reconciliation

Branding And Communication
 - Providing necessary support for brand visibility

General Service
 - Providing necessary logistic management

THESE ACTIVITIES CREATE A MEASURABLE, SUSTAINABLE GROWTH

OUTCOMES
 - Policy issued – 774,351
 - First Premium – 10.47 billion
 - Renewal Premium – 37.22 billion
 - Growth in Life Insurance Fund – 19.31%
 - Growth in Investment – 16.59%
 - Income tax to Government – 3.42 billion
 - Return on Equity: 18.2%
 - Return on Assets: 1%
 - Dividend per Share: 21.05%
 - Salary and Benefit to Employee – 988.86 million
 - Commission and Incentive to Agency Force – 5.28 billion
 - Contribution to Society – 29.82 million
 - Number of Claims settled: 75,072
 - Environmental Saving

RESIDUAL IMPACTS

THESE OUTPUTS CREATE VALUE FOR OUR STAKEHOLDERS AND ENRICHING LIVES OF STAKEHOLDERS

POLICYHOLDERS & FAMILIES
 - Financial protection in times of loss or uncertainty
 - Long-term savings and retirement planning solutions
 - Liquidity support through policy loans and surrenders
 - Enriching lives by providing peace of mind and security for future generations

SHAREHOLDERS & INVESTORS
 - Sustainable growth in intrinsic value
 - Potential for capital appreciation and prudent dividends/bonus shares
 - Strong credit profile, transparency and disciplined capital management
 - Enriching lives by offering stable, long-term returns and confidence in the Company

EMPLOYEES & AGENTS
 - Meaningful employment and commission/ incentive opportunities
 - Training, career development and leadership pathways
 - Safe, ethical and inclusive working environment
 - Enriching lives by enabling professional growth, income stability and a sense of purpose

GOVERNMENT & REGULATORS
 - Regular service and tax to the nation
 - Strong compliance culture and constructive regulatory engagement
 - Enriching lives by strengthening the national economy and social safety net

BUSINESS PARTNERS & SUPPLIERS
 - Long-term, stable business relationships and revenue opportunities
 - Enriching lives by supporting sustainable livelihoods and shared business growth

COMMUNITY & ENVIRONMENT
 - Social protection and financial inclusion for households across Nepal
 - CSR in health, education, disaster response and financial literacy
 - Enriching lives by building more resilient communities and a healthier environment

REINVESTMENT TO STRENGTHEN CAPITALS

REGULATORY FRAMEWORKS

RISK MANAGEMENT FRAMEWORK

SUSTAINABILITY

OUR PRODUCTS

Product Type	Product Name	Product Description
Endowment	Nepal Life Naulo Surakhsheet Jeevan Beema	An endowment plan that pays the Sum Assured along with accrued bonuses on death or at maturity. Provides savings plus life protection throughout the policy term.
	Jeevan Jyoti	A limited-premium endowment plan where premiums are paid for a shorter period than the policy term. The Sum Assured with accrued bonus is payable on death or on survival to maturity.
	Rural Endowment Assurance	A participating endowment plan designed for rural customers. Pays Sum Assured plus bonus on death or maturity, with double Sum Assured in case of accidental death.
	Micro Endowment Assurance	A small-premium endowment product offering Sum Assured plus bonus on death or maturity. Suitable for lower-income groups seeking affordable protection and savings.
	Sunaulo Bhawishya Jeevan Beema Yojana (Option-1)	A participating endowment plan providing Sum Assured plus bonus on death or at maturity. Offers long-term protection with savings benefits.
	Nepal Life Jeevan Sammunat Beema Yojana	A participating endowment plan offering enhanced death benefits. Pays 2× Sum Assured on natural death, 3× Sum Assured on accidental death, and Sum Assured plus bonus on maturity.
	Nepal Life Jeevan Udaya Ekal Jeevan Beema Yozana	A single-premium endowment plan providing 2× Sum Assured on death. The maturity benefit includes the Sum Assured with accrued bonus.
	Jiwan Laxmi Plan	A participating endowment plan offering enhanced death benefits. Pays 2× Sum Assured on natural death, 3× Sum Assured on accidental death, and Sum Assured plus bonus on maturity.
	Ketaketki Sunaulo Bhawishya	A child-focused endowment plan. Offers benefits such as monthly income and waiver of premium after proposer's death, premiums refund for early child death (before commencement of risk) or 25% of Sum Assured and accrued bonus (after commencement of risk), 125% of the sum assured and bonus on the death of the child and proposer together and Sum Assured plus bonus on child's survival to maturity.

Product Type	Product Name	Product Description
Endowment Cum Whole Life	Jiwan Sahara Plan	A whole-life plan with endowment benefits. Pays Sum Assured plus bonus on death during the premium-paying term or at maturity, and basic Sum Assured on death thereafter.
	Nepal Life Anamol Jeevan Beema Yojana	A participating whole-life endowment plan. Provides Sum Assured plus bonus on death/maturity with an option to receive 60%, 80%, or 100% of Sum Assured at age 75, 80, or 85.
Anticipated	Naulo Dhana Barsha	Money-back plan with scheduled payouts during the policy term. On death, full Sum Assured plus bonus is paid for regular mode or 2.5 times sum assured plus bonus for single mode without deducting earlier payouts.
	Naulo Jiwan Sambridhi	
	Jeevan Unnati	
Anticipated Cum Whole Life	Sadabahr Jivan	Money-back plan paying 5% of Sum Assured annually during the policy term, with remaining Sum Assured plus bonus on maturity and full Sum Assured on death even after maturity.
Endowment Anticipated Cum Whole Life	Sunaulo Bhawishya Jeevan Beema Yojana (Option-2)	This is a limited premium payment option with policy maturity at the age of 80. In case of death during the premium payment term, 100% of the sum assured and accrued bonus (if any) is payable. After the premium payment term, 50% of the sum assured and accrued bonus (if any) is payable on death. In case of survival to the end of the premium payment term, 100% of the sum assured is payable. After the completion of the premium payment term, a survival benefit amounting to 5% of the sum assured is payable at each policy anniversary until the age of 79. At the end of the policy term, bonuses accrued till the end of premium paying term (if any) is payable to the surviving policyholders.

Product Type	Product Name	Product Description
Term	Micro Term Assurance Plan	Low-premium term plan paying Sum Assured and funeral expenses on death and providing disability benefits.
	Jeevan Suraksha Beema Yojna	Single-premium term assurance providing payment of Sum Assured on death during the policy term.
	Nepal Life iEnsure	Return-of-premium term plan returning all premiums on survival and paying Sum Assured on death after risk commencement and refund of premium on death before risk commencement date.
	Foreign Expatriate Term Plan	A term plan designed for individuals travelling abroad. Pays Sum Assured + funeral expenses on death during the policy term.
	Rakshya Kawach Jeevan Beema Yojana	A straightforward term insurance plan. Pays the Sum Assured on death during the policy term with no maturity benefit.
Joint Life	Jiwan Sarathi	A joint-life endowment plan for two lives. Pays Sum Assured on first death, and Sum Assured plus bonus on the second death or at maturity.
Group Term	Nepal Life Samuhik Myadi Jeevan Beema Yojana	Group Term assurance plan offered to non-employer-employee groups such as members of a cooperative society, where the Sum Assured is payable on death of an insured member.
	Sampoorna Rakshya	Group Affinity Plan in which, on death of the policyholder during the policy term, the Sum Assured and funeral expenses will be payable to the beneficiary.

OVERVIEW OF MAJOR CAPITALS



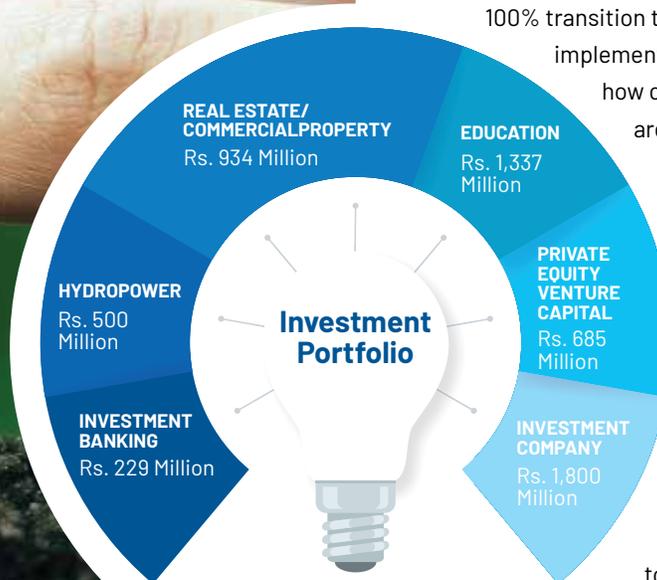
Financial Capital

Financial Capital at Nepal Life is the backbone, it is the equity and retained earnings we deploy, the disciplined capital and operating expenditure we commit, and the liquidity buffers we hold so claims are paid on time in every cycle and growth remains prudent. Over the years, careful asset-liability management (ALM) and diversification kept

performance within appetite and solvency strong, enabling continued investment in core systems, expansion of the distribution footprint, and capability-building for people while maintaining responsible shareholder returns.

Our investment mix is evolving in a measured way. High-quality fixed income remains the anchor for liability matching, but we are selectively adding strategic exposures, including strategic assets and private equity/venture allocations within defined limits to broaden return drivers. With declining fixed-deposit rates pressuring reinvestment yields, this balanced diversification combined with disciplined duration and credit selection aims to stabilize the portfolio yield over time without compromising asset-liability alignment. Every opportunity passes a staged due-diligence process and across the portfolio, diversification has been deepened by asset class, sector, and duration to balance income stability with long-term growth and to build resilience against single-factor market shocks. In parallel, we have advanced our strategic investment platform through our subsidiaries: Nepal Life Capital and Nepal Life Investment, including a proposed 1:2 rights issue at the investment company. Separately, within Nepal Life, an Alternate Investment Wing has been established to originate and assess non-traditional exposures under clear governance and risk limits.

A core pillar of financial strength is the transition to a risk-based capital (RBC) framework. Nepal Life has adopted 100% transition to the RBC framework in its first year of implementation, marking a fundamental shift in how capital adequacy and financial strength are managed. This transition reflects a commitment to move beyond factor-based solvency requirements towards a more comprehensive, risk-sensitive approach that aligns capital with the company's actual exposure to insurance, market, credit, and operational risks. As part of this process, Nepal Life is enhancing data integrity, refining valuation methodologies, and strengthening internal controls to ensure that every capital component

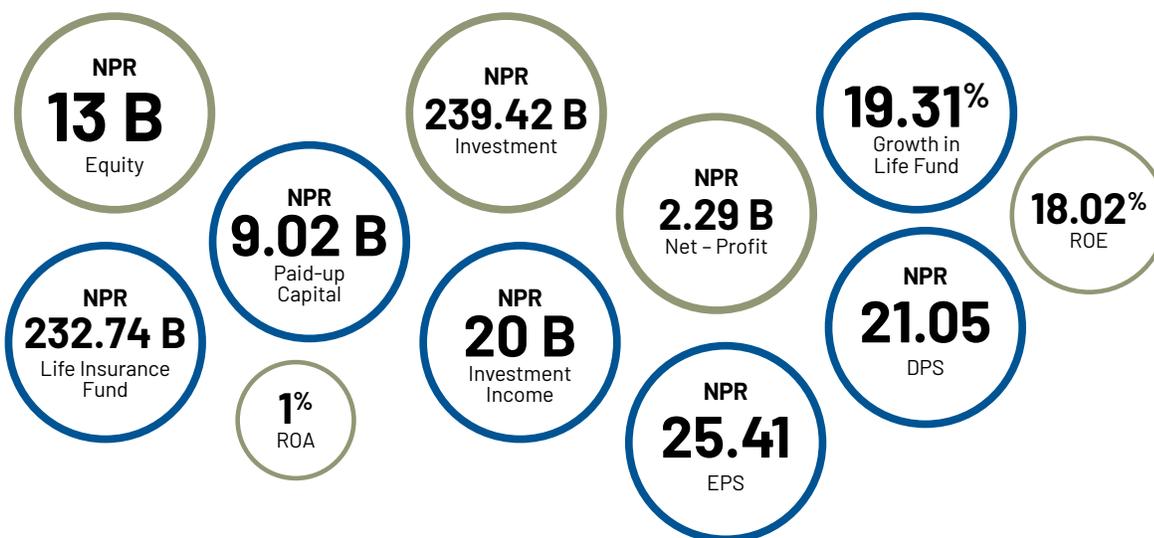


is measured accurately and consistently. The 100% adoption of RBC is not merely a regulatory requirement but a strategic evolution, one that embeds risk awareness into decision-making across all business levels. It enables the company to anticipate vulnerabilities, allocate capital more efficiently, and ensure long-term sustainability even under stress scenarios. Through this full transition, Nepal Life aims to reinforce policyholder protection, build market confidence, and establish itself as a benchmark for prudent capital management and forward-looking risk governance in Nepal's insurance industry. Our dividend philosophy is aligned with this stance: distributions remain consistent and prudent,

guided by RBC headroom, liquidity buffers, and forward investment needs.

We fund this approach with tangible resources: shareholder equity, retained earnings, liquidity ladders, and reinsurance arrangements and with intangible strengths such as disciplined capital allocation and asset-liability matching, trusted counterparties, and a consistent, prudently managed dividend stance. Together, they keep the balance sheet resilient, secure timely claim payments, and create capacity to reinvest in our other capitals: our people, platforms, partnerships, and responsible operations.

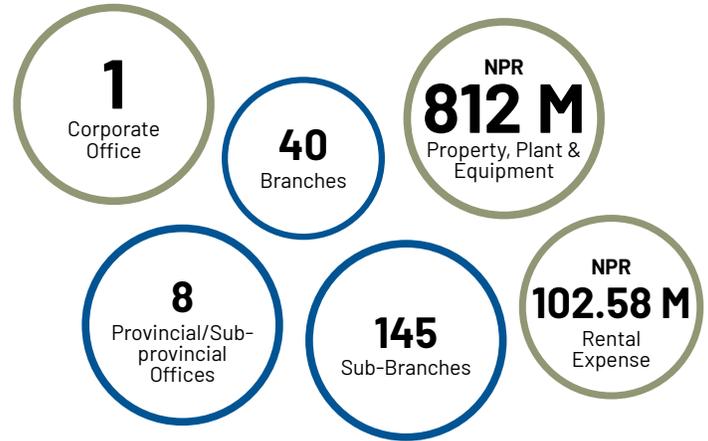
Key Risk	Risk Controls	Interconnected Capitals	Associated Stakeholders
<ul style="list-style-type: none"> Market volatility ALM and credit risk Liquidity and concentration RI counterparty Transformation overruns Regulatory changes 	<ul style="list-style-type: none"> Risk appetite & limit framework ALM policy Strategic asset allocation Reinsurance treaties & retentions 	<ul style="list-style-type: none"> Intellectual/Organizational: Funding to the core systems and infrastructure to improve reliability and scale. Backs data and model development for sharper pricing and selection. Human: Finances hiring, learning and succession to raise productivity. Natural: Invests in renewables/efficiency to lower the operating expenses and risk. Social/Relationship: Strong solvency and fair claims strengthen market trust. 	<ul style="list-style-type: none"> Investors Policyholders Regulators Reinsurers



Intellectual/Organizational Capital

Manufactured Capital is the backbone that makes service simple, fast, and reliable across the country. We maintain full national coverage in all 77 districts through a 194 network: 1 corporate office, 8 provincial/sub-provincial offices, and 185 branches and sub-branches. This physical reach is supported by the infrastructure that keeps daily operations moving. Our core systems for policy administration, premium collection, and claims processing are connected to secure digital tools that allow customer journeys to be completed without unnecessary hand-offs. Our system runs on secure cloud and data centers with clear commitments on system availability. We test our disaster recovery and business continuity plans regularly, so operations can continue during disruptions. With our technology partners, we agree on service-level commitments (SLAs), monitor performance in real time, and plan capacity ahead of busy periods to avoid disruptions. We continue to simplify processes with fewer steps, so service times come down and the cost of each transaction falls, without weakening controls.

Looking ahead, we are upgrading and standardizing branches to a common layout and service model, so that every sales point delivers a uniform experience nationwide. In parallel, our physical-asset strategy includes targeted investments in land and properties, for self-use to secure critical locations and lower long-term occupancy costs, and for lease/rental to generate stable income and support capital efficiency.



Key Risk	Risk Controls	Interconnected Capitals	Associated Stakeholders
<ul style="list-style-type: none"> System downtime Vendor failure/third party dependency Capacity bottlenecks Business Continuity Plan/Disaster Recovery gaps Technology obsolescence 	<ul style="list-style-type: none"> Vendor due diligence and governance Site safety and security Data protection Uptime management and resilience enhancement Change control 	<ul style="list-style-type: none"> Financial: Efficiency lowers expense ratio and smoothens cash flow Human: Better tools and clear workflows raise productivity and reduce rework Social & Relationship: Consistent service and uptime strengthen customer, partner and regulator trust. Natural: Digital journeys and energy-smart sites reduce paper and power intensity. 	<ul style="list-style-type: none"> Policyholders Employees Agency

Human Capital

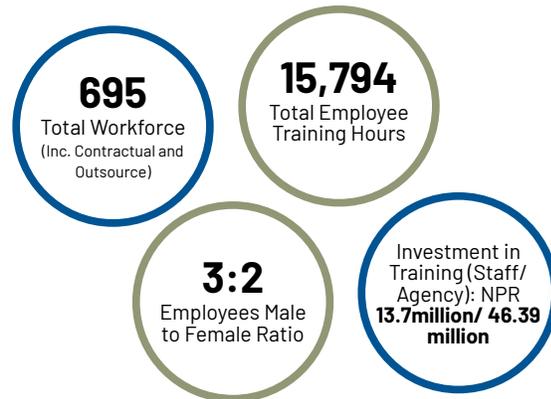
Human Capital at Nepal Life is the capability, conduct and commitment of our people: employees and a nationwide professional agency force, who turn plans into reliable service every day. It spans core skills and knowledge as well as the attitude that defines how we work. Our agency network is pivotal, sourcing more than 95% of new business, and remains our primary interface with households across Nepal. We build this strength through continuous professional development, field coaching, and supervision with the operation of a dedicated unit to facilitate the agency force, with a focus on servicing and training. For employees, we invest in targeted hiring for critical roles, structured learning paths, leadership development, and succession coverage so operations remain steady even as teams change. Engagement is supported by fair pay and recognition, transparent goals, and regular feedback. Wellbeing and safety programs, flexible tools, and inclusive practices help people bring their best to work. Human capital is the first line of risk control. Our people make decisions within clear risk limits, reinforced by operating guidelines, practical training for grey areas and early challenge and escalation. This strengthens decision discipline, lowers operational and conduct risk.

Culture ties all these elements together and is measured in behaviors. Governance at Nepal Life sets clear, enforceable standards for conduct and decision-making, with board and committee oversight ensuring accountability and consistency across the business. We have an open-door policy making senior management accessible and



Human capital is the first line of risk control.

encouraging early escalation of edge cases and candid discussions before issues become risks. Learning is embedded in day-to-day operations, and this fosters a mindset of openness, transparent communication, and continuous improvement. As human capital strengthens, it amplifies the other capitals: models are used well, platforms run smoothly, relationships deepen, and financial results become more resilient through cycles.



Key Risk	Risk Controls	Interconnected Capitals	Associated Stakeholders
<ul style="list-style-type: none"> ■ Capability and capacity gaps ■ Conduct risk ■ Attrition ■ Succession shortfalls ■ Health, safety and wellbeing ■ Incentive distortion 	<ul style="list-style-type: none"> ■ Learning path ■ Succession and workforce planning ■ Retention and engagement ■ Targeted agency incentives ■ Wellbeing and safe-work practices ■ Change management 	<ul style="list-style-type: none"> ■ Financial: Skilled and productive workforce lift sales, and loss control, improving earnings and capital strength. ■ Intellectual: Learning, innovation, and knowledge sharing by people create models and processes that compound over time. ■ Social & Relationship: Workforce behaviors and leadership drive trust, service quality, and partnerships across customers and stakeholders. ■ Natural: Workforce choices and practices reduce environmental footprints and enhance resilience. 	<ul style="list-style-type: none"> ■ Employees ■ Agency



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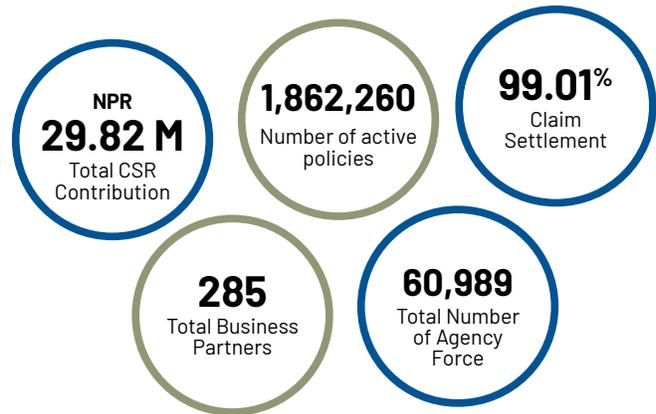
We build this strength through continuous professional development, field coaching, and supervision with the operation of a dedicated unit to facilitate the agency force, with a focus on servicing and training.

Social and Relationship Capital

Social and Relationship Capital at Nepal Life is the trust earned with shareholders, policyholders, agency, workforce, regulators, suppliers, and the communities we serve. It is visible in clean onboarding, transparent communications, and fair, timely claims, actions that turn intent into confidence. We keep engagement practical and continuous: customer education that explains protection needs in everyday terms; proactive service call-backs and complaint resolution; regular partner reviews with clear standards; and open dialogue with supervisors so expectations are aligned, and issues are closed with evidence.

This capital reflects how we show up beyond transactions. We work to widen insurance awareness and inclusion across Nepal reaching first-time buyers and households that rely on a single earner through financial-literacy efforts, branch-led outreach, and partnerships that extend access. Community

programs are chosen for relevance and credibility, so support reaches where it matters, while disclosures remain transparent and timely to sustain regulator and investor confidence.



Key Risk	Risk Controls	Interconnected Capitals	Associated Stakeholders
<ul style="list-style-type: none"> ■ Sales conduct and mis-selling ■ Partner non-compliance/ Outsourcing risk ■ Reputation damage 	<ul style="list-style-type: none"> ■ Customer relationship management protocols ■ Structured partner onboarding & due diligence ■ Community and CSR governance 	<ul style="list-style-type: none"> ■ Manufactured: Branch coverage, service design, and digital up-shaped customer experience and partner confidence. ■ Human: People create trusted relationships and those relationships, in turn, strengthen capability, engagement, and early-escalation behaviors across the frontline. ■ Nature: Community programs, disaster response, and greener operations enhance social license, and support long-term resilience. 	<ul style="list-style-type: none"> ■ Policyholders ■ Agency ■ Regulators ■ Shareholders ■ Suppliers ■ Local Communities

Natural Capital

Natural Capital is the set of environmental resources we depend on to run a nationwide insurer and the footprint we leave in return. In practical terms, this includes the energy that powers offices and data centers, the water used at sites, the materials consumed in everyday operations, and the wider climate risks that can disrupt facilities and communities. We approach it as a management discipline: reduce intensity where possible, build resilience where necessary, and make choices that keep the business reliable and credible over the long term.

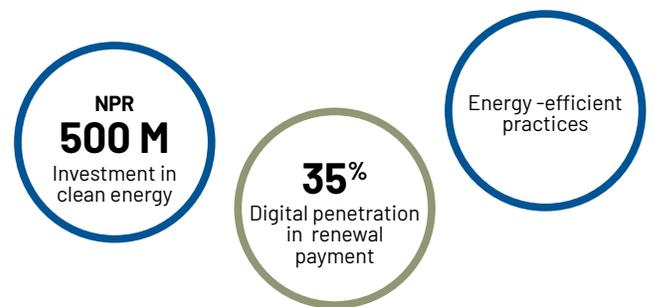
On the tangible side, we are channeling funds into green initiatives, including hydropower investments, with solar power being considered as an investment priority. We promote the use of electric vehicles for eligible company mobility and continue digital adoption to cut paper use and reduce handling. On the intangible side, we favor lower-impact opportunities in screening, encourage paper-light habits across teams, and begin basic tracking of paper and energy where feasible. The shift is visible in servicing: digital penetration in renewal collections increased from 31% at the start of the fiscal year to 35% at year-end, lowering paper use and travel. In parallel, we invest in and partner with the organizations that advance environmental and sustainability goals, so our operational efforts are reinforced by credible, external impact.

The immediate outputs are visible: Internally, a higher share of transactions completed and archived

digitally, operating intensity falls, error-prone manual steps reduce, and resilience improves during utility constraints. Externally, communities see a lighter local footprint, and stakeholders gain confidence that responsible practice is embedded in day-to-day service. Technology and offices will continue to use energy: site upgrades create one-off material use, field service and assurance require some travel. We disclose these realities and reduce them where practical through ongoing digitization and better planning.



Digital penetration in renewal collections increased from 31% at the start of the fiscal year to 35% at year-end, lowering paper use and travel.



Key Risk	Risk Controls	Interconnected Capitals	Associated Stakeholders
<ul style="list-style-type: none"> Energy/water/waste intensity, cost volatility Climate transition and physical risks Supplier environmental performance, evolving ESG regulation Biodiversity and ecosystem degradation impacting investee cash flows 	<ul style="list-style-type: none"> Promoting EVs in the company Automation / paper-lite processes Environmental criteria in investments Compliance with environmental regulations ESG governance and policy 	<ul style="list-style-type: none"> Financial: Nature and climate risks drive claims volatility and investment returns Social & Relationship: Community resilience, regulatory trust, and reputation reflect credible environmental stewardship and disclosures 	<ul style="list-style-type: none"> Regulators Employees and Agents Investee Companies Suppliers and Vendors

OPERATING MODEL

Underwriting

The Underwriting department plays a crucial role in safeguarding the financial health of the organization by ensuring that the risks are assessed properly, and regulatory compliance is maintained at the approval stage of the insurance policies. Over the past year, the department has continued to strengthen its processes, implement technological enhancements, and proactively manage risks to provide support to our policy holders, agents as well as our onboarding business.

During the year, the department undertook multiple initiatives aimed at improving underwriting quality, operational efficiency, and regulatory compliance:

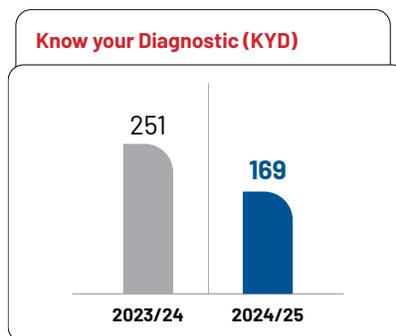
FINANCIAL AND MEDICAL UNDERWRITING

To strengthen income verification, the department provided training to branch and sub-branch staff and introduced mandatory documentation requirements to confirm income sources and prevent insufficient submissions. These measures also support compliance with AML/CFT regulations. Standard checklists and system checks were implemented for key financial documents. The Underwriting Guidelines were updated as well, clearly outlining income requirements for different sum assured and occupation, making the process easier for branch

and sub-branch staff while maintaining strong verification aligned with regulatory standards.

In medical underwriting, the department introduced the concept of Know Your Diagnostic Center (KYD) process and established agreements with reputed and trusted medical centers and hospitals to ensure high-quality, unbiased medical reports. With support from the IT department, plans were initiated to introduce a Medical Portal to enable medical centers to submit reports more efficiently. Additionally, the department planned to expand its panel of doctors for quicker report reviews and, with IT assistance, implement a dedicated Doctor Portal to further streamline and strengthen the medical underwriting process. These efforts were supported by digital initiatives.

FIGURE: NUMBER OF KYD COMPLETED DURING FY 2023/24 AND FY 2024/25





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With support from the IT department, plans were initiated to introduce a Medical Portal to enable medical centers to submit reports more efficiently.

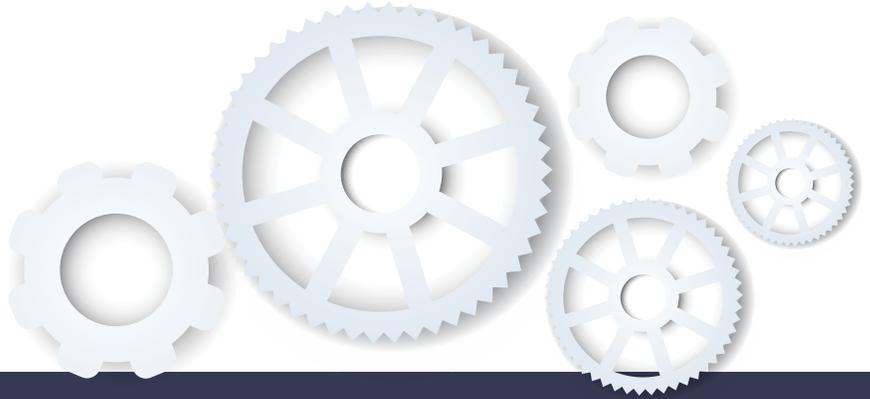
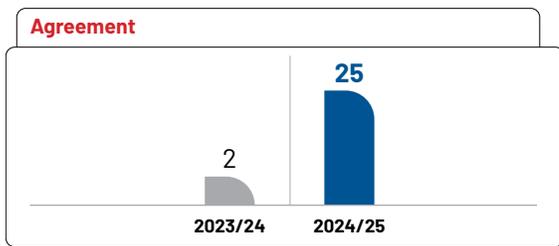


FIGURE: NUMBER OF AGREEMENTS MADE DURING FY 2023/24 AND FY 2024/25



OPERATIONAL EFFICIENCY

To reduce policy issuance delays, the department trained branch and sub-branch staff, implemented systematic document verification, and conducted departmental reviews of approved policies to identify and resolve bottlenecks. These measures ensured timely issuance and minimized risks.

In parallel, the department conducted a comprehensive training and assessment program across all branch and sub-branch staff to strengthen underwriting quality and operational consistency. The evaluation categorized participants into three performance levels: A (Excellent), B (Good), and C (Needs Improvement); based on their understanding skills, documentation accuracy, and compliance procedures. According to their respective categories, staff members were subsequently reassessed and provided with targeted training sessions to address gaps, reinforce strengths, and ensure consistent improvement across all operational areas.

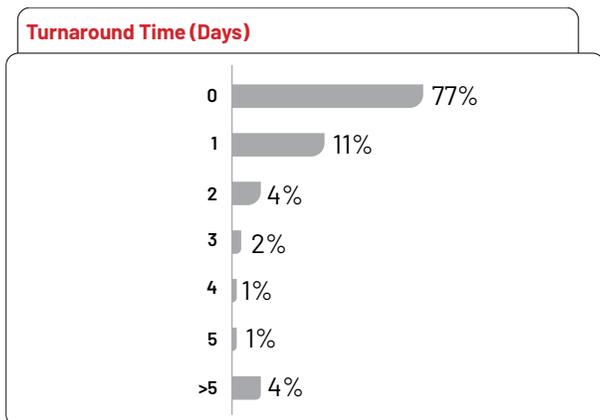
TURNAROUND TIME

To provide timely service to policyholders and agents, the department focused on reducing underwriting turnaround time. Streamlined workflows, clear case assignments, and technology-driven tracking allowed faster approvals without compromising risk assessment quality. This is reflected in the approval data totaling 372,431 where a majority of proposals, 76.9% were approved on the same day, whereas 11.3% within one day demonstrating the department’s efficiency in delivering quick and reliable underwriting decisions.

ENHANCED KYC AND NOMINEE VERIFICATION

The department strengthened KYC and nominee compliance by introducing a KYC verification system within the existing system. For policies with a Sum Assured up to NPR 2.5 million, nominee documents are requested, while for policies above NPR 2.5 million, additional proof of the nominee’s relationship with the policyholder is required, helping to reduce fraud, legal disputes, and delays in claims processing.

FIGURE: PROPOSALS APPROVED BY HEAD OFFICE



ENHANCED DATA ACCURACY AND VALIDATION

Recognizing that accurate data is the backbone of sound risk assessment, the department focused on ensuring that all information collected during customer onboarding is reliable. To achieve this, dual-control checks were strengthened so that data entered by staff is thoroughly reviewed through the maker-checker system, minimizing

errors and oversights. Hands-on training sessions were also conducted for branch and sub-branch staff, emphasizing the importance of complete documentation and careful data entry.

On the technology side, system validations were enhanced with support from the IT team, incorporating mandatory fields and automated checks to identify incomplete or incorrect information before it becomes an issue. Together, these efforts not only help underwriters make stronger, more informed decisions but also reduce the risk of future claim disputes and ensure full regulatory compliance.

PRIOR POLICY VERIFICATION

To avoid duplicate or incorrect policy issuance, the department emphasized the use of automated systems that monitor prior policies and confirm each customer’s unique identity through the KYC process. This not only enables underwriters to make more precise decisions but also strengthens our adherence to anti-money laundering (AML) and KYC regulations. These measures help to reduce errors, accurately track clients’ existing policies, and support both medical and financial underwriting processes.

RISK CATEGORIZATION

The department enhanced the scrutiny of medical documents and high-risk occupations by implementing a system in order to ensure the risk mitigation strategy-enforced workflows and escalation procedures to ensure precise risk classification and minimize future claims exposure. We introduced a more comprehensive risk categorization model that considers multiple factors such as country, district, education, age, premium, and occupation, each weighted appropriately. This refined approach enables more accurate underwriting decisions and better risk management at organizational level.

CROSS-FUNCTIONAL COLLABORATION

The department established a structured feedback loop with the Claims Department to review underwriting quality, analyze claim trends, and reduce repudiation risks. This collaboration has significantly improved underwriting accuracy and strengthened internal governance.

Additionally, we worked closely with the IT team to develop and enhance the systems supporting these processes.

REINSURANCE COMPLIANCE

Processes were strengthened to ensure that proposals with Sum Assured exceeding NPR 20 million, as well as those from clients not listed under the approved country list provided by Re-insurer, are promptly referred to Re-insurer for review and approval. Automated system flags and restrictions were implemented to prevent any bypass of these essential reinsurance checks, ensuring adherence to delegated authority and risk thresholds.

DOCTOR CATEGORIZATION AND POOL OF EXPERT

The existing panel of doctors was further strengthened through an upgraded categorization framework to enhance consistency and quality in medical underwriting assessment, to ensure claims are adequately monitored and to improve the better risk assessment on medical proposal. The revised framework classifies doctors based on their experience, medical practice background, and Sum Assured limits. Additionally, four new trusted doctors were on-boarded to expand the expert pool and improve the accuracy of medical evaluations.

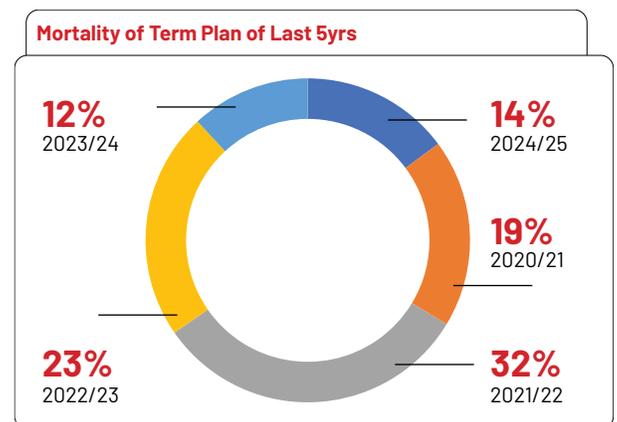
REDUCTION OF EARLY CLAIM

The underwriting department plays a vital role in reduction of early claims of the company. The department has taken following steps in reduction of early claim:

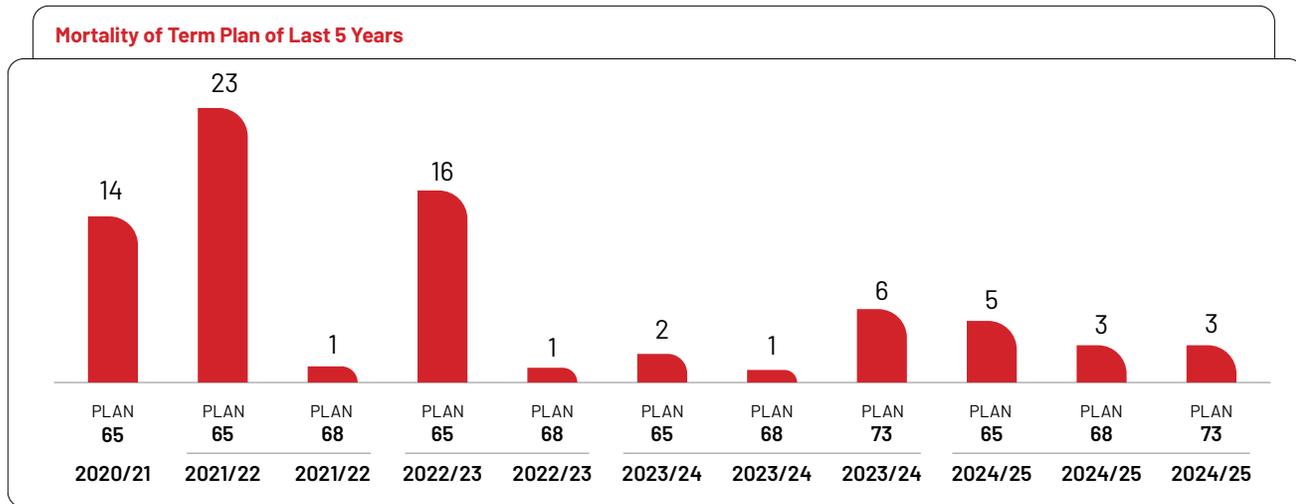
- Proper Risk Assessment: Evaluate each proposal carefully by analyzing age, occupation, health condition, lifestyle, and financial background.
- Medical Examination: Require detailed medical tests to detect pre-existing conditions.
- Verification of Information: Cross-check proposer’s personal income and medical details to ensure accuracy and prevent fraud.
- Field Investigation (if needed): Conduct background or field investigations for suspicious or high-risk cases through branch.
- Strict Adherence to Underwriting Guidelines: Ensure decisions align with company policy and reinsurance requirements.
- Training and Awareness: Regularly train agents and underwriters to identify risk indicators and avoid moral hazard.

TERM MORTALITY TREND IN LAST 5 YEARS

Chart showing mortality of term life insurance in the past 5 years.



FURTHER BIFURCATION ACCORDING TO PLAN OF TERM LIFE INSURANCE.



Data on term plan mortality over the last five fiscal years shows a total of 75 policies affected. In fiscal year 2020/21, 14 policies were recorded, rising sharply to 24 in 2021/22, the highest figure in the five-year period. The numbers then declined to 17 in 2022/23 and 9 in 2023/24, followed by a slight increase to 11 in 2024/25. Overall, the trend reflects a sharp rise in the second year, followed by a gradual decline, indicating improvement or stabilization in subsequent years.

Risk Management and Strategy

Underwriting inherently involves managing a variety of risks. Key risks identified by our department include incomplete or incorrect data entry during customer onboarding, failure to consider prior policies before issuance, inadequate verification of income sources, and missing essential documentation such as insurer photos or nominee identification. Additional risks involve discrepancies in document uploads, submission of forged medical documents and improper rider benefits.

We also face challenges from unrelated nominees without insurable interest, incomplete moral hazard reports, missing or incomplete medical reports, lack of coordination between claims and underwriting teams, acceptance of cases without reinsurer approval, and delays in policy issuance. Each risk is evaluated based on its likelihood and impact, and we implement targeted controls to manage and mitigate them effectively.

To mitigate these risks, underwriting decisions are governed through a maker-checker mechanism aligned with delegated authority. Enhanced Due Diligence (ECDD) is mandatory for high-risk customers, particularly those engaged in cash-intensive businesses, to ensure compliance with AML/CFT requirements. Proposals exceeding defined risk thresholds such as high sum assured cases or clients from non-approved countries are referred to reinsurers for mandatory approval. Medical assessments are conducted through a limited panel of preferred doctors, supported by the Know Your Diagnostic Center (KYD) process, while nominee details and insurable interest are verified at the proposal stage.

Operational controls further include standardized medical requirements based on age and sum assured, comprehensive document verification during onboarding, and same-day processing of proposals to minimize issuance delays. Through these measures, the department has strengthened risk assessment, reduced operational errors, enhanced regulatory compliance, and reinforced the Company’s financial stability and customer trust.

Through these initiatives, the department has successfully reduced operational errors, improved risk assessment accuracy, and reinforced compliance frameworks, contributing significantly to the organization’s financial stability and customer trust.



Insurance

AGENCY SERVICING

The Agency Servicing Department manages Nepal Life's primary distribution channel, the Agency Channel, which contributes around 99% of the Company's business, with the remaining 1% generated through the Alternate Sales Team. With a large and geographically diverse agency force, the department plays a central role in driving business growth, supporting agents, and ensuring smooth coordination with branches and provincial offices.

During the year, the department remained focused on strengthening agency mobilization, improving operational efficiency, and enhancing service quality. A clear, standardized process was followed for handling agency-related tasks to ensure accuracy, timely support, and prompt resolution of field-level issues. Regular communication and coordination with branches and provincial offices helped maintain strong alignment on targets, activities, and priorities.

Training and development of the agency network were key priorities. Structured training programs were conducted by the Agency Training department across branches and provincial offices to enhance agents' technical knowledge, sales skills, and professionalism. In addition, the department designed and implemented various monthly schemes tailored to the needs and preferences

of the agency force. These schemes supported business growth in focused product lines, encouraged activity and productivity, and provided short-term motivation aligned with the Company's overall business plan.

Recognition and rewards remained a key part of agency engagement. Active and top-performing agents and Agency Managers were honored through programs such as the Million Dollar Round Table (MDRT), Leadership Excellence Awards (LEA), and provincial-level STAR Awards, helping foster a performance-driven and aspirational culture within the agency network. At the same time, digital enablement was strengthened through the dedicated agency app and related platforms, giving agents convenient access to performance data, commission details, policy information, and other relevant tools, thereby improving transparency, efficiency, and connectivity.

Looking ahead, the department aims to further enhance agency servicing by expanding targeted training initiatives, refining monthly schemes based on agent feedback and market dynamics, and deepening the use of digital systems for monitoring, reporting, and communication. Continuous process improvement, strong coordination with branches and provincial offices, and consistent recognition of performance will remain core priorities to support Nepal Life's long-term growth and leadership in the insurance sector.

Total Agents	60,989
Active Agents	31,773
MDRT Qualifiers	95
LEA Qualifiers	440
STAR Awards Qualifiers	1,141
Number of Agency Training	1,922

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Regular communication and coordination with branches and provincial offices helped maintain strong alignment on targets, activities, and priorities.



POLICY SERVICING

With a portfolio of more than 1.8 million policyholders, the policy servicing department plays a crucial role for ensuring that all in-force policies are serviced accurately, timely, and in line with regulatory and internal standards.

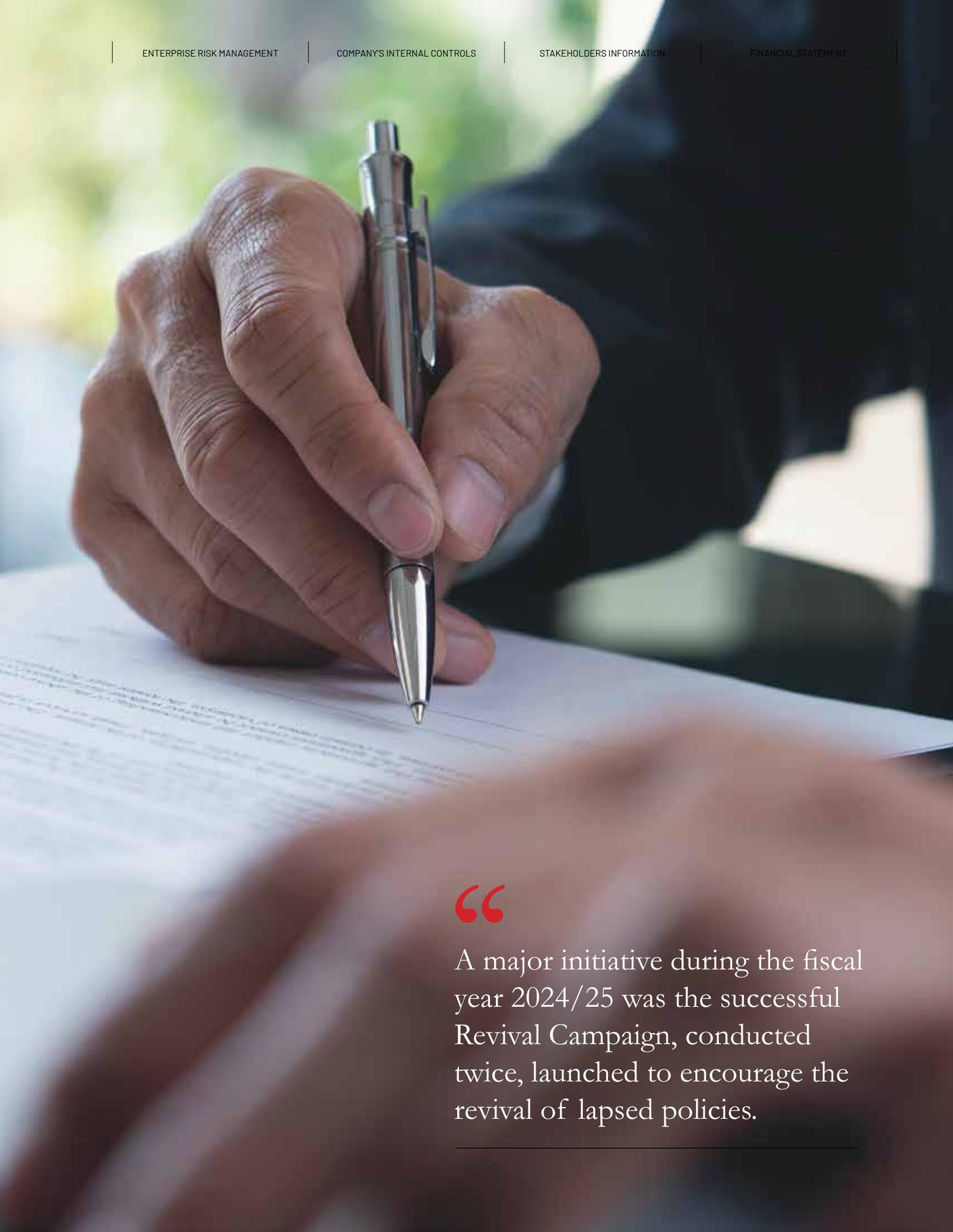
Throughout the year, the department focused on the smooth handling of all policy-related activities, including policy revivals, policy loans and endorsements. Consistent, error-free execution of these functions has been instrumental in strengthening the company's service quality, reliability, and overall customer experience. A major initiative during the fiscal year 2024/25 was the successful Revival Campaign, conducted twice, launched to encourage the revival of lapsed policies. Through these campaigns, we were able to revive 24,724 lapsed policies. This campaign enabled policyholders to reinstate their insurance benefits, contributing significantly to business growth and customer retention.

Customer-centricity remained a core focus. The department maintained close communication with policyholders to address their queries and concerns promptly. Grievances were handled efficiently and resolved within defined

timelines, ensuring a smooth and satisfactory experience for customers, which in turn helped strengthen overall customer satisfaction and trust in the company.

To enhance service quality and staff capability, regular training programs were conducted focusing on both technical skills and customer service excellence. The department worked in close collaboration with the IT and Operations Departments to implement system improvements and digital process integration. These efforts helped reduce manual intervention, minimize errors, shorten turnaround times, and enhance transparency in service delivery.

Looking ahead, the Policy Servicing Department aims to further elevate service quality and customer engagement by expanding digital services that allow policyholders to access policy information and submit requests online. Grievance redressal mechanisms will be further strengthened to ensure faster and more transparent resolutions, while advanced training programs will be aligned with evolving regulatory requirements and service standards. The department also plans to implement data-driven monitoring systems to improve service tracking, performance evaluation, and decision-making. Through these initiatives, the department remains committed to delivering prompt, transparent, and customer-friendly services, reinforcing Nepal Life's position as Nepal's most trusted life insurance company.



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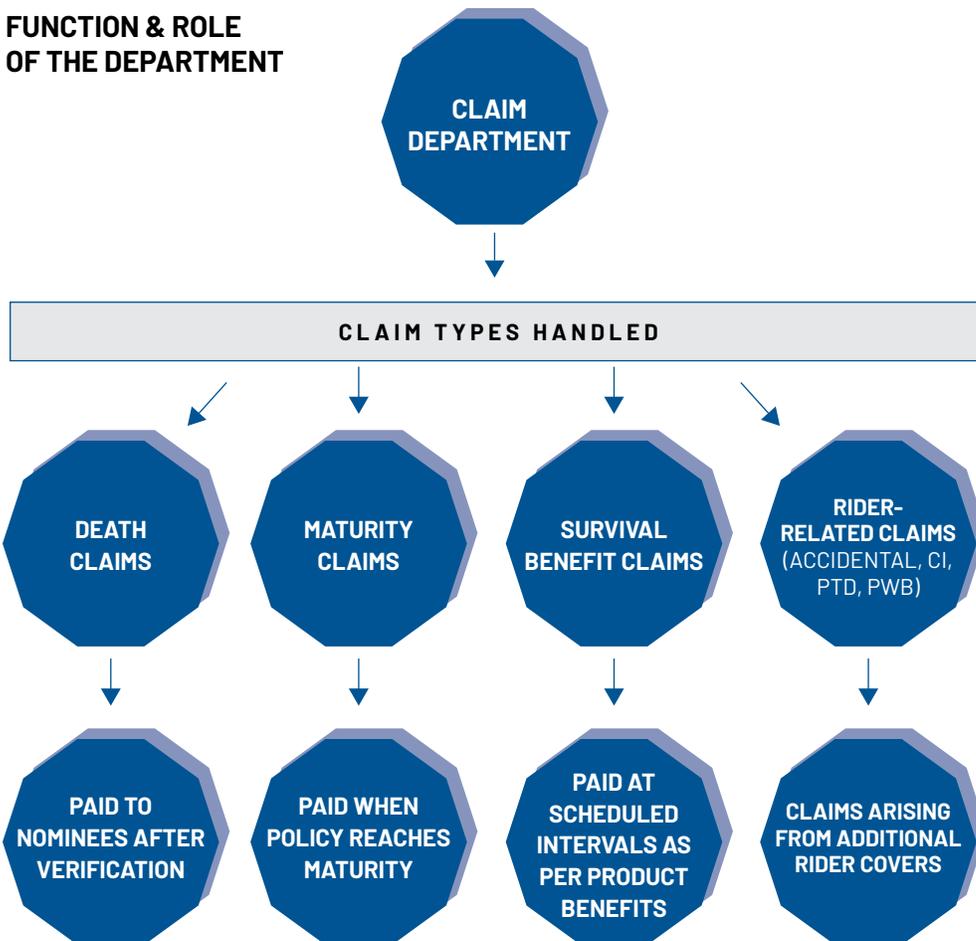
A major initiative during the fiscal year 2024/25 was the successful Revival Campaign, conducted twice, launched to encourage the revival of lapsed policies.

CLAIM

The claim function is central to the life insurance business, fulfilling the insurer’s promise of financial protection by verifying claim authenticity and eligibility, ensuring timely and fair benefit payment, preventing fraud, and maintaining regulatory compliance. Through efficient and transparent settlement, it preserves the insurer’s credibility, strengthens customer trust, and supports the long-term stability of the life insurance industry.

The Claims Department is a vital pillar of Nepal Life, serving as the central point that protects and supports all stakeholders. Through its commitment to timely service, customer protection, regulatory adherence, and fraud prevention, the Claims Department upholds Nepal Life’s reputation and operational strength.

FUNCTION & ROLE OF THE DEPARTMENT



MARKET POSITION SUMMARY

Stakeholder / Area	Role of the Claims Department	Impact / Outcome
Policyholders	Provides quick, fair, and transparent claim settlements	Builds trust, ensures financial security, fulfills company promise
Agency Force	Supports efficient claim processing	Enhances credibility, boosts customer satisfaction, supports business growth
Regulators	Ensures strict compliance and timely reporting	Strengthens governance and regulatory adherence
Fraud Control	Conducts verification and identifies suspicious cases	Protects financial integrity and prevents fraudulent payouts
Overall Contribution	Delivers timely service, customer protection, compliance, and fraud prevention	Upholds Nepal Life's reputation, reliability, and operational strength

MAJOR INITIATIVES, MILESTONES, AND IMPROVEMENTS DURING THE YEAR

Launched a fully digitized claims system enabling paperless claim intimation and better customer accessibility.

Implemented automated SMS notifications to provide real-time claim status updates.

Strengthened fraud detection with an in-house roster of trained investigators.

Focused investigations and onsite verifications on suspected fraudulent cases to protect process integrity.

Introduced direct bank payments to reduce settlement time and improve customer confidence.

Achieved a 99.01% claim settlement ratio, with 94% of claims settled within 15 days.

Reduced customer complaints through simplified procedures, reduced documentation, improved communication, and real-time claim tracking.

Reinforced regulatory compliance, enhancing governance and operational reliability.

Upgraded the claims management platform.

Improved coordination with hospitals and diagnostic centers

Nepal Life has been following a structured strategy to verify the authenticity and validity of every claim. Rigorous checks are performed on all relevant documents, policy status, medical records, and claim circumstances. Suspected fraudulent cases are referred to panel doctors for expert medical review, where they examine reports, detect inconsistencies, and verify the cause of death or illness, enabling the identification of doubtful certificates, abnormal treatments, and fabricated records. This medical scrutiny is complemented by dedicated investigators who conduct field inquiries and on-site verification, including hospital checks, interviews, and external cross-verification. They validate claimant statements, confirm treatment history, and help detect fraudulent intent. Together, the combined efforts of medical experts and investigators form a strong fraud-control system that protects the Company from fraudulent claims and ensures that only genuine claims are approved and paid.

The Claim department has implemented multiple process improvements to reduce turnaround time (TAT) and enhance accuracy. A digital claim submission and settlement platform has been introduced, streamlining end-to-end processing.

Claim procedures have been simplified for cases with a sum assured of up to NPR 200 thousand to enable faster evaluation, and approval authority has been delegated to provincial level to minimize delays. The department now provides pre-approved document checklists to customers and staff, supports automated SMS updates and real-time claim tracking through the claim portal, and has adopted standardized documentation guidelines, collectively contributing to a more efficient, transparent, and customer-friendly claims experience.

The Department has introduced special claim-settlement initiatives to enhance customer satisfaction and trust. Urgent and sensitive cases are prioritized through accelerated processing, enabling settlement within 24 - 48 hours, while a fast-track system for accidental claims ensures that simple and genuine cases are completed within 72 hours. Documentation requirements have been streamlined and internal coordination strengthened to support quicker and more efficient decision-making. As a result of these focused efforts, the Department successfully maintained a low pending-claims ratio of 0.9% in FY 2024/25.



FRAUD CONTROL AND RISK MANAGEMENT

Implementing rule-based red flags to identify early or suspicious death cases.

Enhancing investigation protocols with detailed assessments and onsite verification.

Strengthening validation and cross-checking of medical documents and hospital records.

CUSTOMER ENGAGEMENT AND COMMUNICATION DURING CLAIM SETTLEMENT

Introduced real-time claim tracking through the website and mobile app for 24/7 status monitoring.

Implemented automated SMS notifications to provide instant updates at key claim stages.

Strengthened communication with timely email updates and telephone support.

Maintained a friendly, supportive communication approach with regular follow-ups.

Combined improvements delivered faster service and significantly enhanced the overall claim settlement experience.

OVERALL CHALLENGES

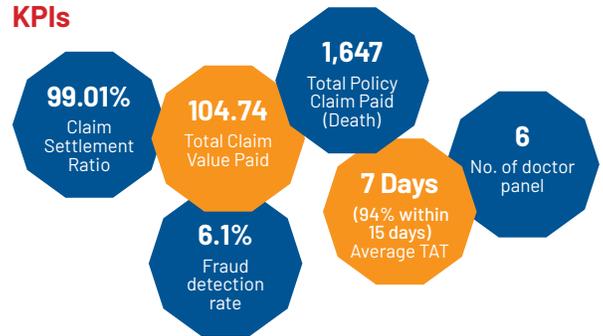
The claims process faces several operational challenges, including incomplete document submission, incorrect or delayed submission of required documents, frequent follow-up queries from claimants, a large volume of claims, and issues related to post-FPI lapse and contestable clauses. These



Claim procedures have been simplified for cases with a sum assured of up to NPR 200 thousand to enable faster evaluation, and approval authority has been delegated to lower management levels to minimize delays.

challenges are addressed through a combination of structured and proactive measures. Claimants are supported with clear document checklists and continuous motivation to ensure timely submission, while regular follow-ups and coordination with hospitals are carried out to obtain medical documents and conduct necessary investigations. To manage frequent claimant queries, automated SMS alerts, emails, and phone calls are used to ensure prompt communication and faster service delivery. High claim volumes are handled through a fast-track workflow to maintain efficiency. Additionally, issues arising from post-FPI lapse and contestable clauses are mitigated by quick verification of policy status, streamlined investigation processes, and transparent communication with claimants to build trust and ensure clarity.

KPIs



INITIATIVES OR AREAS OF FOCUS

Adopting faster processing system to additional claim categories,

Strengthening employee capability through specialized training, improving data quality and reporting dashboards, and enhancing compliance readiness in alignment with evolving regulatory requirements.

Delegation of claim approval authority to Provincial & Branch Level which additionally minimizes the turnaround time.

The team will focus on incorporating claim workflows with multimedia.

Automation of document validation using AI and enhancing fraud risk scoring with more robust analytics.

Customer friendly portal will be improved through upgraded self-service features on the claim portal.

Automated SMS notifications, email, telephone for timely updates to claimants.

Regular follow-ups to avoid delays and ensure smooth processing.

HUMAN RESOURCE MANAGEMENT

Our HR Vision & Strategic Focus

To establish Nepal Life Insurance as the employer of choice in Nepal's insurance sector, attracting, developing, and retaining exceptional talent to deliver superior customer service and sustainable business growth.

In a year marked by significant political shifts, and economic turbulence, our people remained our strongest assets. We focused on building resilience through capability development, fostering engagement through transparent communication, and ensuring well-being through comprehensive support programs. Our investments in succession planning, digital HR transformation, and inclusive workplace practices positioned us to navigate challenges while maintaining operational excellence and employee satisfaction.

HR Culture and Approach at Nepal Life

At the heart of Nepal Life lies a people-first culture built upon six foundational values, the 6Cs that drive every decision, action, and outcome. These values guide our performance, ensuring we deliver excellence, uphold integrity, and maintain an unwavering commitment to our stakeholders.

These core values form the backbone of Nepal Life's HR philosophy, which fosters a culture of fairness, transparency, and performance excellence. The HR approach is strategically aligned with business objectives, emphasizing employee engagement, talent development, and organizational resilience.

Through structured systems in recruitment, development, performance management, and retention, Nepal Life ensures that every individual is aligned with corporate objectives while feeling empowered to contribute to long-term success.

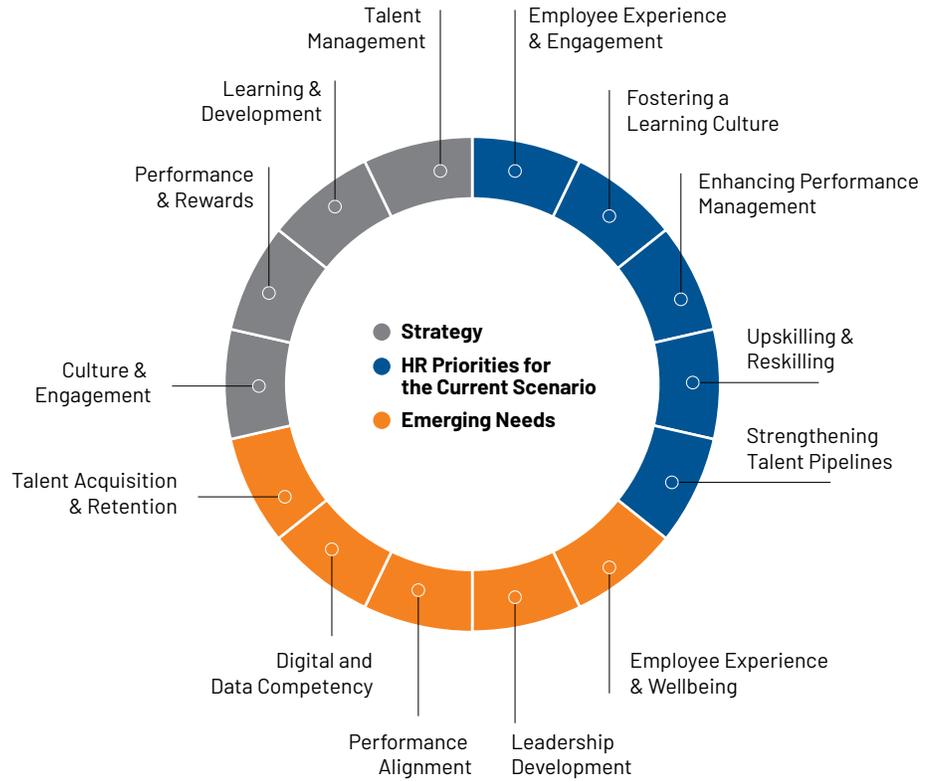
We nurture a workplace grounded in meritocracy, inclusivity, and accountability, where collaboration and continuous improvement are integral to daily operations. Together, our people and our principles form the foundation of Nepal Life's sustained growth, trust, and leadership in the insurance sector.





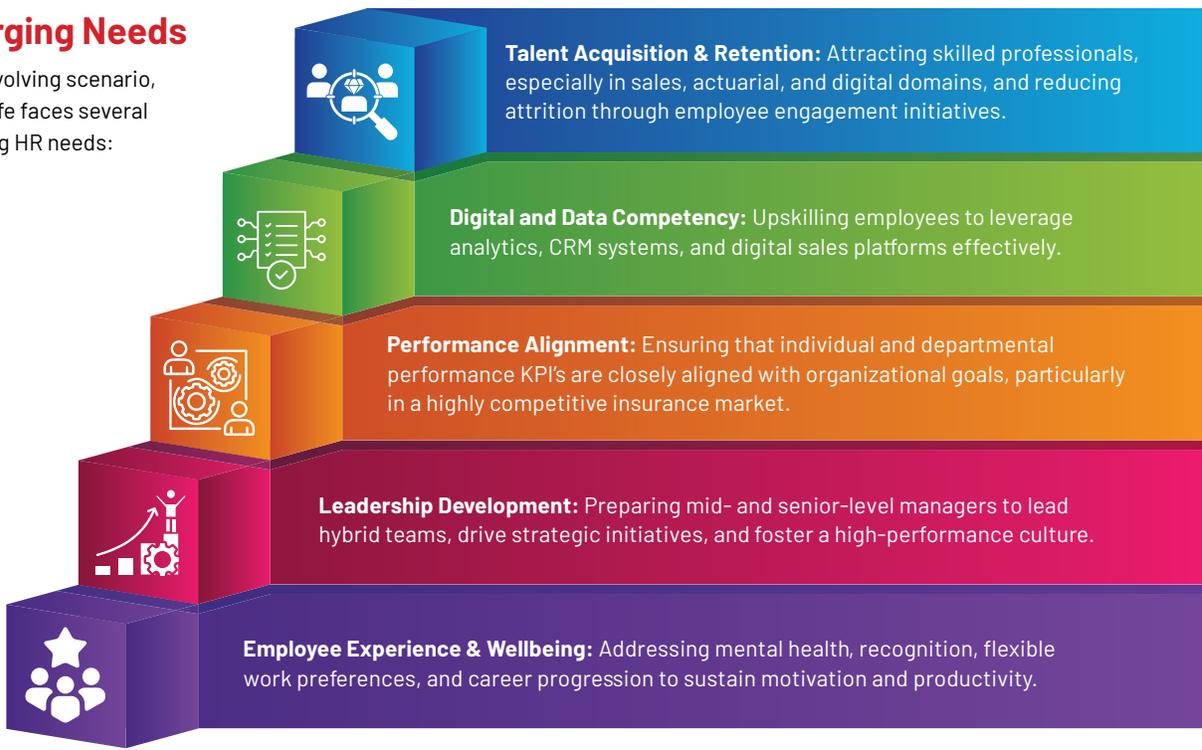
Key Dynamics in People/HR Management

The HR landscape at Nepal Life is being reshaped by rapid market evolution, technological advancement, and increasing competition in the insurance sector. Key dynamics include the growing importance of digital skills, the need for agile talent capable of responding to market shifts, and the rising expectation of employees for flexible work models and meaningful career development. Additionally, regulatory changes, industry best practices, and employee expectations for transparency, equity, and recognition are influencing HR strategies. Workforce demographics are also evolving, with younger talent entering the market, demanding modern management approaches and continuous learning opportunities.



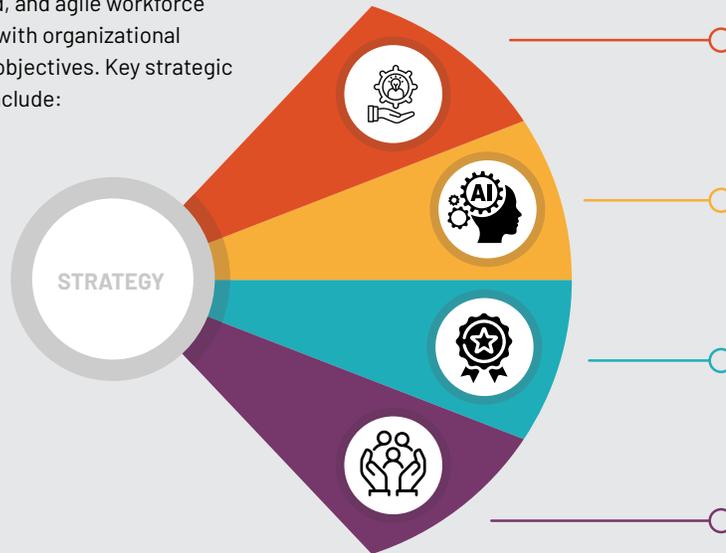
Emerging Needs

In this evolving scenario, Nepal Life faces several emerging HR needs:



Strategy

Nepal Life's people strategy is focused on building a capable, engaged, and agile workforce aligned with organizational growth objectives. Key strategic pillars include:



Talent Management: Structured recruitment, onboarding, succession planning, and retention programs targeting critical roles.

Learning & Development: Continuous skill-building initiatives, compliance training, leadership programs, and digital literacy interventions.

Performance & Rewards: Transparent appraisal systems linked to performance KPIs, sales metrics, and long-term business outcomes, complemented by competitive rewards and recognition programs.

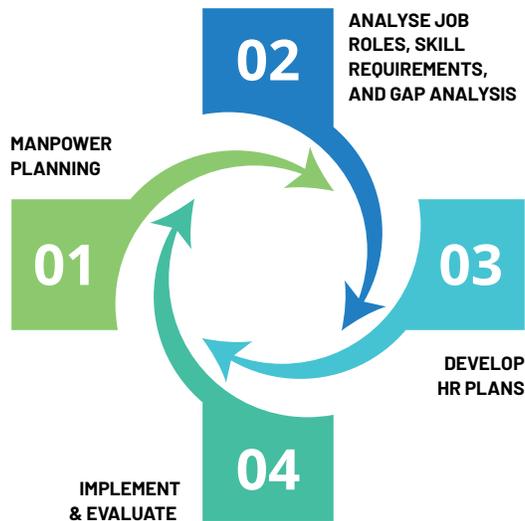
Culture & Engagement: Promoting an inclusive, learning-driven, and high-accountability culture through structured coaching and counselling sessions, departmental meetings, and structured feedback mechanisms.

HR Priorities for the Current Scenario

Given the current market and organizational realities, HR priorities at Nepal Life include:



HR Management Cycle



Manpower Planning

The planning phase serves as the strategic cornerstone of Nepal Life's HR Management Cycle. It ensures that the company's human capital is effectively aligned with its long-term business objectives and evolving operational priorities. Given Nepal Life's expanding market footprint and commitment to service excellence, proactive HR planning is indeed a crucial strategic element, functioning as the foundation for aligning human capital with the company's long-term business goals and evolving operational priorities. By proactively planning its human resources, Nepal Life ensures it has the right talent, skill sets, and leadership capacity to maintain and enhance its position as a leader in the life insurance sector.

In line with Nepal Life's strategic growth plans such as strengthening market presence, enhancing digital capabilities, and improving customer experience, the HR Department forecasts future manpower needs across all functional areas. This involves assessing expansion plans, new branch establishments, digital transformation initiatives, and regulatory developments that may influence staffing requirements. The objective is to ensure an optimal workforce mix that supports both operational efficiency and strategic agility.

Analyse Job Roles, Skill Requirements, and Gap Analysis
A comprehensive review of existing job roles and competencies is conducted to evaluate current workforce capabilities against future organizational needs. This analysis identifies areas requiring specialized technical knowledge (e.g., actuarial science, underwriting, digital operations) and leadership competencies critical to sustaining high performance. The process helps to pinpoint skill gaps, emerging talent demands, and succession risks particularly in key managerial and technical positions across the organization.

Develop HR Plans

Based on the workforce analysis, Nepal Life formulates integrated HR plans to ensure talent readiness and capability enhancement.

- **Recruitment Plans:** Focused on attracting high-calibre professionals with expertise in insurance, finance, and technology to strengthen functional and operational efficiency.
- **Learning & Development Plans:** Designed to enhance both technical and behavioural competencies, promote leadership growth, and build a culture of continuous learning.
- **Succession Plans:** Developed to identify and prepare potential successors for critical roles, ensuring leadership continuity and minimizing operational disruption.
- **Retention & Motivation Strategies:** Framed to retain skilled employees through structured career development, fair rewards, and a supportive work environment.

Collectively, these initiatives ensure that Nepal Life maintains a capable, motivated, and future-ready workforce aligned with its mission of providing reliable life insurance solutions and sustaining its market leadership position.

Learning and Development

At Nepal Life, training needs are identified through regular performance reviews, skill-gap analyses, and by keeping up with market and regulatory changes. HR works closely with department heads and experts to design practical, goal-aligned programs. After each session, feedback and performance results are used to measure impact and improve future training, promoting a culture of continuous learning and growth.

TRAINING AND DEVELOPMENT

4.1



TRAINING NEEDS ASSESSMENT

- Identifying training needs is done through regular performance appraisals, skill-gap analyses, compliance with regulatory changes, and market evolution
- Input is gathered from Employeoes, Province Heads, HOD's & Unit Hede
- Assessment focuses on current skill deficiencies, new skill requirement aligned with strategic business goals, and emerging operational priorities

4.2



COLLABORATIVE PROGRAM DESIGN

- HR collaborates with different departments to develop annual training calendar and training modules that are relevant and practical
- Training priorities are aligned with both individual and organizational development needs
- Training plans include a mix of skill enhancement, technical know how compliance training, leadership development, and motivational

4.3



STRUCTURING THE ANNUAL TRAINING CALENDAR

- Training sessions are scheduled throughout the year with consideration for operational workflow and peak business periods
- The calendar includes internal training events, workshops, seminars, and external certification programs

4.4



POST-TRAINING EVALUATION AND ADJUSTMENT

- After training, evaluations are conducted via participant feedback, online test, performance improvements, and productivity metrics
- These evaluations guide refinements to future training calendars, ensuring continuous learning and development culture

The annual training calendar preparation ensures that Nepal Life maintains a capable, motivated, and skilled workforce, supporting business growth and service excellence in the life insurance sector.

Performance and Appraisal

Nepal Life implements a robust performance management system comprising both semi-annual and annual appraisals. The system integrates individual, departmental, and organizational performance indicators, ensuring comprehensive alignment. Sales-related KPIs are tracked on a daily basis to maintain accountability and drive productivity, while corporate and functional KPIs for Heads of Departments (HODs) are monitored periodically to ensure strategic consistency and goal achievement. The appraisal process not only evaluates outcomes but also emphasizes competencies, leadership behaviours, and growth potential, forming the basis for rewards, promotions, and development interventions.

HR Policies

HR policies at Nepal Life are designed to uphold fairness, compliance, and consistency across all employee interactions. These policies are aligned with Nepal's prevailing labor laws and reflect best practices within the insurance and financial services industry. Key policies encompass areas such as recruitment and selection, performance management, compensation and benefits, code of conduct, grievance handling, and disciplinary procedures. Regular reviews ensure that policies remain relevant, equitable, and responsive to evolving regulatory and market dynamics, thereby maintaining organizational integrity and trust.

Employee Lifecycle

The employee lifecycle at Nepal Life is managed through a structured framework encompassing recruitment, onboarding, development, retention, and separation. From the initial attraction of talent through transparent selection processes to structured induction and continuous learning opportunities, each phase is designed to enhance engagement and career growth. Employee performance and potential are nurtured through ongoing feedback, mentorship, and development programs. Even at the exit stage, insights from exit interviews are used constructively to strengthen retention strategies and overall employee experience.

REWARDS AND BENEFITS

Nepal Life maintains a competitive and performance-based rewards framework designed to recognize both individual and collective achievements. The compensation structure aligns with industry benchmarks, ensuring fairness and motivation across all levels. In addition to fixed and variable pay, the company offers benefits such as provident fund, gratuity, insurance coverage, leave provisions, and other welfare initiatives. Exceptional contributions are acknowledged through performance incentives, recognition programs, and career advancement opportunities reinforcing a culture where effort and excellence are consistently rewarded.

Learning Culture and Mindset

A strong learning mindset is embedded within Nepal Life's organizational culture, driven by leadership's commitment to continuous improvement and innovation. The management promotes knowledge sharing, cross-functional collaboration, and developmental initiatives that encourage employees to upskill and adapt to market dynamics. Learning is viewed not as a one-time event but as an ongoing journey that enhances both individual capability and organizational competitiveness. This mindset cascades from the top leadership to frontline employees, ensuring that curiosity, adaptability, and growth remain core cultural attributes.

Leadership and Learning Integration

Leadership at Nepal Life has integrated learning into management routines by fostering a culture of feedback, reflection, and coaching. Regular performance reviews, departmental meetings, and strategy sessions include learning components where best practices and lessons learned are shared across levels. Senior leaders act as mentors, promoting a "lead by example" philosophy that inspires continuous capability development among teams. Through structured communication and recognition of learning achievements, the company ensures that this growth-oriented approach permeates from management to the operational level creating a truly learning-driven organization.

Key Initiatives



Business Excellence Conference

Nepal Life's annual Business Excellence Conference stands as a cornerstone event, bringing together top-performing employees from across the organization. It provides a platform to exchange best practices, celebrate exceptional achievements, and align with Nepal Life's strategic priorities. This year, 238 employees participated, reflecting the company's strong culture of recognition and continuous improvement.

LEAP – Leadership Associate Program

The LEAP Program is an intensive leadership development initiative aimed at preparing high-potential employees for future managerial roles. In the fiscal year 2024/25, 31 participants successfully completed the program, underscoring Nepal Life's ongoing commitment to developing capable leaders from within.

Succession Planning Coverage

Succession planning remains a key strategic focus for Nepal Life. It ensures leadership continuity, organizational stability, and the preservation of institutional knowledge. Core Components of Nepal Life's Succession Planning Framework:

- Identification of Critical Roles: Determining positions vital to business continuity.
- Assessment of Potential Successors: Evaluating internal talent for future readiness.
- Knowledge Transfer Mechanisms: Facilitating mentorship and experiential learning.
- Periodic Review & Monitoring: Ensuring plans remain aligned with organizational needs.

Job Rotations

- Cross-functional exposure enables employees to gain a broader organizational perspective.
- Focused on building versatile leaders equipped to drive multi-departmental growth.

CEO Online

CEO Online is a monthly virtual session led by the Chief Executive Officer and attended by employees across the organization. During these sessions, the CEO provides updates on overall business performance, strategic priorities, and key focus areas for the organization. The forum also highlights areas requiring collective effort and alignment to achieve organizational goals. This platform serves as a forum where employee issues, concerns, and feedback are addressed by the CEO, reinforcing a culture of openness, trust, and inclusion.

Zero Hour Sessions

Zero Hour Sessions provide an open forum for dialogue between management and employees, promoting transparency and trust across all levels. During the reporting period, 12 sessions were conducted, allowing teams to share ideas, raise concerns, and contribute directly to organizational decision-making.

Internship Program

- Continued emphasis on developing a strong pipeline of future talent through structured internship opportunities.
- Aimed at fostering learning, practical exposure, and long-term engagement with the organization.



Engagement & Culture

COMMUNICATION CHANNELS

Nepal Life continues to foster a culture of openness, collaboration, and dialogue across all levels of the organization. Regular quarterly review meetings, CEO Online monthly virtual sessions and an open-door policy at all management levels ensure transparency and two-way communication. Employee engagement surveys are conducted to capture valuable feedback and insights, complemented by continuous updates shared through internal newsletters and intranet platforms. Team-building programs are organized to strengthen collaboration and unity, while cultural celebrations across offices promote diversity and inclusion. In addition, CSR initiatives encourage active participation in community welfare, and recognition ceremonies are held to celebrate outstanding employee contributions and service excellence.

Health, Safety & Well-being

PHYSICAL HEALTH INITIATIVES

Nepal Life places strong emphasis on the physical well-being of its employees. During the year, 112 employees participated in company-organized health camps aimed at promoting preventive care and awareness. Comprehensive medical insurance coverage was extended to all employees, ensuring access to quality healthcare when needed. Regular health check-ups were conducted across office locations, and workstations were designed following ergonomic principles to enhance comfort and safety. Additionally, three wellness workshops were organized to encourage healthy lifestyles and support overall employee well-being.

MENTAL WELL-BEING SUPPORT

Nepal Life remains committed to supporting the mental well-being of its employees. The Company provides access to confidential HR counseling services and has introduced programs focused on promoting work-life balance and managing stress effectively. Regular mental health awareness sessions and support campaigns are conducted to foster a culture of openness and care. A confidential helpline is available to all employees, ensuring timely support when needed. In addition, yoga and meditation sessions are organized to promote mindfulness, emotional resilience, and overall psychological wellness.

Safety & Inclusion

ANTI-HARASSMENT & EQUAL OPPORTUNITY

Nepal Life upholds the highest standards of integrity, respect, and fairness in the workplace. The Company enforces a clearly communicated zero-tolerance policy toward any form of harassment, ensuring that all employees feel safe, valued, and respected. To support this commitment, a confidential reporting helpline is available, enabling employees to raise concerns without fear of retaliation and reinforcing a culture of trust, accountability, and equal opportunity across the organization.

REGIONAL INCLUSION & DIVERSITY

Nepal Life is deeply committed to fostering diversity, inclusion, and equal opportunity across its workforce. The Company maintains a strong preference for local hiring across all provinces, ensuring that regional talent is well represented in its operations. Equal opportunity is upheld in all aspects of promotion and career advancement, supported by the ongoing implementation of gender-neutral recruitment policies and inclusive HR practices. In addition, Nepal Life continues to ensure diverse regional representation across teams and leadership levels, reflecting its belief in balanced growth and inclusive progress.

Workforce Profile

WORKFORCE BY GENDER

Male	422
Female	273
Total	695

DIVERSITY AND DYNAMICS OF THE EMPLOYEES

Level	Permanent	Probation	Contract	Wages Staff	Outsource	Grand Total
CEO	1					1
Deputy CEO	1					1
Executive	3					3
Manager	49	2	3			54
Officer	181	1				182
Assistant	323	5				328
Support Staff	11		5	6		22
Outsource					104	104
Grand Total	569	8	8	6	104	695

DIVERSITY AND DYNAMICS OF THE EMPLOYEES

Level	Corporate Office	Koshi	Madhesh	Bagmati	Sub Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
CEO	1								
Deputy CEO	1								
Executive	2			1					
Manager	25	3	5	14	2		4	1	
Officer	34	23	20	41	18	10	19	7	10
Assistant	28	57	42	54	34	29	38	16	30
Support Staff	14	3		5					
Outsource	23	10	5	2	11	12	23	10	8
Grand Total	128	96	72	117	65	51	84	34	48

EMPLOYEES BY AGE GROUP

Level	20-30		31-35		36-40		41-45		46-50		51-58	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
CCEO							1					
Deputy CEO							1					
Executive					1						2	
Manager			5	2	7	3	13	8	8	2	6	
Officer	9	7	35	17	46	18	26	11	9	2	1	1
Assistant	70	45	71	35	43	25	15	10	8	4	1	1
Support Staff	4	1	1		6	1	6	3				
Outsource	27	76		1								
Grand Total	110	129	112	55	103	47	62	32	25	8	10	2

Categories of Training

Types of Training	No of Training
Behavioral Excellence and Professional Protocol	14
Strategic Sales and Operational Effectiveness	18
Sales Innovation and Performance Transformation	12
Customer Service Excellence and Experience Management	13
Enterprise Systems and Process Optimization	10
Technical Proficiency and Applied Skills Development	24
Organizational Culture and Employee Engagement	8
Workplace Safety and Information Security Awareness	7
Effective Communication and Productivity Management	6
Workplace Conduct and Professional Standards	6
Leadership Development and People Management	3
Total	121

Province Wise	Physically	Digitally
Koshi Pradesh	3	12
Madhesh Pradesh	3	13
Bagmati Pradesh	3	13
Sub Bagmati Pradesh	2	13
Gandaki Pradesh	3	12
Lumbini Pradesh	2	12
Karnali Pradesh	3	12
Sudurpaschim Pradesh	2	12

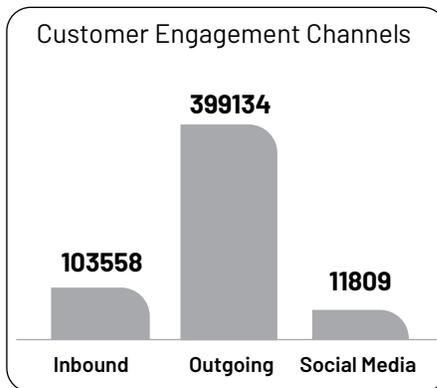
CUSTOMER RELATIONSHIP UNIT

A Year of Excellence from the Customer Relationship Unit

In today's evolving insurance environment, true security comes not only from policies but from the trust and relationships we cultivate. Nepal Life Insurance's Customer Relationship Unit (CRU) serves as a vital bridge to these relationships, acting as the central point of contact for policyholders, agents, shareholders, and potential customers. Our goal is to provide a unified, consistent, and stakeholder-focused experience that reflects Nepal Life's commitment to professionalism, transparency, and service excellence. With an integrated omni-channel support system, we deliver prompt, accurate, and compassionate service that boosts satisfaction, strengthens loyalty, and enhances operational effectiveness.

The unit operates as a holistic hub for both inbound and outbound communication. Whether through phone, email, or social media, our teams address queries, offer clear product and policy information,

and resolve concerns with empathy and efficiency. Grievances are managed through a structured, time-bound process with defined escalation channels to ensure fairness and timely resolution. The CRU also runs targeted outreach campaigns to engage both existing and prospective stakeholders, raise awareness, and support organizational objectives. Beyond service delivery, the CRU plays a direct role in improving business outcomes. By helping reduce grievances and strengthen persistency, the unit minimizes policy lapses and reinforces long-term customer relationships, critical for premium stability and overall organizational efficiency.





Our Gateway to Service

OMNI-CHANNEL SUPPORT



015970971
INBOUND/OUTBOUND CALLS



9801170971
WHATSAPP



9801170971
VIBER



Nepallife.Insurance
FACEBOOK



customer.service@nepallife.com.np
EMAIL



www.nepallife.com.np
WEBSITE

Overview of Key Customer-Focused Campaigns

A series of customer-focused campaigns were carried out to strengthen engagement and enhance service delivery across all touchpoints. The Survival/Maturity Campaign prioritized the settlement of unpaid amounts, increased awareness of benefits, and encouraged policyholders to reinvest. Through the Lapse Campaign, efforts were made to retain policyholders by collecting due premiums, sharing rebate offers, and reducing surrender rates. The Due Policies Campaign reminded customers of upcoming premium deadlines, promoted online payment options, and helped prevent policy lapses. For High-Value Policyholders, personal support was provided to ensure timely payments and strengthen long-term trust. The Survey Campaign focused on gathering feedback to address grievances, improve service quality, and identify factors that drive loyalty. The Agent Campaign worked toward converting potential leads into agent candidates while coordinating closely with branch teams. Additionally, dedicated support was provided for the rebate offer on lapsed policy revivals, including voice-blast communication and structured follow-up calls.

Digital Support for Customers Residing Abroad

To better serve policyholders residing abroad, the team proactively guided overseas customers through digital channels including Facebook Messenger, Viber, WhatsApp, and email so they could resolve queries and requests without needing a physical visit. Support covered a wide range of services such as premium payments, maturity and survival benefits, policy revival, amendments and so on.

Complaint Management Summary

While we consistently strive to prevent issues before they arise, our real strength is reflected in how effectively we address them. Of the 469 complaints received during the year, 99% were successfully resolved. This impressive closure rate is driven by a well-structured process focused on speed, clarity, and effectiveness, with most cases resolved within just 3–4 working days.

Building a Culture of Service Excellence (Training)

What does it take to deliver excellent customer experience at every single touchpoint? It starts with our people.

That's why we conducted a major training initiative, empowering all customer-facing staff across all provinces. We've equipped them with a service-oriented mindset, and practical routines to elevate every interaction. This initiative was designed to strengthen the core of our customer relationships: building unwavering trust, improving retention, and turning satisfied customers into passionate advocates. In today's competitive landscape, this human connection is our most powerful differentiator. The focus was on delivering personalized, timely, and empathetic resolutions that truly make a difference.

Survey Insights for Service Enhancement

Understanding our customers' experiences is at the heart of delivering exceptional service. To capture the voice of both customers and agents, comprehensive customer experience surveys were conducted across various service touchpoints and request types. The survey focused on evaluating the quality and effectiveness of service delivery, measuring key aspects such as customer satisfaction, issue resolution efficiency, and areas requiring improvement. Insights gathered from these surveys were carefully analyzed and shared with management, helping to shape improvement priorities and guide customer-centric initiatives.

Customer Experience Survey of CRU

As part of our continuous effort to enhance service quality, we conducted a customer experience survey to understand how our services are perceived by policyholders. The results were highly encouraging, 98% of respondents expressed satisfaction with the service provided by our unit.



86%

of Customers are satisfied with the issue-resolution time



96%

felt their issue was clearly understood by our representatives



93%

are happy with the knowledge and behavior of our customer service agents



98%

are likely to contact us again if needed

Digital Adoption

We have introduced a one-stop solution designed to make it easier and faster for policyholders to access services without the need to visit a branch for every case. This initiative saves time and effort while promoting convenience and efficiency. By reducing dependence on branch visits, we are encouraging policyholders to become more self-reliant and informed about their policies. To accelerate the company's digital transformation, we created awareness among policyholders about our website, mobile app, and online payment gateways. By encouraging the shift from manual to online processes, we supported efficient service delivery and improved accessibility across geographies.

Way Forward

The CRU will continue to refine its omni-channel capabilities, enhance knowledge resources, and leverage deeper analytics to anticipate needs and personalize support. We are committed to expanding proactive outreach. Our commitment remains unwavering to be trusted, responsive, and dependable for every stakeholder. We are not just a unit, we are the human connection at the heart of Nepal Life, dedicated to forging the strong, lasting relationships that are the true foundation of our company's success.

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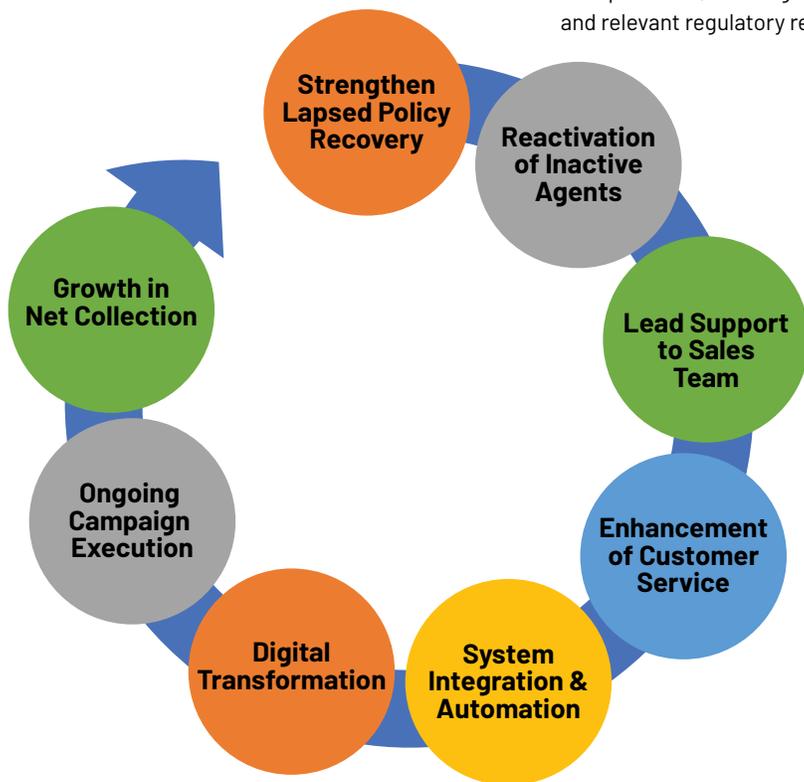
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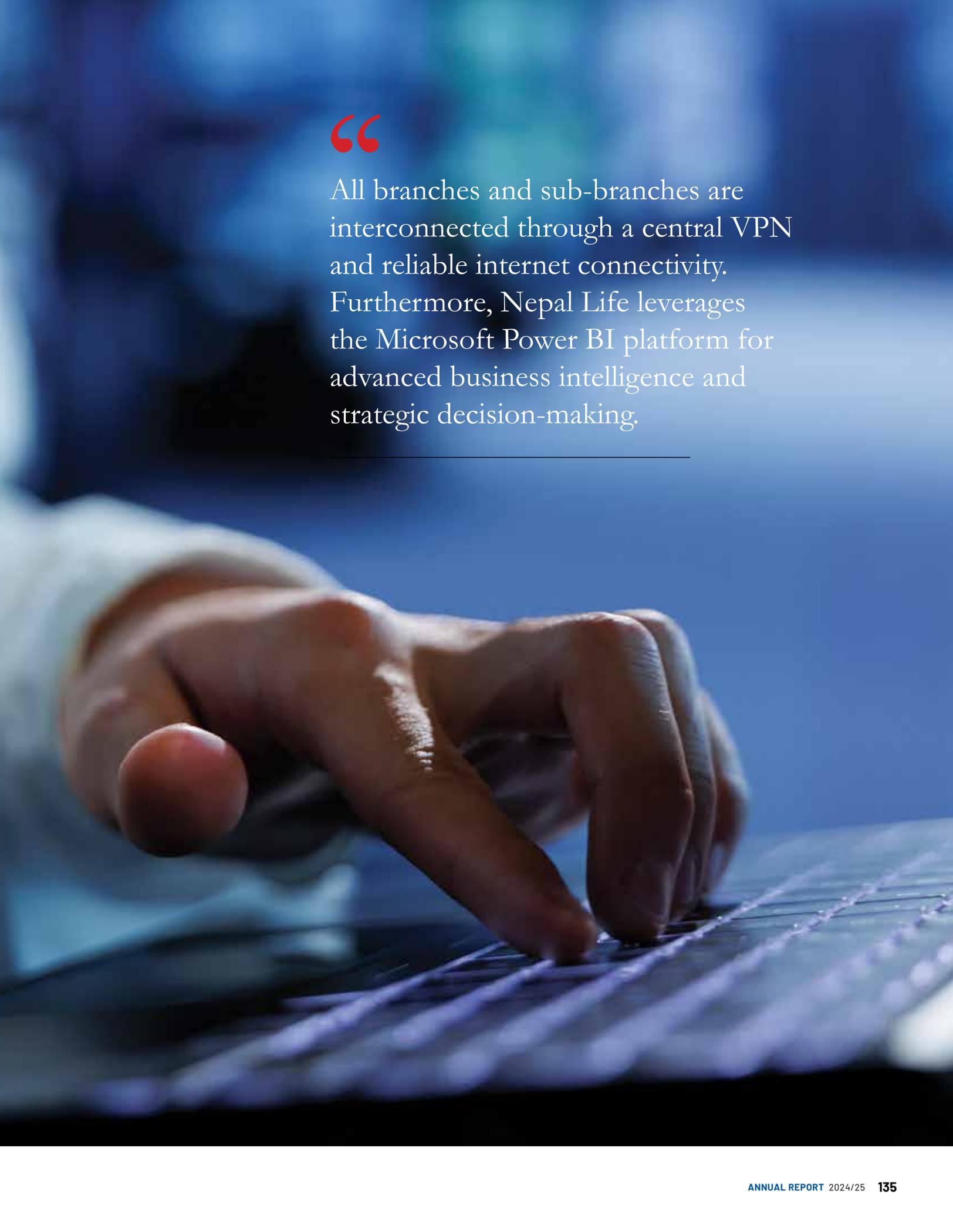


IT LANDSCAPE, CYBERSECURITY & CONTROLS

Nepal Life has been operating its business by leveraging advanced technologies with the aim of improving operational efficiency, delivering high-quality digital services, and enabling data-driven decision-making. The company's strong commitment to digital transformation has established technology as a key driver of business growth, innovation, and service excellence.

Recognizing the fast-paced changes in the global technology landscape, Nepal Life has proactively adopted and integrated emerging technologies across its operations. As part of this effort, the company carried out a digital transformation gap assessment and developed a comprehensive IT strategy in collaboration with the globally renowned consulting firm KPMG. These initiatives are designed to further strengthen business processes, enhance operational capabilities, and improve service delivery. The IT strategy assessment conducted with KPMG covers all essential aspects of Nepal Life's technology ecosystem, including physical infrastructure, network systems, cybersecurity, digital platforms, and technological innovation, ensuring alignment with regional and global best practices, evolving industry standards, and relevant regulatory requirements.



A close-up photograph of a person's hand typing on a laptop keyboard. The background is a blurred blue, suggesting a professional or office environment. The lighting is soft, highlighting the texture of the skin and the keys.

“

All branches and sub-branches are interconnected through a central VPN and reliable internet connectivity. Furthermore, Nepal Life leverages the Microsoft Power BI platform for advanced business intelligence and strategic decision-making.

IT Landscape

Nepal Life has been operating its IT functions within a centralized digital ecosystem. The company's primary data centre is hosted on Datahub, a certified data centre service provider in Nepal, while a disaster recovery (DR) site is maintained at Datahub Butwal with a 15-minute transactional synchronization mechanism to ensure business continuity and data resilience.

Nepal Life's core business operations are managed through its homegrown core insurance ERP system, Web DAMS. This in-house developed digital platform is the backbone of Nepal Life's business operations which includes various functional modules such as Underwriting, Policy Endorsement, Claims, Loans, Accounting, Agency Management, Policy Administration, Expense Management, Centralized Payment Management, and Management Information System (MIS) functionalities, among others. In addition, Web DAMS integrates multiple automation modules which have been increasing operational efficiency, minimizing risks, and strengthening internal controls.

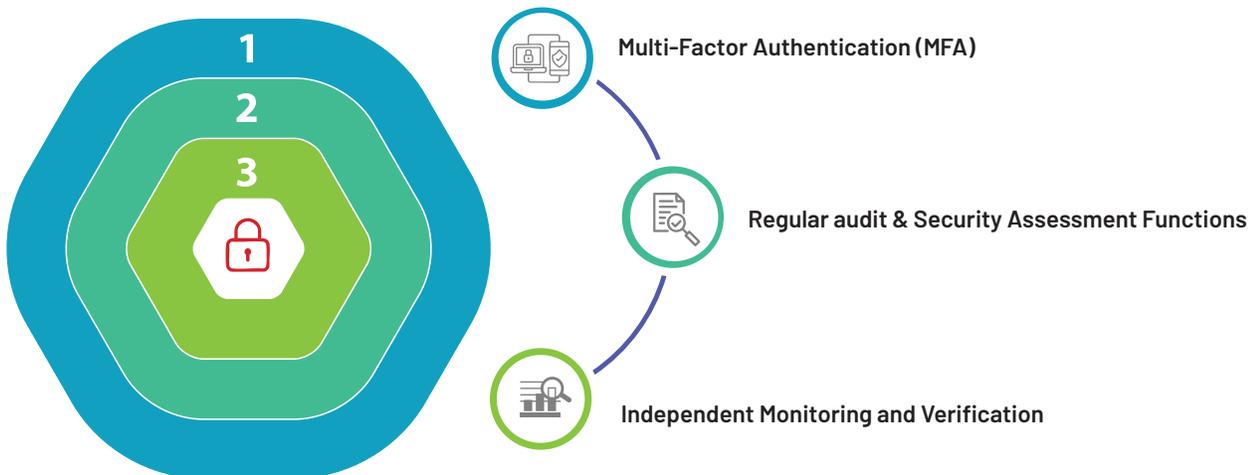
All branches and sub-branches are interconnected through a central VPN and reliable internet connectivity. Furthermore, Nepal Life leverages the Microsoft Power BI platform for advanced business intelligence and strategic decision-making. Data from various systems such as the core insurance ERP, HR System, Reinsurance, Inventory, Payment systems, and etc are consolidated and analysed within the unified Power BI reporting environment, which has enabled data-driven insights and informed management decisions.

Alignment With Three Lines of Defence

Nepal Life has adopted a layered approach for its comprehensive risk management.

- Our embedded controls for data accuracy and control within our core insurance system modules, dual authorization (maker and checker control) mechanism within important workflows, use of Multi-Factor Authentication (MFA) in core system & mobile app's access, use of Microsoft Power-BI tool for consolidated business analysis, and regular Cybersecurity & IT awareness training programs are few valuable indicators which justifies our alignment with First Line of Defence.
- Nepal Life's alignment to the Second Line of Defence which is related to oversight and compliance status of the company's operation functions are managed through various related actions and strategies such as regular audit & security assessment functions, implementation of automated compliance tracking system, regular cyber security assessments (fishing simulations, penetration testing, and cyber security drills), regular review of security policy and controls (firewall configurations, access management, and vulnerability scanning), and centralized monitoring.
- The third line of defence which comprises functions dedicated to independent monitoring and verification. Periodic reviews and assessment of effectiveness of IT controls and cybersecurity frameworks via independent audits, quarterly DR drills and daily core business data restoration in reporting server, periodic assessment of CrowdStrike endpoint protection and Next-Generation Firewalls including Web Application Firewall (WAF) configurations are indicators for our strong alignment with third line of defence.

THREE LINES OF DEFENCE



IT Controls

Nepal Life has established a comprehensive security framework incorporating preventive, detective, and corrective controls to maintain a resilient cybersecurity status. This multi-layered approach strengthens information security across the company and ensures business continuity in an evolving complex threat landscape.

PREVENTIVE CONTROLS

Following are preventive measures that Nepal Life have been following:

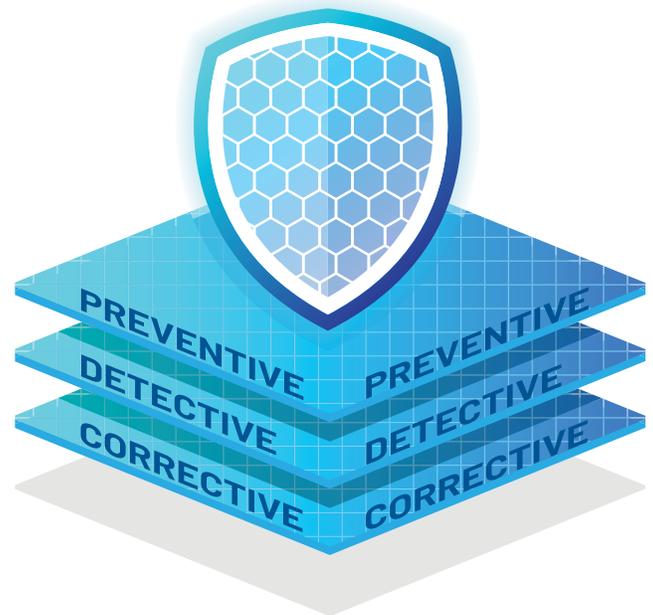
- Automation across Nepal Life's IT systems has enhanced operational efficiency, minimized human error, prevented financial misconduct, and reduced fraud. Critical business functions such as policy maturity, surrender, survival benefits, loan management, agent commission processing, bank account validation, and etc are automated ensuring consistency, accuracy, and transparency across the business functions.
- A dual-authorization system has been applied to critical functions including underwriting, claims processing, policy endorsements, loans, surrenders, survival benefits, and maturity processing. Moreover, authority limits for monetary transactions are controlled within the core system according to employee roles, knowledge, and experience.
- To safeguard critical IT infrastructure & applications from external cyber threats, Nepal Life has deployed next-generation firewalls. The appliance-based firewall provides real-time protection against evolving network vulnerabilities, intrusion attempts, and sophisticated cyberattacks, thereby strengthening the organization's network perimeter defence, whereas the application firewall protects web applications from a wide range of online threats such as SQL injection, cross-site scripting, DDoS attacks, and zero-day exploits.

DETECTIVE CONTROLS

Nepal Life have been undertaking following strategies and actions in term of detective controls:

- Nepal Life has been conducting regular cybersecurity and IT skill development training to enhance employee awareness of emerging threats and best practices. We have been driving continuous cybersecurity awareness and upskilling programs across all levels of the organization, supported by a digital learning and simulation platform integrated into employee performance appraisals to strengthen behavioural resilience. Accordingly, we have recently onboarded a cyber security awareness LMS and simulation system of EC-Council (One of the world's top organizations in the cyber security domain). Moreover, we have been conducting periodic phishing simulations, penetration testing, and other security exercises to identify system vulnerabilities, assess configuration

COMPREHENSIVE SECURITY FRAMEWORK



robustness, measure employee cybersecurity awareness, and strengthen compliance with regulatory standards.

- We have deployed AI- and machine learning-based antivirus solutions which continuously monitor and detect threats thereby reducing risks from malware, ransomware, and other cyberattacks through proactive detection mechanisms.
- We have implemented an automated Compliance Tracker System to proactively monitor compliance status. This system provides timely notifications to relevant departments regarding upcoming compliance obligations and continuously alerts responsible units until compliance items are marked as "Complied."

CORRECTIVE CONTROLS

Following are few corrective measures that we have been practicing:

- We have been conducting disaster recovery (DR) drills on a quarterly basis to assess and validate the capability for rapid system restoration and the maintenance of business continuity in the event of a disaster or major disruption.
- Daily backups of core system data are being taken and stored on separate servers. Furthermore, the backup of core system data is restored each day on a separate server to verify their reliability, consistency, and data integrity which is instrumental to ensure the availability of critical information when required or any unexpected event happens.

Business Continuity & Disaster Recovery

The objective of Nepal Life's Business Continuity and Disaster Recovery (BC-DR) framework is to ensure that critical services remain continuously available, and data remains recoverable even during unexpected disruptions. This is achieved through layered redundancy, verified data backups, and regular recovery testing.

Nepal Life has been maintaining a dedicated Disaster Recovery (DR) site at Datahub Butwal receives near real-time data replication from the primary data center every 15 minutes, establishing a Recovery Point Objective (RPO) of approximately 15 minutes. To further mitigate correlated risks, an additional off-site database replica has been maintained at a separate offsite location.

Each day, backup restorations are performed on an independent server within the primary data center to verify data integrity, consistency, and ensure recoverability of the backup taken. In addition, quarterly DR drills are conducted to test full-system recoverability, validate data consistency across environments. We have been maintaining offline backups on external media as a clean, isolated recovery source to defend against an extreme scenario such as ransomware attacks.

Third-party Risk Management

At Nepal Life, we adopt a disciplined, risk-based approach to managing third-party risks. We have been following practices in terms of third-party risk management:

- We engage only with vendors who are formally assessed and included in our approved vendor list. Due diligence of each vendor is being done covering legal and registration status, tax and license compliance, ownership transparency, financial soundness, reputation and references within the vendor listing phase.
- Before any engagement, we assess the vendor's capacity to deliver in terms of their HR capacity, technical capability, domain experience and expertise, and stability/age of operations.
- We execute a Non-Disclosure Agreement (NDA) to protect confidentiality and restrict use. Engagements are then bound by a contractual agreement defining scope & deliverables with acceptance criteria and documentation, timelines, budget & payment. Contracts also include clauses for data protection, incident/breach notification, subcontractor controls, audit/inspection rights, intellectual property, and termination for cause.



Looking Ahead

As we move forward, we are committed to become more technologically advanced, competitive, innovative, and customer-centric life insurer.

- **Modernization of Core Insurance System:** Nepal Life is undertaking a comprehensive modernization of its core insurance system to align with evolving market dynamics, customer expectations, and global/regional best practices in the insurance industry. This initiative focuses on upgrading legacy systems to a modern, scalable, and modular platform that supports agility, efficiency, and innovation across the company.
- **Excellence in Customer Servicing:** Customer service excellence continues to remain Nepal Life's top priority. We are committed to deliver a seamless quality service experience to our customers with the use of futuristic technology tools and services. To achieve this, we are looking to integrate advanced CRM solutions that will integrate with multiple social media platforms to provide a true omnichannel service experience. This platform will be again enhanced by an AI-powered chatbot capable of delivering instant, personalized responses, assisting customers in selecting the right products based on their preferences and priorities, and supporting our agency forces in customer onboarding and engagement.

Additionally, we are working to deploy an AI-driven voice bot capable of two-way, human-like conversations in both Nepali and English, enabling customers to get accurate, contextual, and personalized assistance 24/7.

- **API-first architecture:** Nepal Life is transitioning to an API-first, cloud-ready technology architecture. Business capabilities such as customer onboarding, underwriting, policy servicing, collections, claims, etc will be exposed through well-versioned REST APIs. Core software functions will be decomposed into containerized microservices. This

architecture will support seamless integration with various third parties such as banks, wallets, aggregators, health service providers, KYC providers, and government systems through standardized APIs and webhooks.

- **Paperless Ecosystem:** Nepal Life is embarking on a paperless system with high priority. We plan to automate underwriting workflows for straight-through processing, digitize claims through guided app/web filing with OCR data extraction and real-time status tracking, and centralize all documents in a secure manner.

Our goals include achieving 80% digital proposals, 70% paperless servicing, 30% faster policy issuance and claims turnaround, and a significant reduction in paper and printing costs.

- **AI and Data Analytics:** Nepal Life is prioritizing to make AI and data the engine of growth and service excellence by embedding intelligence across the business. We are planning to deploy AI-assisted customer service on web, mobile, and call centres, using chat and voice bots to resolve routine queries, and personalize next-best actions. Underwriting and claims will be upgraded with fraud detection system automation considering combined approaches of anomaly detection, graph analytics, and computer vision on documents to identify suspicious patterns early. We are planning to operationalize ML models that identify customers at risk of lapse or surrender and trigger proactive retention strategies with timely visibility for actions. We are also leveraging technology tools to enhance AML compliance via AI-driven name matching, sanctions and adverse-media monitoring, and continuous risk scoring integrated into onboarding and servicing.

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इन्स्योरन्स हसी जीवन बीमा गर्दी

आजको बचत, भोलिको सहज ।

नेपाल लाइफ
जीवन
उदय
एकल जीवन बीमा योजना



ऋण तथा
समर्पण सुविधा



कर लाभ
छुट सुविधा



दुर्घटना मृत्यु
लाभ सुविधा



घातक
रोग सुविधा



पूर्ण अशक्तता
लाभ सुविधा



DIGITAL STRATEGY

As we conclude FY 2024/25, the Digital Strategy Unit is pleased to present a comprehensive overview of its key initiatives, achievements, and impact in driving Nepal Life's journey toward digital payments. This year reflected the shared dedication of our management, branches, and payment partners in promoting the culture of digital adoption and operational efficiency.

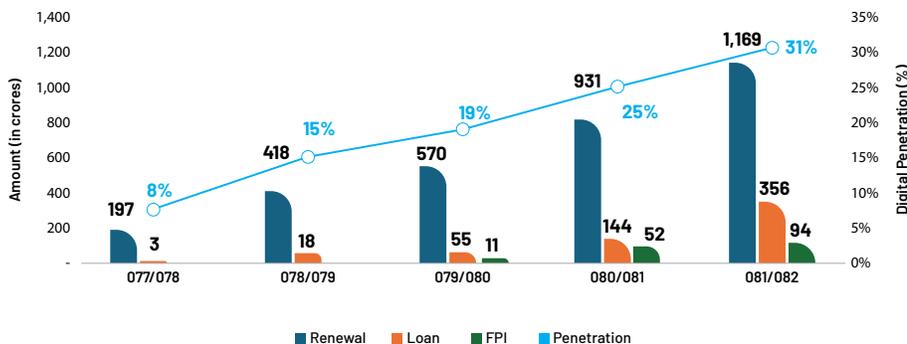
The Unit's initiatives throughout FY 2024/25 were strategically designed around three core objectives: expanding digital penetration and transaction volume across all provinces, ensuring accuracy and transparency through systematic

reconciliation and reporting, and promoting digital awareness and literacy among all the stakeholders branch, agency and customers.

The fiscal year began with a 31% digital penetration rate in renewal collections and concluded with a significant rise to 35%, showcasing measurable progress aligned with the organization's vision of enhanced digitization and customer convenience. This success was achieved through continuous collaboration with branches, active engagement with payment partners, and the unwavering dedication of the Digital Strategy team.

By the end of FY 2024/25, digital penetration in renewal payments reached 35%, with digital transactions contributing substantially to total revenue collections. The total digital collection reached NPR 15.23 billion, including NPR 943,923,902 from (FPI) First Premium Installments, NPR 11,785,467,589 from (R) Renewal Payments, and NPR 2,505,522,045 from (L) Loan Repayments.

Digital Collection for Last 5 Fscal Year





Recognizing that awareness and capability are key to sustainable digital transformation, the Unit conducted extensive digital literacy and capacity building programs across all provinces. Physical training sessions and branch visits were organized to enhance staff understanding of digital payment processes, reconciliation methods, and customer engagement. Additionally, a series of online training sessions were conducted to ensure coverage across all provinces, focusing on digital premium collection, reconciliation, payment partner roles, and transaction security. These initiatives collectively contributed to the 4% increase in digital penetration during the fiscal year.

Reconciliation and data integrity remained a top priority for the Unit. Daily, policy-wise reconciliation was carried out for all digital transactions to ensure accuracy and transparency, with any discrepancies addressed within one working hour. In addition to maintaining data precision, the Unit placed strong emphasis on service excellence operating with the belief that delivering a smooth, hassle-free experience to even a single customer can create a lasting impression. The power of word of mouth, driven by satisfied customers, continues to serve as one of the most effective and credible tools for promoting digital adoption and strengthening trust in our services.

Partnership driven initiatives remained central to the Unit's success. Collaborative, zero-cost campaigns were executed with payment partners including eSewa, Fonepay, Connect IPS and Khalti to encourage digital adoption. The Khalti First Time Payment Campaign successfully onboarded new users, while Khalti stalls in three branches enhanced customer interaction. Visibility for payment partners in renewal messages and digital communication further supported cost efficient promotion.

The Unit also prioritized infrastructure readiness to support digital expansion. Initiatives undertaken for Wi-Fi installation across branches/sub-branches played a crucial role in facilitating seamless digital transactions and connectivity.

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The Digital Strategy Unit targets over 40% digital penetration in renewal collection by leveraging automation, strategic enablers, and enhanced digital features.

Furthermore, most of the top performing branches/sub-branches have been equipped with QR display screens, promoting instant digital payments at branch counters. The Unit now aims to complete QR display installation in all remaining branches within FY 2025/26, ensuring consistent digital access.

The Unit also ensured operational discipline and reporting excellence. Monthly digital collection reports were submitted within the first week of each Nepali month, verified with partners before dispatch. Prompt responses to audit and management queries, along with continuous operational monitoring, upheld high standards of accountability.

Behind every achievement was teamwork and dedication. Despite challenges and limited resources, the Unit maintained service continuity with strong leadership from Management and a shared sense of purpose. Continuous support, even during personal and medical constraints, ensured that digital operations remained uninterrupted.

In FY 2024/25, the Unit achieved notable milestones, including a 46% year-on-year growth in digital transactions and an increase in renewal digital penetration from 28% to 35%. Total digital collections reached NPR 15.23 billion, daily reconciliation processes became more efficient, and digital literacy training was completed across all provinces. These accomplishments highlight the Unit's commitment to data integrity, cost efficiency, and promoting financial inclusion.

Role of Department

The Unit serves as the operational backbone for the company's digital ecosystem, ensuring efficiency, security, and strategic growth. It leads and coordinates team activities, driving process improvements and innovation across digital payment operations. The unit guarantees timely and secure fund transfers from multiple payment platforms to designated bank accounts, while maintaining rigorous daily and monthly reconciliations to uphold financial accuracy. It manages service agreements with Payment Service Providers, nurtures strong partnerships, and executes impactful digital campaigns to enhance adoption. Beyond operations, the department proactively addresses payment-related issues such as failed transactions and discrepancies,





ensuring uninterrupted service delivery. It fosters collaboration through clear communication with internal departments, payment partners, and banks, while preparing detailed reports and internal memos for compliance and transparency.

Additionally, the unit supports branch-level staff with training, tutorials, and campaign logistics, maintains grievance resolution records, and ensures infrastructure readiness through Wi-Fi and QR Display screen installations. By combining strategic oversight with operational discipline, the unit plays a critical role in delivering seamless digital experiences and sustaining trust in the company's digital transformation journey.

Scope of Work

The Unit is entrusted with driving the company's digital transformation by managing and expanding digital premium collections across all provinces while ensuring secure and timely fund transfers from payment platforms to designated bank accounts. It oversees daily and monthly reconciliations for all platforms and banks, supported by accurate reporting and internal documentation for service charges, refunds, and campaigns. The unit leads digital literacy initiatives, equipping branch staff with training and resources, and executing impactful digital campaigns in collaboration with payment partners. It maintains service agreements, fosters strong partnerships, and proactively resolves payment issues such as failed transactions and discrepancies.

Additionally, the unit ensures infrastructure readiness through Wi-Fi and QR display screen installations, provides operational support to branches, and promotes seamless customer experiences. Through effective communication and coordination with internal teams and external stakeholders, the unit upholds transparency, efficiency, and innovation in the company's digital ecosystem.

The Digital Strategy Unit targets over 40% digital penetration in renewal collection by leveraging automation, strategic enablers, and enhanced digital features. Key priorities include strengthening accountability at the ground level, upgrading branch infrastructure, and deploying targeted interventions in low-penetration areas. Initiatives such as automated bill generation, a branch-wise digital dashboard, full website payment integration, and mobile app enhancements will improve operational efficiency. Advanced features like E-Mandate, NCHL dynamic QR, and dedicated IT support will further enhance customer convenience and security.

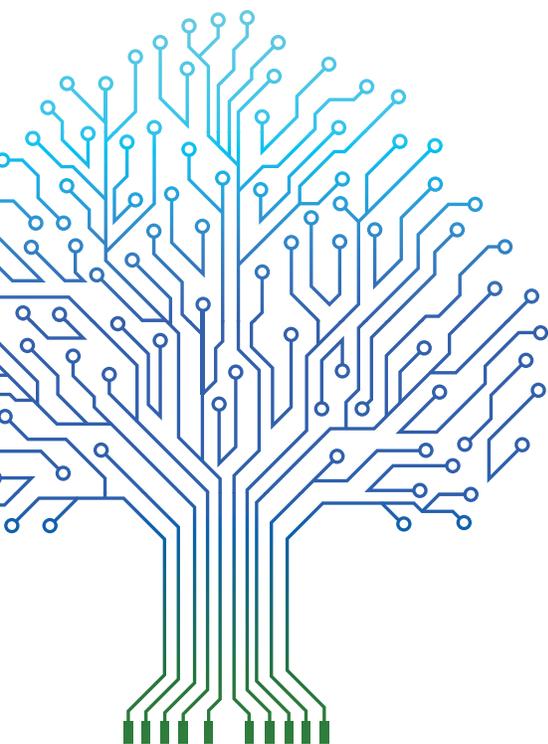
Looking ahead to FY 2025/26, the Unit will focus on expanding digital penetration above 40%, automating reconciliation and reporting, and strengthening analytics-driven decision-making. Thank you for your continued support and trust. Our collective progress reflects teamwork, discipline, and a shared belief in digital transformation as the foundation for future excellence. As we enter FY 2025/26, our commitment remains focused on driving operational excellence, enhancing customer experience, and fostering sustainable digital advancement.

DIGITAL TRANSFORMATION

Leading Transformation with Purpose

In an era defined by rapid digital disruption and evolving customer expectations, Nepal Life continues to lead the transformation of Nepal's insurance landscape not by following trends, but by setting them.

Building on its legacy of trust, scale, and strong financial performance, Nepal Life's digital strategy is guided by a clear purpose: to redefine how life insurance is experienced, delivered, and sustained. The company's transformation agenda aims to connect people, technology, and innovation, creating a seamless, secure, and intelligent digital ecosystem that serves today's needs while anticipating tomorrow's expectations.



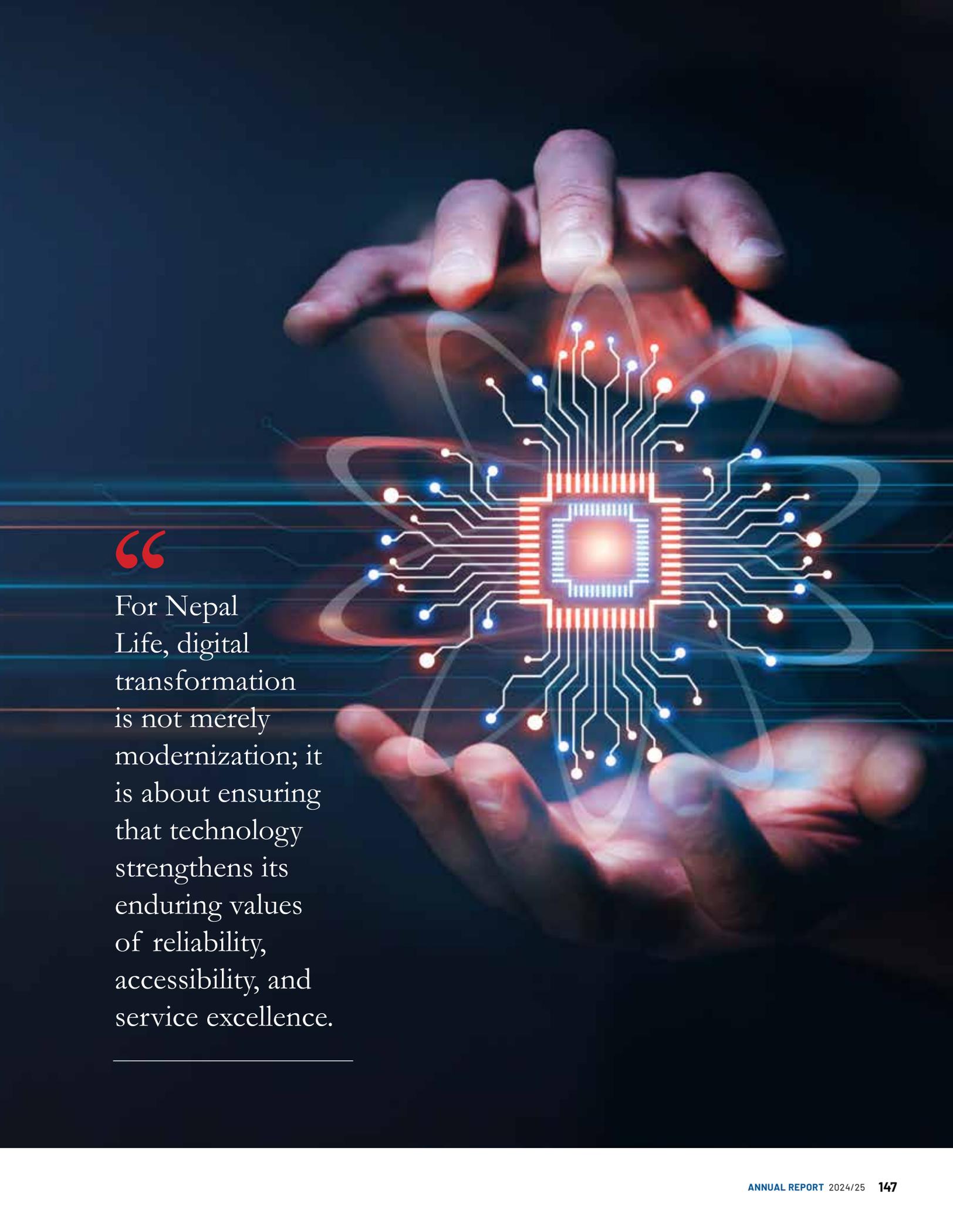
Objective

As the market leader with the largest life insurance portfolio in Nepal, Nepal Life strives to blend technology with its core strengths, customer trust, operational excellence, and nationwide presence. The objective is to enhance efficiency, agility, and responsiveness through digital transformation while maintaining alignment with evolving market conditions, timeframes, and the company's commitment to sustainable and responsible practices in line with ESG principles.

The strategy also reflects the expectations of the next generation of customers and employees who seek simplicity, transparency, and immediacy. For Nepal Life, digital transformation is not merely modernization; it is about ensuring that technology strengthens its enduring values of reliability, accessibility, and service excellence.

Digital Transformation Highlights - FY 2024/25

- Independent digital capability assessment conducted by top-tier consulting firm
- Formation of a dedicated Digital Transformation Unit for focused execution
- Core system modernization and integration initiatives underway
- Launch of digital customer and agent platforms with improved functionality
- AI and data literacy training conducted across departments
- Digital transformation promoted in company-wide forums, including Business Excellence Awards and Leadership Excellence Awards.
- Actuarial software deployment initiated for faster valuation and reporting cycles

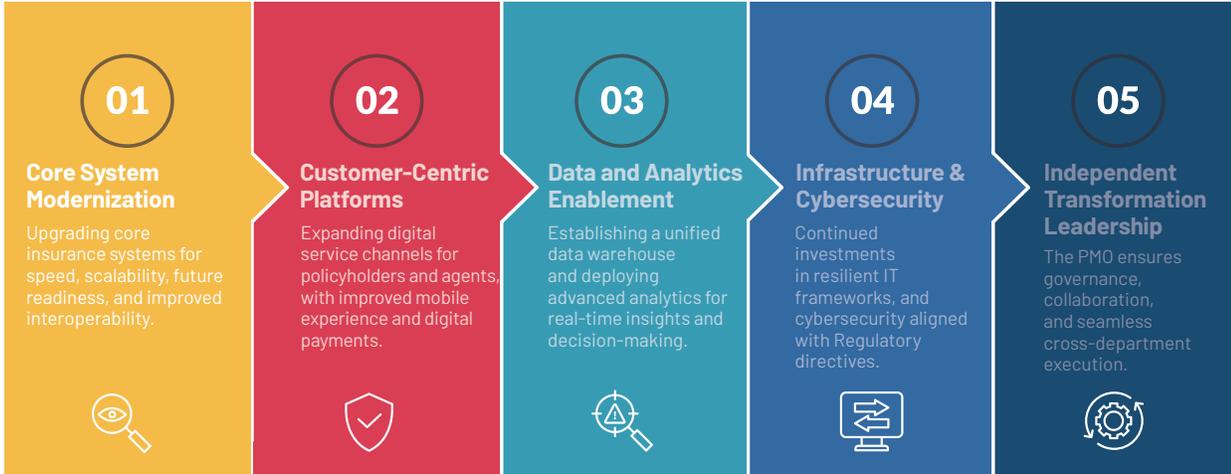


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For Nepal Life, digital transformation is not merely modernization; it is about ensuring that technology strengthens its enduring values of reliability, accessibility, and service excellence.

Roadmap

The company is committed to follow a well-structured digital roadmap for FY 2025/26, designed to strengthen its technology foundation and innovation capability. This roadmap is centered on modernization, inclusion, and long-term scalability.



Through these initiatives, Nepal Life will continue to create meaningful differentiation in the market, consistently maintaining its position as the insurer with the highest market share and most trusted digital journey in the industry.

Nepal Life’s digital strategy encompasses every aspect of its value chain from customer engagement to operational excellence. Its core priorities include:



Nepal Life ensures that digital transformation is not limited to systems. It is reflected in how employees think, how customers interact, and how the company continuously creates a difference in the market.

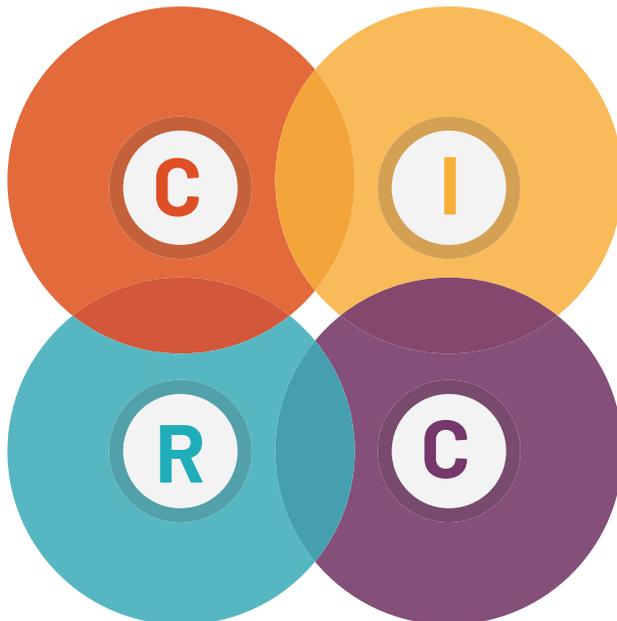
Execution Model

Nepal Life follows a phased and agile execution model built on governance, collaboration, and accountability:



Risks and Dependencies

Nepal Life recognizes that digital transformation success depends on technology, people, and process alignment. Key risks include:



Change Management

Promoting behavioral and process adoption across teams.

Integration Challenges

Managing dependencies between legacy systems and modern digital platforms.

Regulatory Compliance

Adhering to evolving frameworks from the Regulatory Body.

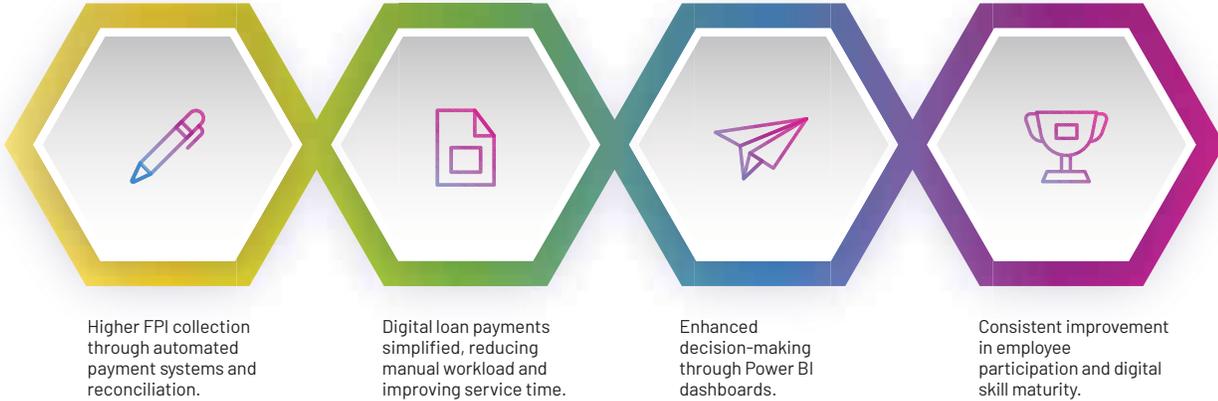
Cybersecurity and Data Privacy

Safeguarding data integrity and customer trust through proactive protection measures.

These risks are mitigated through strong governance, vendor partnerships, and continuous monitoring mechanisms to ensure resilience.

Impact and Progress

Here are some of the measurable improvements in efficiency and service delivery during FY 2024/25.



Digital Maturity and Future Outlook

The independent digital capability assessment conducted for Nepal Life provided valuable insights into the company's current state of digital adoption. While the assessment acknowledged the progress achieved so far, it also highlighted that Nepal Life is still in the evolving phase of its digital maturity journey. The gap analysis identified clear areas for enhancement, from core system modernization and data integration to advanced analytics and automation. These findings have served as a strategic foundation for Nepal Life's ongoing digital transformation roadmap, guiding priorities and investments to build a truly connected, data-driven, and customer-centric organization.

As the company continues to evolve, Nepal Life remains committed to balancing ambition with realism driving innovation at pace with the nation's digital growth. Future initiatives will focus on expanding the use of artificial intelligence, machine learning, robotic process automation, and predictive analytics to further simplify and enhance customer journeys.

With a strong market presence, trusted brand equity, and a forward-looking digital culture, Nepal Life will continue to lead with innovation, serve with integrity, and grow with purpose staying relevant to new generations, setting benchmarks for the industry, and always creating a meaningful difference in the market.



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SUSTAINABILITY REPORTING

Nepal Life integrates environmental responsibility, social inclusion, and strong governance into its operations to support sustainable growth and long-term national well-being.



SUSTAINABILITY REPORTING

ESG Integration in Business Operations

Environmental

At Nepal Life, we are reducing our operational footprint by digitizing internal workflows, thereby cutting paper consumption, printing, and physical storage while improving transparency and service speed. We are now advancing into a broader digital transformation that will further enhance these digital operations and their environmental benefits. The objective is to enhance efficiency, agility, and responsiveness through digital transformation, while maintaining realistic alignment with time and market evolution, and the company's commitment to sustainable and responsible practices in line with ESG principles.

Our environmental commitment extends beyond our offices. We have been a part of Project CARE – Clean and Restore Everest Region, a campaign launched by Round Table Nepal in collaboration with

Sagarmatha Pollution Control Committee (SPCC), to collect and manage non-biodegradable waste and promote conservation awareness in the Everest region. This initiative aligns with our commitment to reducing risks that extend beyond financial security, addressing environmental challenges that affect communities, ecosystems, and long-term resilience.

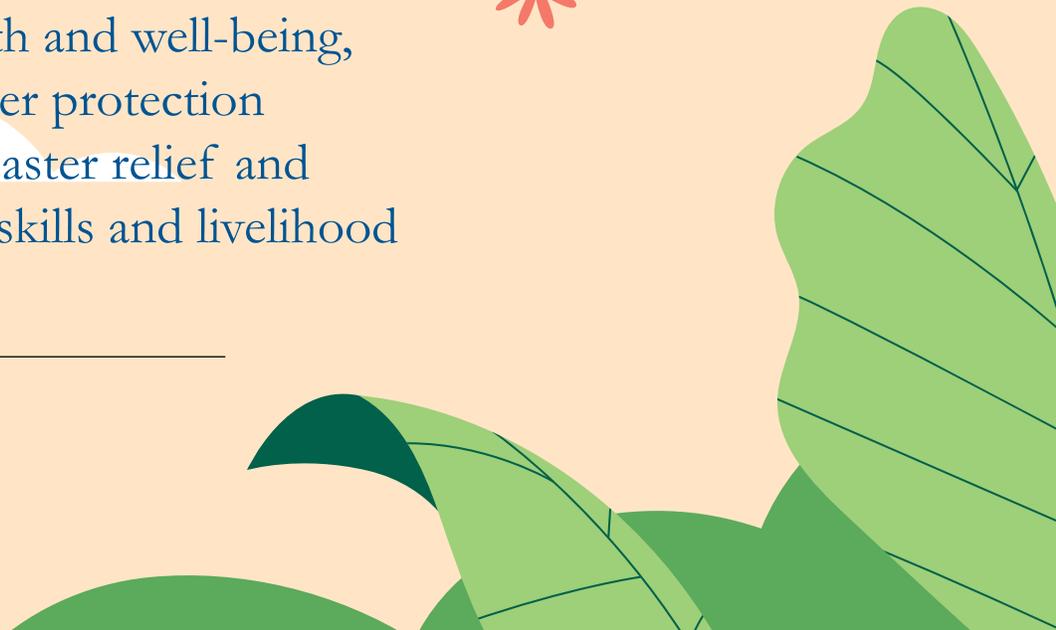
As our ESG Policy evolves, we aim to formalize baselines and disclose trends related to materials, energy, water, and waste; expand recycling and responsible disposal, including vendor take-back where feasible; explore renewable energy adoption and green procurement standards; and progressively align our investment approach with green and sustainable assets that support Nepal's transition. Over time, we intend to move toward carbon-neutral operations by prioritizing emissions reductions, strengthening climate risk assessment and disclosure, and enhancing the reliability of reported data through stronger controls and, where appropriate, external assurance.



S.N.	Initiative Area	Description	Environmental Impact / Why It Matters
1.	Centralized Printing	Removal of personal printers; installation of centralized printers at corporate office	Reduces paper, toner, and electricity consumption; enables better print control and cost efficiency
2.	Paperless Workflow	System-based expense approvals and booking process 	Minimizes paper use, improves operational efficiency, and strengthens audit trail and control
3.	3R Practice - Reuse	Reuse of rough paper for internal documentation	Decreases fresh paper demand and reduces waste generation
4.	Reduced Generator Usage	Decreased generator use and increased battery/backup system utilization	Lowers diesel consumption, reduces emissions, and supports cleaner energy usage
5.	EV Promotion	Employee allowance to encourage adoption of electric vehicles	Promotes low-emission mobility and reduces dependence on fossil fuels
6.	Green Premises & Plantation	Plantation initiatives at head office and branches (approx. NPR 1 million investment at corporate office)	Enhances greenery, improves air quality, reduces heat effect, and supports employee wellbeing
7.	Green Investment - Hydro	Investment in hydropower projects	Contributes to renewable energy development and supports low-carbon energy transition
8.	Planned Green Investments	Strategic plan to invest in solar and other renewable energy sources	Strengthens long-term commitment to clean energy and sustainable development

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“In communities, we invest where it matters most: health and well-being, education, consumer protection and road safety, disaster relief and rehabilitation, and skills and livelihood development.”



Social

Nepal Life's social commitment extends to our employees, customers, and communities. Inside the company, we uphold diversity, equity, and inclusion with equal opportunities, a respectful and safe workplace, and zero tolerance for discrimination or harassment supported by learning, engagement, and well-being initiatives. For customers, we advance inclusion through micro-insurance for underserved and vulnerable groups and run nationwide insurance and financial-awareness programs across schools, colleges, and public spaces; our conduct standards emphasize fair treatment, transparent communication, data privacy, and effective grievance redressal.

In communities, we invest where it matters most: health and well-being (medical camps and outreach, maternal and pediatric support, nationwide blood-donation drives, and mental-health awareness); education (school materials and

classroom upgrades, plus curriculum-based audiovisual learning tools rolled out in public schools to modernize teaching and boost engagement); consumer protection and road safety; disaster relief and rehabilitation; and skills and livelihood development through partnerships that expand vocational training and employability.



S.N.	Initiative Area	Description	Social Impact / Why It Matters
1.	Impact Investment	Investment in education sector	Supports human capital development and strengthens long-term socio-economic growth
2.	Planned Investment	Strategic plan to invest in the health sector	Aims to enhance healthcare access and contribute to community wellbeing
3.	CSR – Health & Well-being (SDG 3)	NPR 5.78 million allocated for health initiatives including free health camps (Dudhkunda–Solukhumbu and Kathmandu), blood donation drives across 10 branches, and mental health awareness campaigns reaching 10+ million people; additional NPR 0.50 million for medical outreach in Bajura and NPR 10 million contribution to Kathmandu Institute of Child Health; local branch support through water/food distribution and clothing support to old-age homes	Decreases fresh paper demand and reduces waste generation
4.	CSR – Education (SDG 4)	NPR 10.47 million invested in education support including distribution of 5,000 school bags, 30,000 notebooks/ A4 copies, and 2,000 raincoats; enabled curriculum-based audiovisual learning in 40 public schools; funded school infrastructure, sanitation improvements, inclusive education support (including children with autism), and 12-room building support in Birgunj	Enhances access to quality education, improves learning environments, promotes inclusion, and strengthens educational infrastructure.
5.	Insurance Literacy	NPR 3.84 million invested in nationwide awareness including installation of 150 insurance awareness boards and literacy programs via partnerships (schools, colleges, public spaces) and media content	Improves financial literacy, increases insurance awareness, and strengthens risk preparedness across communities.
6.	Disaster Response	NPR 1.36 million allocated for relief materials and rehabilitation support to flood-affected families	Provides immediate humanitarian relief and supports community recovery and resilience
7.	Skills & Livelihoods (SDG 8)	NPR 1.04 million contribution in partnership with Kathmandu Metropolitan City for SIP Mela 2082, promoting 40+ vocational skills	Enhances employability, promotes entrepreneurship, and supports sustainable livelihoods

Governance

Governance is the foundation of how Nepal Life operates. We uphold ethics, integrity, and accountability, comply fully with applicable laws and regulatory directives, and maintain disciplined oversight through the Board and its committees. We operate within a robust governance framework covering fit-and-proper requirements while emphasizing strong internal controls over financial reporting and operational processes, with clear approvals, documentation, and auditability.

Our compliance and control environment integrates anti-fraud, anti-bribery, AML/CFT, and conflict-of-interest expectations set out in the Code of Conduct and related policies; concerns can be raised confidentially through the whistleblower mechanism, which Internal Control functions periodically review.



S.N.	Initiative Area	Description	Environmental Impact / Why It Matters
1.	Board & Committee Oversight	Clearly defined Board and committee structure with approved charters, regular meetings, and documented decisions	Ensures accountability, independent oversight, strategic direction, and effective corporate governance
2.	Performance Evaluation of Board	Periodic performance evaluation of Board and committees	Enhances governance effectiveness, accountability, and continuous improvement
3.	Compliance Unit	Dedicated compliance unit responsible for monitoring regulatory adherence and reporting	Strengthens regulatory compliance, reduces legal risk
4.	Whistleblowing & Ethical Conduct	Established whistleblowing policy with confidential and protected reporting channels for unethical or unlawful conduct	Encourages ethical behavior, enables early detection of misconduct, and reinforces organizational integrity
5.	Code of Conduct	Formal Code of Conduct applicable to employees, management, and Board members	Establishes ethical standards, manages conflicts of interest, and promotes responsible and transparent behavior
6.	AML & KYC Compliance	Robust Anti-Money Laundering (AML/CFT) policies and Know Your Customer (KYC) procedures with monitoring systems	Prevents financial crime, protects institutional reputation, and ensures regulatory compliance
7.	Data Protection & Cybersecurity Governance	IT security framework, data protection policy, and periodic cybersecurity assessments	Safeguards customer data, reduces cyber risk exposure, and strengthens digital resilience

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बीमा योजना

मात्र नेपाल लाइफ इन्स्युरेन्सले दिन्छ
लगानीको फिर्ता बारम्बार, सुरक्षाको प्रत्याभुती सदाबहार

मुख्य विशेषता

- प्रत्येक वर्ष बीमाङ्कको ५% रकम फिर्ता हुने
- बीमा अवधि समाप्तीमा बाँकी बीमाङ्क रकम र बोनस प्राप्त हुने
- आजीवन जोखिम बहन भई बीमा समाप्ति पछि पनि समर्पण मूल्य प्राप्त हुने
- बीमा अवधि भित्र मृत्यु भएमा बीमाङ्क रकम र सो अवधि सम्मको बोनस प्राप्त हुने

Overview of ESG Actions Across Stakeholders

STAKEHOLDERS	ACTIONS
Policyholders	<ul style="list-style-type: none"> ○ Inclusive products, including micro-insurance for underserved and vulnerable groups. ○ Emphasize fair treatment, suitability, and responsible sales practices in line with conduct standards. ○ Transparent communication on products, benefits, risks, and charges. ○ Effective grievance redressal mechanisms with defined TAT and escalation channels. ○ Protect customer information through data privacy, confidentiality, and information security controls.
Employees	<ul style="list-style-type: none"> ○ Diversity, equity, and inclusion with equal opportunity in recruitment, development, and promotion. ○ Respectful, safe workplace with zero tolerance for discrimination and harassment. ○ Learning and development opportunities aligned with organizational needs and employee growth. ○ Engagement and well-being initiatives to support morale, mental health, and work-life balance. ○ Code of Conduct, including anti-fraud, anti-bribery, AML/CFT, and conflict-of-interest provisions.
Regulators	<ul style="list-style-type: none"> ○ Compliance with applicable laws, regulations, and directives. ○ Timely, accurate, and transparent regulatory reporting and disclosures. ○ Robust internal controls, financial reporting and operational processes. ○ Embed enterprise risk management, including strengthening climate-risk assessment and disclosure over time. ○ Engage constructively with regulators on supervisory observations and emerging ESG expectations.
Shareholders and Investors	<ul style="list-style-type: none"> ○ Sustainable, long-term value creation, not just short-term financial performance. ○ Strong governance through an active Board and Board committees. ○ Channeling funds into green and sustainable assets. ○ Capital strength and risk discipline through sound risk management and internal control practices.
Communities and Society	<ul style="list-style-type: none"> ○ Insurance awareness programs in schools, colleges, and public spaces nationwide. ○ Health and well-being through medical camps, outreach, maternal and pediatric support, and mental-health awareness initiatives. ○ Nationwide blood-donation drives in coordination with health partners. ○ Education support via school materials, classroom upgrades, and audiovisual learning tools in public schools. ○ Road safety and consumer protection awareness programs ○ Disaster relief and rehabilitation support to communities affected by natural disasters and emergencies. ○ Skills and livelihood development through vocational training and employability partnerships.

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STAKEHOLDERS	ACTIONS
Environment	<ul style="list-style-type: none"> ○ Reduced operational footprint through digitization of internal workflows and approvals, cutting paper, printing, and physical storage. ○ Participation in environmental initiatives such as Project CARE: Clean and Restore Everest Region, including financial contribution and awareness support. ○ Investment exposure to hydropower projects contributing to clean energy generation.

Integration with Sustainable Development Goals



We are committed to aligning our business decisions, partnerships, and disclosures with the UN Sustainable Development Goals. We treat SDGs as a practical framework for directing resources to where they create measurable social value and long-term resilience. As our ESG policy evolves, we will deepen coverage of the SDGs most material to a life insurer and progressively expand our focus to additional goals where our operations, investments, and partnerships can add credible impact.



SDG 3 – Good Health & Well-Being

We align protection products, outreach, and CSR to expand access to preventive care, maternal and pediatric services, mental-health awareness, and emergency response capacity.



SDG 4 – Quality Education

Our focus is inclusive learning: improving school infrastructure, providing learning materials, and scaling digital and audiovisual tools in public schools.



SDG 5 – Gender Equality

We embed Diversity, Equity, and Inclusion in hiring, promotion, pay practices, and a safe-workplace culture.



SDG 8 – Decent Work & Economic Growth

We invest in employee capability building and ethical sales and service, and support skills and livelihoods through vocational partnerships.



SDG 9 – Industry, Innovation & Infrastructure

Digital transformation reduces friction for customers and increases resilience and efficiency; investment decisions consider exposure to productive, future-ready infrastructure.



SDG 10 – Reduced Inequalities

Micro-insurance, literacy, and vulnerable customer safeguards improve access for underserved groups.



SDG 11 – Sustainable Cities & Communities

We work with local partners on disaster preparedness, rehabilitation, community safety, and essential services.



SDG 12 – Responsible Consumption & Production

We are operating in a paperless model across internal operations and workflow automation to reduce resource use and waste. As our digital transformation evolves, we will deepen automation strengthen disclosures on reduction targets and outcomes.



SDG 16 – Peace, Justice & Strong Institutions

Ethics, compliance, AML/CFT, anti-fraud/anti-bribery, data privacy, and whistleblowing are embedded in our governance, with disciplined Board and committee oversight.



SDG 13 – Climate Action

We are actively engaged in climate action through partnerships with specialist institutions.



SDG 17 – Partnerships for the Goals

Impact at scale requires collaboration; we work with regulators, local governments, NGOs, schools, hospitals, and community groups with shared objectives and metrics.

Technology & Innovation for Sustainability

Nepal Life harnesses advanced technology and innovation to drive its sustainability initiatives. Electronic KYC and straight-through processing (STP) minimize paper use, rework, and travel, directly reducing the Company's environmental footprint. Customer and community outcomes are improved through omnichannel services, accessibility features, insurance literacy tools, and data-driven inclusion programs that extend reach to women and underserved districts. Strong governance is maintained through multi-factor authentication (MFA), next-generation firewalls, web application firewalls, maker-checker controls, and continuous resilience testing, ensuring the protection of personal data and critical services. Looking ahead, API-first architecture, cloud adoption, and AI-assisted claims processing are expected to further enhance environmental, social, and governance impact, while a staged assurance approach strengthens the credibility of reported metrics.

HOW TECHNOLOGY DELIVERS ESG OUTCOMES

Environmental (E):

- Digital-by-default journeys materially reduce paper use, printing, storage, and courier movements.
- Online servicing and straight-through processing (STP) lower branch visits and travel-related emissions while improving turnaround times.
- Consolidated digital records and dashboards enable visibility into resource use and support evidence-based reduction targets.
- Cloud and system consolidation initiatives are pursued to optimize infrastructure efficiency over time.

Social (S):

- Mobile- and web-based self-service expands access to policy information, claim filing, and premium payments, improving convenience and reducing barriers for underserved segments.
- Inclusive design (plain language, accessible formats, vernacular support) and remote enablement tools help agents and customers engage confidently across geographies.
- Embedded conduct controls promote fair treatment and timely resolution.
- Digital education initiatives enhance learning outcomes and support financial and insurance awareness.

Governance (G):

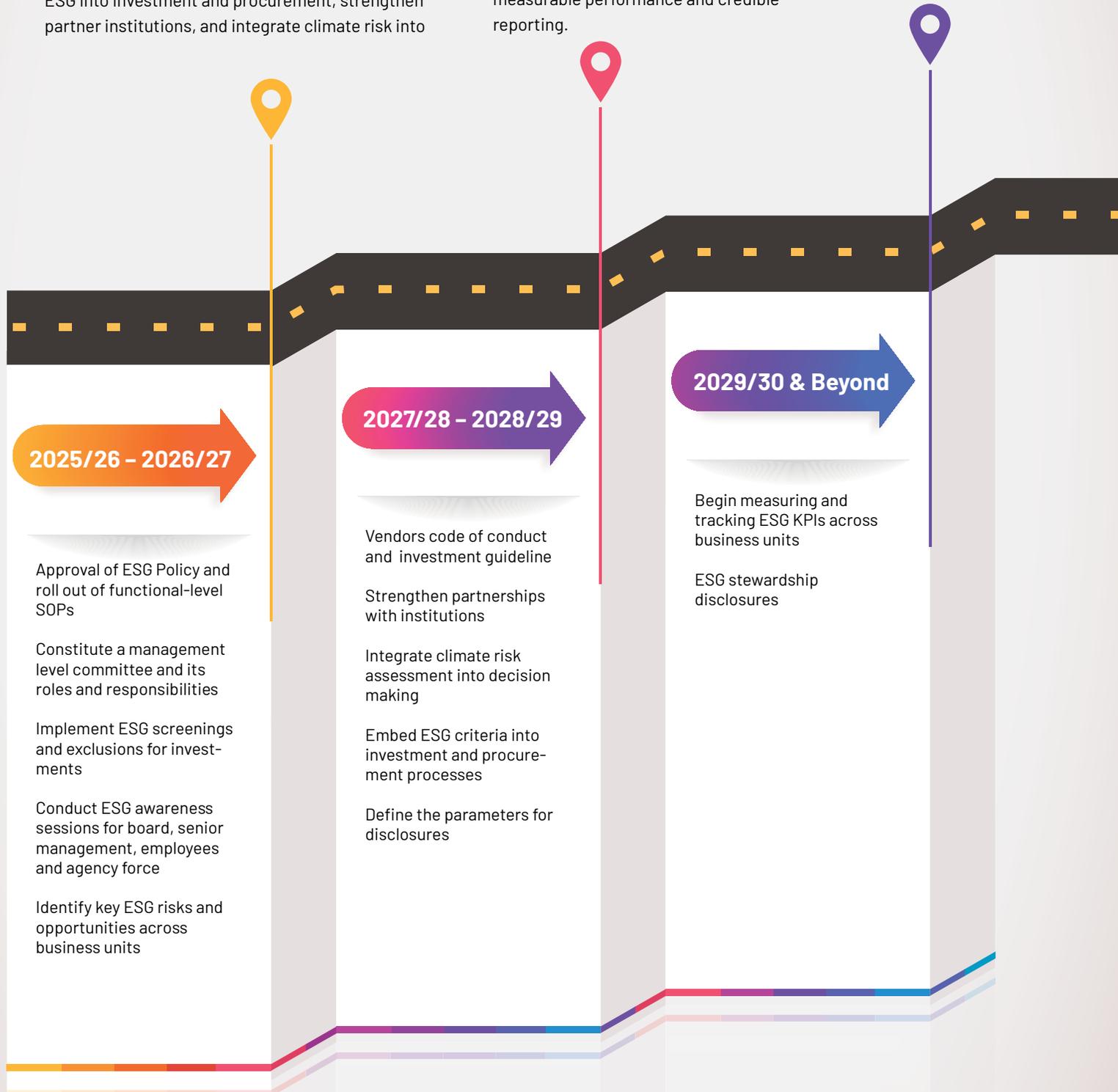
- Strong control architecture: multi-factor authentication (MFA), next-generation firewalls (NGFW), web application firewalls (WAF), endpoint detection and response (EDR), and maker-checker/authority limits safeguards data and transactions.
- Continuous assurance practices: phishing simulations, penetration tests, and disaster-recovery drills provide management and Board-level visibility on resilience.
- Centralized logging, audit trails, and data-retention controls ensure accountability and regulatory compliance across digital workflows.
- The policy stack (Code of Conduct, Data Privacy/Information Security, ESG Policy, Supplier/Agent Codes) is embedded in systems and monitored through periodic reviews.



ESG Roadmap

Below is our phased ESG roadmap, designed to move from foundation to integration and disclosure in a pragmatic, time-bound way. Beginning in FY 2025/26 with policy approval, functional SOPs, governance roles, and awareness building, we then expand through FY 2027/28–2028/29 to embed ESG into investment and procurement, strengthen partner institutions, and integrate climate risk into

decision-making with clear disclosure parameters. From FY 2029/30 onward, we focus on consistent measurement and tracking of ESG KPIs across business units and transparent stewardship disclosures ensuring our commitments translate into measurable performance and credible reporting.



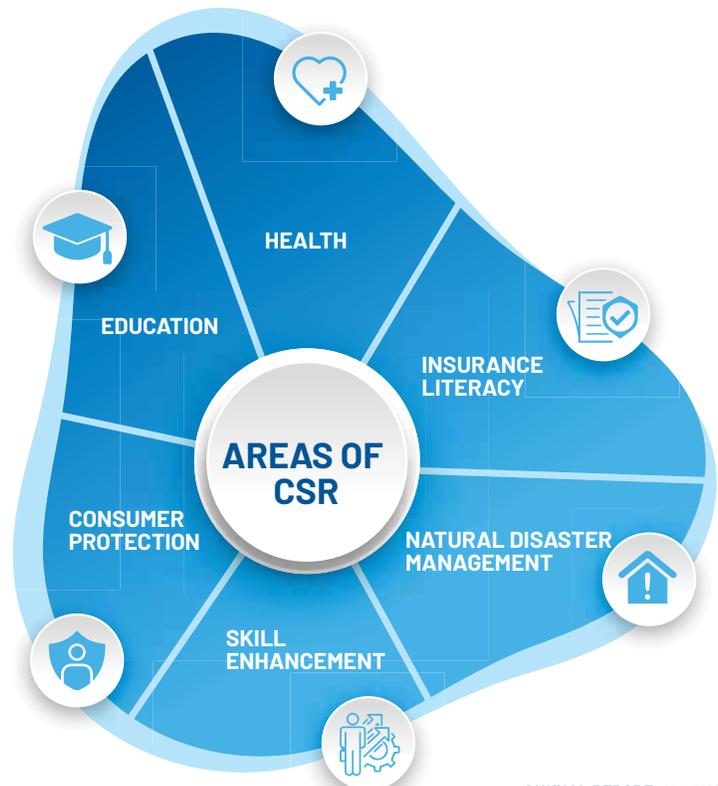


CORPORATE SOCIAL RESPONSIBILITY



Nepal Life Insurance Company Limited allocates 1% of its annual net profit to a dedicated CSR fund to support initiatives that create meaningful and sustainable impact across social, economic, cultural, and educational sectors. The Company's CSR programs primarily focus on education, healthcare, disaster relief, skill and income generation for disadvantaged groups, and insurance literacy and access initiatives for marginalized communities.

CSR expenditures are planned with fairness and inclusivity, covering multiple regions and thematic areas rather than concentrating on a single sector or location. Expenditures exceeding NPR 100,000 are reviewed and approved by the Investment Committee to ensure accountability. A structured CSR guideline governs proposal evaluation, fund allocation, implementation, and monitoring, reinforcing transparency and enabling effective utilization of resources to deliver measurable social impact.



HEALTH

Guided by the principle that healthy citizens form the foundation of a prosperous and progressive society, The Company continued to implement initiatives aimed at improving healthcare access, awareness, and sectoral development.

Key Initiatives During the Year:

- Contributed NPR 10 million toward the construction of a children's hospital at KIOCH, Budhanilkantha, Kathmandu.
- In collaboration with the Nepal Red Cross Society, conducted a free health camp in Dudhkunda, Solukhumbu, benefiting over 700 individuals.
- Organized a free health camp at the Company's Head Office, providing complimentary health check-ups to more than 1,000 individuals.
- Partnered with Ek Ek Paila Foundation to conduct a free health camp in Bajura, serving over 500 beneficiaries.
- Marked the Company's 24th Anniversary by organizing blood donation drives across 10 major branch locations nationwide, collecting 412 pints of blood.
- Developed and broadcast audio-visual materials to promote mental health awareness.
- Supported physical infrastructure enhancement for the upgradation of the Maternity Hospital in Kathmandu.



EDUCATION

Committed to strengthening access to education, infrastructure, and quality learning, Nepal Life Insurance has continued its sustained engagement in the education sector.

Key Initiatives During the Year:

- Distributed 2,500 school bags, 15,000 notebooks, and 2,545 raincoats to students in various public schools across the country.
- Provided NPR 1 million as an endowment fund contribution to Samata Education Foundation, which delivers education at a nominal monthly fee of NPR 100 across all levels.
- In collaboration with Round Table Nepal, supported the construction of sanitation facilities at a school in Nuwakot.
- Partnered with Matri Nepal to promote audio-visual based teaching methods by providing educational audio-visual materials to 40 schools across four districts.
- In association with Ladies Circle Nepal, supported the construction of a school building for students with autism.
- Distributed essential educational materials such as whiteboards, furniture, and water filters/ dispensers to various schools through the Company's branch network.



INSURANCE LITERACY

To enhance public awareness on financial risk management, Nepal Life Insurance has been actively conducting insurance literacy programs across schools, colleges, institutions, and communities nationwide.

Key Initiatives During the Year:

- Regularly conducted insurance literacy programs through its branch and sub-branch offices across the country.
- Organized awareness programs in collaboration with various institutions, schools, and colleges in different locations.
- Implemented continuous public awareness campaigns through audio-visual content across digital platforms.
- Installed 150 informative life insurance awareness boards along major highways nationwide.



DISASTER MANAGEMENT

Following the devastating floods and landslides in Ashoj 2081 (2024), Nepal Life Insurance provided relief materials to affected families across four districts: Dhading, Kavrepalanchok, Okhaldhunga, and Dhankuta.

In addition, recognizing the growing environmental concerns and potential ecological risks associated with waste accumulation on Mount Everest, the Company collaborated with Round Table Nepal to support a clean-up initiative that removed 5,000 kilograms of waste from the Everest region.



SKILL ENHANCEMENT

To promote youth self-reliance and employment generation, Nepal Life Insurance collaborated in the SIP MELA (Skill Fair) 2082 organized by Kathmandu Metropolitan City.

During the program, vocational training was provided in more than 40 trades, including plumbing, electrical maintenance, mechanics, and other technical skills. The initiative supported young participants in acquiring practical competencies aimed at enhancing employability and fostering entrepreneurship.



SOCIAL PROJECT

Committed to holistic social development and socio-economic transformation, Nepal Life Insurance continued implementing diverse community-focused initiatives.

Key Initiatives During the Year:

- Provided an interactive smart board to Kathmandu Police Range to enhance the effectiveness of training and academic programs.
- Supported road safety awareness efforts by providing an interactive smart board to the Kathmandu Valley Traffic Police Office.
- On the auspicious occasion of Maha Shivaratri, organized a one-day free food and drinking water distribution camp, benefiting more than 5,000 devotees.
- In collaboration with Nepal Police and traffic police authorities, provided traffic barricades at key locations across Madhesh Province and Gandaki Province to promote road safety, discipline, and traffic awareness.
- Conducted regular maintenance of checking boards previously provided to the Kathmandu Valley Traffic Police Office to support systematic traffic management and accident reduction initiatives across the Kathmandu Valley.



CONTRIBUTION TO INFRASTRUCTURE RECONSTRUCTION FUND

Nepal Life Insurance Company Limited contributed NPR 15 million to the Government of Nepal's Physical Infrastructure Reconstruction Fund to support rebuilding and relief efforts following damage to public infrastructure during the recent Gen Z protests.

The contribution, made under the Company's CSR initiatives, was formally handed over to Hon. Finance Minister Rameshwar Prasad Khanal by the Chairman, Govind Lal Sanghai, Director Kamlesh Kumar Agrawal, and CEO Pravin Raman Parajuli. The Company reaffirmed its commitment to continue supporting government initiatives for infrastructure development and socio-economic recovery.



नेपालकै

★★ सर्वाधिक ★★
विश्वासिलो

नेपाल लाइफ
इन्स्योरेन्स संगै जीवन बीमा गर्ौ



जीवन साथी

बीमा योजना

मात्र नेपाल लाइफ इन्स्योरेन्सले दिन्छ
भरोसा एक अर्काको, साथ जीवन भरको

मुख्य विशेषता

- एउटै बीमालेखले दम्पतीको जोखिम बहन गर्ने
- बीमा अवधि समाप्तिमा बीमाङ्क रकम बोनस एकमुष्ट पाइने
- एकको मृत्यु भएमा बीमाङ्क रकम जीवितले पाउने र बाँकी बीमा शुल्क पूर्ण छुट हुनुका साथै बीमालेख चालु रहने र बीमा अवधि समाप्तिमा पुन बीमाङ्क रकम र शुरु देखिको बोनस एकमुष्ट पाइने

AWARDS AND EVENTS

Awards and Recognitions



The company has been honored with the National Best Presented Annual Report Award (NBPA) 2024, presented annually by the Institute of Chartered Accountants of Nepal. The award was conferred in recognition of the outstanding Annual Financial Report for FY 2080/81 of Nepal Life Insurance Company Limited under the life insurance category. Nepal Life Insurance is the first life insurance company to receive the Silver Award in this category. This recognition highlights the company's excellence in financial reporting, its adherence to national and international standards, and its strong commitment to financial transparency, accountability, and sound institutional governance through efficient and effective performance.



Directors of Nepal Life Insurance Company Limited and President of Nepal Chamber of Commerce, Kamlesh Kumar Agrawal, along with company director Shakti Kumar Golyan, have been awarded the prestigious Commercially Important Person (CIP) honor by the Government of Nepal. The award was presented by former Minister for Industry, Commerce and Supplies Damodar Bhandari at a program organized by the Ministry of Industry, Commerce and Supplies in coordination with the Federation of Nepalese Chambers of Commerce and Industry. This recognition is conferred upon industrialists and entrepreneurs who have made significant contributions to exports, employment generation, investment, and business promotion.





The company has been honored with the Best Life Insurance Company of the Year 2025 award under the life insurance category at the 17th Corporate Business Awards 2025. The award was conferred upon Nepal Life Insurance Company Limited after evaluating key criteria among Nepali insurance companies, including financial statements and performance indicators, corporate governance practices, claim settlement ratio, paid-up capital, first insurance premium income, investment in human resource development, efforts toward investment diversification, initiatives in automation and digital transformation, and programs carried out under corporate social responsibility.

AWARDS AND EVENTS

Events and Activities



The 25th Annual General Meeting of Nepal Life Insurance Company Limited was held on Magh 28, 2081, at Hotel Vishwa under the chairmanship of Board Chairman Govinda Lal Sangai. During the meeting, the Annual Report for FY 2080/81 presented by the Chairman on behalf of the Board of Directors was discussed and approved. The financial statements for FY 2080/81—including the balance sheet, profit and loss account, and cash flow statement, along with the auditor's report—were also discussed and formally endorsed.

Business Excellence Conference



The three-day Business Excellence Conference of Nepal Life Insurance Company Limited was held in Bhairahawa from Shrawan 9 to 11 under the theme "Fly High, Aim Higher." The conference witnessed the participation of more than 230 employees working in sales and marketing from across the country.

AWARDS AND EVENTS

Leadership Excellence Awards



The three-day Leadership Excellence Awards 2024 of Nepal Life Insurance Company Limited was grandly held in Bhairahawa from Shrawan 11 to 13 under the theme "Hawk Year : Fly High, Aim Higher." The event was attended by more than 191 top-performing agencies and agency managers from across the country. The program was jointly inaugurated with the ceremonial lighting of the traditional lamp by Company Director Bimal Prasad Dhakal and Chief Executive Officer Pravin Raman Parajuli.

MDRT Achievers Awards



Nepal Life Insurance Company Limited organized the MDRT Achievers Award 2025 ceremony with grandeur on Magh 5, 2081 at The Soaltee Kathmandu. A total of 95 agents who qualified for MDRT 2025 based on their performance from January to December 2024 were honored at the event. The program was jointly inaugurated with the ceremonial lighting of the traditional lamp by Company Director Kamlesh Kumar Agrawal, Director Shakti Kumar Golyan, and Chief Executive Officer Pravin Raman Parajuli.



CORPORATE GOVERNANCE

The Company has put in place a robust set of internal policies and governance charters to ensure ethical conduct, regulatory compliance, effective oversight, and a safe and inclusive workplace.

INFORMATION ON BOARD OF DIRECTORS

COMPOSITION OF BOARD OF DIRECTORS

Promoter

Mr. Govind Lal Sanghai - Chairperson

Mr. Kamlesh Kumar Agrawal

Mr. Shakti Kumar Golyan

Mr. Vivek Agrawal - Resigned on 13/12/2024

Public

Mr. Bimal Prasad Dhakal

Mr. Krishna Raj Lamichhane

Ms. Sharmila Shrestha Maharjan - Joined on 15/03/2025

Independent

Ms. Parul Dhakal

Resigned on 27/03/2025. The position will be filled at the earliest appropriate time.

BOARD MEETINGS ATTENDANCE FOR THE YEAR

During the year 2024/25, the board of directors held a total of 18 meetings.

Name	Designation	Attendance	Remarks
Mr. Govind Lal Sanghai	Chairman	18/18	-
Mr. Kamlesh Kumar Agrawal	Director	18/18	-
Mr. Shakti Kumar Golyan	Director	17/18	-
Mr. Vivek Agrawal	Director	4/18	Resigned on 13/12/2024
Mr. Bimal Prasad Dhakal	Director	16/18	-
Mr. Krishna Raj Lamichhane	Director	18/18	-
Ms. Sharmila Shrestha Maharjan	Director	6/18	Joined on 15/03/2025
Ms. Parul Dhakal	Independent Director	10/18	Resigned on 27/03/2025

STRUCTURE, ROLE, MEETINGS, ATTENDANCE AND QUORUM OF THE BOARD OF DIRECTORS

In accordance with the provisions outlined in the Company's Memorandum and Articles of Association, the Board of Directors is composed of seven members: three representing the promoters' group, three representing the general shareholders, and one serving as an independent director. The Board fulfills its duties and responsibilities in full compliance with the Companies Act, the Insurance Act, and all other applicable laws and regulatory requirements.

The Board convenes meetings regularly, ensuring adequate attendance, maintaining the prescribed quorum, and appropriately documenting all resolutions and decisions. As stipulated under the prevailing Companies Act 2006, the quorum for a meeting of the Board of Directors is 51% of the total number of directors, a requirement the Company adheres to with utmost diligence.

INFORMATION ON COMMITTEES

STRUCTURE, ROLES, MEETINGS, ATTENDANCE, AND QUORUM OF BOARD LEVEL COMMITTEES

In line with the provisions of the Insurer's Good Governance Directive, 2023, the Board of Directors has established several director-level committees to enhance governance effectiveness and ensure robust oversight. These committees include the Audit Committee, Investment Committee, Claim Settlement Committee, Anti-Money Laundering Committee, Human Resources Committee, Risk Management & Solvency Committee, and the Sales Committee.

Each committee functions under a clearly defined mandate and Terms of Reference (TOR) approved by the Board of Directors. They convene regularly to carry out their respective duties and responsibilities, with all meetings conducted in full compliance with the prescribed attendance and quorum requirements outlined in their terms of reference.

BOARD LEVEL COMMITTEES

Name of Committee	No. of Meetings Held
Audit Committee	15
Investment Committee	37
Claim Settlement Committee	3
Anti Money Laundering Committee	8
Human Resource Committee	12
Risk Management and Solvency Committee	10
Sales Committee	11
MOA, AOA and Directors Election Directive Review Sub-Committee (Temporary)	3

MEMBERS OF AUDIT COMMITTEE

Name	Designation
Mr. Bimal Prasad Dhakal	Coordinator/Director - Public
Mr. Kamlesh Kumar Agrawal	Member/Director - Promoter
Mr. Krishna Raj Lamichhane	Member/Director - Public

MEMBERS OF INVESTMENT COMMITTEE

Name	Designation
Mr. Kamlesh Kumar Agrawal	Coordinator/Director - Promoter
Mr. Krishna Raj Lamichhane	Member/Director - Public
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Prem Prasad Regmi	Member/CFO

MEMBERS OF CLAIM SETTLEMENT COMMITTEE

Name	Designation
Ms. Parul Dhakal*	Coordinator/Director
Mr. Shakti Kumar Golyan	Member/Director - Promoter
Mr. Pravin Raman Parajuli	Member/CEO

*Ms. Parul Dhakal resigned effectively from 27/03/2025.

MEMBERS OF ANTI MONEY LAUNDERING COMMITTEE

Name	Designation
Ms. Sharmila Shrestha Maharjan	Coordinator/Director - Public
Mr. Bimal Prasad Dhakal	Coordinator/Director - Public
Mr. Pravin Raman Parajuli	Member/CEO

MEMBERS OF HUMAN RESOURCE COMMITTEE

Name	Designation
Mr. Krishna Raj Lamichhane	Coordinator/Director - Public
Mr. Kamlesh Kumar Agrawal	Member/Director - Promoter
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Amit Kumar Keyal	Member/DCEO

MEMBERS OF RISK MANAGEMENT AND SOLVENCY COMMITTEE

Name	Designation
Mr. Bimal Prasad Dhakal	Coordinator/Director - Public
Mr. Kamlesh Kumar Agrawal	Member/Director - Promoter
Mr. Pravin Raman Parajuli	Member/CEO

MEMBERS OF SALES COMMITTEE

Name	Designation
Mr. Shakti Kumar Golyan	Coordinator/Director - Promoter
Mr. Kamlesh Kumar Agrawal	Member/Director - Promoter
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Amit Kumar Keyal	Member/DCEO
Mr. Umapati Pokhrel	Member/National Sales Head

*Respective Department Head/Unit Head serve as the member secretary of the related board level committee.

ANNUAL DIRECTORS' REPORT

OF FISCAL YEAR 2024/25

Presented by **Chairperson Mr. Govind Lal Sanghai**

Respected Shareholders, Ladies and Gentlemen,

On behalf of the Board of Directors and myself, I extend a warm welcome and greetings to all the shareholders present at the 26th Annual General Meeting of this Company.

I hereby submit the annual report including the audit report, balance sheet, profit & loss account and cash flow statement for the fiscal year 2024/25 for discussion and approval pursuant to Section 109 of the prevailing Companies Act, 2006.

I present below a snapshot of the financial statements and an overview of the Company's business operations during the review period, including its business status and achievements.

International & National Circumstances and their Impact

INTERNATIONAL ECONOMIC OUTLOOK

There were no signs of improvement in the economic sector during the year under review, the tariff policy adopted by the United States in foreign trade, and ongoing geopolitical tensions have led to a slowdown in economic activities globally and in Nepal's context. This has also led to an increase in the prices of petroleum products, industrial raw materials, and food items, as well as high inflation globally, affecting global trade activities and capital flows.

According to the World Economic Outlook Update published by the International Monetary Fund (IMF) in October 2025, the global economy is projected to grow by 3.2% in 2025 and 3.1% in 2026.

NEPAL'S ECONOMIC OUTLOOK

In the financial year 2024/25, the economic growth rate was 4.61% and the annual average inflation was 4.06%. The

balance of payments position is in surplus by NPR 594.54 billion. Imports have increased by 13.3% and exports by 81.8%. Remittance inflows have increased by 19.2% in Nepali currency and 16.3% in US dollars. Remittance inflows as of Ashar 2082 (Mid July 2024 to Mid July 2025) stood at NPR 189.11 billion. Deposit collections by banks and financial institutions increased by 12.6% to NPR 7.26 trillion, while credit flows to the private sector increased by 8.4% to NPR 5.49 trillion.

According to the National Statistics Office, the growth in the agricultural sector in the review year is estimated at 3.28%, the growth in the industrial sector at 4.53%, and the growth in the service sector at 4.21% respectively. Similarly, the share of service, agriculture and industry, and service sectors in the GDP is 62.01%, 25.16% and 12.83% respectively, while gross domestic savings is 6.55% of the GDP. The ratio of the total fixed capital formation and gross national savings to gross domestic product is 24.07% and 36.24%, respectively. Total tourist arrivals increased by 1.7% in the financial year 2024/25 to reach 1,117,834.

(Source: Nepal Rastra Bank)

Current Status of Nepal's Overall Insurance Sector

As of Mid-July 2025, a total of 37 insurance companies, including 14 life, 14 non-life, 7 microinsurance and 2 re-insurance were operating in Nepal. Life insurance coverage in Nepal increased during the year, reaching 48.33% of the total population as of mid-July 2025, up from 43.27% in Mid-July 2024, encompassing term, short-term, and foreign employment life insurance. As of Mid-July 2025, 12,336 people have been directly employed in the insurance sector. The contribution of the insurance sector to Nepal's gross domestic product in Mid-July 2024 was 3.47%, and it is projected to be 3.72% in Mid-July 2025.

With the issuance of Insurance Act 2022, National Insurance Policy 2023 and Insurance Regulation 2025 along with current insurance-related policies, rules, and legal provisions by the Government of Nepal to make the insurance business systematic and effective, the overall insurance sector is expected to move forward in a positive way.

Review of life insurance business for FY 2024/25

During the review period, the total premium earned by all life insurance companies in Nepal was NPR 182.38 billion and in the same financial year, this Company has managed to maintain its leading position in the life insurance market by capturing a market share of 26.4% while earning a total premium of NPR 48.20 billion.

COMPANY'S MAJOR FINANCIAL & BUSINESS STATUS

Particulars	FY 2024/25	FY 2023/24	Growth %
No. of Active Policies	1,862,260	1,467,128	52.24%
First Premium Collection (NPR)	10,981,573,674	8,021,960,196	36.89%
Total Premium Collection (NPR)	48,202,201,095	40,849,467,257	18.00%
Life Insurance Fund (NPR)	232,740,574,817	195,074,575,752	19.31%
Investment (NPR)	239,421,146,408	206,187,493,722	16.12%
Gross Claim Payment (NPR)	19,191,680,985	15,015,559,111	27.81%

From the above table, it can be observed that the company's growth rate of first premium collection in FY 2024/25 was 36.89%, total premium collection was 18%, total life insurance fund was 19.31%, and total investment was 16.12%.

Business Achievements as at the Date of this Report

Particulars	As of Mid-October 2025
Number of Active Policies	2,002,357
First Premium Collection (NPR)	2,777,526,179
Life Insurance Fund (NPR)	245,499,750,941
Investment (NPR)	254,439,337,916
Total Claim Payment (NPR)	4,150,215,757

Actuarial Valuation and Bonus Rate for FY 2024-25

The actuarial report on the Company's financial position and liability valuation for the fiscal year 2024/25 has been approved by Nepal Insurance Authority. Following this valuation, the net profit of the Company as of year-end stands at NPR 2.29 billion.

The Bonus rates for policyholders (in per 1,000 per year of sum assured) of the Company for FY 2024/25 are as below: -

Bonus Rate (2024-25)

Category	Product	TERMS(YEARS)	BONUS RATE	POLICY COUNT
Endowment	Jeevan Jyoti, Rural Endowment, Micro Endowment, Jeevan Laxmi, Surakshit Jeevan, Ketaketi, Sunischit Bhawishya (Child Education), Jeevan Udaya	0 - 10	60	27,111
		11 - 15	60	2,14,885
		16 - 20	60	1,20,277
		21 - 25	70	16,707
		26 - 30	82	1,608
		> 30	82	480
	Naulo Surakshit, Naulo Ketaketi	0 - 10	65	3,208
		11 - 15	65	43,632
		16 - 20	65	35,804
		21 - 25	72	7,742
		26 - 30	82	413
	Sammunat Jeevan	> 30	82	69
		0 - 10	56	66
		11 - 15	56	732
		16 - 20	56	321
		21 - 25	60	183
		26 - 30	70	20
	Sunaulo Bhawishya- Option 1/ Option 2	> 30	70	3
		0 - 10	60	6,304
		11 - 15	60	50,785
		16 - 19	60	17,215
		20 - 25	62	3,521
		26 - 30	65	304
	Sunaulo Bhawishya- Option 1- Single Premium	> 30	65	900
		0 - 10	55	7,671
		11 - 15	55	9,603
16 - 19		55	6,752	
20 - 25		57	116	
26 - 30		60	76	
Ketaketi Sunaulo Bhabishya	> 30	60	43	
	0 - 10	60	1,237	
	11 - 15	60	17,437	
	16 - 19	60	16,915	
	20 - 25	62	1,927	
	26 - 30	62	-	
Money - Back	Ketaketi Sunaulo Bhabishya-Single	> 30	62	-
		0 - 10	60	102
	Naulo Dhan Varsha, Jeevan Unnati, Sadhabahar	11 - 15	60	333
		16 - 19	60	243
	Jeevan, Dhan Varsha (15 years), Dhan Varsha (20 years), Chora Chori	20 - 25	62	103
		26 - 30	62	-
	Naulo Jeevan Sambridhi	> 30	62	-
		0 - 10	56	232
		11 - 15	56	2,635
		16 - 20	56	5,052
21 - 25		56	52	
26 - 30	56	-		
> 30	56	-		

Category	Product	TERMS(YEARS)		BONUS RATE	POLICY COUNT
	Jeevan	0 - 10	56	1,166	
	Sambridhi (15 years), Jeevan Sambridhi (20 years)	11 - 15	56	25,151	
		16 - 20	56	6,140	
		21 - 25	56	299	
		26 - 30	56	-	
		> 30	56	-	
Endowment cum Whole Life	Jeevan Sahara,	15	56	27,672	
		20	56	3,123	
	Anamol Jeevan,	0 - 10	60	7,406	
		11 - 15	60	1,24,781	
		16 - 20	60	53,017	
		21 - 25	70	21,412	
		26 - 30	82	2,049	
> 30	82	205			
Others	Jiwan Sarathi	0 - 10	62	-	
		11 - 15	62	12,985	
		16 - 20	62	4,987	
		21 - 25	72	3,191	
		26 - 30	85	313	
		> 30	85	48	

Dividend for Shareholders

As per the decision of the 404th meeting of the Board of Directors held on 10/12/2025, it has been proposed to distribute dividend to the shareholders from the distributable profit of fiscal year 2024/25 on the current paid-up capital of NPR 9,028,763,209 (in words: Nine billion twenty-eight million seven hundred sixty-three thousand two hundred nine only) at the rate of 21.05%, amounting to a total of NPR 1,900,792,255 (in words: One billion nine hundred million seven hundred ninety two thousand two hundred fifty five only) as dividend, comprising 5% bonus shares and 16.05% cash dividend (including tax on both bonus shares and cash dividend).

This proposal, along with the financial statements, has been submitted to this Annual General Meeting for approval.

Auditors' Appointment

The Chartered Accountancy firm P.L. Shrestha & Company served as the auditor during the review year. As per Section 111(3) of the Companies Act, 2006, the audit conducted by P.L. Shrestha & Company for the review year has been found satisfactory, and since the firm is eligible for reappointment for the fiscal year 2025/26, the Board of Directors, based on the recommendation of the Audit Committee, has decided to propose to the Annual General Meeting the reappointment of P.L. Shrestha & Company as the auditor for FY 2025/26

with a total annual audit fee (for Statutory Audit, Tax Audit, Certification as per Act, L FAR and Corporate Governance Certification) of NPR 1,491,600 (in words: One million four hundred ninety one thousand six hundred only), including VAT.

Appointment of Internal Auditor & IS Auditor

Based on the recommendation of the Audit Committee and the decision of the Board of Directors, N.B.S.M. & Associates has been appointed as the Internal Auditor for Fiscal Year 2025/26, under the condition that a total annual audit service fee of NPR 1,412,500 (in words: One million four hundred twelve thousand five hundred only), including VAT, will be provided.

Similarly, Eminence Ways Pvt. Ltd. has been appointed as the Information Technology (IT) Auditor for Fiscal Year 2024/25, under the condition that a service fee of NPR 339,000 (in words: Three hundred thirty nine thousand only), including VAT, will be provided.

The Internal Auditor reviews and evaluates the adequacy and effectiveness of the company's internal control system, risk management processes, and governance practices. The Information Technology Auditor reviews and evaluates areas such as digital infrastructure, information systems, cyber security, and application controls.

Auditor's Report

The Auditor's Report prepared in accordance with the prevailing laws and practices for the fiscal year 2024/25 is appended herewith.

Outlet Expansion

During the review year, the Company operated a total of 40 branch offices, 145 sub-branch offices, 7 provincial offices, 1 sub-provincial office and 1 corporate office, making a total of 194 offices in operation. With the objective of raising awareness among policyholders and the general public about the key matters to be considered before purchasing an insurance policy in the existing competitive market environment, the Company has adopted a goal of expanding life insurance services to every household. To deliver the highest quality of insurance services, the Company has made arrangements to provide services through any of its branch offices as well as through online platforms.

Human Resources

During the review period, the Company employed a total of 577 regular staff members and additional 118 contractual and outsource staffs. Through the relentless efforts, dedication, and teamwork of its employees, the Company has successfully established a strong and reputable position in the life insurance sector. The Company remains committed to fostering a positive and motivating work environment that encourages employees to perform with high morale and a sense of purpose. We have been providing timely internal and external training programs to enhance the professional skills of our employees.

Agency Force

During the review period, the Company had an agency force of 60,989 across the country, of which 31,773 were active agents from Nepal Insurance Authority. The Company has set a strategic goal to increase the number of professional insurance agents in the coming years. To enhance the professional competence and productivity of its agents, the Company, through its Training Department and with the involvement of internationally recognized insurance trainers, has been conducting various skill development and capacity-building programs effectively. The Company remains committed to further expanding and strengthening the significant achievements accomplished through the mutual cooperation and coordination among policyholders, insurance agents, and employees.

Claim Payments

During the review period, the Company has paid claims for 2,836 deaths, amounting to NPR 1.09 billion. Similarly,

including death claims, maturity payments, partial period payments, and surrender value payments, the total claims paid amounted to NPR 19.19 billion.

The Company prioritizes death claim settlements and strives to process them as quickly as possible, often providing payments at the insured's doorstep, thereby fostering a positive perception of life insurance amongst the general public.

Contribution to Government Revenue

During the review period, the company made a significant contribution to the revenue of the Government of Nepal. This includes NPR 1.17 billion tax collected at source from employees, agents, and service providers, along with NPR 3.25 billion remitted through income tax, bringing the total contribution to NPR 4.42 billion.

Through these contributions, the Company not only fulfills its legal and fiscal responsibilities but also supports the nation's economic development and reinforces its commitment to transparent and responsible business practices.

New Life Insurance Plans and Revival Campaign

During the review period, the Company leveraged market insights and customer preferences to develop innovative life insurance plans with unique features. As a result, the Company successfully launched a new product named as 'Nepal Life Raksha Kawach Jeevan Beema Yojana'.

Similarly, an effective insurance policy revival campaign was conducted by providing special discounts on late fees to activate insurance policies that had lapsed due to various reasons

Operation of Commercial Buildings

The Company's Nepal Life building at Kamalpokhari has established itself as a key destination for public recreation and retail shopping. Additionally, the Company owns a commercial building in Pokhara, primarily used for office purposes. The modern infrastructure of these buildings has significantly contributed to enhancing the Company's reputation and supporting marketing initiatives. During the fiscal year 2024/25, the Company generated NPR 26.5 million from rent and other income from the Nepal Life Building, Kamalpokhari, NPR 1.80 million from the Pokhara building, and NPR 0.21 million from Itahari building resulting in a total income of NPR 28.47 million.

Information Technology and Digital Transformation

Leveraging cutting-edge information technology, the Company provides high-quality services to customers and agents. Key payments such as policy maturity settlements, surrender values, survival benefits, claims, policy loans, and agent commissions are now automatically credited to the respective insured or agent accounts through a centralized payment system, ensuring a seamless experience.

Critical claim processes, including Death Claim, Critical Illness, PTD Claim, and MIB Claim, have been fully digitized. To enhance customer and agent convenience, a new digital platform has been developed and launched. Additionally, online payment systems and Dynamic QR Code technology have been further advanced to facilitate premium and policy loan payments.

Nepal's first Learning Management System (LMS), "Nepal Life Pathshala," has been introduced, accessible via both web and mobile platforms. To improve convenience for customers and agents visiting branch offices, most branches are equipped with free Wi-Fi and internet facilities.

All branch offices are integrated into a web-based application system. Customers can access complete information about their policies through our website and mobile apps, while important notifications are sent via SMS or Viber. Moreover, robust security measures have been implemented to safeguard the Company's database. Through the use of information technology, our internal control systems have also been strengthened and effectively implemented.

Industrial and Business Relations

The Company has maintained cordial and professional relationships with various domestic and foreign stakeholders. As we continue to expand our business scope and extend our insurance services in all directions, we have fostered strong and harmonious relations across all levels of society. A healthy and cooperative industrial relationship exists within the Company, reflecting our commitment to mutual respect, collaboration, and sustainable business growth.

Changes in the Board of Directors

During the 25th Annual General Meeting, Mr. Bimal Prasad Dhakal, Mr. Krishna Raj Lamichhane, and Mrs. Sharmila Shrestha Maharjan were elected as members of the Board of Directors representing the public shareholders. Subsequent to the 25th Annual General Meeting, Independent Director Mrs. Parul Dhakal tendered her resignation citing personal reason.

Her resignation was formally accepted by the Board during its 394th meeting held on 27th March 2025.

Key Factors Affecting Business Operations

The major factors influencing the life insurance business are as follows:

- Excess liquidity, limited investment opportunities and challenges in achieving higher returns.
- Lack of good governance and unhealthy competitive environment within the insurance and financial sector, along with the risks and challenges arising therefrom.
- Limited opportunities for long-term investment in the national economy, leading to asset liability concentration and exposure risks.
- Impact of unstable interest rates in the financial sector.
- Political instability and various external disruptions that may affect business growth and expansion.
- Volatility in the capital market and the associated risks.
- Risks arising from human casualties caused by natural disasters.
- Challenges posed by the outmigration of skilled human resources.

Future Plans

In order to achieve the Company's long-term growth and sustainable development, the following strategic plans have been outlined:

- Enhance business growth and service quality through the strengthening of branches, sub-branches, and regional offices.
- Widen the coverage of insurance services to economically underprivileged populations in rural areas through microinsurance schemes.
- The Company has already established Nepal Life Investment Company Limited as a wholly owned subsidiary and has subsequently commenced operations. The Company is investing in hydropower projects, equity funds, real estate, hotels and the education sector, while also identifying new potential areas for investment diversification.
- Design and introduce suitable insurance products that cater to all segments of society, ensuring the delivery of quality life insurance services.
- Accelerate the development and expansion of information technology to enhance operational efficiency and service delivery.
- Maximize the use of digital technologies across all service areas and implement concrete plans for the successful execution of the Company's digital strategy.

- Introduce simplified online systems enabling policyholders and agents to make loan repayments convenient.
- Encourage the use of various banks, financial institutions, and digital payment platforms to simplify the premium renewal payment process.
- Develop and implement training programs aimed at enhancing the professional competence of employees and agency force.
- Continue efforts toward long-term capital investment to maintain a balanced relationship between assets and liabilities.

Board of Directors' Response to Remarks Mentioned in the Audit Report

During the review period, no significant remarks or qualifications were mentioned in the audit report. Necessary improvements and corrective actions have been implemented in accordance with the suggestions provided in the preliminary audit report.

DETAILS OF SHARE FORFEITURE

The Company has not forfeited any shares to date.

REVIEW OF THE OPERATIONS AND FINANCIAL POSITION OF THE COMPANY AND ITS SUBSIDIARIES DURING THE FISCAL YEAR

During the review year, the Company invested NPR 1.80 billion in the promoter shares of its wholly owned subsidiary, Nepal Life Investment Company Limited.

Similarly, the Company holds an investment of NPR 229.5 million (Two hundred twenty-nine million five hundred thousand only) in promoter shares, representing 53.78% of the paid-up capital of another subsidiary, Nepal Life Capital Limited, at a par value of NPR 100 per share.

The operational progress and the financial position of both subsidiaries as at the end of the fiscal year have been incorporated in the accompanying financial statements, profit and loss account, and cash flow statement.

MAJOR TRANSACTIONS CARRIED OUT BY THE COMPANY AND ITS SUBSIDIARIES DURING THE FISCAL YEAR, AND SIGNIFICANT CHANGES IN OPERATIONS

The major transactions completed by the Company and its subsidiaries during the fiscal year, as well as any significant changes in their operations during the period, have been disclosed in the accompanying financial statements.

INFORMATION PROVIDED TO THE COMPANY BY ITS SUBSTANTIAL SHAREHOLDERS DURING THE FISCAL YEAR

During the review year, the Company did not receive any such information from its substantial shareholders.

OWNERSHIP OF SHARES BY DIRECTORS AND OFFICERS AND RELATED DISCLOSURES

The shareholding of the Company's current directors is as follows. Except for the primary shares reserved for employees and shares allocated through the F.P.O., no shares have been acquired by the officers.

Designation	Name of directors	Shares owned at the end of Fiscal Year (Kitta)
Chairman	Mr. Govind Lal Sanghai	48,44,130
Director	Mr. Kamlesh Kumar Agrawal (Representation of Global Trading Concern Pvt. Ltd.)	4,621
Director	Mr. Shakti Kumar Golyan	7,59,322
Director	Mr. Krishna Raj Lamichhane	4,514
Director	Mr. Bimal Prasad Dhakal	1,002
Director	Mrs. Sharmila Shrestha Maharjan	1,050

DISCLOSURE OF PERSONAL INTERESTS OF DIRECTORS OR THEIR CLOSE RELATIVES IN COMPANY-RELATED AGREEMENTS DURING THE FISCAL YEAR

No such information was received during the review year.

IF A COMPANY BUYS BACK ITS OWN SHARES, STATE THE REASON FOR SUCH SHARE BUYBACK, THE NUMBER OF SHARES AND THEIR PAR VALUE, AND THE AMOUNT PAID BY THE COMPANY FOR THE BUYBACK.

No such actions were initiated during the review year.

WHETHER OR NOT THERE IS AN INTERNAL CONTROL SYSTEM AND, IF SO, A DETAILED DESCRIPTION THEREOF

The Company has been continuously making its internal control system robust and effective. Various committees within the Company have been making significant contributions toward risk mitigation. To review existing risks and the adequacy of strategies adopted to control them, as well as to discuss other related matters, the Company has formed Board-level committees such as the Investment Committee, Risk Management and Solvency Committee, Claim Settlement Committee, Anti-Money Laundering Committee, Human Resource Committee, Sales Committee and Audit Committee. To strengthen its internal controls, the Company has appointed an independent Chartered Accountant as the internal auditor and receives quarterly reports, which are then discussed in detail. The Company has also instituted a dedicated Internal Control Department to oversee compliance, monitor operational processes, and further strengthen its internal control framework.

Additionally, to maintain the effectiveness of internal controls, the Company has formulated and implemented various policies and guidelines, such as the Claims Manual, Underwriting Guidelines, Risk-Based Internal Audit Policy, Reinsurance Policy, Employee Service Rules, Financial Administration Bylaw, Procurement Bylaw, and others. Overall, this strong internal control system has played an effective role in maintaining the Company's financial soundness, reputation, and long-term stability.

DETAILS OF TOTAL MANAGEMENT EXPENSES

Total management expense during the review period is NPR 2,755,393,380.

Particulars	FY 2024/25 (NPR)
Employee Expenses (Excluding Bonus)	729,393,365
Depreciation Expenses	124,102,733
Other Management Expenses	1,901,897,282
Total Management Expenses	2,755,393,380

CORPORATE GOVERNANCE

In accordance with the prevailing laws, meetings of Board of Directors are held regularly. During the review period, 18 meetings of the Board were conducted. In addition to policy formulation, the Board has played an active role in providing strategic direction and oversight to the management, ensuring financial discipline, transparency and accountability and safeguarding the interests of all its stakeholders. Furthermore, the Board has placed strong emphasis on compliance with the Corporate Governance Directives issued by the Nepal Insurance Authority.

AWARDS

We are pleased to inform that the Company was honored with the Silver Award in the Life Insurance category for the Best Presented Annual Report at the Best Presented Annual (BPA) Awards for the fiscal year 2023/24 (2080/81) from The Institute of Chartered Accountants of Nepal (ICAN). This recognition is the highest award any life Insurance Company has received till date and it reflects our continued commitment to transparency, corporate governance, and excellence in financial reporting.

IF ANY AMOUNT IS OUTSTANDING TO BE PAID THE COMPANY BY THE DIRECTOR, MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER, SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR HIS CLOSE RELATIVE OR ANY FIRM, COMPANY OR CORPORATE BODY ASSOCIATED WITH HIM

No such outstanding amount to be paid exists during the review period.

DETAILS OF THE MEMBERS OF THE AUDIT COMMITTEE, THE REMUNERATION, ALLOWANCES, AND BENEFITS RECEIVED BY THEM, THE ACTIVITIES CARRIED OUT BY THE COMMITTEE, AND DETAILS OF THE SUGGESTIONS IF ANY

During the review period, the Audit Committee provided necessary guidance and direction to the Company's management based on the observations and comments made by both internal and external auditors regarding the Company's internal operations and control systems, as well as the actions undertaken by the management in response. In addition, the Committee played a significant role in several key areas, including the appointment of internal and external auditors, providing instructions to management on various matters, supervising the implementation and compliance of the Company's policies, rules, and directives, and reviewing and providing suggestions on the Company's unaudited quarterly financial statements. The Audit Committee has

thus contributed notably to promoting good governance, financial discipline, and transparency within the Company. The Company's Audit Committee comprises the following members:

1. Mr. Bimal Prasad Dhakal – Coordinator / Director
2. Mr. Kamlesh Kumar Agrawal – Member / Director
3. Mr. Krishna Raj Lamichhane – Member / Director

The meeting allowance of the Audit Committee during the review period is NPR 853,000.

REMUNERATION, ALLOWANCES, AND BENEFITS PAID TO DIRECTORS, CHIEF EXECUTIVE OFFICER, AND OFFICERS

During the review year, the Directors were paid meeting allowances of NPR 6,849,000 for attending meetings of the Board of Directors and other Board-level committees, and NPR 1,140,000 for other benefits including telephone, mobile, and newspaper expenses, amounting to a total of NPR 1,989,000.

The Chief Executive Officer was provided with the following service benefits during the review year.

Remuneration, Allowances and other Benefits of CEO FY 2081/82

Fixed annual salary, allowances, bonus and others	NPR 23,005,107
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In addition, other executive-level officers received a total of NPR 37,732,447 as salary, allowances, Dashain festival expenses, bonus and provident fund contributions.

FEEDBACK FROM SHAREHOLDERS

The Company always welcomes suggestions and feedback from its esteemed shareholders. Any constructive suggestions received from shareholders are given due consideration and are positively acted upon and implemented by the Company.

AMOUNT OF DIVIDEND REMAINING TO BE RECEIVED BY SHAREHOLDERS

As of the end of fiscal year 2024/25, the remaining dividend amount to be received by shareholders stands at NPR 382.9 million

DETAILS OF THE PURCHASE OR SALE OF PROPERTY PURSUANT TO SECTION 141

In the review year, the Company purchased land/buildings for office and commercial purposes in Hetauda, comprising 10,933.33 sq. ft. (60 dhur), for NPR 178,951,500 and in Itahari, comprising 16,673.33 sq. ft. (91.50 dhur), for NPR 167,956,889 respectively.

DETAILS OF TRANSACTIONS BETWEEN RELATED COMPANIES PURSUANT TO SECTION 175

No such Transaction

ANY OTHER MATTERS REQUIRED TO BE DISCLOSED IN THE REPORT OF THE BOARD OF DIRECTORS AS PER PREVAILING LAW

- a) Regarding the control of money laundering, the Company has been complying with the provisions mentioned in the directives issued by Nepal Rastra Bank, the Financial Information Unit and Nepal Insurance Authority and has been submitting the required reports accordingly. All Offices have been made aware of the provisions related to customer identification. Branch Managers, Senior Management, HoDs, Unit Head and Staffs at large including BM/SBM have been instructed to remain particularly vigilant for the control of money laundering. Timely training programs have also been provided for the prevention and control of money laundering.
- b) We hereby declare that this Company has fully complied with the Companies Act in accordance with Section 86 of the Companies Directive, 2015.

OTHER NECESSARY MATTERS

No other matters need to be disclosed as per prevailing acts and laws.

Expression of gratitude

In conclusion, I would like to express my sincere gratitude to the Government of Nepal, the Ministry of Finance, Nepal Insurance Authority, Nepal Rastra Bank, Securities Board of Nepal, Office of the Company Registrar, Nepal Stock Exchange Ltd., CDS and Clearing Ltd., and other concerned authorities for their continuous support and guidance to this Company. I would also like to extend heartfelt thanks to all our shareholders, insured clients, agency force and employees for their continued cooperation, goodwill, and confidence. I would further like to extend my gratitude to Mrs. Parul Dhakal, who served as an Independent Director until 27/03/2025, and thank her for her valuable contributions to the Company as a member of the Board.

Furthermore, on behalf of the Board of Directors, I would like to express my sincere appreciation to all those present at this Annual General Meeting for their active participation and valuable contribution, which have enhanced the success and dignity of this meeting.

Thank you.

GOVIND LAL SANGHAI
Chairperson

ANNUAL CORPORATE GOVERNANCE COMPLIANCE REPORT OF FY 2024/25

(Prepared as per the Corporate Governance Directive for Listed Organizations, 2018)

DETAIL	INFORMATION
Name of Listed Organization	Nepal Life Insurance Company Limited
Company Registration No.	700/056/57
PAN No.	500063433
Insurance Authority License Date	2001/04/17 A.D.
Authorized Capital	NPR 10,000,000,000
Paid-up Capital	NPR 9,028,763,209
Address, Email, and Website	Address: Classic Complex, Kamaladi, Kathmandu
	Email: info@nepallife.com.np
	Website: www.nepallife.com np
Phone No.	01-5970971

1. Details Regarding the Board of Directors (BOD)

(A) Details of the Company's Share Structure (Promoter, Public, and Others)

Shareholders	Share Count	Capital Structure (%)
Promoter Shareholders	46,046,692.37	51
Public Shareholders	44,240,939.72	49
Total Shares	90,287,632.09	100

(B) Name and Date of Appointment of the Chairman of the Board:

Name: Mr. Govind Lal Sanghai

Date of Appointment: 2022/04/04 A.D.

(C) Details of the Board of Directors:

S.N.	Name of Director	Represented Group	Date of Appointment	Method of Director Appointment
1.	Mr. Govind Lal Sanghai	Promoter Group	2022/04/04 A.D.	AGM
2.	Mr. Kamlesh Kumar Agrawal	Promoter Group	2022/04/04 A.D.	AGM
3.	Mr. Shakti Kumar Golyan	Promoter Group	2022/04/04 A.D.	AGM
4.	Mr. Bimal Prasad Dhakal	Public Group	2025/03/15 A.D.	AGM
5.	Mr. Krishna Raj Lamichhane	Public Group	2025/03/15 A.D.	AGM
6.	Mrs. Sharmila Shrestha Maharjan	Public Group	2025/03/15 A.D.	AGM

Note: The resignation submitted by Independent Director Mrs. Parul Dhakal was approved by the Board of Directors. The position of Independent Director is currently vacant.

(D) Board of Directors (BOD) Meetings

S.N.	BOD Meeting Date (No.)	No. of Attendees	No. of Directors Signing with Dissenting Opinion
1.	2024/07/19 (381)	6	
2.	2024/07/21 (382)	7	
3.	2024/08/21 (383)	7	
4.	2024/09/23 (384)	7	
5.	2024/10/02 (385)	7	
6.	2024/11/08 (386)	7	
7.	2024/12/13 (387)	6	
8.	2025/01/10 (388)	6	
9.	2025/01/13 (389)	6	None
10.	2025/02/08 (390)	6	
11.	2025/03/05 (391)	4	
12.	2025/03/12 (392)	4	
13.	2025/03/16 (393)	7	
14.	2025/03/28 (394)	7	
15.	2025/04/26 (395)	6	
16.	2025/05/30 (396)	6	
17.	2025/06/02 (397)	6	
18.	2025/06/24 (398)	6	

■ Details of any BOD meeting postponed due to lack of quorum: None

BOD Meeting Compliance Details	Status
Separate record keeping of minutes (directors, discussion topic, and decision)	Maintained
Maximum gap between two consecutive BOD meetings (in days)	45 days (between 386th and 387th meeting)
Date of Annual General Meeting (AGM) where meeting allowance was determined	20th AGM, dated 2021/02/10
Meeting Allowance per BOD meeting	Chairman: Rs. 22,000; Members: Rs. 21,000
Total BOD Meeting Allowance Expense for FY 2024/25	Rs. 21,82,000 (for 18 meetings, including tax)

Director Conduct and Other Details	Compliance Status
More than one member of the own house family should not be the Director in the same or similar insurer.	Complied
Requirement to appoint at least one Independent Director from individuals with qualifications as per Section 49 of the Act and information to the first subsequent AGM	The appointment of the Independent Director was notified during the 22nd Annual General Meetings held on 2022/11/24. As the Independent Director resigned on 2025/03/27, the position is currently vacant.
Maximum gap between two consecutive BOD meetings not to exceed two months.	Complied
Requirement for at least 51% attendance of total directors for the commencement of a BOD meeting.	Complied
All attending directors must sign the BOD decision (minutes)	Complied
The Board of Directors must consist of a minimum of five and a maximum of seven directors.	Complied
The Board of Directors must meet at least 6 times a year.	Complied

Prohibition for the company to engage in business or acquire property in partnership with its directors, their own house family members, Fundamental shareholders, persons with financial interest, or any firm/company where the insurer or its directors/managing agents are shareholders/directors, or with the CEO. Complied

2. Committee Formation

The Company has formed various committees in accordance with prevailing laws and directives issued by the Nepal Insurance Authority to effectively manage its operations:

1. Investment Committee
2. Audit Committee
3. Claim Settlement Committee
4. Human Resources Committee
5. Anti-Money Laundering Committee
6. Risk Management and Solvency Committee
7. Sales Committee

(A) Investment Committee

Information regarding Investment Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mr. Kamlesh Kumar Agrawal	Coordinator/Director
Mr. Krishna Raj Lamichhane	Member/Director
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Prem Prasad Regmi	Member Secretary/Assistant General Manager

Total Meetings in FY 2024/25: 37

Key Achievements and Performance during the Review Period:

- Reviewed management's investment in fixed deposits of various banks and financial institutions.
- Reviewed the stock investment portfolio and made necessary buying/selling decisions.
- Discussed, reviewed, and evaluated various investment opportunities for diversification and recommended them to the Board of Directors.
- Handled matters related to land and building acquisition as per the Company's Financial Administration Bylaws and delegated authority from the BOD.
- Reviewed the updated statements of subsidiaries: Nepal Life Capital and Nepal Life Investment Company.
- Discussed the collection of agent loans and directed a phased collection program.
- Reviewed the updated statement of the Company's Alternate Investment (Alternative Investment) portfolio.

(B) Audit Committee

Information regarding Audit Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mr. Bimal Prasad Dhakal	Coordinator/Director
Mr. Kamlesh Kumar Agrawal	Member/Director
Mr. Krishna Raj Lamichhane	Member/Director
Ms. Mijala Manandhar	Member Secretary/Head, Internal Control Unit

Total Meetings in FY 2024/25: 15

Dates when the Audit Committee presented its report to the BOD:

1. 386th Meeting, 2024/11/08
2. 395th Meeting, 2025/04/27
3. 396th Meeting, 2025/06/09
4. 400th Meeting, 2025/07/27

Key Achievements and Performance during the Review Period:

- Discussed the Internal Auditor's report and directed management to rectify the irregularities found.
- Studied and discussed the comparative statement of the Company's budget vs. actual income and expenditure.
- Discussed the Company's financial statements, audit report, and irregularities raised by the auditor for FY 2023/24.
- Recommended the appointment of External Auditor to the Annual General Meeting.
- Recommended the appointment of Internal Auditor to the Board of Directors.
- Recommended the appointment of IS Auditor to the Board of Directors.
- Studied and discussed the Company's financial statements and the quarterly un-audited financial statements for FY 2024/25.

(C) Claim Settlement Committee

Information regarding Claim Settlement Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mr. Shakti Kumar Golyan	Member/Director
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Ujjwal Aryal	Member Secretary/Head, Claim Department

Note: As Committee Coordinator Mrs. Parul Dhakal resigned from the position of Director on 2025/03/27, the member position is currently vacant.

Total Meetings in FY 2024/25: 3

Key Achievements and Performance during the Review Period:

- Discussed the death claims and the overall claims settlement process and status.
- Discussed Foreign Employment Term Insurance claims and Micro Insurance claims.
- Discussed maturity claims and survival benefit claims related to life insurance policies.

(D) Human Resources Committee

Information regarding Human Resources Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mr. Krishna Raj Lamichhane	Coordinator/Director
Mr. Kamlesh Kumar Agrawal	Member/Director
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Amit Kumar Keyal	Member/DCEO
Mrs. Bandana Sharma Siwakoti	Member Secretary/Head, Human Resources Department

Total Meetings in FY 2024/25: 12

Key Achievements and Performance during the Review Period:

- Reviewed, discussed, and decided on the performance appraisal process.
- Reviewed, discussed, and decided on staffing matters.
- Reviewed, discussed, and decided on the organizational structure.
- Prepared the organizational structure review and submitted it to the BOD with a recommendation for approval.
- Prepared the Succession Planning and submitted it to the BOD with a recommendation for approval.
- Discussed and decided on employee transfers, promotions, and appointments.
- Prepared the Human Resources Department budget for FY 2025/26.

(E) Anti-Money Laundering (AML) Committee

Information regarding AML Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mrs. Sharmila Shrestha Maharjan	Coordinator/Director
Mr. Bimal Prasad Dhakal	Member/Director
Mr. Pravin Raman Parajuli	Member/CEO
Ms. Rubee Pokharel	Member Secretary/Head, AML & Compliance Unit

Total Meetings in FY 2024/25: 8

Dates when the AML Compliance Report was submitted to the BOD:

1. 386th Meeting, 2024/11/08
2. 390th Meeting, 2025/02/08
3. 395th Meeting, 2025/04/26
4. 399th Meeting, 2025/07/29

Key Achievements and Performance during the Review Period:

- Discussed and reviewed the Company's current implementation status and required actions regarding the Insurance Sector Strategy and Action Plan (2024/25–2029/30) on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) issued by the Nepal Insurance Authority.
- Discussed and reviewed the findings, irregularities, compliance status, implementation strategy, and clarification regarding the onsite inspection report on AML/CFT legal compliance by the Nepal Insurance Authority.
- Discussed the quarterly monitoring, supervision, compliance report and AML report.
- Discussed the monthly compliance status report.

(F) Risk Management and Solvency Committee

Information regarding Risk Management and Solvency Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mr. Bimal Prasad Dhakal	Coordinator/Director
Mr. Kamlesh Kumar Agrawal	Member/Director
Mr. Pravin Raman Parajuli	Member/CEO
Ms. Stutee Aryal	Member Secretary/Risk Management Unit

Total Meetings in FY 2024/25: 10

Key Achievements and Performance during the Review Period:

- During the review period, the Risk Management Committee discussed and reviewed the following matters:
- Risk management framework of the Company.
- Appointment of the Consulting Actuary.
- Reinsurance Policy, 2025/26
- Reinsurance information for the first three quarters of FY 2024/25.
- Delegation of authority for Catastrophe Excess of Loss (Cat XL) for FY 2023/24.
- Underwriting-related matters.
- Proposals for the approval of plan conversions.
- Analysis of single premium insurance
- Term life insurance products, including Rakshya Kawach Jeevan Beema Yojana.
- Tax assessment system applicable to life insurance companies.
- Analysis of Shareholders' Fund and Life Insurance Fund.
- Risk-Based Capital (RBC) framework and compliance.
- RBC-S valuation report for FY 2023/24.
- Profit/loss analysis of Sunaulo Bhavishya Insurance Plan – Option 1.
- Policy Conversion.
- ORSA Policy and ORSA Supervisory Report.
- Accounting Policy and Charts of Account.

(G) Sales Committee

Information regarding Sales Committee

Structure of Committee (Name and Position of Coordinator and Members)

Review Period date from 2024/07/16 to 2025/07/16

Name	Designation
Mr. Shakti Kumar Golyan	Coordinator/Director
Mr. Kamlesh Agrawal	Member/Director
Mr. Pravin Raman Parajuli	Member/CEO
Mr. Amit Kumar Keyal	Member/Deputy CEO
Mr. Umapati Pokharel	Member/Head, Marketing & Sales
Mr. Nirajan Thapa	Member Secretary/Officer

Note: Member-Secretary Mr. Nirajan Thapa has now resigned from the company.

Total Meetings in FY 2024/25: 11

Key Achievements and Performance during the Review Period:

- Monthly business review.
- Discussed and decided on matters related to the Annual Scheme for FY 2024/25.
- Discussed and decided on matters related to Learning Management System and Social Media Branding.
- Approved the Sales Manual, 2024/25.

- Reviewed Marketing Intelligence Data.
- Discussion about the MDRT Program.
- Approved the proposal to acquire new CRM software.
- Decided on the merger of branches and sub-branches.
- Approved the Brand Guideline.
- Reviewed and approved the Sales Budget for FY 2025/26.
- Discussed the valuation report of Profit Testing of insurance policies.
- Discussed and decided on incentive schemes for agents and employees.
- Discussed and decided on market promotion through advertisements on FM Radios.
- Decided to provide a discount on late fees for the revival of lapsed policies.

3. Details Regarding Disclosure of Information

(A) Details of Public Disclosure of Information by the Institution:

Subject	Medium	Date of Public Disclosure
Notice of Annual General Meeting (FY 2023/24)	National Level Newspaper	2025/01/15
Annual Report (FY 2023/24)	Website	2025/02/19
Quarterly Report (FY 2024/25)	National Level Newspaper and Website	2024/11/14 (First), 2025/02/10 (Second), 2025/05/11 (Third), 2025/10/16 (Fourth)
Price Sensitive Information (Dividend Distribution for FY (2023/24)	Letter to Concerned Regulatory Bodies	2025/01/09

(B) Information regarding non-disclosure of information or any action taken by Nepal Securities Board or other bodies: NPR 50,000 was paid on 2024/11/11 as fine for failing to submit the Fourth Quarter Statement of FY 2022/23 to the Nepal Securities Board within the prescribed time limit.

(C) Date of the last Annual General Meeting (FY 2023/24): 2025/02/11.

4. Details Regarding Organizational Structure and Employees

(A) Existence of Employee Service Bylaws (covering structure, recruitment, career development, training, salary, allowance, other benefits, attendance, leave, code of conduct, etc.): Exits

(B) Existence of Organizational Structure: Exists

(C) Details of Chief Executive Officer (CEO), Deputy Chief Executive Officer (DCEO), and Department Heads:

Name, Surname	Gender	Designation	Departmental Responsibility	Date of Current Appointment	Remarks
Pravin Raman Parajuli	Male	CEO	Top Management	2022/09/20	
Amit Kumar Keyal	Male	Deputy CEO	Top Management	2022/11/16	
Umapati Pokharel	Male	Deputy General Manager	Head, Marketing & Sales	2022/09/17	
Omprakash Pudasaini	Male	Senior Assistant General Manager	Head, Business Operations	2022/11/06	
Prem Prasad Regmi	Male	Assistant General Manager	Assistant General Manager (Chief Financial Officer)	2023/01/29	
Binod Kumar Bhujel	Male	Senior Manager	Company Secretary	2021/04/30	

Name, Surname	Gender	Designation	Departmental Responsibility	Date of Current Appointment	Remarks
Sunita Pokharel	Female	Senior Manager	Policy & Agency Service Dept.	2024/08/17	
Nawaraj Silwal	Male	Manager	Share Investment Unit	2021/01/28	Unit Head
Satya Parajuli	Female	Manager	Actuary Dept.	2024/08/17	
Sharad Chandra Pyakurel	Male	Manager	Information Technology Dept.	2017/05/11	
Roshan Dawadi	Male	Manager	General Service Dept.	2022/11/17	
Ujwal Aryal	Male	Manager	Claim Dept.	2017/05/12	
Bandana Sharma Siwakoti	Female	Manager	Human Resources Dept.	2021/01/14	
Archana Shrestha	Female	Deputy Manager	Alternate Sales Channel	2022/11/17	
Rojesh Basnet	Male	Deputy Manager	Agent Training Dept.	2022/06/06	
Sulakshana Adhikari	Female	Deputy Manager	Underwriting Dept.	2021/08/18	
Zoya Khan	Female	Deputy Manager	Reinsurance Dept.	2024/07/17	
Binaya Bhandari	Male	Assistant Manager	Accounts & Finance Dept.	2025/03/15	
Amit Kumar Jha	Male	Senior Officer	Brand Department	2022/11/17	
Vishakha Sarawagi	Female	Alternate Investment Analyst	Alternate Investment Unit	2025/03/15	Unit Head
Stutee Aryal	Female	Assistant Manager	Risk Unit	2025/06/15	Unit Head
Mijala Manandhar	Female	Officer	Internal Control Unit	2024/08/17	Unit Head
Rubee Pokharel	Female	Officer	Compliance/AML/CFT Unit	2025/06/15	Unit Head

(D) Other Employee Details

Detail	Information
Whether employees are recruited as per the structure	Yes
Total Number of Employees	Regular Employee: 577
Contractual and Outsource:118	
Existence of Employee Succession Plan	Exists
Number of Training Programs and Participants in FY 2024/25	Training Programs: 121; Participants: 4,930
Total Employee Expense for FY 2024/25	Rs.966,140,982 (including employee bonus)
Employee Training Expense for FY 2024/25	Rs. 13,781,388
Percentage of Training Expense to Total Employee Expense	1.43 %
Amount transferred to Employee Efficiency Enhancement Fund	Rs. 5,541,431

Labor Audit Report for FY 2023/24 submitted to Nepal Insurance Authority on 2025/01/07.

5. Details Regarding Company Accounting and Auditing

Detail	Status
Preparation of the last FY 2023/24 Financial Statement as per NFRS	Prepared
Date of approval of the last FY 2023/24 Financial Statement and Audit Report by Board	2025/01/09
Dates of Quarterly Financial Statement Publication	2024/11/14 (First), 2025/02/10 (Second), 2025/05/11 (Third), 2025/10/16 (Fourth)
External Auditor Appointment Date FY 2024/25	2025/02/11
External Auditor FY 2024/25	P.L. Shrestha & Company
Date of Completion of Final Audit FY 2024/25 (Management Report Issued Date)	2025/11/25
Date of Approval of Financial Statement FY 2023/24 by AGM	2025/02/11

Details of Internal Audit:

Detail	Status
(A) Conducted internally or by external expert	By external expert
(B) Details of external expert appointed FY 2024/25	S R Pandey and Company (Appointed by 379th BOD meeting held on 2024/07/09)
(C) Internal audit frequency (Quarterly, Four-monthly, or Half-yearly)	Quarterly

6. Corporate Social Responsibility (CSR)

Detail	Status
Existence of Social Responsibility Policy	Exists
Amount allocated for CSR for FY 2024/25	Rs. 3.20 Crores (Including Rs. 1.04 Crores carried over from the last FY)
CSR Expense for FY 2024/25	Rs. 2.98 crores

7. Other Details

Compliance Requirement	Status
Compliance with conditions stipulated by the regulatory body when issuing the license.	Complied
Compliance with directions of the regulatory body during regulation, inspection, or supervision.	Complied
Compliance with the directive to prepare and submit details to the Authority within fifteen days of the appointment, change, or vacancy of a Director.	Complied
Compliance with the directive to appoint a Compliance Officer from managerial staff with a Master's degree in insurance, management, commerce, or law, and inform the Authority.	Complied
Compliance with the prohibition on issuing any policy other than those approved by the Nepal Insurance Authority.	Complied
Compliance with the prohibition on issuing policies in any format other than the one approved by the Nepal Insurance Authority.	Complied
Compliance with the prohibition on calculating premiums contrary to the insurance rate determined by the Nepal Insurance Authority.	Complied
Compliance with the prohibition on buying or selling movable or immovable property exceeding the limit determined by the Nepal Insurance Authority.	Complied
Compliance with the prohibition on fundamental shareholders from giving loans, guarantees, or security to the insurer, their family members, or any firm/company where the fundamental shareholder/managing agent is a partner or shareholder.	Complied
Compliance with the prohibition on investing in shares or securities of an insurer or insurance broker doing the same type of insurance business. (This shall not hinder an insurer of one type from purchasing securities of an insurer of another type with prior approval from the Authority).	Complied
Compliance with the prohibition on making any kind of investment in any company, firm, or organized institution where a member of the Board of Directors is a director or has a private, financial, or commercial interest.	Complied
Details of any ongoing lawsuit against the institution or directors in court.	None other than normal business-related cases

Compliance Requirement	Status
Provision for the insurer to allocate and make provisions for the savings from life insurance business based on the actuary's valuation report for participating life insurance policies.	Done accordingly
Provision for the insurer to accept risk based on its net worth.	Risk accepted based on net worth
Provision for the insurer to settle the claim within the stipulated period from the date of submission, including conducting a loss assessment if required, as per the policy terms.	Settled within the stipulated time limit
Provision for the insurer to pay a regulatory fee to the Authority each year for regulatory services.	Regulatory fee paid to the Authority within the time limit

Compliance Officer Name: **Om Prakash Pudasaini**

Post: **Head, Business Operations**

Date:

Institution Stamp:






External Auditor: **P.L. Shrestha & Company**

Institution Stamp:

Date the Report was Approved by the Board of Directors

REPORT OF THE AUDIT COMMITTEE

Composition of Audit Committee

Name	Designation
Mr. Bimal Prasad Dhakal	Coordinator/Director - Public
Mr. Kamlesh Kumar Agrawal	Member/Director - Promoter
Mr. Krishna Raj Lamichhane	Member/Director - Public

Head of Internal Control attends the Audit Committee as the Member Secretary.

Meeting Attendance of the Audit Committee

Name	Attendance
Mr. Bimal Prasad Dhakal	14/15
Mr. Kamlesh Kumar Agrawal	15/15
Mr. Krishna Raj Lamichhane	14/15

During the fiscal year 2024/25, the Audit Committee held a total of 15 meetings. During the 25th Annual General Meeting, the public directors were scheduled for re-election. However, due to legal compliance requirements, the election was postponed. Consequently, one Audit committee was conducted in their absence. The meeting was held primarily to fulfill compliance and reporting obligations.

“During the fiscal year 2024/25, the Audit Committee held a total of 15 meetings.”

Roles and Responsibilities of Audit Committee:

- To review the accounts and financial statements of the company and ascertain the truth of the facts mentioned in such statements and ascertain whether provisions of Insurance Act and directives of the Nepal Insurance Authority as well as bylaws of the company have been adhered to while preparing and presenting financial statements of the company;
- To ensure fair and transparent reporting and prompt publication of financial statements,
- To review the internal control system and the risk management system of the company and consider the effectiveness of the company's internal control system, including information technology security and control;
- To review the accounting system and budgeting system of the company and ascertain the effectiveness and efficiency of the same;
- To review the effectiveness of the compliance function of the company,
- To prepare the accounts related policy of the company and enforce, or cause to be enforced, the same;
- To monitor and inspect whether procurement procedure of the company is economical and appropriate/proper
- To ascertain whether documentation or electronic record of books of accounts and internal audit system maintained properly
- To ascertain whether Underwriting, Claim Payment, Re-insurance functions of the company are carried out properly and record of the same is maintained properly
- To recommend the names of potential auditors (3 auditors) for the appointment of the auditor of the company, fix the remuneration and terms and conditions of appointment of the auditor and present the same in the general meeting for the ratification thereof;
- To review and supervise as to whether the auditor of the company has observed such conduct, standards and directives determined by the competent body pursuant to the prevailing law as required to be observed in the course of doing auditing work;

12. Based on the conduct, standard and directives determined by the competent body pursuant to the prevailing law, to formulate the policies required to be observed by the company in respect of the appointment and selection of the auditor;
13. Periodic review of audit committee charter and risk based internal audit policy
14. Recommend for the appointment and removal of the internal auditor.
15. To supervise and review the internal auditing activity
16. Review the scope of audit plan, budget of internal audit function, and ensure that coverage of matters of regulatory requirement within the audit plan is adequate,
17. Ensure that the internal audit function has adequate resources to carry out its duties that commensurate with the internal audit plan and scope,
18. Approve the annual audit plan and all major changes to the plan. Review the internal audit function's performance relative to its plan.
19. To approve the composition of Internal Audit Team
20. Ensure that internal audit function maintains open communication with the senior management, external auditors, and supervisory authority,
21. Review the effectiveness of the internal audit function, including confirmation with independence and Code of Ethics.
22. Review audit reports quarterly and ensure that the senior management is taking necessary and timely corrective actions to address control weakness and compliance issues. Audit committee shall be responsible for the review of status of its recommendations and actions to be taken for non-compliance of its recommendation,
23. To ensure compliance with the acts, rules, directive, guidelines, circulars and the internal policies and procedures and relevant laws,
24. To help/assist completing the statutory audit and review the external auditor's management letter,
25. To review regularly regarding required provision for possible liability and reserve of the company.
26. To review and suggest a course of action to the board regarding the overall financial status of the company, internal control, audit plan and observation mentioned in the internal audit report.
27. To review and provide necessary suggestions to the board regarding whether principles of regularity, frugality, propriety, and effectiveness are adopted during activities of the company.
28. To inform the board of directors whether the accounting of the company is accurate.
29. Provide suggestions and consultations on the subjects required by the Board of the company
30. To ascertain whether instruction given by the Nepal Insurance Authority has been complied with by the company
31. To perform such other terms as prescribed by the board of directors in respect of the accounts, financial management and audit of the company.

Activities during the year

The Audit Committee gave diligent oversight to the Company's financial reporting, audit, and control systems during the year. The Committee held regular meetings to discuss internal and external audit reports, financial disclosures, and regulatory compliance matters.

The following are the activities carried out by the Audit Committee during the fiscal year:

- **Financial Review:** Review the company's accounts and financial statements to verify accuracy and compliance with Nepal Insurance Authority directives and company bylaws.
- **Inspection of Records:** Inspect and review books of accounts, financial statements, board minutes, and other documents, taking custody if necessary.

- **Internal Controls & Risk Management:** Evaluate the internal financial control system, risk management framework, and IT security for effectiveness.
 - **Accounting & Budgeting:** Review the company's accounting and budgeting systems to ensure efficiency and effectiveness.
 - **Policy Enforcement:** Develop and enforce accounting-related policies within the company.
 - **Procurement Oversight:** Monitor and inspect the company's procurement procedures to ensure they are economical and proper.
 - **Operational Review:** Assess underwriting, claim payment, and reinsurance processes, ensuring proper documentation and compliance.
 - **Auditor Management:** Recommend auditors for appointments, determine terms and remuneration, and ensure compliance with standards and directives.
 - **Internal Audit Oversight:** Approve the internal audit plan, review performance, monitor independence, and ensure adherence to the Code of Ethics.
 - **Regular Reporting:** Review quarterly internal audit reports, recommend corrective measures, and track the status of prior recommendations.
 - **Consultation & Suggestions:** Provide advice to the Board on financial management, auditing, and compliance matters.
 - **Regulatory Compliance:** Ensure adherence to Nepal Insurance Authority directives and other relevant laws and regulations
- Conclusion**
- The Audit Committee oversight ensures that the company's internal control system is adequate, effective, and in line with sound principles of corporate governance, providing reasonable assurance that financial statements are reliable and that company operations are in compliance with all applicable laws and regulations.
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- Bimal Prasad Dhakal**
Coordinator of Audit Committee

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★★ सर्वाधिक ★★
विश्वासिलो

नेपाल लाइफ
हुन्क्योरेन्ग संगी उजीवन बीमा गरी

नेपाल लाइफ

अनमोल जीवन

बीमा योजना

१ पटकको लगानीमा
२ पटकको भुक्तानी

मुख्य विशेषता

- बीमा अवधि समाप्तिमा बीमाङ्क रकम र आर्जित बोनस दिइने
- बीमा अवधि समाप्ति पछि पनि समर्पण सुविधा पाइने
- बीमा अवधि समाप्ति पछि चाहेको समयमा चाहेको प्रतिशतमा बीमाङ्क रकम लिन पाइने
- ऐच्छिक सुविधा लिन सकिने

CHAIRPERSON'S ASSESSMENT OF THE BOARD OF DIRECTORS

FY 2024/25

Board Composition & Expertise

During the year, the Board comprised Directors with diverse professional backgrounds and experience relevant to the life insurance business. For the majority of the fiscal year, the Board included an independent director; however, the position became vacant following the independent director's resignation for personal reasons approximately three and a half months prior to the year-end. The Board remains committed to filling this vacancy at the earliest in line with regulatory requirements and governance best practices.

Collectively, the Board possesses strong competencies in insurance operations, sales and distribution, banking and finance, investment management, corporate governance, regulatory compliance, and industry-related matters. This diversity of skills and perspectives supports informed oversight, effective strategic guidance, and independent judgment. The Board periodically reviews its composition and skill mix to ensure continued alignment with the Company's strategic direction, regulatory environment, and evolving industry dynamics, including digital transformation, risk management, and customer-centric governance. Succession planning and Director development remain integral to sustaining Board effectiveness over the long term.

Governance & Leadership

The Board has demonstrated a strong commitment to independence, accountability, and transparency in the discharge of its governance responsibilities. Directors actively participated in all scheduled meetings and consistently demonstrated diligence through thorough review of agenda materials, performance reports, and key proposals. Board deliberations were marked by constructive debate, informed questioning, and the exercise of independent judgment, contributing to well-considered and balanced decision-making.

The Board continues to place emphasis on leadership and succession planning to support organizational stability and long-term continuity. Oversight of succession planning remains an ongoing focus area, with the objective of ensuring sustained leadership capability aligned with the Company's strategic direction and governance standards.

Strategic Oversight

Throughout the year, the Board exercised effective oversight of the Company's strategic direction, ensuring alignment with long-term shareholder value creation and sustainability objectives. Directors actively monitored progress against strategic priorities and provided informed guidance on market developments, business expansion initiatives, digital transformation, and operational efficiency. Board discussions focused on balancing growth opportunities with risk considerations to support sustainable long-term performance.

Committee Oversight (Brief Evaluation)

All Board Committees operated effectively in accordance with their approved charters, met as scheduled, and provided timely, well-substantiated reports to the Board. The Committees played a critical role in enabling focused oversight across key areas including financial reporting and controls, investment and asset-liability management, risk and solvency, claims governance, regulatory compliance, human resources, and sales conduct. Committee deliberations were substantive and outcomes-oriented, with material matters appropriately escalated to the Board. The Board is satisfied that the Committees functioned as effective extensions of the Board, strengthening governance, risk oversight, and operational discipline during the year.

AUDIT COMMITTEE: Ensured integrity of financial reporting and internal controls; external audit matters were addressed on time with no unresolved material issues.

INVESTMENT COMMITTEE: Oversaw prudent portfolio allocation and ALM discipline; returns remained within risk appetite and regulatory limits, with timely rebalancing amid market shifts.

CLAIM COMMITTEE: Strengthened claims governance and turnaround; loss ratio trends, fraud flags, and customer dispute resolutions were monitored with measurable TAT improvements.

AML COMMITTEE: Maintained robust AML/CFT controls; enhanced screening and monitoring, staff training, and regulatory reporting with no significant compliance gaps noted.

HR COMMITTEE: Advanced talent strategy, performance management, and compensation governance; succession pipelines for critical roles were reviewed and refreshed.

RISK & SOLVENCY COMMITTEE: Monitored enterprise risks and solvency metrics; ORSA/Solvency assessments and stress tests affirmed capital adequacy within approved thresholds.

SALES COMMITTEE: Tracked sales productivity, channel performance, and persistency; growth initiatives balanced with conduct standards and fair-customer-outcomes oversight.

Risk Management & Compliance

The Board exercised effective oversight of the Company's risk management framework and compliance with applicable legal and regulatory requirements. Through the work of the Audit and Risk Committees, the Board ensured the robustness of internal controls, the integrity of audit processes, and the timely identification and mitigation of emerging risks. Based on the reviews and assurances received, the Board is satisfied that the Company's risk management and compliance systems operated effectively during the year.

Board Dynamics & Collaboration

The Board fostered a collaborative, respectful, and open working environment that encouraged candid dialogue and collective decision-making. Directors demonstrated a high level of engagement, professionalism, and ethical conduct throughout the year. Interactions between the Board and management were constructive and appropriately balanced, supporting effective governance oversight and continuous operational improvement.

Training & Development

The Board continued to strengthen Director capabilities through structured training programs covering corporate governance, AML/CFT, artificial intelligence, and regulatory developments. Recognizing the evolving risk and operating environment, the Board will further enhance its focus on digital transformation, cybersecurity, and sustainability-related competencies to support effective oversight and informed decision-making.

Areas for Enhancement

While the Board is satisfied with its overall effectiveness and governance standards, it recognizes the importance of continuous improvement in an evolving business and regulatory environment. Accordingly, the Board has identified certain areas where further strengthening will enhance its oversight and long-term effectiveness.

The Board will continue to deepen the integration of environmental, social, and governance (ESG) considerations

into strategic decision-making, recognizing their growing relevance to sustainable value creation, risk management, and stakeholder confidence.

As the Company advances its digital transformation agenda, the Board will further enhance its oversight of technology-driven initiatives, with particular focus on cybersecurity, data protection, system resilience, and third-party technology risks, to safeguard operational continuity and customer trust.

The Board also acknowledges the importance of strengthening stakeholder communication and transparency. Continued efforts will be directed towards enhancing the quality and clarity of disclosures and engagement with policyholders, regulators, shareholders, and other stakeholders.

Leadership development and succession planning remain key focus areas. The Board will continue to strengthen succession pipelines at the executive and senior management levels to ensure leadership continuity, organizational stability, and alignment with the Company's long-term strategic objectives. In addition, the Board will maintain focus on enhancing its own effectiveness through periodic review of its composition, skills, and working practices, including strengthening capabilities in emerging areas such as technology, sustainability, and forward-looking risk oversight.

Conclusion

The Board is satisfied that it has discharged its responsibilities with diligence, independence, and a strong sense of fiduciary duty during the year, contributing meaningfully to the Company's performance, strategic direction, and governance standards. The governance framework in place has supported disciplined decision-making, prudent risk management, and balanced consideration of stakeholder interests in a complex and evolving operating environment.

At the same time, the Board recognizes that excellence in corporate governance is not static. As regional and international practices continue to evolve, particularly within the insurance sector, the Board remains committed to further strengthening its effectiveness, efficiency, and forward-looking oversight. Drawing insights from leading regional peers, the Board will continue to enhance strategic engagement, risk and technology governance, leadership development, and stakeholder-centric practices.

With a clear focus on continuous improvement, capability enhancement, and transparent engagement, the Board is committed to positioning Nepal Life Insurance Company Limited among the strongest benchmarks of corporate governance and stakeholder management in the region, while supporting long-term sustainable value creation for policyholders, shareholders, and all stakeholders.



Key Assessment Parameter

BOARD COMPOSITION & EXPERTISE Score (1-5)

1. The size and structure of the Board are appropriate for effective governance and decision-making. ■
2. The Board has an appropriate balance of executive, non-executive, and independent directors. ■
3. Directors exercise independent judgment and provide constructive challenge to management. ■
4. The Board collectively possesses adequate expertise in life insurance, finance, investments, and risk management. ■
5. The Board has sufficient understanding of regulatory, compliance, AML/CFT, and conduct-risk obligations. ■
6. The Board's composition and skills remain aligned with the Company's strategy and long-term objectives. ■
7. The Board demonstrates adequate capability to oversee emerging areas such as digital transformation, technology, and cybersecurity. ■

GOVERNANCE & LEADERSHIP

1. The Board operates with a strong commitment to independence, accountability, and transparency. ■
2. Directors actively participate and come well-prepared for Board and Committee meetings. ■
3. The Board provides constructive challenge and exercises independent judgment in decision-making. ■
4. The Chairman facilitates effective discussions and balanced participation among Directors. ■
5. There is a clear distinction between the roles of the Board and management, with appropriate oversight. ■
6. The Board effectively oversees leadership performance and ethical conduct. ■
7. Information provided to the Board is timely, relevant, and adequate for informed decision-making. ■

STRATEGIC OVERSIGHT

1. The Board provides clear oversight and direction on the Company's long-term strategy. ■
2. Strategic objectives are aligned with long-term shareholder value and sustainability goals. ■
3. The Board effectively monitors progress against approved strategic plans and milestones. ■
4. Directors provide constructive challenge and guidance on strategic assumptions and execution risks. ■
5. The Board adequately considers market trends, competitive dynamics, and growth opportunities. ■
6. Digital transformation and innovation initiatives receive appropriate Board-level oversight. ■

COMMITTEE OVERSIGHT

1. All Board Committees operate in accordance with their approved charters and mandates. ■
2. Committees meet with appropriate frequency and devote sufficient time to key matters. ■
3. Committee members possess the relevant expertise to discharge their responsibilities effectively. ■
4. Committees provide clear, timely, and well-reasoned reports and recommendations to the Board. ■
5. Financial reporting, internal controls, and audit matters receive effective committee oversight. ■
6. Investment, risk, solvency, and capital matters are appropriately reviewed at committee level. ■
7. Claims governance, AML/CFT, sales conduct, and customer-outcome risks are adequately overseen through committee structures. ■
8. Committees effectively escalate material issues and support informed Board decision-making. ■

RISK MANAGEMENT & COMPLIANCE

1. The Board has a clear understanding of the Company's key risks and risk appetite. ■
2. The Audit and Risk Committees provide effective oversight of internal controls and audit quality. ■
3. Emerging risks (including operational, technology, and external risks) are identified and addressed in a timely manner. ■
4. Risk mitigation actions and control improvements are appropriately monitored and followed up. ■
5. The Board receives timely, relevant, and reliable risk and compliance information to support decision-making. ■

NOMINATION AND REMUNERATION OF DIRECTORS

Nomination of Directors

The nomination process for promoter directors is led by the Chairperson and carried out at the Board level. In identifying and recommending candidates for appointment to the Board, the Chairperson considers the professional qualifications of candidates, industry and managerial experience, integrity and reputation, as well as diversity of background, skills and perspectives. The recommended promoter director candidates are placed before the shareholders at the Annual General Meeting (AGM) for election, in accordance with applicable laws and regulations. This approach has resulted in a diverse Board, comprising directors from various professional fields, including Insurance, Sales, Law, Banking /Finance etc. enabling the Board to provide balanced and effective oversight of the Company's affairs.

Public Directors are nominated from among the public shareholders through a transparent and structured process prescribed by law. Nominations are filed within the prescribed timeframe and reviewed for eligibility, after which eligible candidates are presented for election by shareholders at the Annual General Meeting (AGM). The appointment of Public Directors through the AGM election process ensures transparency, shareholder participation, and accountability in the Board's composition.

Nomination of Independent Director is deliberated and approved by the Board in line with the Company's Memorandum and Articles of Association and prevailing laws and regulations and are subsequently placed before the shareholders at the AGM for ratification whereas other promoters and public directors are elected by the shareholders at the company's AGM.

Remuneration of Directors

Matters relating to directors' remuneration are considered by the Chairperson in line with the Company's Memorandum and Articles of Association, applicable legal and regulatory requirements, and prevailing industry standards and market practices. The structure and level of remuneration is periodically reviewed to ensure it remains fair, competitive and commensurate with the responsibilities, time commitments and level of involvement of the directors in the affairs of the Company.

Any changes in the remuneration of directors are recommended by the Board and subsequently proposed at the AGM for approval. Remuneration is accordingly endorsed through the AGM process.

POLICIES AND PRACTICES

The Company has established a comprehensive framework of internal policies, bylaws and charters to promote strong governance, regulatory compliance, ethical conduct, and a safe working environment for all employees and stakeholders. These policies are developed and implemented in line with applicable laws, regulatory directives, and best practices. Key policies and frameworks include, among others, the following:

- 1. Employee Bylaws**
Sets out employees' rights, responsibilities, code of conduct, and disciplinary procedures in full compliance with the prevailing Labor Act and related regulations.
- 2. Financial Administration Bylaws**
Govern financial management, accounting practices, budgeting, expenditure controls, and financial reporting to ensure accuracy, transparency, and fiscal discipline.
- 3. Procurement Bylaws**
Establish procedures for procurement of goods and services, emphasizing transparency, fairness, competitiveness, and value for money in line with applicable laws and internal controls.
- 4. Investment Policy**
Provide a framework for managing the Company's investment activities, outlining asset allocation, risk limits, approval processes, and compliance with regulatory investment guidelines issued by the Nepal Insurance Authority.
- 5. Audit Committee Charter**
Defines the mandate of the Audit Committee for oversight of financial reporting, internal controls, risk management, and regulatory compliance.
- 6. Whistleblowing**
Provides a confidential and protected channel for employees and stakeholders to report unethical, fraudulent, or illegal activities without fear of retaliation.
- 7. Sexual Harassment Policy**
Prohibits all forms of sexual harassment at the workplace, establishes complaint and redressal mechanisms, and promotes a safe and respectful work environment.

- 8. ESG Policy (Approved in FY 2025/26)**
Integrates environmental, social, and governance considerations into business decisions, promoting responsible, sustainable, and ethical operations.
- 9. AML/CFT**
Sets standards and controls to prevent money laundering and terrorist financing, in line with applicable laws and regulatory guidelines.
- 10. Underwriting Policy**
Define underwriting standards, risk acceptance criteria, pricing principles, and approval authorities to ensure prudent risk selection and compliance with Nepal Insurance Authority guidelines.
- 11. Reinsurance**
Establish the framework for reinsurance arrangements, including risk retention limits, selection of reinsurers, and compliance with regulatory requirements to support financial stability and risk mitigation.
- 12. Claims Management Policy**
Govern claims processing, assessment, settlement procedures, and timelines to ensure fairness, transparency, and compliance with regulatory standards while protecting policyholder interests.
- 13. Information Technology**
Governs use of information systems, data security, access controls, and cybersecurity measures to protect the integrity and confidentiality of information assets.

All key operational policies are formulated and updated in accordance with directives issued by the Nepal Insurance Authority and are subject to periodic review to ensure continued relevance and effectiveness.

Category	Number
Bylaws	5
Directive	2
Policies	16
Manuals	8
Guidelines	3
SOPs	9



ENTERPRISE RISK MANAGEMENT

This section outlines Nepal Life's integrated approach to risk governance, assessment, and capital adequacy, highlighting how risk management is embedded across strategy, operations, and decision-making.

RISK GOVERNANCE AND FRAMEWORK



Life insurance is inherently a long-term risk transfer business, where commitments made today must be honored over decades under uncertain economic, demographic, regulatory, and technological conditions. For a leading life insurer operating in Nepal, effective risk management is therefore not a support function, but a core enabler of business sustainability, policyholder protection, and financial stability.

Nepal Life Insurance Company Limited operates within a dynamic environment characterized by:

- Evolving regulatory and supervisory expectations under the Insurance Act and directives of the Nepal Insurance Authority
- A growing but relatively superficial domestic capital market,
- Increasing customer awareness
- Rapid digital transformation of insurance processes,
- Exposure to macroeconomic, political, and market uncertainties.

Given the Company's scale, geographic reach, and market significance, risk events arising from insurance liabilities, investments, operations, technology, or compliance can have material implications for solvency, liquidity, reputation, and long-term strategic objectives.

Against this backdrop, Nepal Life has adopted an Enterprise Risk Management (ERM) approach that integrates risk considerations into strategic planning, operational execution, and governance oversight. The objective is not merely to comply with regulatory requirements, but to identify, assess, manage, and monitor risks in a structured and forward-looking manner, ensuring that the Company remains resilient while pursuing sustainable growth.



Risk Culture

Nepal Life fosters a strong risk culture grounded in ethics, accountability, and transparency. The Board and senior management lead by example, ensuring that risk awareness, training, and reporting are embedded at all levels of the organization. The company's three-lines-of-defense framework empowers employees to identify, assess, and report risks promptly, promoting shared ownership of risk management.

Regular workshops, capacity-building initiatives, and digital tools further strengthen employees' ability to manage and mitigate risks effectively. Through continuous communication, adherence to ethical standards, and a strong commitment to compliance, Nepal Life maintains a resilient, proactive, and integrity-driven approach to managing risks in a dynamic business environment.



GOALS OF RISK MANAGEMENT FRAMEWORK



Nepal Life has implemented a comprehensive ERM framework that is a core part of our business planning and culture. The framework is designed to ensure that all material risks are identified, assessed, controlled, and monitored enterprise widely. It is supported by a risk-focused organizational culture and strong governance processes. The primary objectives of our ERM framework are:

Proactive Risk Identification & Assessment

We continuously and proactively identify, assess, monitor, and report risks across the enterprise. This includes maintaining risk registers, conducting regular risk assessments, and forward-looking analyses (such as scenario analysis and stress testing) to anticipate potential threats.

Structured & Comprehensive Processes within Risk Appetite

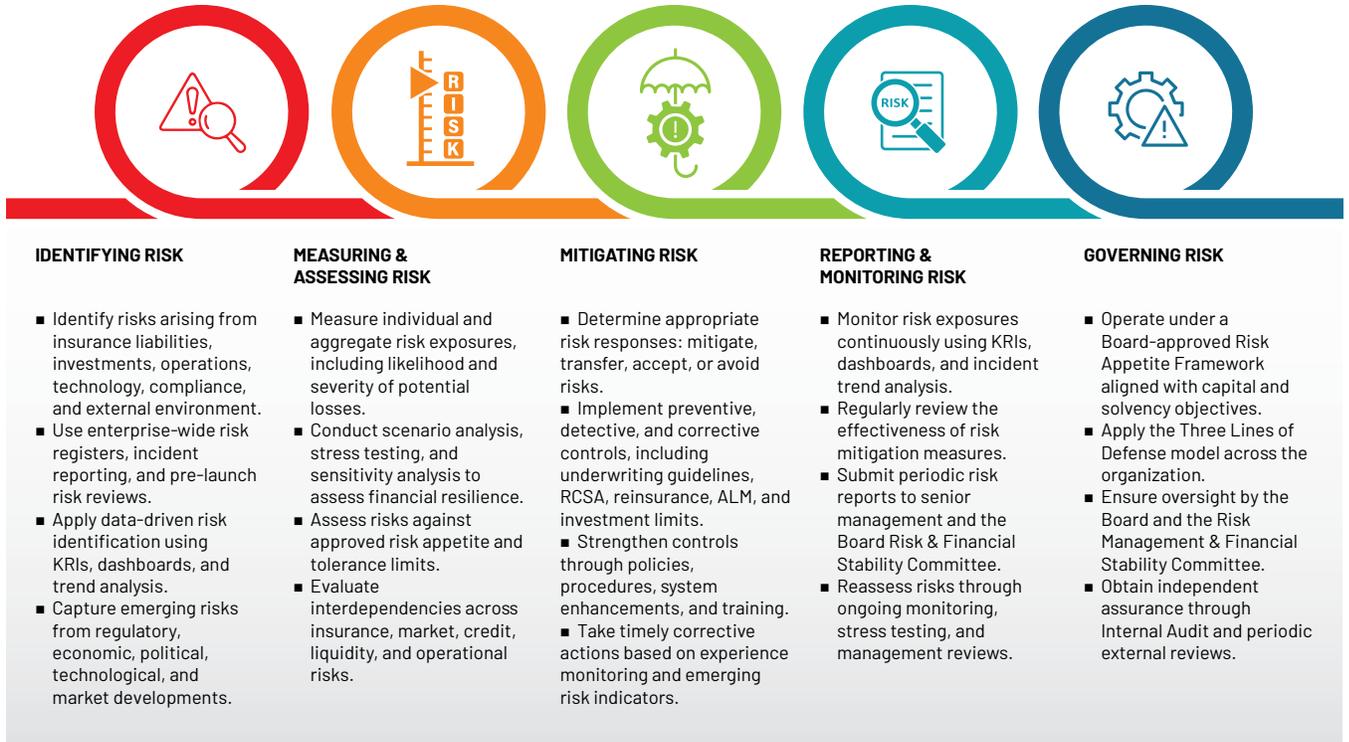
We employ a structured, comprehensive and dynamic mechanism for conducting business within defined risk parameters. The Board approves a formal Risk Appetite Framework that sets quantitative risk limits (for capital, liquidity, credit, market, etc.), ensuring the Company operates within acceptable risk tolerances. Risk appetite statements explicitly cover areas like capital adequacy, investment exposures, liquidity, and underwriting risks. Business decisions, from product design to investments are aligned to these risk appetite limits, so that growth is pursued in a controlled, sustainable manner.

Protection of Stakeholder Interests

Safeguarding the interests of policyholders and investors is central. Our risk framework prioritizes the protection of our key stakeholders' interests by preventing undue loss and volatility. This means maintaining adequate solvency margins, honoring all policy obligations on time, and avoiding high-risk activities that could jeopardize the Company's financial strength. The Risk Management and Solvency committee provides active oversight of the risk management framework. The committee meets regularly to review the Company's risk profile, principal risks, and the effectiveness of mitigation plans. It works closely with other Board committees (Audit, Investment, Sales, and others) to ensure an integrated view of risk and compliance. A risk-aware culture is promoted through training and clear accountability, every employee and agency are expected to uphold ethical practices and proactively escalate risk concerns.

Regulatory Compliance & Assurance

Our ERM framework ensures full adherence to applicable regulations and external standards. We have dedicated compliance procedures to keep abreast of Insurance Authority guidelines, investment limits, and solvency requirements. We also subject our risk management processes to independent review and audit on a periodic basis, to benchmark against best practices. These independent audits and the evolving RBC regime provide assurance that Nepal Life's risk management remains best-in-class and effective in meeting regulatory expectations and safeguarding the Company's longevity.



Risk Identification – Enabling Practices

Nepal Life strengthens its risk identification process through structured practices and systems that support early identification, enterprise-wide visibility, and timely escalation of risks.

Data-driven Risk Identification

The Company uses data-driven approaches to identify and monitor risks across business lines. Key risk indicators and operational data are analyzed to identify emerging trends, control gaps, and potential risk events. This enables management to identify risks that are approaching or breaching tolerance levels and take timely corrective action.

Central Risk Information Repository

Nepal Life is in the process of strengthening a centralized risk information repository that captures key risk-related data across insurance, operational, fraud, and continuity risk areas. This supports a consolidated view of the Company’s risk profile and enhances the identification of interdependencies across risk categories.

Incident Identification and Reporting Framework

The Company has implemented a structured incident reporting framework to identify operational, control, and

compliance-related incidents. Regular awareness initiatives encourage timely reporting of incidents across the company. Reported incidents are analyzed to identify root causes and recurring risk patterns, supporting preventive risk identification.

Pre-launch Risk Identification

A mandatory pre-launch risk review process is conducted before the introduction of new products, systems, or major initiatives. This forward-looking assessment helps identify potential operational, compliance, technology, and customer-related risks at an early stage, thereby reducing the likelihood of post-implementation disruptions.

Risk Dashboards and Management Oversight

Risk dashboards are used to identify and track key risks across areas such as insurance risk, fraud risk, operational risk, and subsidiary-related risks. These dashboards provide management with timely insights into emerging risk trends and support informed decision-making.

Capability and Skill Development

The Company continues to strengthen its risk management capability through focused skill development in areas such as actuarial analysis, analytics, investigation, and risk assessment. This enhances the organization’s ability to identify complex and evolving risks in a timely manner.

Principal Business Risks and Mitigation Measures

RISK TYPE	IMPACT	MITIGATION MEASURES
<p>Operational Risk</p> <p>Risk arising from gaps or failures in internal processes, systems, people, or external events, including legal risk</p>	<p>Weaknesses in internal systems or human errors may lead to financial losses, reputational damage, service disruptions, and regulatory penalties—particularly during process changes, system upgrades, or new product launches</p>	<ul style="list-style-type: none"> ■ Enterprise-wide Risk Control Self-Assessment (RCSA) ■ Mandatory pre-launch risk sign-off for products and major initiatives ■ Incident reporting and root-cause analysis framework ■ Loss data analysis and control effectiveness reviews ■ Key Risk Indicators (KRIs) monitored through management dashboards
<p>Technology, Business Continuity and Privacy Risk</p> <p>Risks impacting confidentiality, integrity, and availability of systems and data</p>	<p>Technology failures or data breaches may erode customer trust, disrupt operations, and lead to regulatory non-compliance amid increasing digital reliance</p>	<ul style="list-style-type: none"> ■ Periodic Business Continuity Planning (BCP) and Disaster Recovery (DR) drills ■ ISO-aligned information security governance framework ■ Cyber Awareness for all ■ Vulnerability Management & Continuous Improvement
<p>Compliance / Regulatory Risk</p> <p>Risks arising from non-adherence to laws, regulations, directives, or supervisory expectations</p>	<p>Regulatory non-compliance may result in penalties, operational constraints, increased supervision, and reputational damage</p>	<ul style="list-style-type: none"> ■ Centralized compliance monitoring and regulatory change management ■ Periodic internal compliance reviews ■ Oversight by AML/CFT Committee ■ Structured implementation of regulatory changes post-approval ■ Continuous engagement with regulators
<p>Insurance Risk</p> <p>Risks arising from adverse experience in mortality, morbidity, persistency, or expenses</p>	<p>Unfavorable experience can adversely impact profitability, solvency, and long-term liabilities</p>	<ul style="list-style-type: none"> ■ Product-level pricing and experience monitoring ■ Reinsurance arrangements to manage exposure volatility ■ Claims and persistence trend analysis ■ Scenario and sensitivity analysis on actuarial assumptions ■ Dashboards for early warning signals
<p>Fraud Risk</p> <p>Risk of fraudulent acts by employees, intermediaries, policyholders, or third parties</p>	<p>Market volatility can affect asset values, returns, solvency margins, and profitability</p>	<ul style="list-style-type: none"> ■ Asset allocation and exposure limits ■ Cash flow matching and duration management ■ Sensitivity and stress testing ■ Conservative investment strategy aligned with regulatory norms

RISK TYPE	IMPACT	MITIGATION MEASURES
Liquidity Risk Inability to meet obligations when due	Liquidity stress can restrict the Company's ability to meet policyholder obligations or pursue growth	<ul style="list-style-type: none"> ■ Cash flow monitoring and forecasting ■ Investment in high-quality liquid assets ■ Regular liquidity stress testing ■ Compliance with regulatory liquidity norms
Credit Risk Counterparty failure to meet contractual obligations	Defaults may result in financial losses and weakened investment portfolio	<ul style="list-style-type: none"> ■ Investment in Government Bonds or high-rated instruments ■ Counterparty exposure limits ■ Periodic credit reviews ■ Oversight by Investment Committee
Asset-Liability Mismatch Risk Mismatch between asset and liability cash flows	Mismatch can cause liquidity strain and reputational risk	<ul style="list-style-type: none"> ■ Regular ALM monitoring ■ Duration and sensitivity analysis ■ Yield Assessment ■ Oversight by Investment Committee
Subsidiary-related Risks Risks arising from subsidiary operations	Governance or compliance issues may impact group performance and reputation	<ul style="list-style-type: none"> ■ Defined governance framework for subsidiaries ■ Reporting mechanisms to parent company ■ Monitoring of compliance and performance
Emerging Risks Economic, geopolitical, regulatory, environmental, societal, and technological risks	Emerging risks may affect long-term resilience, competitiveness, and stakeholder expectations	<ul style="list-style-type: none"> ■ Periodic leadership review and environmental scanning Integration of emerging risks into ERM framework ■ Resource planning and capability development ■ Monitoring and preparedness planning

These principal risks are not static; their profile and materiality are reassessed periodically. We maintain dashboards and Key Risk Indicators (KRIs) for each major risk category, enabling management and the Board to quickly detect adverse trends or emerging issues. By recognizing these uncertainties explicitly, Nepal Life can allocate capital and resources to withstand shocks, aligning with the best practice that identifying key risks and monitoring them at the enterprise level is fundamental to an insurer's stability.

Information on Risk Mitigation Strategies

Nepal Life Insurance Company Limited adopts a structured and risk-focused approach to mitigation, supported by clearly defined processes, governance oversight, and continuous monitoring. Risk mitigation strategies are designed to prevent risks from materializing, minimize impact where risks occur, and ensure timely corrective actions. These strategies are implemented through defined policies, operational controls, and governance oversight.

Insurance risk, arising from adverse experience in mortality, morbidity, persistence, and expenses, is mitigated through prudent underwriting standards, disciplined product pricing, and reinsurance arrangements. The Company actively manages persistency and portfolio concentration risks through targeted revival initiatives and disciplined product repricing. These management actions support portfolio stability, reduce earnings volatility, and ensure alignment with the Company's risk appetite and long-term sustainability objectives. Preventive controls include defined underwriting guidelines and product approval processes. Claims and persistence experience are monitored regularly as detective controls, while corrective actions include review of assumptions, pricing adjustments, and enhancement of reinsurance coverage.

Market risk and asset-liability mismatch risk are mitigated through a comprehensive Asset-Liability Management and GAP analysis. The alternate investment strategy operates

alongside traditional asset management activities as part of the Company's Enterprise Risk Management framework and contributes to Market risk diversification, Improved resilience to macroeconomic and interest rate cycles, Balanced asset allocation aligned with long-term liability profiles that complements traditional investment management by expanding exposure beyond conventional asset classes. Preventive measures include investment policies, asset allocation limits, and duration and cash-flow matching. Detective controls include sensitivity analysis, stress testing, and ALM gap monitoring. Corrective actions involve portfolio rebalancing and adjustment of investment strategies in response to market movements.

Liquidity risk is managed through maintaining investment in high-quality liquid assets. Cash-flow forecasting and liquidity stress testing serve as detective controls, while corrective measures include timely liquidation of assets and adjustment of investment tenor to ensure obligations are met as they fall due.

Credit risk is mitigated through counterparty selection criteria, exposure limits, and diversification. Periodic credit reviews and monitoring of counterparty quality act as detective controls. Corrective actions include reduction of exposure and reallocation of investments where credit risk exceeds acceptable levels.

Operational risk, including risks arising from process failures, system limitations, or human error, is mitigated through standardized procedures, segregation of duties, Risk Control Self-Assessment (RCSA), and mandatory pre-launch risk reviews for new initiatives. Incident reporting and key risk indicators enable detection, while corrective actions include root-cause analysis, process improvements, and targeted training.

Technology and cyber risks are mitigated through IT governance frameworks, access controls, and information security policies. System monitoring, vulnerability assessments, and audits provide detective controls, while corrective actions include activation of incident response and disaster recovery plans and system remediation.

Fraud risk is mitigated through preventive measures such as due diligence, defined approval hierarchies, and awareness programs. Data-driven monitoring, exception reporting, and complaint analysis support detection. Corrective actions include investigation, disciplinary measures, recovery actions, and strengthening of controls.

Regulatory and legal risks are mitigated through continuous monitoring of regulatory developments and compliance policies. Internal compliance reviews serve as detective controls, while corrective actions include timely remediation of gaps and implementation of regulatory changes.

Strategic, political, economic, sustainability, and emerging risks are mitigated by integrating risk considerations into strategic planning, monitoring external developments, and conducting periodic management reviews. Corrective actions include strategic recalibration and alignment of business plans where required.

The Board and senior management periodically review the effectiveness of these mitigation strategies to ensure continued alignment with the Company's risk appetite, regulatory requirements, and operating environment.

Risk Reporting and Monitoring

Nepal Life Insurance Company Limited has established structured risk reporting and monitoring mechanisms to ensure that identified risks are continuously reviewed and that risk mitigation strategies remain effective over time. Risk exposures across key risk categories, including insurance, market, credit, liquidity, operational, regulatory, and emerging risks, are monitored on an ongoing basis through defined reporting frameworks. Key Risk Indicators (KRIs) and management dashboards are used to track risk levels and highlight adverse trends or breaches of approved tolerance limits.

Regular risk reports are submitted to senior management and the Board, including the Risk and Financial Stability Committee, covering the Company's risk profile, material risk movements, and the status of mitigation actions. These reports enable timely review of whether existing controls and mitigation measures are operating as intended.

Risk monitoring also includes periodic re-assessment of risks through stress testing, sensitivity analysis, incident trend analysis, and review of emerging risk indicators. Where monitoring indicates increased risk exposure or reduced effectiveness of controls, corrective actions are identified and implemented, and progress is tracked through subsequent reporting cycles.

This ongoing reporting and monitoring process supports informed decision-making and ensures that the Company's risk management framework remains responsive to changes in the internal and external environment.

RISK GOVERNANCE

Nepal Life Insurance Company Limited follows a Three Lines of Defense model as part of its Enterprise Risk Management framework to ensure effective risk ownership, oversight, and independent assurance across the organization.

First Line of Defense

Business units and operational functions constitute the first line of defense and are responsible for identifying, assessing, and managing risks arising from their day-to-day activities. They are accountable for implementing internal controls, complying with approved policies and procedures, and operating within the Company's defined risk appetite. Risk management is embedded within business processes to ensure that risks are managed at the point of origin.

Second Line of Defense

The second line of defense comprises independent oversight functions, including the Risk Management and Compliance functions, which are separate from routine business operations. These functions are responsible for developing risk management policies and frameworks, monitoring adherence to regulatory requirements, providing guidance to business units, and reporting risk exposures to senior management and the Board. The second line plays a key role in strengthening control mechanisms and ensuring consistency in risk management practices across the Company.

Third Line of Defense

The Internal Audit function forms the third line of defense and provides independent assurance on the adequacy and effectiveness of internal controls, risk management, and governance processes. Internal Audit reports its findings to the Audit Committee and the Board, thereby supporting oversight and ensuring that control weaknesses are identified and addressed in a timely manner.

This structured approach supports a clear segregation of responsibilities and enhances the effectiveness of the Company's risk governance framework.



Emerging risks are reviewed periodically by senior management and integrated into the Enterprise Risk Management framework. Where material, appropriate mitigation actions are identified and aligned with the Company's strategic and operational planning. Through the structured governance framework, the Company ensures that risk management practices are aligned with strategic objectives, regulatory expectations, and the approved risk appetite, while fostering a culture of risk ownership and compliance throughout the organization.

Statement from the Board on Risk Management

The Board of Directors of Nepal Life Insurance Company Limited acknowledges its responsibility for ensuring that an effective risk management framework is in place across the Company. The Board has approved appropriate risk management policies and procedures, including the determination of the Company's risk appetite and tolerance levels, to support the achievement of strategic objectives while safeguarding policyholder interests and maintaining financial stability. These policies are reviewed periodically, taking into account changes in the business environment, regulatory requirements, and the Company's operating conditions.

In fulfilling this responsibility, the Board ensures that the Board-approved Risk Appetite Framework is clearly defined, documented, and applied in alignment with the Company's capital adequacy and solvency position, consistent with the nature, scale, and complexity of its operations. In setting and reviewing the risk appetite, the Board considers current and projected capital resources, regulatory solvency requirements, and the principal risks arising from insurance, investment, operational, and strategic activities, with risk tolerance limits established to support the maintenance of adequate capital buffers under both normal and stressed conditions. The Board, supported by the Risk and Financial Stability Committee, regularly monitors material risk exposures against approved risk appetite limits, reviews solvency and capital adequacy indicators, and oversees the effectiveness of management actions where risk levels approach or exceed defined thresholds.

To support a forward-looking assessment of financial resilience, the Board considers the results of stress testing and scenario analysis as part of the risk appetite and capital management process. The outcomes of these assessments are used in strategic planning, capital allocation decisions, and periodic reviews of the Risk Appetite Framework, thereby supporting the Company's ability to remain resilient, solvent, and able to meet its long-term obligations to policyholders. To support focused oversight, the Board has constituted a Risk Management and Financial Stability Committee, which assists the Board in overseeing matters relating to risk management, capital adequacy, solvency, liquidity, and overall financial stability of the Company. The Committee reviews the Company's risk profile, key risk exposures, and the effectiveness of risk mitigation measures, and reports its observations and recommendations to the Board.

The Board confirms that it has undertaken a comprehensive review of the principal risks and uncertainties faced by the Company. This review includes risks that could have a material impact on the Company's business model, future performance, solvency, or liquidity, and covers insurance, investment, credit, liquidity, operational, regulatory, strategic, and emerging risks.

The Board receives regular reports through established governance and oversight mechanisms, including reports from the Risk Management and Financial Stability Committee. Based on these reviews, the Board is satisfied that adequate systems and controls are in place to identify, assess, manage, and monitor material risks on an ongoing basis.

The Board believes that the Company's risk management practices remain appropriate to the nature and scale of its operations and continue to support the Company's long-term sustainability.

Risk Management and Solvency Committee – Oversight and Governance

To strengthen oversight of enterprise-wide risks and financial stability, the Board has constituted a Board level Risk Management and Solvency Committee. The Committee assists the Board in discharging its responsibilities relating to risk management, solvency, liquidity, capital adequacy, and sustainability of the Company's operations.

Meetings and Attendance

During the financial year 2024/25, the Risk and Financial Stability Committee held ten (10) meetings, reflecting the importance placed by the Board on continuous oversight of the Company's risk profile and regulatory requirements.

Scope of Oversight and Matters Reviewed

The Committee actively reviewed and deliberated on a wide range of matters covering insurance risk, financial risk, capital adequacy, regulatory compliance, and actuarial governance.

Key areas discussed during the year included:

ENTERPRISE RISK MANAGEMENT AND GOVERNANCE

- Review of the Company's risk management framework and overall risk profile
- Monitoring of key risk exposures and effectiveness of mitigation measures
- Oversight of risk governance policies, including updates and enhancements

ACTUARIAL AND INSURANCE RISK OVERSIGHT

- Appointment and performance review of the Consulting Actuary
- Review of underwriting-related matters and business quality indicators
- Discussion on plan conversion and profitability testing to assess long-term sustainability

CAPITAL ADEQUACY AND SOLVENCY

- Review and discussion of the Risk-Based Capital (RBC) framework
- Examination of valuation reports prepared under the Risk-Based Capital regime
- Monitoring capital adequacy and solvency position against regulatory thresholds

ORSA AND FORWARD-LOOKING RISK ASSESSMENT

- Review and approval of the Own Risk and Solvency Assessment (ORSA) Policy
- Discussion on the ORSA Supervision Report, including stress scenarios and forward-looking risk assessment
- Consideration of management actions under adverse scenarios

REINSURANCE AND CATASTROPHE RISK MANAGEMENT

- Review and approval of the Reinsurance Policy
- Approval of Catastrophe Excess of Loss (CAT XL) arrangements for FY 2024/25
- Quarterly updates on reinsurance arrangements, coverage adequacy, and counterparty exposures

FINANCIAL REPORTING AND ACCOUNTING RISK

- Review of accounting policies and charts of accounts from a risk and control perspective
- Oversight of alignment between financial reporting practices and regulatory requirements

Reporting to the Board

The Committee regularly reported its observations and recommendations to the Board of Directors. Matters requiring Board approval or strategic direction were escalated in a timely manner, ensuring that risk-related decisions were taken with full visibility and due consideration.

Overall Assessment

Through regular meetings and focused deliberations, the Risk Management and Financial Stability Committee provided effective oversight of the Company's risk management and financial stability. The breadth and depth of matters reviewed during the year demonstrate the Committee's active role in ensuring that risks are identified, assessed, monitored, and managed in alignment with the Company's risk appetite and regulatory expectations.

Way Forward

During FY 2024/25, the Company maintained a solvency position above the minimum regulatory requirement. In line with regulatory developments, the Company has initiated implementation of the Risk-Based Capital (RBC) and Solvency Directive, 2025 (2082), covering enhancements in data management, modelling, governance, and disclosures. Going forward, the Company plans to continue strengthening its risk management and financial stability framework through the following initiatives:

■ Gap Assessment and Policy Updates

Conducting detailed gap assessments against the requirements of the RBC and Solvency Directive and updating relevant policies, frameworks, and procedures to ensure regulatory alignment.

■ Data Quality and Systems Enhancement

Strengthening data governance, data quality controls, and system capabilities to support accurate risk measurement, modelling, and regulatory reporting.

■ Methodology and Model Validation

Developing, reviewing, and validating methodologies and models used for capital assessment, solvency measurement, and risk quantification, including appropriate documentation and independent review.

■ Governance and Documentation

Enhancing governance structures, documentation standards, and approval processes to support effective oversight of RBC and solvency-related matters.

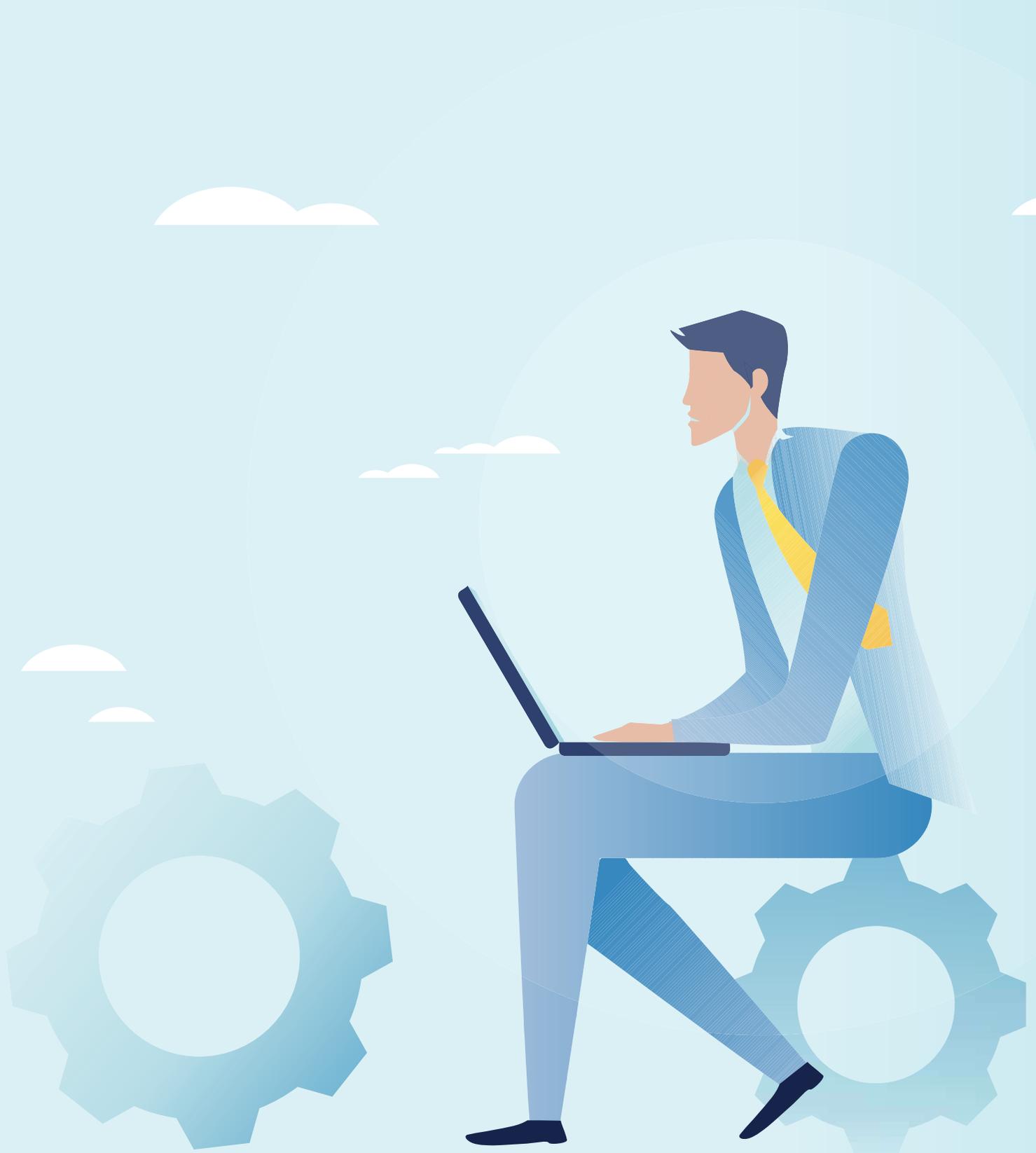
■ Phased Parallel Run and Readiness Attestation

Undertaking phased parallel runs of the RBC framework and preparing readiness attestations in line with regulatory expectations.

■ Own Risk and Solvency Assessment (ORSA)

Conducting the Own Risk and Solvency Assessment (ORSA) incorporating stress testing, scenario analysis, and other ORSA methodologies and assumptions to evaluate the Company's overall solvency position and the effectiveness of its risk management framework.

The above initiatives are expected to further strengthen the Company's ability to manage risks prudently, maintain financial stability, and meet evolving regulatory requirements.



COMPANY'S INTERNAL CONTROL

An overview of Nepal Life's internal control framework, highlighting how robust governance mechanisms, risk-based audits, and structured oversight support transparency, compliance, and operational efficiency.

INTERNAL CONTROL OVERVIEW

Nepal Life operates under a comprehensive internal control system designed to ensure transparency, accountability, and operational efficiency across all areas of its business. This system covers financial reporting, business processes, compliance, risk management, and information technology functions, in accordance with the directives of the Nepal Insurance Authority (NIA) and the Companies Act, 2006.

The internal control environment is an integral part of the company's governance structure, providing reasonable assurance that all business activities are conducted in line with applicable laws, internal policies, and ethical standards.

In FY 2024/25, the company further strengthened its control ecosystem through audit digitization, stricter policy adherence, and broader coverage across branches, departments, and digital channels, ensuring that all control activities remain aligned with regulatory expectations and corporate objectives.

The Internal Control Department is responsible for liaising with auditors, reviewing the overall internal control system, conducting investigations, assessing operating procedures, monitoring compliance with internal policies and applicable laws, recommending process improvements, and tracking the effectiveness of implemented recommendations. The Unit Head of the department also serves as the member secretary of the Audit Committee to support smooth committee operations. Additionally, the company has

formulated the Risk-Based Internal Audit Policy, 2023, in line with the Risk-Based Internal Audit Directive issued by the NIA to ensure that audits are conducted using a risk-based approach.

The department also conducts staff training, in coordination with the HR Department, to enhance awareness and strengthen the effectiveness of the internal control mechanism.

Coverage of branches/ subbranches during FY 2024/25:

S.N.	HEADING	NO. OF BRANCHES COVERED	% OF COMPLETION
1.	Internal Audit FY 2024/25	107	58%
2.	External Audit FY 2024/25	9	5%
3.	Surprise Branch Visit FY 2024/25	8	4%

Further, departments are fully covered during the Internal Audit FY 2024/25 and External Audit FY 2024/25.

Internal Control Structure and Process

Nepal Life's internal control system is founded on five key pillars, consistent with globally recognized governance frameworks:

CONTROL ENVIRONMENT

It forms the foundation of the Company's internal control structure, built on a strong corporate culture upheld by the Board of Directors and its committees, notably the Audit Committee and the Risk Management and Solvency Committee. A well-defined delegation of authority framework reinforces accountability and supports effective decision-making at all organizational levels. In addition, management consistently strengthens the compliance culture through regular training programs, open communication, and visible leadership commitment to ethical conduct.

RISK ASSESSMENT

Under the Risk Assessment pillar, Nepal Life adopts a systematic and organized approach to observation of identification, evaluation, and treatment of risks that may impact its strategic objectives or operational effectiveness. Internal Control plays the role of identification and assessment of risk based on Risk Based Internal Audit Policy for the purpose of categorization of risk of observation being raised in the report. Similarly, in case of any issue identified by the internal control department, risk is identified and categorized based on independent judgment. Regular risk reviews are done to mitigate financial, operational, information technology, and regulatory risks, with particular emphasis on fraud protection, AML/CFT regulation, and cyber resilience. The Risk Solvency Committee ensures that all the identified risks are in the acceptable risk appetite and that proper measures of mitigation are properly implemented.

CONTROL ACTIVITIES

Control activities are integrated into all major business processes to ensure operational effectiveness, reliability, and compliance adherence. Surprise inspections, random audits, and process validations are carried out across branches and departments to detect and correct deviations in a timely manner. Technology-driven controls have been strengthened to safeguard data integrity and prevent unauthorized access.

All audit findings are monitored through a centralized follow-up system that enables real-time tracking of corrective actions and ensures their timely closure.

INFORMATION AND COMMUNICATION

Under the Information and Communication pillar, Nepal Life recognizes that effective communication is essential for informed decision-making and timely response. The Company's integrated insurance management system enables end-to-end data capture and ensures a seamless flow of information across functions. Timely updates on regulatory changes, policy revisions, and audit results are communicated to the relevant levels of management to maintain transparency and responsiveness.

Regular awareness programs and training sessions further strengthen the culture of compliance, accountability, and continuous improvement.

MONITORING

The Monitoring mechanism ensures continuous scrutiny of the effectiveness of the control system. The Internal Control Department, supported by internal auditors, conducts ongoing monitoring to ensure compliance with established policies and procedures. Internal audits are performed quarterly in accordance with NIA guidelines through an outsourced firm S.R. Pandey & Co., Chartered Accountants, furthering strengthening Company's internal control framework. In addition, independent external auditors carry out an annual review.

Further, to maintain a strong and transparent control culture, the Company follows the Three Lines of Defense approach:



FIRST LINE OF DEFENSE

Line Management is accountable for the implementation and practice of risk management. Primary responsibility for risk identification, measurement, management, monitoring and reporting lies with management.



SECOND LINE OF DEFENSE

Risk Function accountable for providing quantitative and qualitative oversight and challenge of risk identification, measurement, management, monitoring and reporting as well as advisory support to the business on risk innovation.



THIRD LINE OF DEFENSE

Internal Control responsible for assessing and reporting on the effectiveness of the design and operation of the framework of internal controls which enable risk to be assessed and managed.

Internal Control Process

Nepal Life follows a structured and continuous control process focused on constant improvement:

- Planning & Risk Identification – Determining the most important areas of risk and their prioritization for internal audit and compliance review.
- Testing & Evaluation – Conducting in-depth assessments of control design and operating effectiveness.
- Reporting – Presenting findings to management and the Audit Committee with actionable recommendations.
- Follow-Up & Remediation – Monitoring progress on remedial actions and confirming closure of gaps found.

This cycle ensures that the system of internal control is dynamic, responsive, and in tune with the Company's growth and regulatory environment.

Management Statement on Internal Controls

Management affirms that the internal control system of Nepal Life Insurance Company Limited for FY 2024/25 was effective and reliable. The system provides reasonable assurance regarding the integrity of financial reporting, operational efficiency, compliance with statutory requirements, and the safeguarding of company assets.

Issues identified during routine audits were addressed promptly, and corrective actions were successfully implemented. Management remains committed to continuous improvement through technological upgrades, staff development, and enhanced compliance oversight.

Key Metrics

INDICATOR	FY 2024/25
Audit Committee Meetings	15
Internal Audit Conducted	4
External Audit Conducted	1
IS Audit Conducted	1
Review of Budget vs Actual Analysis	4
Review of Quarterly Financial Statement	4
Recommendation for appointment of IS Auditor FY 2023/24	1
Recommendation for appointment of Statutory Auditor FY 2024/25	1





STAKEHOLDERS INFORMATION

A highlight of how the company ensures timely information dissemination, protects stakeholder interests, and maintains responsive, customer-centric systems in line with regulatory requirements and good governance practices.

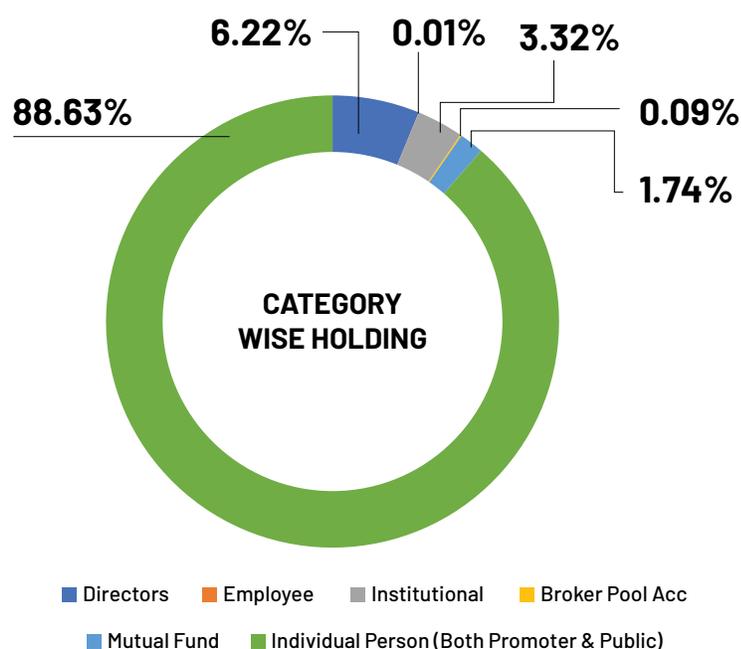


Distribution of Shareholding Pattern

SHARE TYPE	NUMBER OF SHARES	% OF HOLDING
Promoter	46,046,692	51%
Public	44,240,940	49%
Total	90,287,632	100%

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARE HOLDERS	NUMBER OF SHARES	% OF HOLDING
Directors	6	5,614,639	6.22%
Employee	8	4,539	0.01%
Institutional	654	3,001,142	3.32%
Broker Pool Acc	53	80,780	0.09%
Mutual Fund	64	1,567,706	1.74%
Individual Person (Both Promoter and Public)	182,997	80,018,826	88.63%
Total	183,782	90,287,632	100.00%

Note: The number of holders varies because shares held under the same BOID both promoter and public are combined. Additionally, shares held under different BOIDs but under the same name are also consolidated for promoters or public classification, as far as possible.



Disclosure of Shares held by Directors/Executives

S.N.	NAME	DESIGNATION	NUMBER OF PROMOTER SHARE	NUMBER OF PUBLIC SHARE	TOTAL NUMBER OF SHARES	% OF PAID UP CAPITAL
1.	Govind Lal Sanghai	Chairman	3,529,295	1,314,835	4,844,130	5.37 %
2.	Kamlesh Kumar Agrawal (Global Trading Concern P Ltd)	Director	3,928	693	4,621	0.005 %
3.	Shakti Kumar Golyan	Director	637,324	121,998	759,322	0.841 %
4.	Krishna Raj Lamichhane	Director	1,396	3,118	4,514	0.005 %
5.	Sharmila Shrestha Maharjan	Director	0	1,050	1,050	0.001 %
6.	Bimal Prasad Dhakal	Director	0	1,002	1,002	0.001 %

Corporate Benefits to the Shareholders

During the FY 2024/25, Nepal Life Insurance Company delivered sustained value to its shareholders through consistent dividend distribution, steady appreciation in share value, strengthened book value per share, and robust earnings performance. The Company declared a dividend of 21.05 %, reflecting its commitment to delivering regular returns while maintaining solvency as per regulatory requirements.

Shareholder value was further enhanced through improvements in financial performance, prudent investment management, alternate investment and strengthened governance practices. Key indicators such as EPS, BVPS, ROE, and net worth per share recorded steady growth, underscoring the Company's operational resilience and financial stability.

The Company also continued to implement long-term strategic initiatives including digital transformation, service process optimization, and distribution network strengthening, all of which contribute to sustainable shareholder value creation.

S.N.	BONUS DIVIDEND (%)	CASH DIVIDEND (%)	TOTAL DIVIDEND (%)	FISCAL YEAR
1.	5	16.05	21.05	2024/25
2.	10	11.05	21.05	2023/24
3.	-	21.05	21.05	2022/23
4.	0	15.7895	15.7895	2020/21
5.	14	0.7368	14.7368	2019/20
6.	31	20	51	2018/19
7.	25	23.5	48.5	2017/18
8.	42	28.5	70.5	2016/17
9.	25	1.31	26.31	2015/16
10.	25	1.31	26.31	2014/15
11.	60	8	68	2013/14

Communication Mechanism with the Stakeholders

In line with the Website Operation Guidelines issued by the Nepal Insurance Authority and prevailing legal provisions, Nepal Life Insurance Company Limited has established structured, transparent, and inclusive communication mechanisms to engage with its diverse stakeholders. The Company utilizes a combination of digital platforms, formal publications, direct interactions, and regulatory disclosures to ensure timely and accurate dissemination of information.

COMMUNICATION WITH THE SHAREHOLDERS

Nepal Life ensures transparent, timely, and equitable communication with its shareholders in accordance with the Companies Act, Securities laws, and directives issued by the Nepal Insurance Authority and other relevant regulators. Key financial and non-financial information, including audited annual financial statements, quarterly financial reports, annual reports, corporate governance disclosures and notices, are made publicly available through the Company's official website. Minutes of Annual General Meetings and information related to dividends, capital structure, and major corporate decisions are also disclosed through appropriate channels.

Statutorily required disclosures and notices, including those related to Annual General Meetings and special resolutions, are published in national newspapers and other approved media within prescribed timelines. Shareholders may communicate with the Company through formal written correspondence, designated contact points, and general meetings, which serve as the primary forums for engagement, deliberation, and decision-making.

COMMUNICATION WITH THE POLICYHOLDERS

The Company maintains structured and transparent communication with policyholders through a dedicated Customer Relationship Unit (CRU), established to facilitate policy servicing, information dissemination, and grievance handling. In compliance with the Website Operation Guidelines issued by the Nepal Insurance Authority, the Company provides essential policy-related information through its official website, enabling policyholders to access product details, premium payment procedures, claim settlement processes, notices, and updates.



Key financial and non-financial information, including audited annual financial statements, quarterly financial reports, annual reports, corporate governance disclosures and notices, are made publicly available through the Company's official website.

Policyholders may communicate with the Company through multiple channels, including the CRU, branch offices, call centers, the official email address (info@nepallife.com.np), and digital platforms. Customer grievances are addressed through a structured, time-bound mechanism with defined escalation procedures to ensure prompt and fair resolution.

Statutory notices and mandatory disclosures are published through national newspapers and other approved media within prescribed timelines, ensuring transparency and protection of policyholder interests in accordance with prevailing laws and regulatory directives.

COMMUNICATION WITH THE REGULATORS

The Company communicates with regulators primarily through formal written communication, including official letters and emails. All statutory submissions, disclosures, and responses to regulatory requirements are made within prescribed timelines through designated officials.

COMMUNICATION WITH THE AGENTS

Nepal Life Insurance Company Limited communicates with its agents primarily through its branch network and structured agency leadership channels to ensure clarity, coordination, and effective information flow.

Communication with agents is facilitated through the Agency Service Department using multiple channels. Routine matters are coordinated through branch offices and agency leadership, while meetings on core and strategic matters are held at the senior management level with agency leadership and representatives, who further share relevant information with their respective teams. Communication is also supported through formal written correspondence.

Leadership and recognition platforms such as MDRT and other agency development programs are used to motivate high-performing agents and communicate the Company's strategic direction. At the provincial level, the Company organizes agency programs, meetings, and training sessions to support skill development, share best practices, and align agents with business priorities.

COMMUNICATION WITH THE STAFFS

The Company maintains structured internal communication mechanisms to keep staffs informed, aligned, and engaged. A key platform for internal communication is CEO Online, a monthly virtual session led by the Chief Executive Officer and attended by employees nationwide. Through this forum, employees are informed about business performance, strategic priorities, and key organizational focus areas. Employees can also raise concerns and share feedback directly with senior leadership, promoting openness, trust, and inclusion.

The Company also facilitates knowledge sharing and strategic alignment through the Business Excellence Conference (BEC), an annual event bringing together top-performing employees from across the organization. The conference serves as a platform for sharing best practices, recognizing outstanding

performance, and communicating strategic direction through presentations by senior management. During the year, 238 employees participated in the BEC program.

In addition, the Company communicates with staff through official emails, internal circulars, meetings, and digital platforms. A dedicated staff grievance email mechanism is in place to address employee concerns, and employees are encouraged to directly approach their supervisors, human resources, or senior management as needed.

COMMUNICATION WITH THE VENDORS AND BUSINESS PARTNERS

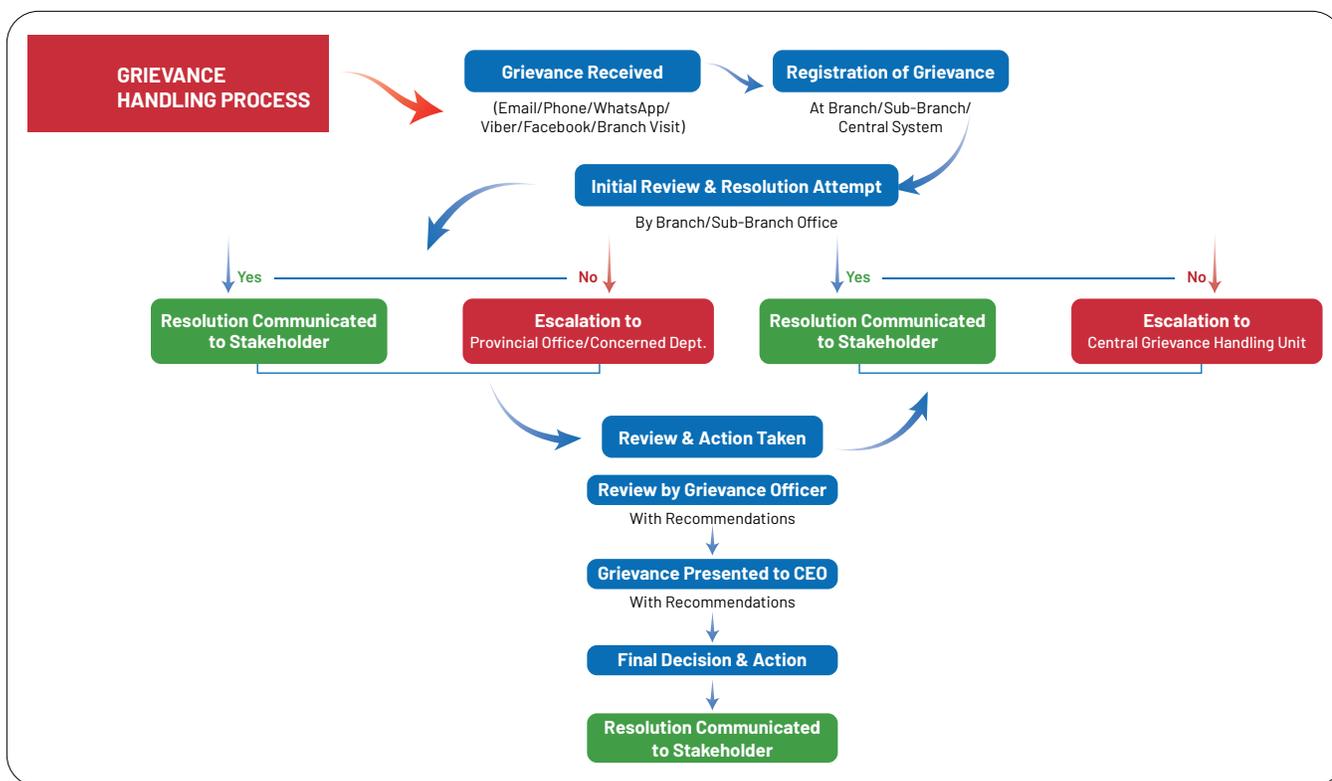
Nepal Life communicates with vendors and business partners primarily through public notices, formal written communication, and digital platforms. Invitations for tenders, requests for proposals, and procurement-related information are published in national newspapers and on the Company's official website in accordance with applicable laws and procurement policies.

Further communication with vendors and partners is carried out through formal correspondence to ensure transparency, fairness, and equal access to information throughout the procurement and engagement process.

COMMUNICATION WITH THE GENERAL PUBLIC

The Company communicates material information and statutory disclosures to the public through national newspapers, the company's website and other approved media in accordance with legal and regulatory requirements.





Grievance Redressal Mechanism

From time to time, the company receives various grievances from individuals and stakeholders associated with its life insurance services. As part of its customer-centric service policy, the company is committed to listening to these concerns and providing prompt resolutions.

In addition to branch, sub-branch, and provincial offices, a dedicated grievance-handling unit at the central office addresses customer inquiries and complaints. Stakeholders can submit grievances via email, phone, WhatsApp, Viber, or the company's Facebook page. Initially, the relevant branch or sub-branch attempts immediate resolution. If

unresolved, the complaint is escalated to the provincial office or the concerned department, which takes prompt action.

In accordance with standards set by the Nepal Insurance Authority, a senior management official has been appointed as the Grievance Officer. Their name, designation, photo, and contact details are available on the company's website. Grievances received are presented to the Chief Executive Officer with recommendations for action.

Investor-related grievances are directed to the Company Secretary or, if necessary, through the Company Secretary to the Board of Directors. As a responsible life insurer, the company remains committed to leveraging advanced information technology to further improve information dissemination and grievance management in the future.

GRIEVANCE SUMMARY – FY 2024/25

PARTICULARS	DETAILS
Opening Complaints Pending	0
Complaints Received During the Year	38
Complaints Resolved During the Year	38
Closing Complaints Pending	0
Nature of Complaints	Fraud Cases, Claim Related, Policy Issued without consent
Average Turnaround Time (TAT) to Resolve Complaints	6 days

नेपालकै
सर्वाधिक
विश्वासिलो

नेपाल लाइफ
दुनैको लागि जीवन बीमा बढी



केटाकेटी सुनौलो भविष्य जीवन बीमा योजना

सुनिश्चित शिक्षा, सुरक्षित भविष्य

“

बालबालिकाको उज्ज्वल भविष्यको लागि
बचत तथा सुरक्षा योजना

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FINANCIAL STATEMENTS

This section explains the scope and objectives of the audit of the consolidated financial statements, outlining the auditors' responsibility to provide reasonable assurance on their accuracy and fairness.

P.L. Shrestha & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEPAL LIFE INSURANCE COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Nepal Life Insurance Company Limited (hereafter referred to as "NLIC" or "the Company") and its subsidiaries (hereafter referred to as the "Group") which comprise the Consolidated Statement of Financial Position as at Ashad 32, 2082 (July 16, 2025), and consolidated statement of profit or loss and Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and other explanatory notes (hereafter referred to as "the consolidated financial Statements").

In our opinion, the consolidated financial statement presents fairly, in all material respects, the consolidated financial position of the Group, as at Ashad 32, 2082 (July 16, 2025), and its consolidated financial performance, consolidated cash flows, consolidated changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Handbook of The Code of Ethics for Professional Accountants issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarize below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Key audit matter	Key Audit Procedure
<p>Investments</p> <p>The investment portfolio of the company includes investment in debenture of public companies, fixed deposits of commercial banks, development banks, investment in shares and mutual funds.</p> <p>Total Financial Investments: NPR 189.58 Billion as on 16th July 2025 (NPR 164.16 Billion as on 15th July 2024)</p>	<ul style="list-style-type: none">We have checked the compliance of the Financial Investment made by the Company with the Investment Directive issued by Nepal Insurance Authority and company's internal policy as well as tested the effectiveness of internal control with regards to decisions and procedures related to financial investment.



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<p>Total Investment represents 75.36% of total assets of the company.</p> <p>Investments are made as per Company's Investment Policy strictly adhering to investment directive issued by Nepal Insurance Authority.</p>	<ul style="list-style-type: none">• We have assessed the appropriateness of the valuation made of financial investments and checked whether required impairment loss has been booked or not.• We have verified the adequacy of disclosure made in the financial statement regarding the financial investments. <p>Our results: We considered the valuation and disclosure of Financial Investment to be acceptable.</p>
<p><u>Valuation of Insurance Contract Liabilities</u></p> <p>The Valuation of the liabilities for insurance contracts involves complex and subjective judgements about future events, both internal and external to the business for which small changes can result in a material impact to the valuation of these liabilities.</p> <p>Economic assumptions such as investment return and associated discount rates and operating assumption such as expenses, mortality and lapse rates are the key inputs.</p>	<ul style="list-style-type: none">• Our audit procedures focused on assessing the appropriateness of the actuarial assumptions, models, and methodologies used by Nepal Life Insurance Company in calculating policyholder liabilities, reserves, and other actuarial balances. This involved reviewing the key assumptions, such as mortality, morbidity, lapse rates, interest rates, and expense assumptions, to ensure they were based on reasonable and supportable data. We evaluated whether the models and methodologies applied were consistent with industry standards and regulatory requirements. <p>Our results: The valuation of insurance contract liabilities is appropriately determined, and the presentation of these liabilities in the financial statements is fairly made in accordance with applicable regulatory requirements.</p>
<p><u>Information Technology General Controls</u></p> <p>The operations of Nepal Life Insurance Company (NLIC) are highly dependent on its information technology (IT) systems for processing and recording transactions, maintaining customer records, and preparing financial reports. Given the volume and complexity of transactions and data processed, as well as the integration of IT systems across various business functions, the effectiveness of IT General Controls (ITGCs) is critical to ensure the integrity, accuracy, and reliability of financial reporting.</p>	<p>Our audit procedures in relation to IT General Controls included, but were not limited to, the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the IT systems relevant to financial reporting, including the key applications, databases, and infrastructure.• Reviewed the design and implementation of access controls over critical financial applications to ensure that access is restricted to authorized personnel.• Performed tests to assess whether user access rights were appropriate, including periodic review of user access and segregation of duties.• Tested the removal of access rights for employees who had left the organization or changed roles.• Reviewed disaster recovery procedures and assessed the company's preparedness for IT incidents, such as system failures or data corruption.• Tested automated and manual controls over IT processes to ensure the completeness and



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	<p>accuracy of financial data generated by IT systems.</p> <p>The results of these procedures were used to assess the reliance that could be placed on the IT systems in the financial reporting process.</p> <p>Our results: The general IT controls at Nepal Life Insurance Company appear to be appropriately designed and effectively implemented. These controls provide reasonable assurance over the integrity and security of the IT systems relevant to financial reporting and are considered adequate for audit purposes.</p>
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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

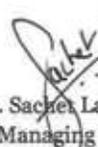
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose of our audit.
- ii. The consolidated financial statements are in agreement with the books of account maintained by the Company.
- iii. In our opinion, proper books of accounts as required by the law have been kept by the Company.
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the company has acted contrary to the provisions of law or caused loss or damage to the company.
- v. The details of the branches are adequate for the purpose of our audit, and
- vi. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book.

Place: Kathmandu
Date: 2025/12/10
UDIN: 251211CA00856vEz8D


CA. Sagar Lal Shrestha
Managing Partner





नेपाल लाइफ
सुनौलो भविष्य
जीवन बीमा योजना

सुरक्षा, बचत र पेन्सनको साथ
सुनौलो भविष्यको सुरुवात



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on 16th July, 2025 (Ashad End, 2082)

Fig in NPR

Particulars	Notes	Group		Insurance Company	
		Current Year	Previous Year	Current Year	Previous Year
Assets					
Goodwill & Intangible Assets	4	9,880,039	11,902,971	9,719,492	11,654,715
Property and Equipment	5	859,822,564	488,064,032	812,380,669	469,507,579
Investment Properties	6	409,140,534	413,677,260	409,140,534	413,677,260
Deferred Tax Assets	7	-	-	-	-
Investment in Subsidiaries	8	-	-	2,029,500,000	153,000,000
Investment in Associates	9	1,804,447,608	-	1,399,042,608	-
Investments	10	190,706,086,602	164,379,729,453	189,579,224,361	164,157,721,593
Loans	11	34,996,774,621	33,914,280,358	34,996,774,621	33,914,280,358
Reinsurance Assets	12	-	-	-	-
Current Tax Assets	21	1,045,540,106	423,806,007	1,032,558,254	416,568,188
Insurance Receivables	13	66,662	162,401,505	66,662	162,401,505
Other Assets	14	177,852,558	193,592,104	233,654,963	193,318,717
Other Financial Assets	15	10,038,699,377	6,001,855,455	9,443,929,495	5,983,599,484
Cash and Cash Equivalent	16	11,726,710,223	7,714,120,965	11,606,155,344	7,620,604,303
Total Assets		251,775,020,896	213,703,430,109	251,552,147,003	213,496,333,701
Equity & Liabilities					
Equity					
Share Capital	17(a)	9,028,763,209	8,207,966,554	9,028,763,209	8,207,966,554
Share Application Money Pending Allotment	17(b)	-	-	-	-
Share Premium	17(c)	-	-	-	-
Catastrophe Reserves	17(d)	1,494,027,292	1,263,777,598	1,494,027,292	1,263,777,598
Retained Earnings	17(e)	2,257,894,783	1,940,677,291	2,257,843,608	1,923,276,300
Other Equity	17(f)	232,125,717	776,990,444	223,660,064	758,278,149
Total Equity attributable to equity holders		13,012,811,001	12,189,411,887	13,004,294,174	12,153,298,601
Non Controlling Interest	17(g)	190,644,898	181,577,924.84	-	-
Total Equity		13,203,455,899	12,370,989,812	13,004,294,174	12,153,298,601
Liabilities					
Provisions	18	260,294,022	242,146,817	259,497,980	241,812,389
Gross Insurance Contract Liabilities	19	234,755,140,645	196,734,787,830	234,755,140,645	196,734,787,830
Deferred Tax Liabilities	7	158,080,071	213,188,011	165,943,731	231,298,312
Insurance Payable	20	153,499,768	490,524,124	153,499,768	490,524,124
Current Tax Liabilities	21	-	-	-	-
Borrowings	22	-	-	-	-
Other Liabilities	23	1,175,073,593	1,902,214,393	1,152,210,000	1,897,297,511
Other Financial Liabilities	24	2,069,476,898	1,749,579,121	2,061,560,706	1,747,314,934
Total Liabilities		238,571,564,998	201,332,440,297	238,547,852,830	201,343,035,100
Total Equity and Liabilities		251,775,020,896	213,703,430,109	251,552,147,003	213,496,333,701

The accompanying notes form an Integral Part of Financial Statements.

As per our report of even date

GOVIND LAL SANGHAI
CHAIRMAN

KAMLESH KUMAR AGRAWAL
DIRECTOR

BIMAL PRASAD DHAKAL
DIRECTOR

CA SACHET LAL SHRESTHA
MANAGING PARTNER
P. L. SHRESTHA & CO.
CHARTERED ACCOUNTANTS

KRISHNA RAJ LAMICHHANE
DIRECTOR

SHAKTI KUMAR GOLYAN
DIRECTOR

SHARMILA SHRESTHA MAHARJAN
DIRECTOR

PRAVIN RAMAN PARAJULI
CHIEF EXECUTIVE OFFICER

PREM PRASAD REGMI
CHIEF FINANCE OFFICER

BINAYA BHANDARI
HEAD - ACCOUNT & FINANCE

DATE : 2082/08/24
PLACE : KATHMANDU

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad, 2082)

Fig in NPR

Particulars	Notes	Group		Insurance Company	
		Current Year	Previous Year	Current Year	Previous Year
Income:					
Gross Earned Premiums	25	48,202,201,095	40,849,467,257	48,202,201,095	40,849,467,257
Premiums Ceded	26	508,059,035	676,439,806	508,059,035	676,439,806
Net Earned Premiums		47,694,142,060	40,173,027,451	47,694,142,060	40,173,027,451
Commission Income	27	105,028,752	63,163,747	105,028,752	63,163,747
Other Direct Income	28	538,054,820	458,791,497	538,054,820	458,791,497
Interest Income on Loan to Policyholders	11	3,699,699,500	3,392,665,117	3,699,699,500	3,392,665,117
Income from Investments and Loans	29	16,343,072,644	15,226,784,508	16,306,421,948	15,222,017,886
Net Gain/(Loss) on Fair Value Changes	30	4,945,855	23,389,957	-	-
Net Realised Gains/(Losses)	31	41,596,416	(6,144,261)	-	-
Other Income	32	56,702,297	27,307,252	43,604,153	21,925,586
Total Income		68,483,242,344	59,358,985,267	68,386,951,233	59,331,591,283
Expenses:					
Gross Benefits and Claims Paid	33	19,191,680,985	15,015,559,111	19,191,680,985	15,015,559,111
Claims Ceded	33	383,063,023	260,918,727	383,063,023	260,918,727
Gross Change in Contract Liabilities	34	36,936,981,820	33,038,667,910	36,936,981,820	33,038,667,910
Change in Contract Liabilities Ceded to Reinsurers	34	-	-	-	-
Net Benefits and Claims Incurred		55,745,599,783	47,793,308,294	55,745,599,783	47,793,308,294
Commission Expenses	35	3,666,852,656	3,184,807,064	3,666,852,656	3,184,807,064
Service Fees	36	357,706,065	300,622,358	357,706,065	300,622,358
Other Direct expenses	37	2,391,019	2,214,702	2,391,019	2,214,702
Employee Benefits Expenses	38	1,011,343,277	1,024,788,147	988,862,167	1,016,855,433
Depreciation and Amortization Expenses	39	128,868,590	54,410,816	124,102,733	50,817,879
Impairment Losses	40	(41,322,694)	(12,255,508)	(41,322,694)	(12,255,508)
Other Operating Expenses	41	1,913,829,175	1,573,162,110	1,903,885,050	1,568,481,952
Finance Cost	42	40,062,165	31,735,758	39,334,926	31,167,789
Total Expenses		62,825,330,036	53,952,793,743	62,787,411,705	53,936,019,964
Net Profit/(Loss) For The Year Before Share of Net Profit of Associates Accounted for Using Equity Method and Tax		5,657,912,308	5,406,191,524	5,599,539,528	5,395,571,319
Share of Net Profit of Associates accounted using Equity Method	9	61,753,008	-	61,753,008	-
Profit Before Tax		5,719,665,316	5,406,191,524	5,661,292,537	5,395,571,319
Income Tax Expense	43	3,384,294,860	3,269,033,969	3,366,934,095	3,266,747,258
Net Profit/(Loss) For The Year		2,335,370,456	2,137,157,555	2,294,358,442	2,128,824,062
Profit attributable to:					
Equity holders of the insurer		2,323,915,054	2,133,075,509		
Non-Controlling Interest		11,455,402	4,082,046		
Earning Per Share					
Basic EPS		25.87	26.04	25.41	25.94
Diluted EPS		25.87	26.04	25.41	25.94

The accompanying notes form an Integral Part of Financial Statements.

As per our report of even date

GOVIND LAL SANGHAI
CHAIRMAN

KAMLESH KUMAR AGRAWAL
DIRECTOR

BIMAL PRASAD DHAKAL
DIRECTOR

CA SACHET LAL SHRESTHA
MANAGING PARTNER
P. L. SHRESTHA & CO.
CHARTERED ACCOUNTANTS

KRISHNA RAJ LAMICHHANE
DIRECTOR

SHAKTI KUMAR GOLYAN
DIRECTOR

SHARMILA SHRESTHA MAHARJAN
DIRECTOR

PRAVIN RAMAN PARAJULI
CHIEF EXECUTIVE OFFICER

PREM PRASAD REGMI
CHIEF FINANCE OFFICER

BINAYA BHANDARI
HEAD - ACCOUNT & FINANCE

DATE : 2082/08/24
PLACE : KATHMANDU

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad, 2082)

Fig in NPR

Particulars	Notes	Group		Insurance Company	
		Current Year	Previous Year	Current Year	Previous Year
Net Profit/(Loss) For the Year		2,335,370,456	2,137,157,555	2,294,358,442	2,128,824,062
Other Comprehensive Income					
a) Items that are or may be Reclassified to Profit or Loss					
Changes in Fair Value of FVOCI Debt Instruments		-	-	-	-
Cash Flow Hedge - Effective Portion of Changes in Fair Value		-	-	-	-
Exchange differences on translation of Foreign Operation		-	-	-	-
Share of other comprehensive income of associates accounted for using the equity method	8	-	-	-	-
Income Tax Relating to Above Items		-	-	-	-
Reclassified to Profit or Loss		-	-	-	-
b) Items that will not be Reclassified to Profit or Loss					
Changes in fair value of FVOCI Equity Instruments		43,465,045	323,139,747	43,465,045	323,139,747
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		-	-	-	-
Remeasurement of Post-Employment Benefit Obligations		1,289,271	128,464,021	1,289,271	128,464,021
Share of other comprehensive income of associates accounted for using the equity method	8	-	-	-	-
Income Tax Relating to Above Items		(11,188,579)	(112,900,942)	(11,188,579)	(112,900,942)
Total Other Comprehensive Income For the Year, Net of Tax		33,565,737	338,702,826	33,565,737	338,702,826
Total Comprehensive Income For the Year, Net of Tax		2,368,936,194	2,475,860,381	2,327,924,179	2,467,526,888
Total Comprehensive Income attributable to:					
Equity holders of the insurer		2,357,480,791	2,471,778,335	-	-
Non-Controlling Interest		11,455,402	4,082,046	-	-

The accompanying notes form an Integral Part of Financial Statements.

As per our report of even date

GOVIND LAL SANGHAI
CHAIRMAN

KAMLESH KUMAR AGRAWAL
DIRECTOR

BIMAL PRASAD DHAKAL
DIRECTOR

CA SACHET LAL SHRESTHA
MANAGING PARTNER
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CHIEF EXECUTIVE OFFICER

PREM PRASAD REGMI
CHIEF FINANCE OFFICER

BINAYA BHANDARI
HEAD - ACCOUNT & FINANCE

DATE : 2082/08/24
PLACE : KATHMANDU

CONSOLIDATED STATEMENT OF CASH FLOWS

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad, 2082)

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Cash Flow From Operating Activities:				
Cash Received				
Gross Premium Received	48,202,201,095	40,849,467,257	48,202,201,095	40,849,467,257
Commission Received	105,028,752	63,163,747	105,028,752	63,163,747
Claim Recovery Received from Reinsurers	383,063,023	260,918,727	383,063,023	260,918,727
Realised Foreign Exchange Income other than on Cash and Cash Equivalents				
Other Direct Income	636,353,534	479,954,487	581,658,973	480,717,083
Others (to be specified)	-	-	-	-
Cash Paid				
Gross Benefits and Claims Paid	(19,191,680,985)	(15,015,559,111)	(19,191,680,985)	(15,015,559,111)
Reinsurance Premium Paid	(508,059,035)	(676,439,806)	(508,059,035)	(676,439,806)
Commission Paid	(3,666,852,656)	(3,184,807,064)	(3,666,852,656)	(3,184,807,064)
Service Fees Paid	(357,706,065)	(300,622,358)	(357,706,065)	(300,622,358)
Employee Benefits Expenses Paid	(1,010,054,006)	(991,460,862)	(987,572,896)	(984,042,788)
Other Expenses Paid	(2,123,934,436)	(1,656,408,955)	(2,108,497,215)	(1,663,416,335)
Others (Increase)/Decrease in current assets)	(4,404,003,632)	(1,184,536,814)	(3,954,321,480)	(1,585,703,041)
Others (Increase)/(Decrease) in current liabilities)	(726,120,174)	(819,641,596)	(750,180,504)	(582,795,562)
Income Tax Paid	(3,601,786,439)	(3,194,466,026)	(3,594,672,315)	(3,194,408,990)
Net Cash Flow From Operating Activities [1]	13,736,448,974	14,629,561,625	14,152,408,692	14,466,471,756
Cash Flow From Investing Activities				
Acquisitions of Intangible Assets	(1,841,301)	(2,719,820)	(1,829,436)	(2,719,820)
Proceeds From Sale of Intangible Assets	-	-	-	-
Acquisitions of Investment Properties	-	(9,965,364)	-	(9,965,364)
Proceeds From Sale of Investment Properties	-	-	-	-
Acquisitions of Property and Equipment	(420,166,865)	(49,379,504)	(405,210,061)	(49,158,505)
Proceeds From Sale of Property and Equipment	1,017,900	(2,621,000)	1,017,900	(2,621,000)
Investment in Subsidiaries	-	-	(1,876,500,000)	-
Receipts from Sale of Investments in Subsidiaries	-	-	-	-
Investment in Associates	(1,742,694,600)	-	(1,337,289,600)	-
Receipts from Sale of Investments in Associates	-	-	-	-
Purchase of Equity Instruments	(5,523,253,359)	(495,352,055)	(5,312,160,301)	(387,667,270)
Proceeds from Sale of Equity Instruments	4,950,815,905	303,835,902	4,724,434,873	299,235,624
Purchase of Mutual Funds	(471,471,901)	(73,351,800)	(255,183,237)	(70,000,000)
Proceeds from Sale of Mutual Funds	89,833,765	17,820,099	84,651,065	17,820,099
Purchase of Preference Shares	-	-	-	-
Proceeds from Sale of Preference Shares	-	-	-	-
Purchase of Debentures	(1,308,502,565)	(940,814,974)	(1,307,582,962)	(932,546,364)
Proceeds from Sale of Debentures	-	-	-	-
Purchase of Bonds	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Investments in Deposits	(22,515,000,000)	(23,702,500,000)	(21,645,000,000)	(23,702,500,000)
Maturity of Deposits	-	-	-	-
Loans Paid	(1,050,131,036)	(2,796,471,645)	(1,050,131,036)	(2,791,224,418)
Proceeds from Loans	-	-	-	-
Investment in PEVC	(385,000,000)	-	(385,000,000)	-

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Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Investment in Hydro	(500,000,000)	-	(500,000,000)	-
Rental Income Received	28,470,238	33,543,433	28,470,238	33,543,433
Proceeds from Finance Lease	-	-	-	-
Interest Income Received	19,971,406,626	17,768,660,906	19,937,186,472	17,728,916,585
Dividend Received	41,531,087	123,293,158	39,931,015	122,019,769
Others (to be specified)	1,364,193	1,434,266	533,724	1,434,266
Total Cash Flow From Investing Activities [2]	(8,833,621,912)	(9,824,588,397)	(9,259,661,347)	(9,745,432,964)
Cash Flow From Financing Activities				
Interest Paid	-	-	-	-
Proceeds From Borrowings	-	-	-	-
Repayment of Borrowings	-	-	-	-
Payment of Finance Lease	-	-	-	-
Proceeds From Issue of Share Capital	16,958,500	-	-	-
Share Issuance Cost Paid	-	-	-	-
Dividend Paid	(821,970,131)	(1,642,726,990)	(821,970,131)	(1,642,726,990)
Dividend Distribution Tax Paid	(85,226,173)	(85,265,969)	(85,226,173)	(85,265,969)
	-	-	-	-
Total Cash Flow From Financing Activities [3]	(890,237,804)	(1,727,992,959)	(907,196,304)	(1,727,992,959)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	4,012,589,258	3,076,980,270	3,985,551,041	2,993,045,833
Cash & Cash Equivalents At Beginning of The Year/Period	7,714,120,966	4,637,140,696	7,620,604,303	4,627,558,471
Effect of Exchange Rate Changes on Cash and Cash Equivalents				
Cash & Cash Equivalents At End of The Year/Period	11,726,710,223	7,714,120,966	11,606,155,344	7,620,604,303
Components of Cash & Cash Equivalents				
Cash In Hand	13,848,989	56,901,404	13,783,621	56,886,304
Cheque in Hand	14,903,487	14,903,487	14,903,487	14,903,487
Term Deposit with Banks (with initial maturity upto 3 months)				
Balance With Banks	11,697,957,747	7,642,316,074	11,577,468,236	7,548,814,512

The accompanying notes form an Integral Part of Financial Statements.

As per our report of even date

GOVIND LAL SANGHAI
CHAIRMAN

KAMLESH KUMAR AGRAWAL
DIRECTOR

BIMAL PRASAD DHAKAL
DIRECTOR

CA SACHET LAL SHRESTHA
MANAGING PARTNER
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SHARMILA SHRESTHA MAHARJAN
DIRECTOR

PRAVIN RAMAN PARAJULI
CHIEF EXECUTIVE OFFICER

PREM PRASAD REGMI
CHIEF FINANCE OFFICER

BINAYA BHANDARI
HEAD - ACCOUNT & FINANCE

DATE : 2082/08/24
PLACE : KATHMANDU

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Particulars	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- Regulatory Reserve	Other Reserves- Employee Training	Other Reserve	Total
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	-	-	-	-	-	-	-	-	-	-	32,598,784	-	-	-	-	-	32,598,784
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	336,319,500	-	230,249,893	23,024,989	-	-	-	966,953	(5,889,594,163)	-	-	-	966,953
Transfer to Insurance Contract Liabilities	-	-	-	-	(557,306,261)	-	-	-	-	-	-	-	-	-	-	-	(557,306,261)
Transfer from Reserve	-	-	-	-	(52,877,125)	-	-	(29,824,021)	-	-	-	-	52,877,125	-	-	-	(29,824,021)
Transfer to Other Reserves	-	-	-	-	(5,541,431)	-	-	-	-	-	-	-	-	-	5,541,431	-	-
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	-	-	-	-	524,583,286	-	-	-	-	-	-	-	-	-	-	-	524,583,286
Transfer to Insurance Contract Liabilities	-	-	-	-	(495,855,570)	-	-	-	-	-	(29,335,906)	(870,258)	-	-	-	-	(526,064,734)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	820,796,655	-	-	-	(820,796,655)	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(821,970,131)	-	-	-	-	-	-	-	-	-	-	-	(821,970,131)
iv) Dividend Distribution Tax	-	-	-	-	(85,226,173)	-	-	-	-	-	-	-	-	-	-	-	(85,226,173)
v) Others (Actuarial Impact)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end, 2082	9,028,763,209	-	-	-	2,257,843,608	-	1,494,027,292	25,208,130	-	91,304,513	11,225,268	90,360,722	-	5,541,431	-	13,004,294,174	

The accompanying notes form an Integral Part of Financial Statements.

As per our report of even date

GOVIND LAL SANGHAI CHAIRMAN	KAMLESH KUMAR AGRAWAL DIRECTOR	BIMAL PRASAD DHAKAL DIRECTOR	KRISHNA RAJ LAMICHHANE DIRECTOR	SHAKTI KUMAR GOLYAN DIRECTOR	CA SACHET LAL SHRESTHA MANAGING PARTNER P. L. SHRESTHA & CO. CHARTERED ACCOUNTANTS
SHARMILA SHRESTHA MAHARJAN DIRECTOR	PRAVIN RAMAN PARAJULI CHIEF EXECUTIVE OFFICER	PREM PRASAD REGMI CHIEF FINANCE OFFICER	BINAYA BHANDARI HEAD - ACCOUNT & FINANCE		

NEPAL LIFE INSURANCE COMPANY LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad, 2082)

GROUP

Fig in NPR

Particulars	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-Regulatory Reserve	Other Reserve- Employee Training	Other Reserve	Total
Balance as on Shrawan 1, 2080	8,207,966,554	-	-	-	1,773,519,983	-	601,983	1,048,877,371	21,183,173	-	63,809,154	1,483,771	64,481,813	589,594,163	-	123,656,577	11,894,504,551
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2080	8,207,966,554	-	-	-	1,773,519,983	-	601,983	1,048,877,371	21,183,173	-	63,809,154	1,483,771	64,481,813	589,594,163	-	123,656,577	11,894,504,551
Profit/(Loss) For the Year	-	-	-	-	2,133,075,509	-	-	-	-	-	-	-	-	-	-	-	2,133,075,509
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	-	-	-	-	-	-	-	-	-	-	242,354,810	-	-	-	-	-	242,354,810
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(237,138,251)	-	-	215,580,228	21,558,023	-	-	-	-	-	-	57,921,348	154,269,364
Transfer from Reserve	-	-	-	-	8,867,915	-	-	-	(10,734,014)	-	-	96,346,016	(8,867,915)	-	-	-	(10,734,014)
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 FVOCI	-	-	-	-	(65,728,505)	-	-	-	-	-	-	-	-	-	-	-	(65,728,505)
Transfer to Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	(218,119,329)	(86,713,214)	-	-	-	-	(304,832,543)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(1,642,726,990)	-	-	-	-	-	-	-	-	-	-	-	(1,642,726,990)
iv) Dividend Distribution Tax	-	-	-	-	(85,285,969)	-	-	-	-	-	-	-	-	-	-	-	(85,285,969)
v) Others (Actuarial Impact)	-	-	-	-	56,073,597	-	-	-	-	-	-	-	-	-	-	-	56,073,597
Balance as on Ashadh end, 2081	8,207,966,554	-	-	-	1,940,677,291	-	601,983	1,263,777,598	32,007,182	-	88,044,635	11,228,572	55,613,688	589,594,163	-	181,577,925	12,370,989,812
Prior period adjustment	-	-	-	-	18,879,428	-	-	-	-	-	-	-	-	-	-	-	18,879,428
Restated Balance as at Shrawan 1, 2081	8,207,966,554	-	-	-	1,959,556,719	-	601,983	1,263,777,598	32,007,182	-	88,044,635	11,228,572	55,613,688	589,594,163	-	181,577,925	12,389,869,239
Profit/(Loss) For the Year	-	-	-	-	2,323,915,054	-	-	-	-	-	-	-	-	-	-	11,455,402	2,335,370,456

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Particulars	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-Regulatory Reserve	Other Reserve- Employee Training	Other Reserve	Total
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	-	-	-	-	-	-	-	-	-	-	32,588,784	-	-	-	-	-	32,588,784
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	336,319,500	-	-	230,249,893	23,024,969	-	-	966,953	-	(589,594,163)	-	(2,388,430)	(1,421,476)
Transfer from Reserve	-	-	-	-	(42,630,483)	-	-	(29,824,021)	-	-	-	-	42,630,483	-	-	-	(29,824,021)
Transfer to Other Reserves	-	-	-	-	(5,541,431)	-	-	-	-	-	-	-	-	5,541,431	-	-	-
Transfer to Deferred Tax Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	524,583,286	-	-	-	-	-	-	-	-	-	-	-	524,583,286
Transfer to Insurance Contract Liabilities	-	-	-	-	(1,053,161,831)	-	-	-	-	-	(29,338,906)	(870,258)	-	-	-	-	(1,083,370,995)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	820,796,655	-	-	-	(820,796,655)	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(821,970,131)	-	-	-	-	-	-	-	-	-	-	-	(821,970,131)
iv) Dividend Distribution Tax	-	-	-	-	(85,226,173)	-	-	-	-	-	-	-	-	-	-	-	(85,226,173)
v) Others	-	-	-	-	(57,153,070)	-	-	-	-	-	-	-	-	-	-	-	(57,153,070)
Balance as on Ashadh end, 2082	9,028,763,209	-	-	-	2,257,694,783	-	601,983	1,494,027,292	25,208,130	-	91,304,513	11,225,288	98,244,382	-	5,541,431	190,644,898	13,203,455,699

The accompanying notes form an Integral Part of Financial Statements.

As per our report of even date

GOVIND LAL SANGHAI
CHAIRMAN

KAMLESH KUMAR AGRAWAL
DIRECTOR

BIMAL PRASAD DHAKAL
DIRECTOR

KRISHNA RAJ LAMICHHANE
DIRECTOR

SHAKTI KUMAR GOLYAN
DIRECTOR

CA SACHET LAL SHRESTHA
MANAGING PARTNER
P. L. SHRESTHA & CO.
CHARTERED ACCOUNTANTS

SHARMILA SHRESTHA MAHARJAN
DIRECTOR

PRAVIN RAMAN PARA-JULI
CHIEF EXECUTIVE OFFICER

PREM PRASAD REGMI
CHIEF FINANCE OFFICER

BINAYA BHANDARI
HEAD - ACCOUNT & FINANCE

DATE : 2082/08/24
PLACE : KATHMANDU

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad, 2082)

Fig in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	1,923,276,300	1,798,333,736
Adjustment: Opening adjustment	18,879,428	-
Adjusted Balance in Retained Earnings	1,942,155,727	1,798,333,736
Transfer from OCI reserves to retained earning in current year	28,727,716	(65,728,505)
Net profit or (loss) as per statement of profit or loss	2,294,358,442	2,128,824,062
Appropriations:		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Catastrophe Reserve	(230,249,693)	(215,580,228)
iii) Transfer to Capital Reserve	-	-
iv) Transfer to CSR reserve	(23,024,969)	(21,558,023)
v) Transfer to/from Regulatory Reserve	32,287,902	-
vi) Transfer to Fair Value Reserve	-	-
vii) Transfer of Deferred Tax Reserve	(52,877,125)	26,978,216
viii) Transfer to OCI reserves due to change in classification	-	-
ix) Others	-	-
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	(6,175,301)	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share investment or mutual fund investment	-	-
xiii) Bonus share/dividend paid	(1,727,992,959)	(1,727,992,959)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xv) Others (to be specified)	(5,541,431)	-
Adjusted Retained Earning	2,251,668,307	1,923,276,300
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 14(1) Of Financial directive	-	-
Add/Less: Others (to be specified)	-	-
Total Distributable Profit/(loss)	2,251,668,307	1,923,276,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended Ashadh 32, 2082 (July 16, 2025)

1. REPORTING ENTITY

Nepal Life Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on 2055/10/18 B.S. (01/02/1999 A.D.) and operated as Life Insurance Company after obtaining license on 2058/01/04 B.S. (17/04/2001 A.D.) under the Insurance Act 2049.

The registered office of the Company is located at Birgunj, Parsa, Nepal. The Company's shares are listed in NEPSE as "NLIC" on 2059/10/08 B.S. (22/01/2003 A.D.).

The principal activities of the Company are to provide various life insurance products including participating and non-participating products through its province offices, branches, sub-branches, and network of agents.

2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been approved by the Board of Directors of the company.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2081 (July 16, 2024) to 32nd Ashadh 2082 (July 16, 2025) with the corresponding previous year from 1st Shrawan 2080 (July 17, 2023) to 31st Ashadh 2081 (July 15, 2024) for Statement of Profit or Loss and for Statement of Financial Position at the end of Immediate Previous year i.e. As on Ashad End, 2081.

(b) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act, 2006, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with

the specified formats prescribed in the directives of Nepal Insurance Authority.

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. The financial statements are approved for issue by the Company's Board of Directors on Mangsir 24, 2082.

(c) 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:

- i. Investment in Equity Shares and Mutual Fund,
- ii. Defined Employee Benefits, and
- iii. Gross Insurance Contract Liabilities which are required to be determined using the actuarial valuation method prescribed by Actuarial Valuation Directive 2077.

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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 measurements 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.

(d) Use of Estimates, assumption, and judgement

The preparation of these Financial Statements in conformity

with NFRS requires management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affect the reported balance 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 year 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.

Change in Useful Life of Property, Plant and Equipment
During the current financial year, the management of the Company reviewed the estimated useful lives of its property, plant and equipment in accordance with the Company's accounting policy and NFRS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

As a result of this review, the estimated useful life of furniture & fixture, computer & IT equipment And Office Equipment has been revised as below with effect from the 1st Baisakh 2082.

List of Assets Categories	Previous Useful Life	Revised usefu Life
Furniture & Fixture	4	7
Computers and IT Equipment	4	5
Officer Equipment	4	7

This change in estimate has been applied prospectively from the date of change in accordance with NFRS requirements.

(e) 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.

(f) Going Concern

The financial statements are prepared on 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 operation of it.

(g) Change 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 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 flow.

(h) Recent Accounting Pronouncements

Accounting standards issued and effective
Accounting standards issued by the Accounting Standards Board (ASB) except mentioned below are effective and been applied in preparing these financial statements. The Accounting Standard Board (ASB) has issued NFRS 17 (Insurance contracts) which is yet to be effective.

(i) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(j) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern. The figures for the corresponding year have been reclassified/restated in order to show the comparative figures as per the Financial Statement Directive, 2080.

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(l) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

(m) Regrouping & Reclassification

Due to the change in the Financial Presentation from GAAP to NFRS, necessary regrouping and reclassification for better presentations have been made, the details have been mentioned in the respective schedule.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property and Equipment

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 recognized 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from it's carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation,

is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

Depreciation of Property, Plant and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)

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.

The value of assets fully depreciated but continued to be in use is considered not material. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are included in profit or loss.

Capital items costing to less than NPR 5,000 have been treated as revenue expenditure in the year of purchase.

Useful Life of Property, Plant and Equipment based on SLM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Land	
Buildings	50
Leasehold Improvement	5
Furniture & Fixture	7
Computers and IT Equipment	5
Office Equipment	7
Vehicles	7
Other Assets (Plant & Machinery)	8
Other Assets (Furniture & Fixtures)	15
Other Assets (Plant & Machinery- Heavy)	15

iv) Derecognition

An item of Property, Plant and Equipment is derecognized up to 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, Plant 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. As required, the impairment assessment can be conducted by the external expert. The decision of impairment and reversal must be approved by BOD after recommendation from management.

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 the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit or loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Softwares	5
Licenses	License period

iii) Derecognition

An Intangible Asset is derecognized 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 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 recognized in the

Statement of Profit or 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 capitalized 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 derecognized 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 recognized 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, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate

recognized professional qualifications and recent experience in the location and category by property being valued.

Investment properties are derecognized 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 recognized 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, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

The company used cost model for the valuation of investment properties.

(d) Investment in Associates

Investment in Associates are recognized on cost method. The Profit/ Loss of the associates are recognized in profit and loss account in the ratio of holding.

(e) Investment in Subsidiary

Investment in subsidiaries are consolidated as per NFRS. The dividend received from the subsidiary is recognized in the profit & loss account.

(f) Cash & Cash Equivalent

Cash & Cash Equivalents include Cash in Hand, Cheque in Hand, Bank Balances, and short-term deposits with a maturity of three months or less.

(g) 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 achieved

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 in 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 outstanding amount. 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 is measured at FVTPL.

iii) De-Recognition

Financial Assets is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. 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 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.

(h) 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 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 the 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.

(i) 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 recognized amounts and there is an intention to settle on a net basis or realize 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.

(j) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. 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.

(k) Equity

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

(l) Reserves and Funds**i) Share Capital**

When the company issued shares and the fully paid-up amount is share capital.

ii) Share Application Money Pending Allotment

When the company issued shares whether public or promoter and if the issued shares are not fully paid then such amount creates reserve for share application money pending allotment. The company does not have share application money pending for allotment.

iii) Share Premium

When the company issues share capital at higher than the Par value then the additional amount received creates share premium reserve. The company doesn't have share premium as on July 16, 2025.

iv) Revaluation Reserves

Reserve created against revaluation gain on property and equipment and intangible assets, other than the reversal of earlier revaluation losses charged to profit or loss.

The company does not have a revaluation reserve because the company used cost model to measure the property and equipment.

v) Catastrophe Reserve

The company has allocated amounts from profit and

loss account to the catastrophe reserve fund equals to 10 percent of profit after tax (eliminating the effect of deferred tax) as prescribed by Financial Directive, 2080.

vi) Corporate Social Responsibility (CSR) Reserves

The company has allocated amounts from profit and loss account to the corporate social responsibility (CSR) reserve fund equals to 1 percent of profit after tax (eliminating the effect of deferred tax) as prescribed by Financial Directive, 2080.

vii) Fair Value Reserves

The company has policy of presentation of profit or loss on Equity Share investment and Mutual fund through the Statement of Other Comprehensive Income (SOI). As a result, the resulting Fair Value gain has been transferred to Life Fund & Shareholders Fund as per Financial Directive, 2080.

viii) Actuarial Reserves

The reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred), and the effects of changes in actuarial assumptions. The company has created this reserve to allocate the amount arising from the actuarial valuation of employment benefits.

ix) Deferred Tax Reserves

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

x) Other Reserves- Regulatory Reserve

Regulatory reserve represents the amount transferred to Regulatory Reserve due to excess profit generated from NFRS based financial statement over GAAP based financial statement as per regulatory provision. The company had regulatory reserve of NRs. 589,594,163, which has been transferred to Shareholders Fund (retained earnings) and Life Fund during this year as per Financial Directive, 2080.

(m) Insurance Contract Liabilities**i) Life Insurance Fund**

The life insurance fund as per the actuarial valuation report including net policyholder's liability, cost of bonus, any other liabilities plus any unallocated surplus shall be presented under life insurance fund.

ii) Claim Payment Reserve including IBNR

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) Transfer from Reserves

Any regulatory transfer to be made from fair value reserve, actuarial reserve, revaluation reserves or any other reserve shall be presented under insurance contract liabilities.

iv) Net gain on fair value changes on FVTPL instruments

The company has adopted FVTOCI for financial instruments and the gain/loss has moved through retained earnings.

v) 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.

(n) 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 obligation 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 contributions are recognized as Employee Benefit Expenses 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 recognizes 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 recognizes 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.

(o) Revenue Recognition**i) Gross Earned Premium**

Premium is recognized on a cash basis as specified by Nepal Insurance Authority, Insurance Act. Premium income is booked in the books of account only when premium is received; any premium which is received 90 days prior to due date is recognized as premium income. Premium income consists of base premium and rider premium (if any) which is scheduled to policy period at the date of issue of the policy.

ii) Unearned Premium

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 rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

The company doesn't recognize unearned premium.

iii) Premiums on Reinsurance Accepted

Premiums on reinsurance accepted 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) Commission Income

Commission Income is recognized on an accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

v) Income from investment and loans

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

vi) Net realized gains and losses.

Net realized 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 amortized cost and are recorded on occurrence of the sale transaction.

vii) Profit/ (Loss) on Share Trading

Share trading income shall be recognized when the transaction has been completed, i.e. on accrual basis.

viii) Dividend Income

Dividend income from investment is only recognized when the right to receive payment is established as per the NFRS.

ix) Other Income

Other income such as miscellaneous income, income from disposal of fixed assets (or property & equipment), foreign exchange gain/loss, etc. which are not of regular nature are recognized only when the right to receive payment is established and transaction completed.

(p) Benefit, Claims and Expenses

All the expenses shall be booked on accrual basis unless otherwise stated.

i) Gross Benefits and Claims

Benefits and claims include the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Benefits and claims that are incurred during the financial year are recognized 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) Claims ceded.

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

(q) 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 opt 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 or 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 provided 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

The main objective of foreign employment term is providing insurance for financial assistance if there is death or elimination of any insured due to work or staying abroad.

v) 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.

vi) Special Term

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

(r) 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 is 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.

(s) 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.

(t) Leases

The lease liability has been accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is 10%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment.

The company has re-measured the lease liability of all the lease unit existing as on Ashad end assuming all the lease units were executed on the first day of the reporting period and the ROU has been adjusted accordingly. The ROU will be depreciated over the remaining lease terms as per the Lease agreements.

The Company recognizes a right-of-use asset and a corresponding lease liability at the commencement date of a lease for all contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration, except for the following exemptions permitted by NFRS 16:

- Short-term leases: leases with a term of twelve months or less from the commencement date and without a purchase option; and
- Leases of low-value assets, such as personal computers, printers, and other small office equipment.
- Payments made under such leases are recognized as an expense on a straight-line basis over the lease term.

The Company has elected to apply these exemptions consistently to all classes of underlying assets that qualify. For all other leases, the Company measures the lease liability at the present value of lease payments and recognizes a corresponding right-of-use asset. Depreciation of right-of-use assets and interest on lease liabilities are recognized in profit or loss over the lease term.

Lease Modification

The company has recognized the gain or loss on lease modification in case of early termination of lease agreement before the expiry of lease period and in case of reduction of scope of the lease. Due to discontinuation of the lease agreement, the company has recognized loss on lease modification of Rs. 3,391,445/-

- Modification in lease will be treated as separate Lease if it involves the addition of one or more underlying assets and rent for the new is as per Market rate.
- Renew of the lease agreement will not be considered as Lease Modification but Actual outflow of the rent will be updated as per new terms of the agreement, if scope of renewal has already been indicated in original Lease agreement
- If renewal or extension is negotiated after the original lease ends, then: It's treated as a new lease under NFRS 16, even if it's with the same vendor and new lease liability and right-of-use (ROU) asset is recognized.

(u) 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 difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor 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 difference 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 Difference.

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.

(v) 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 expenses.

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.

(w) 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.

All financial information presented in NPR is rounded to the nearest rupee except, where indicated otherwise.

(x) Earnings Per Share

Basic Earnings per share are 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 earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(y) Related Party Transactions

Related party transactions are conducted on an arm's length basis and are disclosed in the financial statements in accordance with applicable accounting standards. The company discloses the nature of the related party relationships, the transactions with related parties, outstanding balances, terms and conditions, and key management compensation. All material related party transactions are reviewed by the Board to ensure compliance with relevant standards and transparency in financial reporting.

(z) 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.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be however the company does financial planning for measuring business performance of geographical areas within Nepal (as called "province offices"). The company has portfolios that are measured as business segments.

Business Segments of the Company are:

1. Endowment
2. Anticipated Endowment
3. Endowment Cum Whole Life
4. Foreign Employment Term
5. Others (Other Term)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GOODWILL & INTANGIBLE ASSETS

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INSURANCE COMPANY

Fig in NPR

Particulars	Softwares	Goodwill	"Others (to be specified)"	Total
Gross carrying amount				-
As at Shrawan 1, 2080	21,914,286			21,914,286
Additions during the year				-
Acquisition	2,719,820			2,719,820
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment				-
Balance as at Ashadh 31, 2081	24,634,106	-	-	24,634,106
Additions during the year				
Acquisition	1,829,436			1,829,436
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment				
Balance as at Ashadh 32, 2082	26,463,542	-	-	26,463,542
Accumulated amortization and impairment				
As at Shrawan 1, 2080	9,643,102	-	-	9,643,102
Additions during the year	3,336,288			3,336,288
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 31, 2081	12,979,391	-	-	12,979,391
Additions during the year	3,764,659			3,764,659
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 32, 2082	16,744,050	-	-	16,744,050
Capital Work-In-Progress				
As at Shrawan 1, 2080				
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year				
Balance as at Ashadh 31, 2081	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year				
Balance as at Ashadh 32, 2082	-	-	-	-
Net Carrying Amount				
As on Ashadh 31, 2081	11,654,715	-	-	11,654,715
As on Ashadh 32, 2082	9,719,492	-	-	9,719,492

GROUP

Particulars	Softwares	Goodwill	"Others (to be specified)"	Total
Gross carrying amount				-
Balance as at Ashadh 31, 2080	23,138,266	-	-	23,138,266
Additions during the year				-
Acquisition	2,719,820			2,719,820
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	(626,210)	-	-	(626,210)
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 31, 2081	25,231,876	-	-	25,231,876
Additions during the year				
Acquisition	1,841,301	-	-	1,841,301
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 32, 2082	27,073,177	-	-	27,073,177
Accumulated amortization and impairment				
Balance as at Ashadh 31, 2080	10,449,512	-	-	10,449,512
Additions during the year	3,474,292			3,474,292
Disposals during the year	(594,900)			(594,900)
Impairment during the year				-
Balance as at Ashadh 31, 2081	13,328,905	-	-	13,328,905
Additions during the year	3,864,233	-	-	3,864,233
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 32, 2082	17,193,138	-	-	17,193,138
Capital Work-In-Progress				
Balance as on Ashadh 31, 2080				
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	-	-
Net Carrying Amount				
As on Ashadh 31, 2081	11,902,971	-	-	11,902,971
As on Ashadh 32, 2082	9,880,039	-	-	9,880,039

PROPERTY AND EQUIPMENT

INSURANCE COMPANY

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Fig in NPR

ENTERPRISE RISK MANAGEMENT

COMPANY'S INTERNAL CONTROLS

STAKEHOLDERS INFORMATION

FINANCIAL STATEMENT

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2080	-	-	58,365,196	39,747,383	57,410,261	45,331,042	72,137,709	88,186,237	361,179,827
Additions during the year	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-
Capitalization	-	-	8,366,351	3,086,741	17,433,237	11,326,909	5,915,900	3,029,366	49,158,505
Disposals during the year	-	-	-	-	-	-	(2,621,000)	-	(2,621,000)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	66,731,547	42,834,124	74,843,498	56,657,951	75,432,609	91,217,602	407,717,332
Additions during the year									
Acquisition	347,767,410	-	-	-	-	-	-	-	347,767,410
Capitalization	-	-	9,907,724	3,667,489	19,024,687	13,936,107	10,427,800	476,845	57,442,652
Disposals during the year	-	-	-	-	-	-	(1,017,900)	-	(1,017,900)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	347,767,410	-	76,639,272	46,501,612	93,868,185	70,596,058	84,842,509	91,694,447	811,909,493
Accumulated depreciation and impairment									
As on Shrawan 1, 2080	-	-	32,374,116	32,724,578	43,864,344	29,907,760	30,119,160	83,227,420	252,217,378
Additional during the year	-	-	11,190,084	3,083,250	6,649,563	6,439,338	9,155,997	3,266,714	39,784,947
Disposals during the year	-	-	-	-	-	-	(288,394)	-	(288,394)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	43,564,200	35,807,828	50,513,907	36,347,099	38,986,762	86,494,134	291,713,930
Additional during the year	-	-	10,298,891	2,778,355	8,684,511	7,276,583	9,090,676	1,236,423	39,365,439
Disposals during the year	-	-	-	-	-	-	(107,143)	-	(107,143)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	(220,584)	-	(220,584)
Balance as on Ashadh 32, 2082	-	-	53,863,091	38,586,183	59,198,418	43,623,681	47,749,712	87,730,558	330,751,643
Capital Work-in-Progress									
As on Shrawan 1, 2080	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	-	-	-	-	-	-	-
Net Carrying Amount									
As on Ashadh 31, 2081	-	-	23,167,348	7,026,296	24,329,591	20,310,853	36,591,387	4,723,468	116,149,941
As on Ashadh 32, 2082	347,767,410	-	22,776,181	7,915,429	34,669,767	26,972,377	37,092,797	3,963,889	481,157,850
Right-of-Use Assets (After Implementation of NFRS 16)									
Gross carrying amount									
As on Shrawan 1, 2080	-	-	162,086,703	-	-	-	-	-	162,086,703
Additions during the year	-	-	235,441,764	-	-	-	-	-	235,441,764
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	397,528,467	-	-	-	-	-	397,528,467
Additions during the year	-	-	54,300,091	-	-	-	-	-	54,300,091
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	451,828,558	-	-	-	-	-	451,828,558
Accumulated depreciation									
As on Shrawan 1, 2080	-	-	40,857,715	-	-	-	-	-	40,857,715
Depreciation	-	-	3,312,115	-	-	-	-	-	3,312,115
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	44,169,830	-	-	-	-	-	44,169,830
Depreciation	-	-	76,435,909	-	-	-	-	-	76,435,909
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	120,605,739	-	-	-	-	-	120,605,739
Net Carrying Amount									
As on Ashadh 31, 2081	-	-	353,358,637	-	-	-	-	-	353,358,637
As on Ashadh 32, 2082	-	-	331,222,819	-	-	-	-	-	331,222,819
Grand Total									
As on Ashadh 31, 2081	-	-	376,525,985	7,026,296	24,329,591	20,310,853	36,591,387	4,723,468	469,507,579
As on Ashadh 32, 2082	347,767,410	-	353,999,000	7,915,429	34,669,767	26,972,377	37,092,797	3,963,889	812,360,669

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Fig in NPR

GROUP

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2080	-	-	58,365,196	43,347,368	59,261,284	47,036,111	76,087,709	88,188,237	372,285,885
Additions during the year									
Acquisition							5,000,000		5,000,000
Capitalization			8,366,351	3,086,741	17,604,237	11,376,908	5,915,900	3,029,366	49,379,504
Disposals during the year			(305,116)	(680,991)	(206,100)	(626,427)	(2,646,462)		(4,465,097)
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081	-	-	66,426,431	45,753,118	76,659,401	57,786,592	84,357,147	91,217,602	422,200,291
Additions during the year									
Acquisition	34,776,740		5,994,902	3,041,591	1,357,606	473,415	4,048,790		362,683,714
Capitalization			9,907,724	3,667,489	19,053,687	13,949,607	10,427,800	476,845	57,483,162
Disposals during the year							(1,017,900)		(1,017,900)
Write-offs during the year									
Revaluation during the year									
Transfer/ adjustments					(171,001)		171,001		
Balance as on Ashadh 32, 2082	34,776,740	-	82,329,058	52,462,197	96,899,693	72,209,614	97,986,838	91,694,447	841,349,257
Accumulated depreciation and impairment									
As on Shrawan 1, 2080	-	-	32,374,116	33,581,664	45,221,706	31,066,846	31,233,344	83,227,420	256,705,096
Additional during the year			11,781,139	3,425,602	6,972,404	6,590,941	9,719,727	3,266,714	41,756,528
Disposals during the year			(289,860)	(562,727)	(195,795)	(595,106)	(288,394)		(1,931,883)
Write-offs during the year									
Impairment during the year									
Transfer/ adjustments									
Balance as on Ashadh 31, 2081	-	-	43,865,395	36,444,539	51,998,315	37,062,682	40,664,676	86,494,134	296,529,741
Additional during the year			11,037,797	3,119,298	8,809,619	7,435,505	10,449,412	1,236,423	42,088,054
Disposals during the year							(107,143)		(107,143)
Write-offs during the year									
Impairment during the year									
Transfer/ adjustments							(75,044)		(75,044)
Balance as on Ashadh 32, 2082	-	-	54,903,191	39,563,837	60,807,934	44,498,187	50,931,902	87,730,558	338,435,609
Capital Work-in-Progress									
As on Shrawan 1, 2080	-	-	-	-	-	-	-	-	-
Additions during the year									
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
Balance as on Ashadh 31, 2081									
Additions during the year									
Capitalisation during the year									

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	-	-	-	-	-	-	-
Net Carrying Amount	-	-	-	-	-	-	-	-	-
As on Ashadh 31, 2081	-	-	22,561,037	9,308,578	24,661,087	20,723,910	43,682,470	4,723,468	125,670,550
As on Ashadh 32, 2082	347,767,410	-	27,425,866	12,898,360	36,091,760	27,711,427	47,054,935	3,963,889	502,913,648
Right-of-Use Assets (After Implementation of NFRS 16)									
Gross carrying amount	-	-	175,827,420	-	-	-	-	-	175,827,420
Additions during the year	-	-	235,441,764	-	-	-	-	-	235,441,764
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	411,269,184	-	-	-	-	-	411,269,184
Additions during the year	-	-	72,895,011	-	-	-	-	-	72,895,011
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	484,164,196	-	-	-	-	-	484,164,196
Accumulated depreciation									
As on Shrawan 1, 2080	-	-	44,080,236	-	-	-	-	-	44,080,236
Depreciation	-	-	4,795,467	-	-	-	-	-	4,795,467
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	48,875,703	-	-	-	-	-	48,875,703
Depreciation	-	-	78,379,576	-	-	-	-	-	78,379,576
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	127,255,279	-	-	-	-	-	127,255,279
Net Carrying Amount	-	-	-	-	-	-	-	-	-
As on Ashadh 31, 2081	-	-	362,393,482	-	-	-	-	-	362,393,482
As on Ashadh 32, 2082	-	-	356,908,917	-	-	-	-	-	356,908,917
Grand Total	-	-	-	-	-	-	-	-	-
As on Ashadh 31, 2081	-	-	384,954,519	9,308,578	24,661,087	20,723,910	43,682,470	4,723,468	488,064,032
As on Ashadh 32, 2082	347,767,410	-	384,334,783	12,898,360	36,091,760	27,711,427	47,054,935	3,963,889	859,822,564

INVESTMENT PROPERTIES

6

INVESTMENT PROPERTIES AT COST

Fig in NPR

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2080	255,063,236	226,713,467	481,776,703
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	9,965,364	9,965,364
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Transfer/Adjustment	-	-	-
Balance as at Ashadh 31, 2081	255,063,236	236,678,830	491,742,066
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Transfer/Adjustment	-	-	-
Balance as at Ashadh 32, 2082	255,063,236	236,678,830	491,742,066
Accumulated depreciation and impairment			
As at Shrawan 1, 2080	-	73,680,278	73,680,278
Additional during the year	-	4,384,529	4,384,529
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
Balance as at Ashadh 31, 2081	-	78,064,806	78,064,806
Additional during the year	-	4,536,726	4,536,726
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
Balance as at Ashadh 32, 2082	-	82,601,532	82,601,532
Capital Work-In-Progress			
As on Shrawan 1, 2080			
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Balance as on Ashadh 31, 2081	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Balance as on Ashadh 32, 2082	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 2081	255,063,236	158,614,024	413,677,260
Net Balance As At Ashad 32, 2082	255,063,236	154,077,298	409,140,534

(I) AMOUNTS RECOGNISED IN STATEMENT OF PROFIT OR LOSS

Particulars	Current Year	Previous Year
Rental income	59,722,232	61,442,325
Direct operating expenses from property that generated rental income	(31,251,994)	(27,898,892)
Direct operating expenses from property that didn't generated rental income	-	-
Profit from investment properties before depreciation	28,470,238	33,543,433
Depreciation charge	(4,536,726)	(4,384,529)
Profit from investment properties	23,933,512	29,158,905

(II) FAIR VALUE OF INVESTMENT PROPERTIES

Particulars	Current Year	Previous Year
Land	622,156,000	622,156,000
Building	440,239,000	440,239,000
Total	1,062,395,000	1,062,395,000

Notes on Fair Value :

The company obtained the independent valuation of Investment Properties located at Kamlpokhari as on 17th December, 2023. However, the effect of fair value has not been provided in Financial Statements.

(III) DISCLOSURE ON RESTRICTION ON THE REALISABILITY OF INVESTMENT PROPERTIES:

There is no restriction on realisability of Investment Properties.

(IV) CONTRACTUAL OBLIGATIONS:

Generally, the company has practice of rent agreement only for one year, there is no any contractual liability except mentioned in the rent agreement.

DEFERRED TAX ASSETS/(LIABILITIES)

7
Fig in NPR

Particulars	Insurance Company					
	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Deferred Tax on Temporary Difference						
Goodwill & Intangible Assets	-	-	-	-	-	-
Property and Equipment	(83,795,631)	-	(83,795,631)	(93,589,034)	-	(93,589,034)
Financial Assets at FVTPL	-	-	-	-	-	-
Financial Assets at FVTOCI	-	(228,261,284)	(228,261,284)	-	(225,748,356)	(225,748,356)
Provision for Leave	36,592,490	-	36,592,490	31,178,549	-	31,178,549
Provision for Gratuity	56,345,174	(28,063,169)	28,282,005	17,287,089	(43,053,554)	(25,766,464)
Impairment Loss on Financial Assets	-	-	-	-	-	-
Impairment Loss on Other Assets	-	-	-	-	-	-
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
Other-Premium Amortization	710,238	-	710,238	528,631	-	528,631
Others -Lease Liability	80,528,451	-	80,528,451	82,098,362	-	82,098,362
Total	90,380,722	(256,324,452)	(165,943,731)	37,503,597	(268,801,910)	(231,298,312)
Deferred Tax Asstes	90,380,722	(256,324,452)	-	37,503,597	(268,801,910)	-
Deferred Tax Liabilities	-	-	165,943,731	-	-	231,298,312

MOVEMENTS IN DEFERRED TAX ASSETS/ (LIABILITIES)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2081	37,503,597	(268,801,910)	(231,298,312)	64,481,814	(223,634,728)	(159,152,915)
Charged/(Credited) to Statement of Profit or Loss	52,877,125	-	52,877,125	(26,978,216)	-	(26,978,216)
Charged/(Credited) to Other Comprehensive Income	-	12,477,457	12,477,457	-	(45,167,181)	(45,167,181)
As at Ashadh 32, 2082	90,380,722	(256,324,452)	(165,943,731)	37,503,597	(268,801,910)	(231,298,312)

DEFERRED TAX ASSETS/(LIABILITIES)

Fig in NPR

Particulars	Group					
	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Deferred Tax on Temporary Difference						
Goodwill & Intangible Assets	-	-	-	-	-	-
Property and Equipment	(91,083,698)	-	(91,083,698)	(95,465,076)	-	(95,465,076)
Financial Assets at FVPTL	5,673,197	-	5,673,197	7,043,829	-	7,043,829
Financial Assets at FVTOCI	-	(228,261,284)	(228,261,284)	-	(225,748,356)	(225,748,356)
Provision for Leave	36,831,303	-	36,831,303	31,278,877	-	31,278,877
Provision for Gratuity	56,345,174	(28,063,169)	28,282,005	17,287,089	(43,053,554)	(25,766,464)
Impairment Loss on Financial Assets	-	-	-	-	-	-
Impairment Loss on Other Assets	-	-	-	-	-	-
Carry forward of unused tax losses	2,804,191	-	2,804,191	11,462,103	-	11,462,103
Changes in tax rate	-	-	-	-	-	-
Other-Premium Amortization	710,238	-	710,238	528,631	-	528,631
Others (Rent Equalization)	86,963,978	-	86,963,978	83,478,445	-	83,478,445
Total	98,244,382	(256,324,452)	(158,080,071)	55,613,898	(268,801,910)	(213,188,011)
Deferred Tax Asstes	98,244,382	(256,324,452)	-	55,613,898	(268,801,910)	-
Deferred Tax Liabilities	-	-	158,080,071	-	-	213,188,011

MOVEMENTS IN DEFERRED TAX ASSETS/ (LIABILITIES)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2081	55,613,898	(268,801,910)	(213,188,011)	84,821,790	(223,634,728)	(138,812,939)
Charged/(Credited) to Statement of Profit or Loss	42,630,483	-	42,630,483	(29,207,892)	-	(29,207,892)
Charged/(Credited) to Other Comprehensive Income	-	12,477,457	12,477,457	-	(45,167,181)	(45,167,181)
As at Ashadh 32, 2082	98,244,382	(256,324,452)	(158,080,071)	55,613,898	(268,801,910)	(213,188,011)

INVESTMENT IN SUBSIDIARIES

8

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-	-	-
Investment in Unquoted Subsidiaries	-	-	2,029,500,000	153,000,000
Less: Impairment Losses	-	-	-	-
Total	-	-	2,029,500,000	153,000,000

INVESTMENT IN QUOTED SUBSIDIARIES

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.	-	-	-	-	-	-
..... Shares of Rs. Each of Ltd.	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
Total	-	-	-	-	-	-

INVESTMENT IN UNQUOTED SUBSIDIARIES

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
2,295,000 Shares of 100 Rs. Each of Nepal Life Capital Ltd.	229,500,000	-	229,500,000	153,000,000	-	153,000,000
18,000,000 Shares of 100 Rs. Each of Nepal Life Investment Company Ltd.	1,800,000,000	-	1,800,000,000	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
Total	2,029,500,000	-	2,029,500,000	153,000,000	-	153,000,000

INFORMATION RELATING TO SUBSIDIARIES

Particulars	Percentage of Ownership	
	Current Year	Previous Year
2,295,000 Shares of 100 Rs. Each of Nepal Life Capital Ltd.	53.78%	51.02%
18,000,000 Shares of 100 Rs. Each of Nepal Life Investment Company Ltd.	100.00%	0.00%

INVESTMENT IN ASSOCIATES

9

Fig in NPR

Particulars	Insurance Company	
	Current Year	Previous Year
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	1,399,042,608	-
Less: Impairment Losses	-	-
Total	1,399,042,608	-

INVESTMENT IN QUOTED ASSOCIATES

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.	-	-	-	-	-	-
..... Shares of Rs. Each of Ltd.	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
Total	-	-	-	-	-	-

INVESTMENT IN UNQUOTED ASSOCIATES

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
1,500,000 Shares of 100 Rs. Each of Uniglobe Higher Secondary School Kathmandu Limited	600,000,000.00	-	600,000,000.00	-	-	-
1,843,224 Shares of 100 Rs. Each of Professional Holdings Ltd	737,289,600.00	-	737,289,600.00	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
Total	1,337,289,600.00	-	1,337,289,600.00	-	-	-

INFORMATION RELATING TO ASSOCIATES

Particulars		
Name	Uniglobe Higher Secondary School Kathmandu Limited	Professional Holdings Ltd
Place of Business	Kathmandu	Kathmandu
Accounting Method	Equity Method	Equity Method
% of Ownership	48%	35%
Current Assets	918,712,396	702,498,866
Non-Current Assets	670,463,907	2,334,691,368
Current Liabilities	321,619,695	370,775,330
Non-Current Liabilities	439,713,705	1,488,751,698
Income		
Net Profit or Loss	45,150,349	113,965,202
Other Comprehensive Income		
Total Comprehensive Income	45,150,349	113,965,202
Company's share of profits		
Net Profit or Loss	21,500,166	40,252,842
Other Comprehensive Income		

The financial figures pertaining to Associates have been taken from unaudited financial statements, as the audit has not been finalized due to damage to the server and systems during the GenZ protest.

INVESTMENTS

10

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Investments measured at Amortised Cost	181,881,755,740	157,173,253,174	180,976,364,862	157,138,781,900
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	6,811,155,740	5,502,653,174	6,775,764,862	5,468,181,900
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposits in "A" Class Financial Institutions	156,035,600,000	137,690,600,000	155,235,600,000	137,690,600,000
v) Fixed Deposits in Infrastructure Banks	2,500,000,000	-	2,500,000,000	-
iv) Fixed Deposits in "B" Class Financial Institutions	15,350,000,000	13,680,000,000	15,280,000,000	13,680,000,000
iiiv) Fixed Deposits in "C" Class Financial Institutions	-	-	-	-
iiiiv) Others (PEVC)	685,000,000	300,000,000	685,000,000	300,000,000
iiiiv) Others (Hydro)	500,000,000	-	500,000,000	-
Less: Impairment Losses	-	-	-	-
Investments at FVTOCI	8,602,859,499	7,018,939,693	8,602,859,499	7,018,939,693
i) Investment in Equity Instruments (Quoted)	8,159,604,121	6,760,831,025	8,159,604,121	6,760,831,025
ii) Investment in Equity Instruments (Unquoted)	4,780,000	4,780,000	4,780,000	4,780,000
iii) Investment in Mutual Funds	438,475,377	253,328,668	438,475,377	253,328,668
iv) Investment in Debentures	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Investments at FVTPL	221,471,364	187,536,585	-	-
i) Investment in Equity Instruments (Quoted)	216,288,664	184,184,785	-	-
ii) Investment in Equity Instruments (Unquoted)	-	-	-	-
iii) Investment in Mutual Funds	5,182,700	3,351,800	-	-
iv) Investment in Debentures	-	-	-	-
v) Others (to be specified)	-	-	-	-
Total	190,706,086,602	164,379,729,453	189,579,224,361	164,157,721,593

A) DETAILS OF IMPAIRMENT LOSSES

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
Investment in Debentures	-	-	-	-
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-	-	-
Fixed Deposit with "A" Class Financial Institutions	-	-	-	-
Fixed Deposit with Infrastructure Banks	-	-	-	-
Fixed Deposit with "B" Class Financial Institutions	-	-	-	-
Fixed Deposit with "C" Class Financial Institutions	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	-	-	-	-

B) INVESTMENTS HAVING EXPECTED MATURITIES LESS THAN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Investment in Equity Instruments (Quoted)	-	-	-	-
Investment in Equity Instruments (Unquoted)	-	-	-	-
Investment in Mutual Funds	-	-	-	-
Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
Investment in Debentures	25,863,382	50,255,000	25,863,382	50,255,000
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-	-	-
Fixed Deposit with "A" Class Financial Institutions	23,837,500,000	6,867,500,000	23,837,500,000	6,867,500,000
Fixed Deposit with Infrastructure Banks	-	-	-	-
Fixed Deposit with "B" Class Financial Institutions	6,310,000,000	-	6,310,000,000	-
Fixed Deposit with "C" Class Financial Institutions	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	30,173,363,382	6,917,755,000	30,173,363,382	6,917,755,000

C) INFORMATION RELATING TO INVESTMENT IN EQUITY INSTRUMENTS

Particulars	Current Year			Previous Year		
	Qty	Cost	Fair Value	Qty	Cost	Fair Value
Investment in Equity Instruments (Quoted)						
Agricultural Development Bank Limited ordinary share of Rs 100 Each	264,217	95,388,867	86,433,307	220,273	83,582,282	64,760,262
Api Power Company Ltd. ordinary share of Rs 100 Each	200,018	57,838,071	59,189,327	60,000	11,599,536	11,460,000
Arun Valley Hydropower Development Co Ltd ordinary share of Rs 100 Each	65,051	16,929,980	18,974,726	83,160	19,063,900	14,794,164
Chilime Hydropower Company Limited ordinary share of Rs 100 Each	67,537	36,349,347	36,027,613	1,122	673,685	521,730
Chhimek Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	24,356	24,070,299	25,232,329	70,683	75,442,578	63,614,700
Chandragiri Hills Limited ordinary share of Rs 100 Each	16,756	20,031,555	16,019,071			
Citizens Bank International Limited ordinary share of Rs 100 Each	148,505	36,738,097	33,900,721	151,294	39,537,449	29,275,389
Citizen Investment trust-Promoter share of Rs 100 Each	2,016,946	708,726,520	1,403,794,416	1,884,997	708,726,468	1,581,829,162
Depros Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	34,344	37,113,159	30,299,994	31,364	37,113,159	26,377,124
Everest Bank Limited ordinary share of Rs 100 Each	70,880	44,291,589	49,726,573	610,048	338,110,064	341,626,880
First Microfinance Laghubitta Bittiya Sanstha Ltd ordinary shares of Rs 100 Each				3,671	2,598,924	2,499,951
Forward Community Microfinance Bittiya Sanstha Ltd.-Promoter Share of Rs 100 Each	382,387	170,685,095	179,553,640	337,500	170,685,095	157,589,550
Garima Bikas Bank Limited ordinary share of Rs 100 Each	194,804	87,936,523	83,446,241	274,563	122,869,416	105,734,211
Global IME Bank Limited -Promoter Share of Rs 100 Each	543,478	40,825,401	54,347,800	264,232	72,259,632	51,313,854
Global IME Bank Limited ordinary share of Rs 100 Each	618,207	138,540,415	160,467,991	515,145	40,825,401	51,514,500
Grameen Bikas Laghubitta Bittiya Sanstha Ltd. ordinary share of Rs 100 Each	44,177	52,027,973	37,546,916	44,177	51,320,225	35,827,547
Himalayan Bank Limited ordinary share of Rs 100 Each	314,289	106,835,877	74,580,780	314,289	106,835,877	64,177,814
Hydorelectricity Investment and Development Co. Ltd promoter shares of Rs 100 Each				102,889	10,674,037	10,597,567
Nepal Infrastructure Bank Ltd.- Promoter share of Rs 100 Each	19,332,000	1,790,000,000	2,029,860,000	19,332,000	1,790,000,000	1,933,200,000
Jyoti Bikas Bank Limited ordinary share of Rs 100 Each	65,475	26,764,718	23,017,082	38,435	16,484,410	12,088,590
Kamana Sewa Bikas Bank Limited ordinary share of Rs 100 Each	229,340	112,000,275	114,828,245			
Kumari Bank Limited ordinary share of Rs 100 Each	250,452	77,472,512	55,041,836	274,051	77,472,512	42,121,639
Laxmi Laghubitta Bittiya Sanstha Ltd. ordinary share of Rs 100 Each	31,363	38,706,474	35,162,627	8,995	13,746,889	11,009,880
Lumbini Bikas Bank Ltd. ordinary share of Rs 100 Each	250,451	124,343,912	120,389,291	41,683	17,568,786	17,365,138
Machhapuchhre Bank Limited ordinary share of Rs 100 Each	332,763	90,113,603	86,322,050	337,381	91,817,146	67,476,200
Madhya Bhotekoshi Jalavidyut Company Limited ordinary share of Rs 100 Each	34,214	13,550,533	10,813,335			
Mahuli Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	58,491	96,460,217	75,804,921			
Mahalaxmi Bikas Bank Ltd ordinary shares of Rs 100 Each				41,707	13,639,520	14,680,864
Manjushree Finance Ltd. ordinary share of Rs 100 Each	20,000	17,223,664	12,465,400	30,825	26,545,973	18,584,393
Mithila Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	33,348	48,326,126	53,318,116	41,214	63,353,610	56,838,227
Mountain Energy Nepal Limited ordinary share of Rs 100 Each	15,019	9,272,905	9,599,995			
Mai Kholahydro power Limited ordinary share of Rs 100 Each	109,230	80,513,348	100,049,219			
Mountain Hydro Nepal Limited ordinary share of Rs 100 Each	78,327	23,010,719	20,746,472	41,139	10,866,520	10,243,611
Molung Hydropower Company Limited ordinary share of Rs 100 Each	79,009	41,091,439	35,301,221			
Mukti Nath Bikas Bank Ltd ordinary shares of Rs 100 Each				43,990	17,441,825	16,144,330
RASUWAGADHI HYDROPOWER COMPANY LIMITED ordinary share of Rs 100 Each	500,068	237,962,265	168,197,872	8,809	3,065,957	2,598,655
First Micro Finance Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	202,909	162,386,713	162,140,524			
Peoples Hydropower Company Limited ordinary share of Rs 100 Each	120,086	67,547,501	61,363,946			
Himalayan Power Partner Ltd. (HPPL) ordinary share of Rs 100 Each	75,800	42,623,803	37,618,782			
NESDO Sambridha Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	860	2,692,824	1,476,431	860	2,692,824	1,884,140

Contd...

Particulars	Current Year			Previous Year		
	Qty	Cost	Fair Value	Qty	Cost	Fair Value
Nepal Bank Limited ordinary share of Rs 100 Each	307,866	112,667,806	89,724,467	307,866	112,667,806	70,655,247
Nepal Doorsanchar Company Limited ordinary share of Rs 100 Each	54,401	54,269,021	47,724,365	52,381	53,181,915	44,261,945
Nepal Investment Mega Bank Ltd. Promoter Share (NIMBPO) of Rs 100 Each	513,604	170,461,570	86,285,472	510,326	170,461,570	70,884,281
Nepal Investment Mega Bank Limited ordinary share of Rs 100 Each	222,347	82,408,878	51,366,604	222,257	82,408,878	38,917,201
Nepal Reinsurance Co. Ltd.-(NRICP)-Promoter share of Rs 100 Each	964,989	71,895,100	271,161,909	964,989	71,895,100	275,624,018
Nepal SBI Bank Limited ordinary share of Rs 100 Each	325,607	136,480,002	143,260,568	274,320	107,945,107	89,976,960
NIC Asia Bank Ltd.- Promoters of Rs 100 Each	1,645,638	70,820,400	245,009,168	1,645,638	70,820,400	274,426,593
NIC ASIA Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	20,928	17,960,729	14,318,938	20,928	17,960,729	14,754,240
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	188,112	186,933,876	144,603,576	187,364	186,933,876	133,384,432
Nerude Mirmire Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	28,522	19,909,918	19,975,383	4,920	4,263,649	3,543,384
Ngadi Group Power Limited ordinary share of Rs 100 Each	36,864	14,568,912	14,616,837			
NMB Bank Ltd ordinary shares of Rs 100 Each	148,615	151,765,088	130,848,077	24,776	5,507,148	5,401,168
Oriental Hotels Limited ordinary share of Rs 100 Each	96,233	11,303,148	9,623,300	96,233	11,303,148	9,623,300
Prabhu Bank Limited Promoter Share of Rs 100 Each	141,764	54,652,992	31,456,014	141,764	54,652,992	23,206,767
Prabhu Bank Limited ordinary share of Rs 100 Each	540,538	161,026,281	149,356,055	327,540	103,756,520	72,648,372
Prime Commercial Bank Ltd. ordinary share of Rs 100 Each	50,001	28,794,937	40,512,630			
Radhi Bidyut Company Ltd ordinary share of Rs 100 Each	27,769	7,212,843	7,164,957			
Ridi Hydropower Company Ltd. ordinary share of Rs 100 Each	13,606	16,290,599	14,143,709	13,606	16,290,599	14,517,602
Sadhana Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	18,003	17,340,562		18,003	17,340,562	15,369,161
Sana Kisan Bikas Bank Ltd ordinary shares of Rs 100 Each	157,391	49,487,563	58,985,425	247,140	65,272,269	68,952,060
Sanima Bank Limited ordinary share of Rs 100 Each	103,381	56,494,936	64,810,583	53,061	18,389,748	18,014,210
Sanima Mai Hydropower Ltd.(Bhadra 2081) ordinary share of Rs 100 Each				20,547	7,176,950	5,829,184
Sanjen Jalbidhyut Company Ltd ordinary shares of Rs 100 Each	34,628	31,429,744	29,981,269	271,231	108,763,631	218,747,802
Sarbotam Cement Ltd. ordinary share of Rs 100 Each	207,110	115,915,013	110,812,134	100,207	58,197,948	50,333,976
SHIVAM CEMENTS LTD ordinary share of Rs 100 Each	558,543	174,115,834	214,352,047	320,059	100,875,928	90,576,697
Siddhartha Bank Limited ordinary share of Rs 100 Each	23,430	10,799,620	13,532,699	10,860	1,907,390	1,862,490
Singati Hydro Energy Ltd ordinary shares of Rs 100 Each	406,786	100,201,894	97,116,090	288,806	167,380,612	173,861,212
Soaltee Hotel Limited ordinary share of Rs 100 Each	126,111	117,406,045	111,159,280	304,532	80,708,381	53,293,100
Standard Chartered Bank Ltd ordinary shares of Rs 100 Each	106,255	64,278,621	54,990,150	109,034	113,071,169	102,491,960
Laxmi Sunrise Bank Limited ordinary share of Rs 100 Each	170,889	116,556,691	104,531,092			
Swabalamban Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	62,992	25,919,366	25,440,579			
Sanima Middle Tamor Hydropower Ltd ordinary share of Rs 100 Each	7,740	19,709,797	17,890,081			
United IDI Mardi RB Hydropower Limited. ordinary share of Rs 100 Each	141,621	30,245,238	29,819,718			
UNIVERSAL POWER COMPANY LTD ordinary share of Rs 100 Each	87,727	32,762,269	32,095,800			
Unique Nepal Laghubitta Bittiya Sanstha Limited ordinary share of Rs 100 Each	24,322	61,992,376	64,258,481			
Hydroelectricity Investment and Development Company Limited Promoter Share (HIDCLP) of Rs 100 Each	7,557	6,539,313	6,827,976			
Panchthar Power Company Limited (PPCL) ordinary share of Rs 100 Each	58,059	47,215,757	48,789,881			
CEDB Holdings Limited (CHDC) ordinary share of Rs 100 Each						
Mandu Hydropower Ltd. (MANDU) ordinary share of Rs 100 Each						
Siddhartha Premier Insurance Limited (SPIL) ordinary share of Rs 100 Each						

Contd...

Particulars	Current Year		Previous Year	
	Oty	Fair Value	Oty	Fair Value
Investment in Equity Instruments (Unquoted)				
Insurance Institute of Nepal Ltd promoter shares of Rs 100 Each	47,800	4,780,000	47,800	4,780,000
Investment in Mutual Funds				
Nabil Balance Fund-2 of Rs.10 Each	157,500	1,730,046	157,500	1,730,046
Nabil Balance Fund-3 of Rs.10 Each	16,680	166,633	16,680	166,800
Siddhartha Equity Fund of Rs.10 Each	1,235,228	12,137,365	967,748	9,677,480
NMB-50 of Rs. 10 Each	4,936,675	53,937,592	4,936,675	53,937,592
NIBL Samriddhi Fund-II of Rs.10 Each	1,000,000	10,000,000	1,000,000	10,000,000
Sanima Equity Fund of Rs 10 Each		8,830,000		8,250,000
Citizen Mutual Fund-1 of Rs 10 Each		1,568,800		16,234,172
Sunrise First Mutual Fund of Rs.10 Each		2,000,000		20,000,000
Prabhu Select Fund of Rs.10 Each	672,130	9,360,380	672,130	9,360,380
NMB Sulav Investment Fund-2 of Rs. 10 Each	1,468,100	14,681,000	1,468,100	14,681,000
NMB Sulav Investment Fund-2 of Rs. 10 Each	2,000,000	20,000,000	2,000,000	20,000,000
NMB Sulav Investment Fund-2 of Rs. 10 Each	700,200	7,361,454		
NIBL Stable Fund of Rs.10 Each	5,000,000	50,000,000	5,000,000	50,000,000
Kumari Sabal Yojana of Rs. 10 Each	2,000,000	20,000,000	2,000,000	20,000,000
Gerima Samriddhi Yojana of Rs.10 Each	3,152,390	31,523,900		31,366,281
Muktinath Mutual Fund-1 of Rs.10 Each	3,103,686	31,036,860		30,726,491
Laxmi Equity Fund of Rs 10 Each			4,012,945	38,164,940
NMB Hybrid Fund-II of Rs.10 Each	7,000,000	70,000,000		63,420,000
MBL Equity Fund(MF) of Rs. 10 Each	5,000,000	50,000,000		49,650,000
Reliable Samriddhi Yojana (RSY) of Rs.10 Each	5,000,000	50,000,000		49,650,000
Prabhu Smart Fund(PRSF) of Rs.10 Each	1,212,000	12,801,138		13,901,640
Total	78,139,292	7,656,401,029	57,601,838	6,115,946,269

Fair Value of Promoter Shares:

i. The valuation basis of promoter share is 40% of 180 days average trading price obtained from Nepal Stock Exchange. However, the valuation has been considered maximum of 40% of 180 days Average trading price or Face value. If latest auction price of the promoter share is available, latest auction price has been considered as the fair value for the valuation on best judgement basis.

ii. The promoter share which are freely traded in NEPSE, last trading price has been considered for valuation.

D) THE COMPANY HAS EARMARKED INVESTMENTS AMOUNTING TO NPR. 145,761,000,000 TO NEPAL INSURANCE AUTHORITY.

LOANS

11

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Loans measured at Amortised Cost				
Loan to Employees	434,859,267	464,025,070	434,859,267	464,025,070
Loan to Agents	132,049,808	200,596,204	132,049,808	200,596,204
Loan to Policyholders	34,542,567,365	33,394,724,131	34,542,567,365	33,394,724,131
Others (to be Specified)	-	-	-	-
Less: Impairment Losses	-	-	-	-
i. Agent Loan	(112,701,819)	(145,065,047)	(112,701,819)	(145,065,047)
ii. Debtors				
Total	34,996,774,621	33,914,280,358	34,996,774,621	33,914,280,358

A) LOANS TO POLICYHOLDERS

Particulars	Insurance Company			
	Loan amount		Interest Income	
	Current Year	Previous Year	Current Year	Previous Year
Endowment	17,362,001,010	16,448,071,271	1,836,836,229	1,651,696,019
Anticipated Endowment	8,351,666,731	8,855,627,381	939,481,404	925,889,947
Endowment cum Whole Life	8,828,899,625	8,091,025,479	923,381,867	815,079,151
Whole Life				
Foreign Employment Term				
Micro Term				
Special Term				
Others (Other Term)				
Total	34,542,567,365	33,394,724,131	3,699,699,500	3,392,665,117

B) EXPECTED REPAYMENT OF LOAN WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Loan to Employees	-	-	1,090,051	-
Loan to Agents	-	-	-	-
Loan to Policyholders	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	-	-	1,090,050.85	-

REINSURANCE ASSETS

12

Fig in NPR

Particulars	Insurance Company							
	Tehchnical Provisions excluding Claim payment reserve		Claim Payment Reserve including IBNR and IBNER		Impairment Losses		Net Reinsurance Assets	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Endowment	-	-	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

INSURANCE RECEIVABLES

13

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Receivable from Reinsurer	66,662	162,401,505	66,662	162,401,505
Receivable from other Insurance Companies	-	-	-	-
Others(to be Specified)	-	-	-	-
Less: Impairment Losses	-	-	-	-
Total	66,662	162,401,505	66,662	162,401,505

A) EXPECTED RECEIVABLE WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Receivable from Reinsurer	66,662	162,401,505	66,662	162,401,505
Receivable from Other Insurance Companies	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	66,662	162,401,505	66,662	162,401,505

OTHER ASSETS

14

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Capital Advances	-	-	-	-
Prepaid Expenses	5,334,596	2,978,738	4,722,032	2,728,411
Claim Advances	-	-	-	-
Advance To Suppliers	3,697,521	2,182,121	3,697,521	2,182,121
Staff Advances	24,629,956	21,371,882	24,597,456	21,351,882
Printing and Stationary Stocks	2,535,701	5,934,621	2,525,628	5,931,561
Stamp Stocks	128,867	29,777	128,867	29,777
Deferred Expenses	140,525,047	160,375,882	140,525,047	160,375,882
Deferred Reinsurance Commission Expenses	-	-	-	-
Deferred Agent Commission Expenses	-	-	-	-
Lease Receivables	-	-	-	-
Others	-	-	-	-
i. Advance to building	679,533	719,083	679,533	719,083
ii. Advance to agents	-	-	-	-
iii. Advance to Nepal Life Capital Ltd.	321,337	-	56,778,879	-
iv. Plan Assets	-	-	-	-
Less: Impairment Losses	-	-	-	-
Total	177,852,558	193,592,104	233,654,963	193,318,717

A) EXPECTED TO BE RECOVERED/ SETTLED WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Capital Advances	-	-	-	-
Prepaid Expenses	5,334,596	2,978,738	4,722,032	2,728,411
Claim Advances	-	-	-	-
Advance To Suppliers	3,697,521	2,182,121	3,697,521	2,182,121
Staff Advances	24,629,956	21,371,882	24,597,456	21,351,882
Printing and Stationary Stocks	-	-	-	-
Stamp Stocks	-	-	-	-
Deferred Expenses	-	-	-	-
Deferred Reinsurance Commission Expenses	-	-	-	-
Deferred Agent Commission Expenses	-	-	-	-
Lease Receivables	-	-	-	-
Others	-	-	-	-
i. Advance to building	679,533	719,083	679,533	719,083
ii. Advance to agents	-	-	-	-
iii. Advance to Nepal Life Capital Ltd.	321,337	-	56,778,879	-
iv. Plan Assets	-	-	-	-
Total	34,662,943	27,251,824	90,475,421	26,981,497

OTHER FINANCIAL ASSETS

15

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Security Deposits	573,855	478,528	478,528	478,528
Accrued Interest	-	-	-	-
Interest Receivable from Loan to Policyholders	4,937,796,323	5,440,591,762	4,937,796,323	5,440,591,762
Other Receivables (Interest on FD and Debenture)	569,582,644	410,259,215	567,962,060	409,407,204
Other Deposits	-	-	-	-
Sundry Debtors	696,016,026	59,763,406	622,962,056	42,359,446
Others	-	-	-	-
i. Share Application Money	3,820,000,000	76,500,000	3,300,000,000	76,500,000
ii. Income Receivable From "Nepal Life Building"	35,327,312	34,859,327	35,327,312	34,859,327
iii. Deficit Premium Receivable	19,293	19,293	19,293	19,293
Less: Impairment Losses	(20,616,076)	(20,616,076)	(20,616,076)	(20,616,076)
Total	10,038,699,377	6,001,855,455	9,443,929,495	5,983,599,484

Note:

- i. Other receivables includes the interest receivables on Debenture of NRs. 214,623,102.52
- ii. Impairment Loss includes the Impairment of income receivable from Nepal Life Building of NRs. 16,196,453.05.

A) EXPECTED MATURITIES WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Security Deposits	-	-	-	-
Accrued Interest	-	-	-	-
Interest Receivable from Loan to Policyholders	4,937,796,323	5,440,591,762	4,937,796,323	5,440,591,762
Other Receivables	569,582,644	410,259,215	567,962,060	409,407,204
Other Deposits	-	-	-	-
Sundry Debtors	-	-	-	-
Others	-	-	-	-
i. Share Application Money	3,820,000,000	76,500,000	3,300,000,000	76,500,000
ii. Income Receivable From "Nepal Life Building"	35,327,312	34,859,327	35,327,312	34,859,327
iii. Deficit Premium Receivable	-	-	-	-
Total	9,362,706,279	5,962,210,304	8,841,085,694	5,961,358,293

CASH AND CASH EQUIVALENT

16

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Cash in Hand	13,848,989	56,901,404	13,783,621	56,886,304
Cheque in Hand	19,483,929	28,443,395	19,483,929	28,443,395
Bank Balances	-	-	-	-
i) Balance With "A" Class Financial Institutions	11,426,491,526	7,361,834,582	11,310,745,581	7,284,084,046
ii) Balance With Infrastructure Banks	-	-	-	-
iii) Balance With "B" Class Financial Institutions	246,032,102	268,815,291	242,002,734	259,820,798
iv) Balance With "C" Class Financial Institutions	6,332,398	11,666,201	5,618,198	4,909,667
Less: Impairment Losses	-	-	-	-
Deposit with initial maturity upto 3 months	-	-	-	-
Others	-	-	-	-
i. Balance in Wallet	19,101,722	-	19,101,722	-
Less: Impairment Losses	(4,580,442)	(13,539,908)	(4,580,442)	(13,539,908)
Total	11,726,710,223	7,714,120,965	11,606,155,344	7,620,604,303

Note:

i. Impairment losses includes the provision for Cheque in Hand.

A. SHARE CAPITAL

17

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Ordinary Shares				
As at Shrawan 1, 2081	8,207,966,554	8,207,966,554	8,207,966,554	8,207,966,554
Additions during the year				
i) Bonus Share Issue	820,796,655	-	820,796,655	-
ii) Share Issue	-	-	-	-
As at Ashadh 32, 2082	9,028,763,209	8,207,966,554	9,028,763,209	8,207,966,554
Convertible Preference Shares (Equity Component only)	-	-	-	-
As at Shrawan 1, 2081				
Additions during the year	-	-	-	-
As at Ashadh 32, 2082				
Irredeemable Preference Shares (Equity Component only)	-	-	-	-
As at Shrawan 1, 2081				
Additions during the year	-	-	-	-
As at Ashadh 32, 2082				
Total	9,028,763,209	8,207,966,554	9,028,763,209	8,207,966,554

(I) ORDINARY SHARES

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Authorised Capital:				
100,000,000 Ordinary Shares of Rs. 100 Each	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Issued Capital:				
90,287,632.09 Ordinary Shares of Rs. 100 Each.	9,028,763,209	8,207,966,554	9,028,763,209	8,207,966,554
Subscribed and Paid Up Capital:				
90,287,632.09 Ordinary Shares of Rs. 100 Each.	9,028,763,209	8,207,966,554	9,028,763,209	8,207,966,554
Total	9,028,763,209	8,207,966,554	9,028,763,209	8,207,966,554

(II) PREFERENCE SHARE CAPITAL

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Authorised Capital:				
..... Convertible Preference Shares of Rs. XXX Each	-	-	-	-
..... Irredeemable Preference Shares of Rs. XXX Each	-	-	-	-
Issued Capital:				
..... Convertible Preference Shares of Rs. XXX Each	-	-	-	-
..... Irredeemable Preference Shares of Rs. XXX Each	-	-	-	-
Subscribed and Paid Up Capital:				
..... Convertible Preference Shares of Rs. XXX Each	-	-	-	-
..... Irredeemable Preference Shares of Rs. XXX Each	-	-	-	-
Total	-	-	-	-

SHAREHOLDING STRUCTURE OF SHARE CAPITAL

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions	716,426	651,302	0.79%	1%
Nepali Citizens	45,330,266	41,209,327	50%	50%
Foreigners				
Others (to be Specified)				
Total (A)	46,046,692	41,860,629	51%	51%
Other than Promoters				
General Public	44,240,940	40,219,036	49%	49%
Others (to be Specified)				
Total (B)	44,240,940	40,219,036	49%	49%
Total(A+B)	90,287,632	82,079,665	100%	100%

DETAILS OF SHAREHOLDERS HOLDING 1% OR MORE THAN 1% OF THE AGGREGATE SHARES IN THE COMPANY:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
1. Suvash Chandra Sanghai	5,435,371	5,076,150	6.02%	6.18%
2. Govind Lal Sanghai	4,844,130	4,403,754	5.37%	5.37%
3. Anuj Agrawal	4,385,883	3,987,166	4.86%	4.86%
4. Vishal Agrawal	3,160,073	2,872,794	3.50%	3.50%
5. Ram Chandra Sanghai	2,975,250	2,786,186	3.30%	3.39%
6. Pawan Kumar Golyan	2,711,947	2,465,407	3.00%	3.00%
7. Purushotam Lal Sanghai	2,650,861	2,416,874	2.94%	2.94%
8. Basudev Golyan	2,145,729	1,950,662	2.38%	2.38%
9. Kavita Sanghai	1,768,716	1,607,925	1.96%	1.96%
10. Tulsi Ram Agrawal	1,429,364	1,384,421	1.58%	1.69%
11. Manju Agrawal	1,373,295	1,333,449	1.52%	1.62%
12. Sushil Gupta	1,196,080	1,126,216	1.32%	1.37%

17(B) SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Share Application Money Pending Allotment				
Total	-	-	-	-

17(C) SHARE PREMIUM

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
As on Shrawan 1, 2081	-	-	-	-
Increase due to issue of shares at premium				
Decrease due to issue of bonus shares				
Transaction costs on issue of share				
Others (to be Specified)				
As on Ashadh 32, 2082	-	-	-	-

17(D) CATASTROPHE RESERVES

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
As on Shrawan 1, 2081	1,263,777,598	1,048,197,371	1,263,777,598	1,048,197,371
Additions	230,249,693	215,580,228	230,249,693	215,580,228
Utilizations				
As on Ashadh 32, 2082	1,494,027,292	1,263,777,598	1,494,027,292	1,263,777,598

17(E) RETAINED EARNINGS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
As on Shrawan 1, 2081	1,959,556,718	1,773,519,983	1,942,155,727	1,798,333,736
Net Profit or Loss	2,323,915,054	2,133,075,509	2,294,358,442	2,128,824,062
Adjustment of prior period provision of Investment-FVTPL	-	-	-	-
Remeasurement of Post-Employment Benefit Obligations	-	-	-	-
Transfer to reserves	-	-	-	-
Revaluation Reserves	-	-	-	-
Capital Reserves	-	-	-	-
Catastrophic Reserves	(230,249,693)	(215,580,228)	(230,249,693)	(215,580,228)
Corporate Social Responsibility(CSR) Reserves"	(23,024,969)	(21,558,023)	(23,024,969)	(21,558,023)
Insurance Fund	-	-	-	-
Fair Value Reserves	-	-	-	-
Actuarial Reserves	-	-	-	-
Deferred Tax Reserve	(42,630,483)	8,867,915	(52,877,125)	26,978,216
Regulatory Reserves	589,594,163	-	589,594,163	-
Other Reserve	-	-	-	-
Other Reserve (Employee Training)	(5,541,431)	-	(5,541,431)	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-
Transfer of Disposal of Revalued Property and Equipment	-	-	-	-
Transfer of Disposal of Equity Instruments Measured at FVTOCI	524,583,286	(65,728,505)	524,583,286	(65,728,505)
Issue of Bonus Shares	(820,796,655)	-	(820,796,655)	-
Transaction costs on issue of Shares	-	-	-	-
Dividend Paid	(821,970,131)	(1,642,726,990)	(821,970,131)	(1,642,726,990)
Dividend Distribution Tax	(85,226,173)	(85,265,969)	(85,226,173)	(85,265,969)
Transfer to Insurance Contract Liability	(1,053,161,831)	-	(1,053,161,831)	-
Others -Actuarial Impact	-	-	-	-
Others-Nepal Life Capital (Effect of changes in ownership interests)	(57,153,070)	56,073,597	-	-
As on Ashadh 32, 2082	2,257,894,783	1,940,677,291	2,257,843,608	1,923,276,300

17(F) OTHER EQUITY

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Revaluation Reserves	-	-	-	-
Capital Reserves	601,993	601,993	-	-
Corporate Social Responsibility(CSR) Reserves	25,208,130	32,007,182	25,208,130	32,007,182
Insurance Fund	-	-	-	-
Fair Value Reserves	91,304,513	88,044,635	91,304,513	88,044,635
Actuarial Reserves	11,225,268	11,128,572	11,225,268	11,128,572
Deferred Tax Reserve	98,244,382	55,613,898	90,380,722	37,503,597
Other Reserve (Regulatory)	-	589,594,163	-	589,594,163
Other Reserve (Employee Training)	5,541,431	-	5,541,431	-
Total	232,125,717	776,990,444	223,660,064	758,278,149

17(G) NON CONTROLLING INTEREST

Particulars	Current Year	Previous Year
Equity Interest Held by Non-Controlling Interest(NCI) 46.22%		
Accumulated Balance of NCI as on Shrawan 1, 2081	181,577,925	123,656,577
Effect of changes in ownership interests (equity transaction)	(2,388,430)	
Total Comprehensive Income Allocated to NCI for the year	11,455,402	57,921,348
Divident Paid to NCI	-	-
Accumulated Balance of NCI as on Ashadh 31, 2082	190,644,898	181,577,925

PROVISIONS**18**

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Provision for employee benefits				
i) Provision for Leave	147,166,002	166,405,963	146,369,960	166,071,535
ii) Provision for Gratuity	113,128,020	75,740,854	113,128,020	75,740,854
iii) Termination Benefits	-	-	-	-
iv) Other Employee Benefit obligations (to be Specified)	-	-	-	-
Provision for tax related legal cases	-	-	-	-
Provision for non-tax related legal cases	-	-	-	-
Others(to be Specified)	-	-	-	-
Total	260,294,022	242,146,817	259,497,980	241,812,389

(A) MOVEMENT OF PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave	166,071,535		-	(19,701,575)	-	146,369,960
ii) Provision for Gratuity	75,740,854	37,387,166	-	-	-	113,128,020
iii) Termination Benefits	-	-	-	-	-	-
iv) Other Employee Benefit obligations (to be Specified)	-	-	-	-	-	-
Provision for tax related legal cases	-	-	-	-	-	-
Provision for non-tax related legal cases	-	-	-	-	-	-
Others(to be Specified)	-	-	-	-	-	-

(B) PROVISION WITH EXPECTED PAYOUTS WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Provision for employee benefits				
i) Provision for Leave	41,537,000	43,817,633	41,537,000	43,817,633
ii) Provision for Gratuity	35,500,000	18,961,857	35,500,000	18,961,857
iii) Termination Benefits	-	-	-	-
iv) Other employee benefit obligations(to be Specified)	-	-	-	-
Provision for tax related legal cases	-	-	-	-
Provision for non-tax related legal cases	-	-	-	-
Others (to be Specified)	-	-	-	-

GROSS INSURANCE CONTRACT LIABILITIES**19**

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Life Insurance Fund as per Actuary Report (19.1)	232,740,574,817	195,074,575,752	232,740,574,817	195,074,575,752
Claim Payment Reserve including IBNR (19.2)	2,014,565,828	1,660,212,078	2,014,565,828	1,660,212,078
Transfer from:				
Fair Value Reserve	-	-	-	-
Actuarial Reserve	-	-	-	-
Revaluation Reserve	-	-	-	-
Other Reserve	-	-	-	-
Net gain on fair value changes on FVTPL instruments	-	-	-	-
Fair Value Gain on Investment Properties	-	-	-	-
Share of Profit of Associates accounted as per Equity Method	-	-	-	-
Share of Other Comprehensive Income of Associates Accounted for using the Equity Method	-	-	-	-
Total	234,755,140,645	196,734,787,830	234,755,140,645	196,734,787,830

The valuation of the technical provision of Insurance Company is carried out as at July 16, 2025 in accordance with the Risk Based Capital and Solvency Directive, 2025 (2082) ("RBC Directive") issued by Nepal Insurance Authority ("NIA")

LIFE INSURANCE FUND

19.1
Fig in NPR

Particulars	Endowment	Anticipated Endowment	Endowment cum Whole Life	Foreign Employment Term	Others (Other Term)	Total
Opening Life Insurance Fund	117,843,347,997	29,431,914,822	47,612,926,512	186,513,280	-126,859	195,074,575,752
Surplus transfer to Life Insurance fund as per Sec 21 of the directive	27,104,540,489	2,812,002,358	9,409,952,662	180,881,090	150,882,623	39,668,259,222
Gross Life Insurance Fund for valuation (A)	144,947,888,486	32,243,917,180	57,022,879,174	367,394,370	150,755,764	234,732,834,973
Net policyholder's liability						-
Surplus/(Deficit) before shareholder transfer	144,947,888,486	32,243,917,180	57,022,879,174	367,394,370	150,755,764	234,732,834,973
Transfer to shareholder fund (B)	1,247,650,902	100,000	415,470,771	269,882,310	59,156,174	1,992,260,156
Transfer from shareholder fund to cover deficit as per actuary report (C)	-	-	-	-	-	-
Closing life insurance Fund as per actuarial valuation (D=A-B+C)	143,700,237,584	32,243,817,180	56,607,408,403	97,512,060	91,599,590	232,740,574,817
i) Best Estimate Liabilities excluding FDB and Cost of Bonus	95,991,154,597	29,657,960,753	38,678,440,428	158,754,014	41,857,684	164,528,167,475
ii) Future Discretionary Benefits (FDB)	32,406,247,383	130,624,963	13,528,263,407			46,065,135,753
iii) Margin Over Best Estimates (MOBE)	2,749,478,123	175,027,560	791,624,934	4,159,532	6,727,162	3,727,017,311
iv) Cost of Bonus	11,229,157,922	1,980,949,695	3,739,236,935			16,949,344,552
v) Other Liability (if any)	959,355,139	299,232,980	(261,519,538)	(65,401,486)	43,014,745	974,681,840
vi) Unallocated surplus	364,844,420	21,229	131,362,237			496,227,886

i. Notes on the cash-flows considered for valuation of liabilities

The following cash flows for each policy were projected monthly: Expected premiums, Expected benefits, including mortality and morbidity claims, maturity claims, anticipated benefits, and surrender value payments, Expected commission and remuneration, Expected management expenses, Expected reinsurance premiums and reinsurance recoveries, based on reinsurance contracts in-force at the valuation date.

ii. Notes on valuation methods and assumptions

Mortality Rates	Current Year	Investment Return	Lapse and Surrender Rate	Discount Rate
60% of NALM 2009 (Best Estimate)		10.02%	2.71%	RFR curve published by NIA

iii. Notes on the discounting policy

The cash flows were discounted using the risk free rate (RFR) curve published by NIA

Contd...

19.2

Fig in NPR

GROSS CLAIM PAYMENT RESERVE INCLUDING IBNR/IBNER

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Outstanding "Surrender Claim"		Outstanding "Other Claim"		IBNR/IBNER Claim		Gross outstanding claim reserve	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	15,222,000	2,766,667	1,030,388,723	674,124,821	-	-	4,456,956	-	-	-	101,533,723	1,050,067,679	778,425,211	
Anticipated Endowment	-	-	85,992,868	54,827,294	587,740,769	523,748,127	1,032,390	-	-	-	86,786,313	674,766,027	665,361,734	
Endowment cum Whole Life	4,900,000	3,925,833	277,556,075	171,343,503	-	-	3,968,150	-	-	-	26,290,400	286,424,225	201,559,736	
Whole Life	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign	3,307,897	-	-	-	-	-	-	-	-	-	3,307,897	3,307,897	3,307,897	
Employment Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (Other Term)	-	10,000,000	-	50,000	-	-	-	-	-	-	1,507,500	-	11,557,500	
Total	23,429,897	16,692,500	1,393,937,666	900,345,618	587,740,769	523,748,127	9,457,496	-	-	-	219,425,834	2,014,565,828	1,660,212,078	

Description	Gross outstanding claim reserve		Claim outstanding upto one year		Unclaimed fund as per sec 123(2) of Insurance Act		Transfer to Policyholder's protection fund		Gross claim payment reserve				
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year			
Endowment	1,050,067,679	778,425,211	835,072,225	590,616,006	211,948,084	200,252,163	3,047,370	-	1,050,067,679	790,868,169			
Anticipated Endowment	674,766,027	665,361,734	544,057,673	530,219,547	130,051,317	134,453,658	657,037	-	674,766,027	664,673,205			
Endowment cum Whole Life	286,424,225	201,559,736	254,687,987	185,012,933	31,736,238	16,292,374	-	-	286,424,225	201,305,307			
Whole Life	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Employment Term	3,307,897	3,307,897	-	-	3,307,897	3,307,897	-	-	3,307,897	3,307,897			
Micro Term	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (Other Term)	-	11,557,500	-	-	-	57,500	-	-	-	-	-	-	57,500
Total	2,014,565,828	1,660,212,078	1,633,817,885	1,305,848,486	377,043,536	354,363,592	3,704,407	-	2,014,565,828	1,660,212,078			

Note: 1) Unclaimed fund includes all outstanding claims that are not settled for more than one year from the date of intimation/date of maturity.

INSURANCE PAYABLE

20

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Payable to Reinsurer	153,499,768	490,524,124	153,499,768	490,524,124
Payable to other Insurance Companies	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	153,499,768	490,524,124	153,499,768	490,524,124

PAYABLE WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Payable to Reinsurer	153,499,768	490,524,124	153,499,768	490,524,124
Payable to other Insurance Companies	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	153,499,768	490,524,124	153,499,768	490,524,124

CURRENT TAX ASSETS/(LIABILITIES)(NET)

21

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Income Tax Liabilities	3,581,698,096	3,866,561,245	3,581,698,096	3,866,561,245
Income Tax Assets	4,627,238,203	4,290,367,252	4,614,256,350	4,283,129,433
Total	1,045,540,106	423,806,007	1,032,558,254	416,568,188

BORROWINGS

22

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Bonds	-	-	-	-
Debentures	-	-	-	-
Term Loans-Bank and Financial Institution	-	-	-	-
Bank Overdrafts	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	-	-	-	-

PAYABLE WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Bonds	-	-	-	-
Debentures	-	-	-	-
Term Loans-Bank and Financial Institution	-	-	-	-
Bank Overdrafts	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	-	-	-	-

OTHER LIABILITIES

23

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
TDS Payable	366,833,706	396,884,664	366,378,480	396,568,060
Unidentified deposits	27,507,240	33,011,174	27,507,240	33,011,174
Advance Premiums	-	-	-	-
Insurance Service Fee Payable	114,940,911	306,371,004	114,940,911	306,371,004
Lease Liability	343,565,561	332,993,726	322,113,803	328,393,448
Deferred Reinsurance Commission Income	-	-	-	-
Deferred Income	-	-	-	-
Others	-	-	-	-
i. Claim Payable	300,454,449	812,380,051	300,454,449	812,380,051
ii. Payable to Forfeited Policy	675,685	675,685	675,685	675,685
iii. New Agent Lic. Fee Payable To Beema Samiti	16,260,682	16,259,482	16,260,682	16,259,482
iv. Renewal Agent Lic. Fee Payable To Beema Samiti	3,321,287	3,321,007	3,321,287	3,321,007
v. Misc Credit Account	1,514,073	317,600	557,462	317,600
Total	1,175,073,593	1,902,214,393	1,152,210,000	1,897,297,511

PAYABLE WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
TDS Payable	366,833,706	396,884,664	366,378,480	396,568,060
Unidentified deposits	-	-	-	-
Advance Premiums	-	-	-	-
Insurance Service Fee Payable	114,940,911	306,371,004	114,940,911	306,371,004
Lease Liability	1,780,534	-	-	-
Deferred Reinsurance Commission Income	-	-	-	-
Deferred Income	-	-	-	-
Others	-	-	-	-
i. Claim Payable	300,454,449	812,380,051	300,454,449	812,380,051
ii. Payable to Forfeited Policy	675,685	675,685	675,685	675,685
iii. New Agent Lic. Fee Payable to Nepal Insurance Authority	16,260,682	16,259,482	16,260,682	16,259,482
iv. Renewal Agent Lic. Fee Payable to Nepal Insurance Authority	3,321,287	3,321,007	3,321,287	3,321,007
v. Misc Credit Account	1,514,073	317,600	557,462	317,600
Total	805,781,327	1,536,209,493	802,588,957	1,535,892,889

OTHER FINANCIAL LIABILITIES

24

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Redeemable Preference Shares	-	-	-	-
Irredeemable Cumulative Preference Shares	-	-	-	-
Refundable Share Application Money	-	-	-	-
Payable to Agents	988,895,948	814,316,772	988,895,948	814,316,772
Sundry Creditors	160,897,338	157,785,306	159,685,471	157,611,143
Retention and deposits	84,453,903	62,492,799	84,453,903	62,492,799
Short-term employee benefits payable	-	-	-	-
i) Salary Payables	47,812,123	39,672,930	47,806,212	39,672,670
ii) Bonus Payables	343,121,169	253,924,928	337,184,844	253,924,928
iii) Other employee benefit payable (Citizen Investment Trust and Providend Fund)	59,246,175	58,186,336	58,902,720	58,110,556
Audit Fees Payable	2,062,163	2,121,850	1,741,613	1,892,750
Actuarial Fees Payable	-	-	-	-
Dividend Payable	382,988,081	359,293,316	382,889,996	359,293,316
Others (To be specified)	-	1,784,885	-	-
Total	2,069,476,898	1,749,579,121	2,061,560,706	1,747,314,934

PAYABLE WITHIN 12 MONTHS

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Redeemable Preference Shares	-	-	-	-
Irredeemable Cumulative Preference Shares	-	-	-	-
Refundable Share Application Money	-	-	-	-
Payable to Agents	988,895,948	814,316,772	988,895,948	814,316,772
Sundry Creditors	160,897,338	157,785,306	159,685,471	157,611,143
Retention and deposits	-	-	-	-
Short-term employee benefits payable	-	-	-	-
i) Salary Payables	47,812,123	39,672,930	47,806,212	39,672,670
ii) Bonus Payables	343,121,169	253,924,928	337,184,844	253,924,928
iii) Other employee benefit payable (Citizen Investment Trust and Providend Fund)	59,246,175	58,186,336	58,902,720	58,110,556
Audit Fees Payable	2,062,163	2,121,850	1,741,613	1,892,750
Actuarial Fees Payable	-	-	-	-
Dividend Payable	382,988,081	359,293,316	382,889,996	359,293,316
Total	1,985,022,996	1,685,301,437	1,977,106,803	1,684,822,134

GROSS EARNED PREMIUMS

25
Fig in NPR

Particulars	Direct Premium		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	31,347,673,956	24,996,282,710	-	-	-	-	31,347,673,956	24,996,282,710
Anticipated Endowment	6,086,494,070	6,097,455,286	-	-	-	-	6,086,494,070	6,097,455,286
Endowment Cum Whole Life	10,189,299,218	9,066,862,161	-	-	-	-	10,189,299,218	9,066,862,161
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	387,807,104	619,125,985	-	-	-	-	387,807,104	619,125,985
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others (Other Term)	190,926,747	69,741,115	-	-	-	-	190,926,747	69,741,115
Total	48,202,201,095	40,849,467,257	-	-	-	-	48,202,201,095	40,849,467,257

GROSS WRITTEN PREMIUMS

25.1

Particulars	First Year Premium		Renewal Premium		Single Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	4,519,056,503	3,588,931,598	22,248,453,182	19,317,466,170	4,580,164,271	2,089,884,942	31,347,673,956.18	24,996,282,710
Anticipated Endowment	166,087,391	253,067,249	5,884,958,551	5,761,975,861	35,448,128	82,412,176	6,086,494,070.00	6,097,455,286
Endowment Cum Whole Life	1,173,325,435	1,351,278,100	9,015,973,783	7,715,584,061	-	-	10,189,299,218.00	9,066,862,161
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	387,807,104	619,125,985	-	-	-	-	387,807,104.47	619,125,985
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others (Other Term)	119,684,842	37,260,146	71,241,905	32,480,969	-	-	190,926,746.78	69,741,115
Total	6,365,961,275	5,849,663,078	37,220,627,421	32,827,507,061	4,615,612,399	2,172,297,118	48,202,201,095	40,849,467,257

PREMIUMS CEDED

26
Fig in NPR

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premium		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	206,386,050	209,148,462	-	-	206,386,050	209,148,462
Anticipated Endowment	67,280,689	80,191,531	-	-	67,280,689	80,191,531
Endowment cum Whole Life	92,571,558	107,712,826	-	-	92,571,558	107,712,826
Whole Life	-	-	-	-	-	-
Foreign Employment Term	110,368,198	268,993,131	-	-	110,368,198	268,993,131
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	31,452,541	10,393,856	-	-	31,452,541	10,393,856
Total	508,059,035	676,439,806	-	-	508,059,035	676,439,806

PORTFOLIO-WISE DETAIL OF NET EARNED PREMIUM

26.1

Particulars	Gross Earned Premium		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	31,347,673,956	24,996,282,710	206,386,050	209,148,462	31,141,287,906	24,787,134,248
Anticipated Endowment	6,086,494,070	6,097,455,286	67,280,689	80,191,531	6,019,213,381	6,017,263,755
Endowment cum Whole Life	10,189,299,218	9,066,862,161	92,571,558	107,712,826	10,096,727,660	8,959,149,335
Whole Life	-	-	-	-	-	-
Foreign Employment Term	387,807,104	619,125,985	110,368,198	268,993,131	277,438,906	350,132,854
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	190,926,747	69,741,115	31,452,541	10,393,856	159,474,206	59,347,259
Total	48,202,201,095	40,849,467,257	508,059,035	676,439,806	47,694,142,060	40,173,027,451

COMMISSION INCOME

27
Fig in NPR

Particulars	Reinsurance Commission		Profit Commission		Total Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	54,505,830	28,567,199	54,505,830	28,567,199
Anticipated Endowment	-	-	17,768,593	10,953,212	17,768,593	10,953,212
Endowment Cum Whole Life	-	-	24,447,823	14,712,294	24,447,823	14,712,294
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	7,284,915	-	7,284,915
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	-	226,449	8,306,505	1,419,677	8,306,505	1,646,127
Total	-	226,449	105,028,752	62,937,297	105,028,752	63,163,747

OTHER DIRECT INCOME

28
Fig in NPR

Particulars	Other Direct Income		Late Fee		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	277,648,021	240,999,461	277,648,021	240,999,461
Anticipated Endowment	-	-	126,015,074	111,906,767	126,015,074	111,906,767
Endowment Cum Whole Life	-	-	133,809,902	105,581,437	133,809,902	105,581,437
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	-	-	581,823	303,832	581,823	303,832
Total	-	-	538,054,820	458,791,497	538,054,820	458,791,497

INCOME FROM INVESTMENTS AND LOANS

29

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs				
i) Fixed Deposit with "A" Class Financial Institutions	13,949,473,300	13,104,878,240	13,934,006,974	13,104,731,645
ii) Fixed Deposit with Infrastructure Bank	119,561,644	-	119,561,644	-
iii) Fixed Deposit with "B" Class Financial Institutions	1,479,677,763	1,351,264,994	1,475,928,450	1,351,020,269
iv) Fixed Deposit with "C" Class Financial Institutions	13,866	-	-	-
v) Debentures	566,465,552	508,138,012	562,992,114	505,036,099
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
vii) Bank Deposits other than Fixed Deposit	114,157,678	48,773,430	102,640,467	48,773,430
viii) Agent Loans	3,022,581	7,446,491	3,022,581	7,446,491
ix) Employee Loans	30,608,763	34,011,981	30,608,763	34,011,981
x) Other Interest Income (Gratuity Deposit)	8,725,979	14,000,504	8,725,979	14,000,504
Financial Assets Measured at FVTOCI	-	-	-	-
i) Interest Income on Debentures	-	-	-	-
ii) Dividend Income	41,531,087	123,293,158	39,931,015	122,019,769
iii) Other Interest Income (to be specified)	-	-	-	-
Financial Assets Measured at FVTPL	-	-	-	-
i) Interest Income on Debentures	-	-	-	-
ii) Dividend Income	-	-	-	-
iii) Other Interest Income (to be specified)	-	-	-	-
Rental Income	28,470,238	33,543,433	28,470,238	33,543,433
Others (Miscellaneous Income)	1,364,193	1,434,266	533,724	1,434,266
Total	16,343,072,644	15,226,784,508	16,306,421,948	15,222,017,886

NET GAIN/(LOSS) ON FAIR VALUE CHANGES

30

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL				
i) Equity Instruments	4,945,855	23,389,957	-	-
ii) Mutual Fund	-	-	-	-
iii) Others (to be specified)	-	-	-	-
Changes in Fair Value on Investment Properties	-	-	-	-
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-	-	-
Changes in Fair Value on Hedging Instruments in Fair Value Hedges	-	-	-	-
Other (to be Specified)	-	-	-	-
Total	4,945,855	23,389,957	-	-

NET REALISED GAINS/(LOSSES)

31

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL				
i) Equity Instruments	41,596,416	(6,144,261)	-	-
ii) Mutual Fund	-	-	-	-
iii) Debentures	-	-	-	-
iv) Others (to be specified)	-	-	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs	-	-	-	-
i) Debentures	-	-	-	-
ii) Bonds	-	-	-	-
iii) Others (to be specified)	-	-	-	-
Total	41,596,416	(6,144,261)	-	-

OTHER INCOME

32

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost	-	-	-	-
i) Employee Loan	-	-	-	-
ii) Bonds	-	-	-	-
iii) Others (to be Specified)	-	-	-	-
Foreign Exchange Income	-	-	-	-
Interest Income from Finance Lease	-	-	-	-
Amortization of Deferred Income	-	-	-	-
Profit from disposal of Property and Equipment	-	(206,456)	-	-
Amortization of Deferred Income	43,604,153	21,925,586	43,604,153	21,925,586
Stamp Income	-	-	-	-
Others:	-	-	-	-
Income from Depository Participant	1,009,701	1,022,985	-	-
Income from Portfolio Management Services	8,515,714	4,565,137	-	-
Income from Underwriting	3,572,729	-	-	-
Total	56,702,297	27,307,252	43,604,153	21,925,586

GROSS BENEFITS, CLAIMS PAID AND CLAIMS CEDED

33
Fig in NPR

Particulars	Gross Benefits and Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	9,850,724,992	7,726,582,207	69,489,020	50,989,257	9,781,235,972	7,675,582,950
Anticipated Endowment	5,392,732,262	4,768,335,242	13,297,745	22,644,110	5,379,434,517	4,745,691,132
Endowment cum Whole Life	3,574,685,135	2,287,620,401	58,646,468	61,945,985	3,516,038,667	2,225,674,416
Whole Life	-	-	-	-	-	-
Foreign Employment Term	285,995,021	230,155,689	174,762,015	124,779,376	111,233,006	105,376,313
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	87,543,575	2,865,573	66,867,775	550,000	20,675,800	2,315,573
Total	19,191,680,985	15,015,559,111	383,063,023	260,918,727	18,808,617,963	14,754,640,384

DETAILS OF GROSS BENEFITS AND CLAIM PAID

33.1
Fig in NPR

Description	Death Claims		Maturity Benefits		Partial Maturity Benefits		Surrender Claim		Other Claims and Benefits		Total Gross Benefits and claims	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	358,351,646	290,271,176	5,027,125,214	4,112,737,510	4,410,945,958	3,285,759,248	54,302,174	37,814,273	9,850,724,992	7,726,582,207		
Anticipated Endowment	98,599,520	140,626,341	4,077,372,553	2,92,665,490	2,159,605,095	523,623,022	12,400,000	-	5,392,732,262	4,768,335,242		
Endowment cum Whole Life	278,343,500	256,443,051	1,757,028,968	1,298,961,209	1,530,884,987	726,808,961	8,427,680	5,407,180	3,574,685,135	2,287,620,401		
Whole Life	-	-	-	-	-	-	-	-	-	-		
Foreign Employment Term	271,641,184	221,975,168	-	-	-	-	14,353,838	8,180,521	285,995,021	230,155,689		
Micro Term	-	-	-	-	-	-	-	-	-	-		
Special Term	-	-	-	-	-	-	-	-	-	-		
Others (Other Term)	87,206,923	2,865,573	57,500	-	279,152	-	-	-	87,543,575	2,865,573		
Total	1,094,142,773	912,181,309	7,191,948,935	5,704,364,209	8,101,715,192	4,536,191,231	89,483,692	51,401,974	19,191,680,985	15,015,559,111		

Note: 1) Total surrender claim includes forfeiture of policies during the year amounting to Rs. 4,108,531,803/-.

CHANGE IN INSURANCE CONTRACT LIABILITIES

34
Fig in NPR

Description	Change in Life Insurance Fund (A)		Change in Gross Claim Payment Reserve including IBNR and IBNER (B)		Change in Other liability (if any) (C)		Total (D) = (A+B+C)		Change in Reinsurance Assets (E)		Net Change in Insurance Contract Liabilities (D - E)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Life Insurance Fund and gross claim payment reserve												
Endowment	25,185,923,527	21,221,486,713	271,642,488	106,532,746	-	-	25,437,565,995	21,328,019,459	-	-	- 25,437,565,995	21,328,019,459
Anticipated Endowment	2,681,142,822	2,898,343,834	9,404,293	83,958,872	-	-	2,690,547,115	2,982,302,706	-	-	- 2,690,547,115	2,982,302,706
Endowment cum Whole Life	8,735,675,000	8,567,866,443	84,864,489	71,732,636	-	-	8,820,539,488	8,639,599,080	-	-	- 8,820,539,488	8,639,599,080
Whole Life	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Employment Term	(89,822,480)	111,857,457	-	-	-	-	(89,822,480)	111,857,457	-	-	(89,822,480)	111,857,457
Micro Term	-	-	-	-	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-	-	-	-	-
Others (Other Term)	89,709,202	(34,610,791)	(11,557,500)	11,500,000	-	-	78,151,702	(23,110,791)	-	-	78,151,702	(23,110,791)
Total	36,582,628,070	32,764,943,655	354,353,750	273,724,255	-	-	36,936,981,820	33,038,667,910	-	-	- 36,936,981,820	33,038,667,910

COMMISSION EXPENSES

35
Fig in NPR

Particulars	Commission Expenses on First Year Premium		Commission Expenses on Renewal Premium		Commission Expenses on Single Premium		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	971,079,344	766,392,281	1,307,798,394	1,116,164,964	274,809,856	125,393,097	2,553,687,594	2,007,950,341
Anticipated Endowment	25,269,577	39,644,687	236,954,552	283,581,393	2,126,888	4,944,731	264,351,017	328,170,810
Endowment Cum Whole Life	274,787,397	317,605,971	560,476,478	522,725,055	-	-	835,263,875	840,331,026
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	3,184,817	-	3,184,817
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others (Other Term)	11,087,810	3,616,689	2,462,360	1,553,380	-	-	13,550,170	5,170,069
Total	1,282,224,128	1,127,259,628	2,107,691,784	1,924,024,792	276,936,744	133,522,644	3,666,852,656	3,184,807,064

SERVICE FEES**36**
Fig in NPR

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	235,107,555	187,472,120	1,547,895	1,777,424	233,559,659	185,694,696
Anticipated Endowment	45,648,706	45,730,915	504,605	681,499	45,144,100	45,049,416
Endowment Cum Whole Life	76,419,744	68,001,466	694,287	915,385	75,725,457	67,086,081
Whole Life	-	-	-	-	-	-
Foreign Employment Term	2,908,553	4,643,445	827,761	2,286,007	2,080,792	2,357,438
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	1,431,951	523,058	235,894	88,331	1,196,057	434,727
Total	361,516,508	306,371,004	3,810,443	5,748,646	357,706,065	300,622,358

Note: Service fees is calculated at the rate of 0.75% on the Gross Written Premiums as Per Note 25.1.

OTHER DIRECT EXPENSES**37**
Fig in NPR

Particulars	Reinsurance Commission Expenses		Other Direct Expenses		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	1,870,471	548,991	1,870,471	548,991
Anticipated Endowment	-	-	28,718	16,809	28,718	16,809
Endowment Cum Whole Life	-	-	440,088	185,367	440,088	185,367
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	976,731	-	976,731
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	-	-	51,742	486,804	51,742	486,804
Total	-	-	2,391,019	2,214,702	2,391,019	2,214,702

EMPLOYEE BENEFITS EXPENSES

38

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Salaries	464,996,483	455,763,329	450,542,400	448,705,215
Allowances	18,410,273	25,243,612	18,410,273	25,243,612
Festival Allowances	38,071,226	37,847,203	37,400,760	37,389,253
Defined Benefit Plans	-	-	-	-
i) Gratuity	47,043,815	84,539,831	47,043,815	84,539,831
ii) Others (to be Specified)	-	-	-	-
Defined Contribution Plans	-	-	-	-
i) Provident Fund/ Social Security Fund	28,377,530	27,647,998	27,891,137	27,647,998
ii) Others (to be specified)	-	-	-	-
Leave Encashments	31,656,489	41,717,301	30,744,677	41,357,341
Termination Benefits	-	-	-	-
Training Expenses	13,792,858	28,845,555	13,781,388	28,788,865
Uniform Expenses	-	-	-	-
Medical Expenses	-	-	-	-
Insurance Expenses	14,623,278	14,496,619	14,612,717	14,496,619
Staff Welfare	-	-	-	-
Others	-	-	-	-
i. Amortization of Deferred Employee Expenses	43,604,153	21,925,586	43,604,153	21,925,586
ii. Staff Incentives	45,362,046	32,836,184	45,362,046	32,836,184
Sub-Total	745,938,151	770,863,219	729,393,365	762,930,505
Employees Bonus	265,405,126	253,924,928	259,468,801	253,924,928
Total	1,011,343,277	1,024,788,147	988,862,167	1,016,855,433

DEPRECIATION AND AMORTIZATION EXPENSES

39

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	3,864,233	3,474,292	3,764,659	3,336,288
Depreciation on Property and Equipment (Refer Note.5)	120,467,631	46,551,996	115,801,348	43,097,062
Depreciation on Investment Properties (Refer Note. 6)	4,536,726	4,384,529	4,536,726	4,384,529
Total	128,868,590	54,410,816	124,102,733	50,817,879

IMPAIRMENT LOSSES

40

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties, Goodwill & Intangible Assets				
i) Property and Equipment	-	-	-	-
ii) Investment properties	-	-	-	-
iii) Goodwill & Intangible Assets	-	-	-	-
Impairment Losses on Financial Assets	-	-	-	-
i) Investments	-	-	-	-
ii) Loans	(32,363,228)	(5,247,227)	(32,363,228)	(5,247,227)
iii) Other Financial Assets	-	-	-	-
iv) Cash and Cash Equivalents	(8,959,466)	(7,008,281)	(8,959,466)	(7,008,281)
v) Others (Other Assets)	-	-	-	-
Impairment Losses on Other Assets	-	-	-	-
i) Reinsurance Assets	-	-	-	-
ii) Insurance Receivables	-	-	-	-
iii) Lease Receivables	-	-	-	-
iv) Others (to be Specified)	-	-	-	-
Total	(41,322,694)	(12,255,508)	(41,322,694)	(12,255,508)

OTHER OPERATING EXPENSES

41

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Rent Expenses	-	6,000,852	-	6,000,852
Electricity and Water	10,692,580	9,990,969	10,541,848	9,831,269
Repair & Maintenance	-	-	-	-
i) Building	1,575,668	1,924,009	1,575,668	1,924,009
ii) Vehicle	411,861	1,667,143	411,861	1,667,143
iii) Office Equipments	81,114	980,222	76,614	476,445
iv) Others	-	-	-	-
i. Software	1,061,182	553,873	1,061,182	553,873
ii. Furniture	4,368,892	3,230,196	4,368,892	3,230,196
Telephone & Communication	11,813,113	11,379,003	11,582,796	11,180,109
Printing & Stationary	37,066,042	27,193,523	37,004,842	27,193,523
Office Consumable Expenses	2,580,725	2,364,734	2,571,685	2,355,694
Travelling Expenses	-	-	-	-
i) Domestic	12,630,825	11,465,295	12,601,067	11,465,295
ii) Foreign	75,000	-	75,000	-
Transportation Expenses	1,845	-	-	-
Agents Training	46,388,600	14,850,331	46,388,600	14,850,331
Agents Others	1,517,795,323	1,166,586,021	1,517,795,323	1,166,586,021
Insurance Premium	5,350,797	4,144,310	5,334,988	4,144,310
Security and Outsourcing Expenses	44,295,336	56,230,310	43,811,119	56,230,310
Legal and Consulting Expenses	3,325,068	21,323,654	3,325,068	21,323,654
Newspapers, Books and Periodicals	194,625	167,990	185,625	167,990

Contd...

Contd...

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Advertisement & Promotion Expenses	49,634,027	108,559,810	49,362,521	108,417,507
Business Promotion	48,172,854	33,351,533	48,172,854	33,293,533
Guest Entertainment	961,237	1,514,704	961,237	1,514,704
Gift and Donations	-	7,500	-	7,500
Board Meeting Fees and Expenses	-	-	-	-
i) Meeting Allowances	3,322,000	4,053,000	3,322,000	4,053,000
ii) Other Allowances	572,636	486,053	572,636	486,053
Other Committee/ Sub-committee Expenses	-	-	-	-
i) Meeting Allowances	4,667,000	5,116,000	4,667,000	5,116,000
ii) Other Allowances	-	-	-	-
General Meeting Expenses	1,581,373	1,463,735	1,581,373	1,463,735
Actuarial Service Fee	10,295,192	5,591,923	10,295,192	5,591,923
Other Actuarial Expenses	-	-	-	-
Audit Related Expenses	-	-	-	-
i) Statutory Audit	1,582,000	1,271,250	1,356,000	1,158,250
ii) Tax Audit	28,250	73,450	-	-
iii) Long Form Audit Report	11,300	39,550	-	-
iv) Other Fees	39,550	96,050	-	-
v) Internal Audit	1,750,650	1,627,200	1,542,450	1,469,000
vi) Others (IS Audit)	339,000	339,000	339,000	339,000
Bank Charges	1,506,480	1,332,197	1,506,308	1,332,197
Fee and Charges	17,036,624	11,155,785	13,423,774	11,118,529
Postage Charges	5,819,438	4,168,263	5,819,438	4,168,263
Foreign Exchange Losses	-	5,425	-	5,425
Others	-	-	-	-
i. Fuel	14,520,609	12,982,227	14,455,175	12,982,227
ii. Staff Entertainment and conference	19,377,474	15,708,559	19,377,474	15,708,559
iii. FE-Pool Expenses	1,394,278	-	1,394,278	-
iv. Miscellaneous	16,941,655	15,259,230	13,411,945	12,539,817
v. Merger and Acquisition	767,704	164,310	428,704	164,310
vi. Loss on Lease Modification	3,391,445	-	3,391,445	-
Merchant Banking Expenses:	-	-	-	-
Depository Participant Expense	247,406	227,413	-	-
Commission Expenses	-	-	-	-
SEBON Commission	-	-	-	-
Service Charge-SEBON	368,105	137,623	-	-
BO-Maintenance Cost	225	6,490	-	-
Sub-Total	1,904,037,107	1,564,790,713	1,894,092,982	1,560,110,555
Medical examination fee	9,792,068	8,371,397	9,792,068	8,371,397
Fines, interest, Late Fees and Penalties	-	-	-	-
Total	1,913,829,175	1,573,162,110	1,903,885,050	1,568,481,952

FINANCE COST

42

Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Unwinding of discount on Provisions				
Unwinding of discount on Financial Liabilities at Amortised Costs	-	-	-	-
Interest Expenses - Bonds	-	-	-	-
Interest Expenses - Debentures	726,428	668,324	726,428	668,324
Interest Expenses - Term Loans	-	-	-	-
Interest Expenses - Leases	39,335,737	31,067,434	38,608,498	30,499,465
Interest Expenses - Overdraft Loans	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	40,062,165	31,735,758	39,334,926	31,167,789

INCOME TAX EXPENSE

43

Fig in NPR

(A) INCOME TAX EXPENSE

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Current Tax				
i) Income Tax Expenses for the Year	3,413,951,125	3,194,466,026	3,406,837,001	3,194,408,990
ii) Income Tax Relating to Prior Periods	12,974,218	45,360,052	12,974,218	45,360,052
iii) Income Tax Relating to Prior Periods- Shareholders	-	-	-	-
Deferred Tax For The Year				
i) Originating and reversal of temporary differences	(42,630,483)	29,207,892	(52,877,125)	26,978,216
ii) Changes in tax rate	-	-	-	-
iii) Recognition of previously unrecognised tax losses	-	-	-	-
iv) Write-down or reversal	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Income Tax Expense	3,384,294,860	3,269,033,969	3,366,934,095	3,266,747,258

(B) RECONCILIATION OF TAXABLE PROFIT & THE ACCOUNTING PROFIT

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	5,661,292,537	5,395,571,319
Applicable Tax Rate	25%	25%
Tax at the applicable rate on Accounting Profit	1,415,323,134	1,348,892,830
Add: Tax effect of expenses that are not deductible for tax purpose		
i) Net Claims Benefits	4,702,154,491	3,688,660,096
ii) Change in Insurance Contract Liabilities	9,234,245,455	8,259,666,977
Less: Tax effect on exempt income and additional deduction		
i) Premium Income	(11,923,535,515)	(10,043,256,863)
iii) Dividend Income	(5,847,944)	(30,504,942)
Less: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
i) Net Tax effect of expenses that ar not deductible for tax purpose Or Income not taxable	(15,502,619)	(29,049,108)
Income Tax Expense	3,406,837,001	3,194,408,991
Effective Tax Rate	60.18%	59.20%

EMPLOYEE RETIREMENT BENEFITS

44

A) POST EMPLOYMENT BENEFIT - DEFINED CONTRIBUTION PLANS

For the year ended Ashadh 32, 2082 (July 16, 2025) the company has recognised an amount of NRs. 27,891,137 as an expenses under the defined contribution plans in the Statement of Profit or Loss.

B) POST EMPLOYMENT BENEFIT - DEFINED BENEFIT PLANS

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

C) TOTAL EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	40,227,138	72,509,932		
Past service cost	-	-	-	-
Net interest cost (a-b)	6,816,677	12,029,899		
a. Interest expense on defined benefit obligation (DBO)	25,086,173	-	-	-
b. Interest (income) on plan assets	18,269,496	-	-	-
Defined benefit cost included in Statement of Profit or Loss	47,043,815	84,539,831	-	-

D) REMEASUREMENT EFFECTS RECOGNISED IN STATEMENT OF OTHER COMPREHENSIVE INCOME (OCI)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	(131,472,969)	-	-
b. Actuarial (gain)/ loss due to experience on DBO	(10,832,788)	-	-	-
c. Return on plan assets (greater)/ less than discount rate	9,543,517	3,008,948	-	-
Total actuarial (gain)/ loss included in OCI	(1,289,271)	(128,464,021)	-	-

E) TOTAL COST RECOGNISED IN COMPREHENSIVE INCOME

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	47,043,815	84,539,831	-	-
Remeasurements effects recognised in OCI	(1,289,271)	(128,464,021)	-	-
Total cost recognised in Comprehensive Income	45,754,544	(43,924,190)	-	-

F) CHANGE IN DEFINED BENEFIT OBLIGATION

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	278,735,258	322,659,449	-	-
Service cost	40,227,138	65,101,924	-	-
Interest cost	25,086,173	29,039,350	-	-
Benefit payments from plan assets	(8,367,378)	(6,592,496)	-	-
Actuarial (gain)/ loss - financial assumptions	-	(93,970,030)	-	-
Actuarial (gain)/ Loss - experience	(10,832,788)	(26,426,987)	-	-
Actuarial (gain)/ Loss - demographic assumptions	-	(11,075,952)	-	-
Defined Benefit Obligation as at Year End	324,848,403	278,735,258	-	-

G) CHANGE IN FAIR VALUE OF PLAN ASSETS

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	202,994,404	188,993,901	-	-
Interest Income	18,269,496	17,009,451	-	-
Expected return on plan assets	-	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Transfer in/ transfer out	-	-	-	-
Actuarial gain/ (loss) on plan assets	(9,543,517)	(3,008,948)	-	-
Fair value of Plan Assets as at Year End	211,720,383	202,994,404	-	-

H) NET DEFINED BENEFIT ASSET/(LIABILITY)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	324,848,403	278,735,258	-	-
Fair Value of Plan Assets	211,720,383	202,994,404	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	113,128,020	75,740,854	-	-

I) EXPECTED COMPANY CONTRIBUTIONS FOR THE NEXT YEAR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year		-	-	

J) RECONCILIATION OF AMOUNTS IN STATEMENT OF FINANCIAL POSITION

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	75,740,854	129,485,969	-	-
Defined benefit cost included in Statement of Profit or Loss	47,043,815	84,539,831	-	-
Total remeasurements included in OCI	(1,289,271)	(128,464,021)	-	-
Acquisition/ divestment	(8,367,378)	(6,592,496)	-	-
Employer contributions	-	-	-	-
Net defined benefit liability/(asset)	113,128,020	78,969,282	-	-

K) RECONCILIATION OF STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	(128,464,021)	(43,750,194)	-	-
Total remeasurements included in OCI	(1,289,271)	(84,713,827)	-	-
Cumulative OCI - (Income)/Loss	(129,753,292)	(128,464,021)	-	-

L) CURRENT/NON - CURRENT LIABILITY

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	113,128,020	75,740,854	-	-
Non - Current Liability	-	-	-	-
Total	113,128,020	75,740,854	-	-

M) EXPECTED FUTURE BENEFIT PAYMENTS

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	25,230,843	18,961,857	-	-
Between 1-2 years	19,697,599	15,849,498	-	-
Between 2-5 years	70,149,221	60,174,203	-	-
From 6 to 10 years	142,607,099	126,633,685	-	-
Total	257,684,762	221,619,243	-	-

N) PLAN ASSETS

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits (Citizen Investment Trust)	211,720,383	206,003,352	-	-
Cash and bank balances	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	211,720,383	206,003,352	-	-

O) SENSITIVITY ANALYSIS

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	(26,775,454)	(23,287,671)	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	30,929,468	26,971,249	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	31,214,316	27,221,120	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	(27,456,315)	(23,880,275)	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	2,144,211	1,996,275	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	(2,614,450)	(2,432,152)	-	-

P) ASSUMPTIONS

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	9.00%	
Escalation Rate (Rate of Increase in Compensation Levels)	7.00%	
Attrition Rate (Employee Turnover)	5.00%	
Mortality Rate During Employment	Nepali Assured Lives Mortality Table, 2009	

FAIR VALUE MEASUREMENTS

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(I) FINANCIAL INSTRUMENTS BY CATEGORY & HIERARCHY

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS.

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments							
Investment in Equity (Quoted)	1	-	8,159,604,121	-	-	6,760,831,025	-
Investment in Equity (Unquoted)	3	-	4,780,000	-	-	4,780,000	-
ii) Investment in Mutual Funds	1	-	438,475,377	-	-	253,328,668	-
iii) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	6,811,155,740	-	-	5,502,653,174
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	171,385,600,000	-	-	151,370,600,000
vii) Others (to be specified)	-	-	-	-	-	-	-
Loans	3	-	-	34,996,774,621	-	-	33,914,280,358
Other Financial Assets	3	-	-	10,038,699,377	-	-	6,001,855,455
Cash and Cash Equivalents	3	-	-	11,726,710,223	-	-	7,714,120,965
Total Financial Assets		-	8,602,859,499	234,958,939,961	-	7,018,939,693	204,503,509,952
Borrowings	-	-	-	-	-	-	-
Other Financial Liabilities	3	-	-	2,069,476,898	-	-	1,749,579,121
Total Financial Liabilities		-	-	2,069,476,898	-	-	1,749,579,121

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There is no transfer of Financial Instruments between different levels as mentioned above during the year.

(II) VALUATION TECHNIQUE USED TO DETERMINE FAIR VALUE

- Use of quoted market prices for the listed stocks/ mutual funds
- Unquoted Investment has been measured at cost price
- Quoted but not freely traded promoter shares- The valuation basis of promoter share is 40% of 180 days average trading price

obtained from Nepal Stock Exchange . However, the valuation has been considered maximum of 40% of 180 days Average trading price or Face value. If latest auction price of the promoter share is available , Latest auction price has been considered as the fair value for the valuation on best judgement basis.

(III) VALUATION PROCESS

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year.

The main level 3 inputs are derived and evaluated as follows:

- a) Discount rate is arrived at considering the internal and external factors.
- b) Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material

(IV) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	6,811,155,740	6,811,155,740	5,502,653,174	5,502,653,174
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	171,385,600,000	171,385,600,000	151,370,600,000	151,370,600,000
v) Others (to be Specified)	-	-	-	-
Loans				
i) Loan to Associates	-	-	-	-
ii) Loan to Employees	-	-	-	-
iii) Loan to Agent	-	-	-	-
iv) Loan to Policyholders	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Assets at Amortised Cost	178,196,755,740	178,196,755,740	156,873,253,174	156,873,253,174
Borrowings				
i) Bonds	-	-	-	-
ii) Debentures	-	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-	-
iv) Bank Overdrafts	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities at Amortised Cost	-	-	-	-

The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

INSURANCE RISK

46

Insurance risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims, frequency and severity and the risk of change in the legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

The Company seeks to minimise insurance risk through a formalised reinsurance arrangement with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing underwriting and claim management policies.

The Company considers insurance risk to be a combination of the following components of risks:

- a) Product development
- b) Pricing
- c) Underwriting and
- d) Claims Handling
- e) Reinsurance
- f) Reserving"

a) Product development:

The Company principally issues the following types of Life Insurance contracts:

- Endowment
- Anticipated Endowment
- Endowment Cum Whole Life
- Foreign Employment Term
- Others (Other term)

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, standard claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

b) Pricing:

The pricing of an insurance product involves the estimation of claims, operational and financing costs and the income

arising from investing the premium received. The pricing process typically comprises collecting data on the underlying risks to be covered, determining the pricing assumptions and the base rate, setting the final premium rate, and monitoring the review of the appropriateness of pricing.

The Company collects adequate data to validate the reasonableness of the underlying assumptions used for pricing. The base rate represents the amount required to meet the value of anticipated benefits, expenses, and margins for risks and profit. Data primarily relates to the company's own historical experience and that of the industry where relevant. These may be supplemented by other internal and external data, and could include trends observed in claims costs and expenses.

Pricing is done by modelling all identified risks, using appropriate methodologies depending on the complexity of the risks and available data. Adequate buffers are kept in the premiums to cushion against the risk that actual experience may turn out to be worse than expected.

c) Underwriting:

The Company's underwriting process is governed by the underwriting policy. Some of the actions undertaken to mitigate underwriting risks are detailed below:

- i) Investments are made on the training and development (internal and external) of underwriting and claims management staff, including those attached to the distribution network.
- ii) There is three layer of underwriting approval process and approval limit are set as per knowledge, expertise, and experience of the underwriter.
- iii) Pre-underwriting inspections are made on new business over a predetermined threshold to evaluate risk prior to acceptance.
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

d) Claims handling:

The Company considers insurance claim risk to be a combination of the following components of risks:

- i) Mortality Risk – risk of loss arising due to policyholder death experience being different than expected
- ii) Longevity Risk – risk of loss arising due to the policyholder living longer than expected
- iii) Investment Return Risk – risk of loss arising from actual returns being different than expected
- iv) Expense Risk – risk of loss arising from expense

experience being different than expected

v) Policyholder Decision Risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

ASSUMPTIONS

The assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the Company are listed below:

Particulars	Current Year				Previous Year			
	Mortality Rates	Investment Return	Lapse and Surrender Rate	Discount Rate	Mortality Rates	Investment Return	Lapse and Surrender Rate	Discount Rate
Life Insurance	60% of NALM 2009 (Best Estimate)	10.02%	2.71%	RFR curve published by NIA	60% of NALM 2009 (Best Estimate)	9.92%	3.68%	RFR curve published by NIA

SENSITIVITIES

The life insurance claim liabilities are sensitive to the key assumptions as mentioned in the table below.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and profit after tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

Particulars	Changes in Assumptions	Current Year		Previous Year	
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities
Mortality Rate		-	-	-	-
Longevity		-	-	-	-
Discount Rate		-	-	-	-
Mortality Rate		-	-	-	-
Longevity		-	-	-	-
Discount Rate		-	-	-	-

The company has adopted 100% RBC without moving to transitional provision as a result only life stressed scenario testing are performed which is presented as below;

Particulars	Changes in Best Estimate Assumptions	Current Year	Previous Year
		Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) on Net Liabilities
Mortality Rate	+20%	1,084,566,455	1,674,846,027
Longevity	-50%	154,207,255	54,808,550
Disability	+22.5%	448,266,140	1,448,886
Lapse	±50% and Mass Surrender (30%)	6,159,993,876	2,889,923,146
Expenses	8%+ absolute increase of 3% pa inflation	1,750,354,840	1,704,444,830
Catastrophe	+0.15%	1,722,905,059	1,317,761,478

e) Reinsurance

The Company purchases reinsurance as part of its risks management. Premium ceded to the reinsurers is in accordance with the terms of the treaty already agreed based on the risks written by the insurance companies. Recoveries from reinsurers on claims are based on the cession made in respect of each risk and is estimated in a manner consistent with the outstanding claims provisions made for the loss. Although we mitigate our exposures through prudent reinsurance arrangements, the obligation to meet claims emanating from policy holders rests with the Company.

f) Reserving

Insurance Contract Liabilities are created to cover risk based on the Actuarial valuation report.

The table below sets out the concentration of risk associated with above mentioned insurance contracts. Risk as at year end has been measured as insurance contract liabilities and are disclosed as below:

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Endowment	144,750,305,263	-	144,750,305,263	118,621,773,208	-	118,621,773,208
Anticipated Endowment	32,918,583,207	-	32,918,583,207	30,097,276,556	-	30,097,276,556
Endowment Cum Whole Life	56,893,832,628	-	56,893,832,628	47,814,486,248	-	47,814,486,248
Foreign Employment Term	100,819,957	-	100,819,957	189,821,177	-	189,821,177
Others (Other Term)	91,599,590	-	91,599,590	11,430,641	-	11,430,641
Total	234,755,140,645	-	234,755,140,645	196,734,787,830	-	196,734,787,830

FINANCIAL RISK MANAGEMENT

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The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. Thus, for an insurance contract, credit risk includes the risk that an insurer incurs a financial loss because a reinsurer defaults on its obligations under the reinsurance contract. Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment. The company carried out Impairment test on Financial assets annually.

EXPECTED CREDIT LOSSES FOR FINANCIAL ASSETS AT AMORTISED COSTS AS AT ASHADH END, 2082.

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months	Loan to Employees	434,859,267	-	434,859,267
	expected credit losses	Loan to Agent	132,049,808	85.35%	112,701,819
		Loan to Policyholders	34,542,567,365	-	-
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-
Credit Risk has significantly increased and credit impaired					

EXPECTED CREDIT LOSSES FOR FINANCIAL ASSETS AT AMORTISED COSTS AS AT ASHADH END, 2081.

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	Loan to Employees Loan to Agent Loan to Policyholders	464,025,070 200,596,204 33,394,724,131	- 72.32% -	- 145,065,047 -	464,025,070 55,531,157 33,394,724,131
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and credit impaired	-	-	-	-	-	-

RECONCILIATION OF LOSS ALLOWANCE PROVISION

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh End, 2081	145,065,047	-	-
Changes in loss allowances	(32,363,228)	-	-
Write-offs	-	-	-
Recoveries	-	-	-
Loss Allowance on Ashadh End, 2081	112,701,819	-	-

ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

MATURITY OF FINANCIAL LIABILITIES:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings						
Other Financial Liabilities	1,977,106,803	84,453,903	-	1,684,822,134	62,492,799	-
Total Financial Liabilities	1,977,106,803	84,453,903	-	1,684,822,134	62,492,799	-

iii) Market Risk

a1) Foreign Currency Risk Exposure

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments. The Company has no significant concentration of currency risk. The amount with reinsurer is settled in Nepali Rupee.

b1) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax. As the company doesn't hold borrowings so the sensitivity of interest rate risk doesn't have effect on profit or loss.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*	-	-
Interest Rate - Decrease By 1%*	-	-

*Holding all other Variable Constant

c1) Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the statement of financial position as fair value through OCI.

staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

OPERATIONAL RISK

Operational Risk is the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures,

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CLIMATE RISK

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Climate risk refers to the potential adverse impacts and consequences of climate change on various aspects of human society, ecosystems, and economic activities. "Nepal Life recognizes climate change as an emerging material risk with potential implications for its business model, investment portfolio, and policyholder obligations. The Company remains committed to the systematic identification, monitoring, assessment, and management of climate-related risks, integrating these considerations into its strategic, financial, and enterprise risk management frameworks.

Climate risks are inherently multifactorial and interdependent, with potential impacts on investment market volatility, policyholder premium payment behavior, and mortality experience arising from extreme weather events and natural disasters. While the Company's investment portfolio is primarily concentrated in bank deposits, thereby

limiting exposure to asset-side climate risk, Nepal Life continues to enhance its climate risk assessment and scenario analysis capabilities to better evaluate potential long-term implications.

The Company mitigates the direct impact of climate risk on the frequency and severity of natural disasters through a comprehensive catastrophe risk management program. Additionally, given the short premium payment terms and relatively low mortality coverage of predominantly savings-oriented products, exposure to climate-driven mortality risks remains contained. Residual risks are managed through segregation of benefits, maintaining a low guaranteed component complemented by non-guaranteed, performance-linked benefits that can be adjusted in response to underlying fund performance.

Nepal Life continues to collaborate with the Nepal Insurance Authority (NIA) and relevant stakeholders to align with

emerging best practices in climate risk management, scenario analysis, and disclosure, thereby reinforcing its commitment to sound governance, sustainability, and forward-looking risk oversight.

CAPITAL MANAGEMENT

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The Company's objectives when managing Capital is to maintain the minimum capital requirements derived by implementing and adopting Risk based Capital and Solvency Directives 2025 ("RBC Directive")

Regulatory minimum paid up capital

Life insurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR 5 billion by Mid-July 2022. As on the reporting date, the company's paid up capital is NPR 9.03 Billion

DIVIDEND

Fig in NPR

Particulars	Current Year	Previous Year
(i) Dividends recognised		
Final Dividend for the year ended Ashadh 2081, of NPR 21.05/- (Ashadh 31, 2081 - NPR 8,207,966,554 /-) per fully paid share (10% Bonus share and 11.05% cash dividend including Amount for Tax Purpose)		1,727,776,959
	-	1,727,776,959
(ii) Dividends not recognised at the end of the reporting period		
In relation to the dividend of FY 2081/82, the board meeting dated 2082/08/24 has recommended 5% Bonus share and 16.05% cash dividend (Including Amount for Tax Purpose) on the Fully Paid equity share of NRs. 9,028,763,209. The proposed dividend is subject to approval from Nepal Insurance Authority and Annual General Meeting.	1,900,792,255	-
	1,900,792,255	1,727,776,959

EARNINGS PER SHARE

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Fig in NPR

Particulars	Group		Insurance Company	
	Current Year	Previous Year	Current Year	Previous Year
Profit For the Year used for Calculating Basic Earning per Share	2,335,370,456	2,137,157,555	2,294,358,442	2,128,824,062
Add: Interest saving on Convertible Bonds	-	-	-	-
Profit For the Year used for Calculating Diluted Earning per Share	2,335,370,456	2,137,157,555	2,294,358,442	2,128,824,062
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	90,287,632	82,079,666	90,287,632	82,079,666
Adjustments for calculation of Diluted Earning per Share:				
i) Dilutive Shares	-	-	-	-
ii) Options	-	-	-	-
iii) Convertible Bonds	-	-	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	90,287,632	82,079,666	90,287,632	82,079,666
Nominal Value of Equity Shares	100	100	100	100
Basic Earnings Per Share	25.87	26.04	25.41	25.94
Diluted Earnings Per Share	25.87	26.04	25.41	25.94
Proposed Bonus Share	-	-	-	-
Restated Basic Earning Per Share	25.87	26.04	25.41	25.94
Restated Diluted Earning Per Share	-	-	-	-

OPERATING SEGMENT

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Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio.

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

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be however the company does financial planning for measuring business performance of geographical areas within Nepal (as called "province offices"). The company has portfolios that are measured as business segment

Business Segments of the Company's are:

- Endowment
- Anticipated Endowment
- Endowment Cum Whole Life
- Foreign Employment Term
- Others (Other Term)

GROSS CLAIM PAYMENT RESERVE INCLUDING IBNR/IBNER

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Foreign Employment Term	Others (Other Term)	Inter Segment Elimination	Total
Income:							
Gross Earned Premiums	31,347,673,956	6,086,494,070	10,189,299,218	387,807,104	190,926,747	-	48,202,201,095
Premiums Ceded	(206,386,050)	(67,280,689)	(92,571,558)	(110,368,198)	(31,452,541)	-	(508,059,035)
Inter-Segment Revenue	-	-	-	-	-	-	-
Net Earned Premiums	31,141,287,906	6,019,213,381	10,096,727,660	277,438,906	159,474,206	-	47,694,142,060
Commission Income	54,505,830	17,768,593	24,447,823	-	8,306,505	-	105,028,752
Other Direct Income	277,648,021	126,015,074	133,809,902	-	581,823	-	538,054,820
Interest Income on Loan to Policyholders	1,836,836,229	939,481,404	923,381,867	-	-	-	3,699,699,500
Income from Investments and Loans	9,856,862,738	1,865,328,664	3,681,967,169	28,776,707	11,715,550	-	15,454,650,829
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
Total Segmental Income	43,167,140,725	8,967,807,117	14,870,334,422	306,215,613	180,078,084	-	67,491,575,962
Expenses:							
Gross Benefits and Claims Paid	9,850,724,992	5,392,732,262	3,574,685,135	285,995,021	87,543,575	-	19,191,680,985
Claims Ceded	(69,489,020)	(13,297,745)	(58,646,468)	(174,762,015)	(66,867,775)	-	(383,063,023)
Gross Change in Contract Liabilities	25,437,565,995	2,690,547,115	8,820,539,488	(89,822,480)	78,151,702	-	36,936,981,820
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-
Net Benefits and Claims Incurred	35,218,801,967	8,069,981,632	12,336,578,155	21,410,526	98,827,502	-	55,745,599,783
Commission Expenses	2,553,687,594	264,351,017	835,263,875	-	13,550,170	-	3,666,852,656
Service Fees	233,559,659	45,144,100	75,725,457	2,080,792	1,196,057	-	357,706,065
Employee Benefits Expenses	424,403,541	85,832,725	137,885,674	5,717,560	2,614,529	-	656,454,029
Depreciation and Amortization Expenses	72,210,198	14,604,021	23,460,577	972,815	444,849	-	111,692,459
Impairment Losses	-	-	-	-	-	-	-
Other Operating Expenses	1,434,249,796	61,438,337	217,868,605	2,208,470	1,101,563	-	1,716,866,771
Finance Cost	22,887,351	4,628,811	7,435,936	308,338	140,997	-	35,401,433
Total Segmental Expenses	39,959,800,106	8,545,980,643	13,634,218,280	32,698,502	117,875,666	-	62,290,573,197
Total Segmental Results	3,207,340,620	421,826,474	1,236,116,142	273,517,112	62,202,418	-	5,201,002,765
Segment Assets	143,881,728,831	37,124,318,920	58,557,238,407	88,122,188	80,063,079	-	239,731,471,425
Segment Liabilities	146,874,166,554	33,401,583,947	57,728,612,276	102,299,247	92,943,593	-	238,199,605,617

B) SEGMENTAL INFORMATION FOR THE YEAR ENDED ASHADH 31, 2081 (JULY 15, 2024)

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Foreign Employment Term	Others (Other Term)	Inter Segment Elimination	Total
Income:							
Gross Earned Premiums	24,996,282,710	6,097,455,286	9,066,862,161	619,125,985	69,741,115	-	40,849,467,257
Premiums Ceded	(209,148,462)	(80,191,531)	(107,712,826)	(268,993,131)	(10,393,856)	-	(676,439,806)
Inter-Segment Revenue	-	-	-	-	-	-	-
Net Earned Premiums	24,787,134,248	6,017,263,755	8,959,149,335	350,132,854	59,347,259	-	40,173,027,451
Commission Income	28,567,199	10,953,212	14,712,294	7,284,915	1,646,127	-	63,163,747
Other Direct Income	240,999,461	111,906,767	105,581,437	-	303,832	-	458,791,497
Interest Income on Loan to Policyholders	1,651,696,019	925,889,947	815,079,151	-	-	-	3,392,665,117
Income from Investments and Loans	8,904,494,910	1,838,551,306	3,448,789,403	29,814,570	8,029,992.68	-	14,229,680,182
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
Total Segmental Income	35,612,891,836	8,904,564,886	13,343,311,620	387,232,339	69,327,211	-	58,317,327,993
Expenses:							
Gross Benefits and Claims Paid	7,726,582,207	4,768,335,242	2,287,620,401	230,155,689	2,865,573	-	15,015,559,111
Claims Ceded	(50,999,257)	(22,644,110)	(61,945,985)	(124,779,376)	(550,000)	-	(260,918,727)
Gross Change in Contract Liabilities	21,328,019,459	2,982,302,706	8,639,599,080	111,857,457	(23,110,791)	-	33,038,667,910
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-
Net Benefits and Claims Incurred	29,003,602,409	7,727,993,838	10,865,273,496	217,233,770	(20,795,218)	-	47,793,308,294
Commission Expenses	2,007,950,341	328,170,810	840,331,026	3,184,817	5,170,069	-	3,184,807,064
Service Fees	185,694,696	45,049,416	67,086,081	2,357,438	434,727	-	300,622,358
Employee Benefits Expenses	419,070,872	105,188,999	149,969,373	11,231,279	1,176,931	-	686,637,455
Depreciation and Amortization Expenses	27,913,804	7,006,512	9,989,279	748,102	78,394	-	45,736,091
Impairment Losses	-	-	-	-	-	-	-
Other Operating Expenses	1,038,978,484	97,983,310	270,616,770	6,061,161	1,045,874	-	1,414,685,598
Finance Cost	17,120,186.55	4,297,257.13	6,126,657.38	458,828.33	48,080.84	-	28,051,010
Total Segmental Expenses	32,700,330,793	8,315,690,143	12,209,392,682	241,275,394	(12,841,142)	-	53,453,847,871
Total Segmental Results	2,912,561,043	588,874,843	1,133,918,938	145,956,945	82,168,352	-	4,863,480,122
Segment Assets	118,427,757,943	34,730,395,140	49,197,360,296	163,190,144	9,826,975	-	202,528,530,497
Segment Liabilities	121,124,529,347	30,732,287,664	48,823,306,095	193,826,143	11,671,812	-	200,885,621,061

C) RECONCILIATION OF SEGMENTAL PROFIT WITH STATEMENT OF PROFIT OR LOSS

Particulars	Current Year	Previous Year
Segmental Profit	5,201,002,765	4,863,480,122
Less: Employee Benefits expenses	(332,408,138)	(330,217,979)
Less: Depreciation and Amortization	(12,410,273)	(5,081,788)
Less: Other operating expenses	(189,409,298)	(156,009,055)
Less: Impairment losses	41,322,694	12,255,508
Less: Finance Cost	(3,933,493)	(3,116,779)
Add: Unallocable Other Income	895,375,272	1,014,261,290
Add: Share of Net Profit of Associates accounted using Equity Method	61,753,008	
Profit Before Tax	5,661,292,537	5,395,571,319

D) RECONCILIATION OF ASSETS

Particulars	Current Year	Previous Year
Segment Assets	239,731,471,425	202,528,530,497
Goodwill & Intangible Assets	510,153	678,082
Property and Equipment	42,639,899	27,316,377
Investment Properties	21,474,798	24,068,119
Deferred Tax Assets	-	-
Investment in Subsidiaries	106,523,552	8,901,679
Investment in Associates	73,432,367	-
Investments	9,950,555,484	9,550,845,346
Loans	454,207,256	519,556,227
Current Tax Assets	54,196,488	24,236,316
Other Assets	12,267,483	20,696,126
Other Financial Assets	495,689,044	348,131,253
Cash and Cash Equivalents	609,179,055	443,373,680
Total Assets	251,552,147,003	213,496,333,701

E) RECONCILIATION OF LIABILITIES

Particulars	Current Year	Previous Year
Segment Liabilities	238,199,605,617	200,885,621,061
Provisions	13,620,422	14,068,864
Gross Insurance Contract Liabilities	-	-
Deferred Tax Liabilities	165,943,731	231,298,312.39
Current Tax Liabilities	-	-
Other Financial Liabilities	108,206,341	101,660,370
Other Liabilities	60,476,719	110,386,492
Total Liabilities	238,547,852,830	201,343,035,100

RELATED PARTY DISCLOSURE:

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(a) Identify Related Parties

Holding Company: The Company doesn't have holding company for the fiscal year ended Ashadh 32, 2082 (16th July, 2025)

Subsidiaries:

- 1) The Company have Invested 1,530,000 number of Shares of Rs. 100 each in Nepal Life Capital Limited during the fiscal year ended Ashadh 32, 2079 (16th July, 2022)
- 2) The Company have Invested 7,65,000 number of Shares of Rs. 100 each in Nepal Life Capital Limited during the fiscal year ended Ashadh 32, 2082 (16th July, 2025) through right shares.
- 3) The Company have established wholly owned subsidiary, Nepal Life Investment Company Limited with paid up capital of 1.8 Billion (18,000,000 number of Shares of Rs. 100 each) during the fiscal year ended Ashadh 32, 2082 (16th July, 2025).

Associates:

- 1) The Company have Invested 1,843,224 number of Shares of Rs. 400 each in Professional Holdings Limited during the fiscal year ended Ashadh 32, 2082 (16th July, 2025)
- 1) The Company have Invested 15,00,000 number of Shares of Rs. 400 each in UNIGLOBE HIGHER SECONDARY SCHOOL KTM LTD. during the fiscal year ended Ashadh 32, 2082 (16th July, 2025)

Fellow Subsidiaries: The Company doesn't have fellow subsidiaries for the fiscal year ended Ashadh 32, 2082 (16th July, 2025)

Key Management Personnel:	Position	Remarks
Mr. Govind Lal Sanghai	Chairman	
Mr. Kamlesh Kumar Agrawal	Director / Promoter Group	
Mr. Sakti Kumar Golyan	Director / Promoter Group	
Mr. Bimal Prasad Dhakal	Director / Public	
Mr. Krishna Raj Lamichhane	Director / Public	
Mrs. Sharmila Shrestha Maharjan	Director / Public	
Mr. Pravin Raman Parajuli	Chief Exexutive Officer	
Mr. Amit Kumar Keyal	Deputy Chief Executive Officer	

(B) KEY MANAGEMENT PERSONNEL COMPENSATION:

Particulars	Current Year	Previous Year
Short-term employee benefits	42,154,135	41,544,453
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	42,154,135	41,544,453

PAYMENT TO CHIEF EXECUTIVE OFFICER (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	15,984,000	14,310,000
Performance based allowances	-	-
i) Employee Bonus	6,360,219	6,756,434
ii) Benefits as per prevailing provisions	660,887	1,029,082
iii) Incentives	-	-
Insurance related benefits	-	-
i) Life Insurance	-	-
ii) Accident Insurance	-	-
iii) Health Insurance (including family members)	-	-
Total	23,005,107	22,095,516

(C) RELATED PARTY TRANSACTIONS:

Particulars	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	-	2,470,680	-	-	-	2,470,680
Previous Year	-	1,791,555	-	-	-	1,791,555
Interest Income						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Sale of Property & Equipment						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Purchase of Property & 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	-	-	-	-	6,849,000	6,849,000
Previous Year	-	-	-	-	7,909,000	7,909,000
Allowances to Directors						
Current Year	-	-	-	-	1,140,000	1,140,000
Previous Year	-	-	-	-	1,260,000	1,260,000
Others (to be specified)						
Current Year- service fee payment	-	773,360	-	-	-	773,360
Previous Year	-	-	-	-	-	-

(D) RELATED PARTY BALANCES:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Other Receivables (to be Specified)						
Current Year-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Payables including Reinsurance Payables						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Other Payables (to be Specified)						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

LEASES

53

The company has initially recognised the Right of Use assets at the amount of lease liability Plus any initial direct cost incurred by the group. Right of Use asset has been depreciated over the Period over the period of Accumulated Lease term on straightline Basis. Right of Use Assets shall be measured at cost less any accumulated depreciation and any accumulated impairment and adjusted for any re-measurement of the lease liability.

The carrying amount of Right of Use assets recognized is tabulated below:

Right of Use of Assets	Current Year	Previous Year
Cost:		
As on July 16, 2024	397,528,467	162,086,703
Addition during the year	54,300,091	235,441,764
As on July 16, 2025	451,828,558	397,528,467
Depreciation:		
As on July 16, 2024	44,169,830	40,857,715
Addition during the year	76,435,909	3,312,115
As on July 16, 2025	120,605,739	44,169,830

Right of Use assets has been presented on Property and Equipments on Schedule 5

The lease liability is initially measured at the present value of the actual lease payments payable over the lease term, discounted at incremental borrowing rate. actual lease payments will be updated every Year on the revision of terms of the Rental agreement. Right of use assts will be depreciated within the Terms of the lease agreement.

THE CARRYING AMOUNT OF LEASE LIABILITY IS TABULATED BELOW:

Lease Liability	Current Year	Previous Year
As on July 16, 2024	328,393,448	154,986,036
Addition during the year	57,691,535	235,441,764
Interest on liability	38,608,498	30,499,465
Actual payment during the year	102,579,678	92,533,818
Total	322,113,803	328,393,448

Depreciation on Right of Use Assets amounting NPR 76,435,909 and interest on lease liability amounting NPR 38,608,498 has been recognized on Profit or Loss account.

The details of future Actual Lease Payments of the Insurance are tabulated below:

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	93,627,188	92,533,818
ii) Later than 1 year and not later than 5 years	228,773,997	323,401,665
iii) Later than 5 years	135,525,985	97,949,245

Amounts Recognized in Profit or Loss	Current Year	Previous Year
Depreciation of right-of-use assets	76,435,909	3,312,115
Interest expense on lease liabilities	38,608,498	30,499,465
Expense relating to short-term leases	-	-
Expense relating to low-value leases	-	-
Expense relating to variable lease payments not included in lease liabilities	-	-
Total lease-related expense recognized in P&L	115,044,407	33,811,580

Gain/Loss On lease Modification	Current Year	Previous Year
Loss on Lease Modification	3,391,445	-

(a) Leases as Lessee**(i) Operating Leases:**

Disclosure in respect of Non-cancellable lease is as given below

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	-	-
ii) Later than 1 year and not later than 5 years	-	-
iii) Later than 5 years	-	-

(ii) Finance Lease:

The Company holds assets under finance leases. Future minimum lease payments and lease liability at the end of the year is given below:

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years	-	-
iii) Later than 5 years	-	-
Total Future Minimum Lease Payments	-	-
Less: Effect of Discounting	-	-
Finance lease liability recognised	-	-

(b) Leases as Lessor**(i) Operating Lease:**

The Company has leased out certain office spaces of its assets—"Investment Property" that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR 59,722,232 (Ashadh 31 2081/ July 15, 2024: NPR 61,442,325). Details of assets given on operating lease at year end are as below:

Disclosure in respect of Non-cancellable lease is as given below

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	-	-
ii) Later than 1 year and not later than 5 years	-	-
iii) Later than 5 years	-	-

(ii) Finance Lease:

The Company has not given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:

Particulars	Current Year			Previous Year		
	Gross Investment	Unearned Finance Income	Net Investment	Gross Investment	Unearned Finance Income	Net Investment
i) Not Later than 1 year	-	-	-	-	-	-
ii) Later than 1 year and not later than 5 years	-	-	-	-	-	-
iii) Later than 5 years	-	-	-	-	-	-
Total	-	-	-	-	-	-

CAPITAL COMMITMENTS**54**

Estimated amount of contracts remaining to be executed in capital accounts and not provided for

Particulars	Current Year	Previous Year
Property and Equipment	-	-
Investment Properties	-	-
Goodwill & Intangible Assets	-	-
Total	-	-

CONTINGENT LIABILITIES

55

Estimated amount of contracts remaining to be executed in capital accounts and not provided for (net of advances)

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts	-	-
a) Income Tax	-	-
b) Indirect Taxes	-	-
c) Others (to be Specified)	-	-
Total	-	-

EVENTS OCCURRING AFTER BALANCE SHEET

56

There are no any adjusting events after balance sheet date.

ASSETS PLEDGED AS SECURITY (ONLY IF PLEDGED)

57

The carrying amount of assets pledged as security are:

Particulars	Current Year	Previous Year
Reinsurance Receivables	-	-
Investments in equity	-	-
Fixed Deposits	-	-
Property and Equipment	-	-
Others (to be Specified)	-	-
Total	-	-

CORPORATE SOCIAL RESPONSIBILITY (CSR)

58

The company has allocated fund for Corporate Social Responsibility as per Insurer's financial statement related directives, 2080.

The fund has been utilized for different CSR initiatives as per the provision of Corporate social responsibility mentioned in Insurers Corporate Good Governance Directives, 2080.

Particulars	Current Year	Previous Year
Opening Provision	32,007,182	20,996,073
Less: Utilization of reserve	(29,824,021)	(10,734,014)
Addition: Transfer from retaining earnings	23,024,969	21,558,023
Add/Less: Others	-	-
Closing Balance of reserve	25,208,130	21,558,023

MISCELLANEOUS

59

(i) All amounts are in Nepalese Rupees unless otherwise stated.

(ii) All figures are in the Nearest Rupee & Rounded off.

OTHERS (TO BE SPECIFIED)

60

None

MAJOR FINANCIAL INDICATORS

Annexure III

S.N	Particulars	Indicators	Fiscal Year				
			2081/82	2080/81	2079/80	2078/79	2077/78
A. Equity:							
1	Net worth	NPR	13,004,294,174	12,153,298,601	11,795,059,734	9,701,369,764	11,041,485,154
2	Number of Shares	No.s	90,287,632	82,079,666	82,079,666	82,079,665	71,999,707
3	Book value per shares	NPR	144	148	144	118	135
4	Net Profit	NPR	2,294,358,442	2,128,824,062	2,011,223,910	156,061,777	1,964,067,798
5	Earning per Shares (EPS)	Per Share	25.41	25.94	24.50	1.90	23.93
6	Dividend per Shares (DPS)	Per Share	21.05	21.05	21.05	-	15.79
7	Market Price per Shares (MPPS)	Per Share	772.97	744	744	747	1,919
8	Price Earning Ratio (PE Ratio)	Ratio	30.42	28.69	30.36	392.88	80.20
9	Change in Equity	%	7.00%	3.04%	21.58%	-11.60%	19.69%
10	Return on Equity	%	18.24%	17.78%	18.71%	1.50%	19.38%
11	Affiliate Ratio	%	26.36%	1.26%	1.30%	0.02	
12	Market Share	%	27.72%	23.23%	21.28%	17.81%	21.96%
13	Net Earnings Ratio	%	4.81%	5.30%	5.51%	0.28%	6.15%
14	Solvency Margin		154%	145%	322%	347%	262%
B. Income:							
15	Gross Earned Premium Growth Rate	%	18.00%	9.92%	4.72%	9.65%	17.02%
16	First Year Premium Growth Rate	%					
	Endowment	%	25.92%	16.97%	-14.94%	-31.37%	-10.78%
	Anticipated Endowment	%	-34.37%	-35.74%	-42.06%	-2.76%	-13.79%
	Endowment Cum Whole Life	%	-13.17%	-14.53%	-33.10%	19.43%	57.96%
	Whole Life	%					
	Foreign Employment Term	%	-37.36%	26.99%	253.47%	198.22%	-75.85%
	Micro Term	%					
	Special Term	%					
	Others (Other Term)	%	221.21%	7.39%	10.84%	345.66%	-7.11%
17	Renewal Premium Growth Rate	%					
	Endowment	%	15.17%	8.18%	7.11%	23.44%	36.98%
	Anticipated Endowment	%	2.13%	-2.61%	0.87%	4.64%	15.63%
	Endowment Cum Whole Life	%	16.85%	14.92%	22.73%	25.61%	30.83%
	Whole Life	%					
	Foreign Employment Term	%					
	Micro Term	%					
	Special Term	%					
	Others (Other Term)	%	119.33%	253.49%	79.40%	-9.32%	-38.35%
18	Single Premium Growth Rate	%					
	Endowment	%	119.16%	187.12%	630.20%	-86.74%	-46.39%
	Anticipated Endowment	%	-56.99%	-77.94%	-33.09%	255.59%	177.93%
	Endowment Cum Whole Life	%					
	Whole Life	%					
	Foreign Employment Term	%					
	Micro Term	%					
	Special Term	%					
	Others (Other Term)	%					-100.00%
19	Reinsurance Ratio	%	1.05%	1.66%	1.76%	1.28%	1.29%

S.N	Particulars	Indicators	Fiscal Year				
			2081/82	2080/81	2079/80	2078/79	2077/78
20	Retention Ratio	%	98.95%	98.34%	98.24%	98.72%	98.71%
21	Net Reinsurance Inflow/(outflow)	Amount in Crore	(19,967,260)	(352,357,333)	(250,833,741)	(105,837,130)	(240,099,278)
22	RI Commission Income/ Premium Ceded	%	20.67%	9.37%	21.61%	19.40%	6.08%
23	Gross Earned Premium to Equity	%	383.20%	341.15%	345.76%	341.49%	318.10%
24	Net Earned Premium to Equity	%	379.16%	335.50%	339.69%	337.12%	314.00%
25	Gross Earned Premium to Total Assets	%	20.73%	20.74%	22.45%	25.54%	28.26%
26	Yield on Investment and Loan	%	10.02%	10.12%	10.14%	9.47%	9.22%
C. Expenses:							
27	Regulatory Expense Ratio	%	15.39%	16.41%	17.84%	18.38%	18.94%
28	Management Expense Ratio	%	6.25%	6.50%	6.66%	7.79%	8.57%
29	Commission Ratio	%	7.61%	7.80%	8.37%	9.95%	11.01%
30	Direct Business Acquisition Ratio	%	29.33%	32.21%	34.50%	38.61%	39.10%
31	Agent Related Expenses to Other Operating Expenses	%	84.69%	77.45%	79.46%	79.40%	86.32%
32	Agent Related Expenses to Gross Premium	%	3.34%	2.97%	2.97%	3.80%	5.18%
33	Employee Expenses to Total Expenses excluding Claims & Benefits and direct expenses	%	32.80%	38.30%	42.02%	29.66%	28.24%
D. Assets:							
34	Increment in Investment	%	17.47%	18.29%	20.29%	40.09%	23.34%
35	Increment in Loan	%	3.19%	8.99%	22.11%	21.39%	16.58%
36	Liquidity Ratio	%	700.18%	366.70%	316.35%	321.69%	667.63%
37	Return on Assets	%	0.99%	1.08%	1.22%	0.07%	1.72%
38	Long term Investments to Total Investments	%	87.64%	95.79%	95.02%	66.91%	49.72%
39	Short term Investments to Total Investments	%	12.36%	4.21%	4.98%	33.09%	50.28%
40	Total Investment & Loan to Gross Insurance Contract Liabilities	%	97.12%	100.76%	104.06%	103.53%	101.01%
41	Investment in Unlisted Shares to Total Assets	%	0.002%	0.002%	0.003%	0.001%	0.00%
E. Liabilities:							
42	Increment in Gross Insurance Contract Liabilities	%	19.33%	20.41%	20.02%	20.95%	28.26%
	Increment in Life Insurance Fund	%	19.31%	20.85%	20.09%	22.21%	27.68%
	Claim Payment reserve including IBNR	%	21.34%	19.74%	-19.18%	-32.87%	57.94%
43	Gross Technical Provision to Gross earned premium	%	483%	478%	434%	379%	340%
	Endowment	%	381.69%	438.16%	471.52%	416.24%	362.76%
	Anticipated Endowment	%	430.27%	417.36%	396.58%	387.55%	350.76%
	Endowment Cum Whole Life	%	458.66%	496.05%	523.73%	500.91%	468.78%
	Whole Life	%					
	Foreign Employment Term	%	32.43%	34.01%	53.46%	189.37%	286.83%
	Micro Term	%					
	Special Term	%					
	Others (Other Term)	%	22.42%	48.39%	65.70%	81.11%	64.00%
44	Gross Technical Provision to Total Equity	%	1805%	1619%	1385%	1403%	1015%
45	Insurance Debt to Total Equity	%	0.00%	0.00%	0.00%	0.00%	0.00%
46	Loss Ratio	%	2.28%	2.26%	2.23%	2.94%	2.55%

S.N	Particulars	Indicators	Fiscal Year				
			2081/82	2080/81	2079/80	2078/79	2077/78
47	Persistency Ratio	%	97.29%	96.32%	95.45%	94.65%	96.12%
48	Lapse Ratio	%	2.71%	3.68%	4.55%	5.35%	3.88%
49	No of Outstanding Claims/No of Intimated Claims	%	30%	152%	161%	186%	188%
50	Total Number of Inforce Policies	No.s	1,862,260	1,173,941	1,159,583	1,054,691	1,381,433
51	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%	74.88%	61.98%	89.25%	71.51%	72.61%
F. Others:							
52	Declared Bonus Rate	Per'000	Rs 55 - Rs 85	Rs 55 - Rs 85	Rs 50 - Rs 85	Rs 50 - Rs 85	Rs 56 - Rs 82
53	Interim Bonus Rate	Per'000	Rs 55 - Rs 85	Rs 55 - Rs 85			
54	Number of Offices	No.s	194	195	198	195	199
55	Number of Agents	No.s	60,989	57,122	223,744	207,294	185,739
56	Number of Employees	No.s	584	596	606	663	634
57	Employee Expenses to Number of Employee	Amt.	1,693,257	1,706,133	1,716,561	1,246,674	1,243,527

STATEMENT OF SUM ASSURED (AS PER ACTUARIAL VALUATION REPORT)

Annexure IV

S.N.	Insurance Types	In Force Number of Policies		Sum Assured of In Force Policies		Sum at Risk		Sum at Risk Transferred to Reinsurer		Sum at risk retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Endowment	636,366	577,557	381,176,766,750	330,880,925,862	295,406,795,834	375,385,052,244	75,354,551,121	162,136,978,306	220,052,244,713	213,248,073,938
2	Anticipated Endowment	71,522	72,383	62,524,343,293	64,329,315,904	49,853,475,238	91,707,801,716	20,094,623,640	57,815,597,718	29,758,851,588	33,892,203,998
3	Endowment Cum Whole Life	208,870	201,450	123,179,121,007	114,254,768,205	91,528,398,438	146,311,361,746	23,358,609,684	78,100,570,411	68,169,788,754	68,210,791,335
4	Whole Life	-	-	-	-	-	-	-	-	-	-
5	Foreign Employment Term	288,932	250,172	231,145,000,000	245,288,000,000	230,986,245,986	244,819,782,336	161,690,372,191	170,800,405,705	69,295,873,796	74,019,376,631
6	Micro Term	-	-	-	-	-	-	-	-	-	-
7	Special Term	-	-	-	-	-	-	-	-	-	-
8	Others (Other Term)	656,570	72,379	60,456,444,155	11,325,710,968	60,480,040,509	11,289,590,018	40,362,365,440	6,241,714,567	20,117,675,068	5,047,875,451
Total		1,862,260	1,173,941	858,481,675,205	766,078,710,939	728,254,956,005	869,513,588,060	320,860,522,076	475,095,266,707	407,394,433,929	394,418,321,353

MINIMUM DISCLOSURE IN DIRECTORS' REPORT

A Information related to the company:

1 Date of establishment:

2055/10/18 B.S. (01/02/1999 A.D.)

2 Insurer licence date:

2058/ 01/ 04 B.S. (17/04/2001 A.D.)

3 Insurance business type, nature:

Life Insurance

4 Date of commencement of business:

2058/ 01/ 21 B.S. (04/ 05/ 2001 A.D.)

5 Other matters which insurer wish to include:

None

B Board of Directors approved the following matters:

1 Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not:

Tax, service charges, fine and penalties to be paid under laws & regulation are paid.

2 Share structure of the company, changes if any in line with prevailing laws & regulation:

The company has an authorized capital of NPR 1,000 crore and paid up capital of NPR 902.88 crore. The share capital structure of the company comprises of 51 percent as promoter share and 49 percent as public share. There is no any changes in share capital structure as at the year end.

3 Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not:

The company has maintained the solvency ratio as prescribed by Nepal Insurance Authority.

4 a) Assets that financial amount contained in SOFP are not overstated than it's fair value.

b) Measurement basis of the assets recognized in financial statements are historical cost less depreciation, amortized cost and fair value.

5 Declaration on investment made by the company that are in line with prevailing laws:

All the investments made by the company are in line with prevailing laws. All the provisions of Insurance Act, 2079, are followed and investments are made accordance to Investment Directive issued by Nepal Insurance Authority.

6 Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.

During the FY 2081/82, Total number of policies for Death Claim payment was 2836, Maturity payment was 33,887,

survival benefit payment was 15,725 and surrender payment was 22,624. The number of outstanding Death claims are 12, Maturity claims are 18,976, Survival claims are 5,643 and Surrender claims are 29. Outstanding claims will be settled in the following financial years within the time frame prescribed by the Insurance Act, 2079.

7 Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation 2049, Company Act 2063, NFRSs and other prevailing laws & regulation to which the company shall adhere to and any non compliance with reasons thereof:

The company has taken sufficient measures to comply with all the provision of Insurance Act 2079, Insurance Regulation, 2049 Company Act 2063, NFRSs and other prevailing laws & regulations as applicable.

8 Declaration that the appropriate accounting policy has been consistently adopted:

The Financial Statement of the Company has been prepared in accordance with the applicable accounting standards, principles and policies followed along with proper explanations relating to material departures, if any.

9 Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly:

Financial Statement as at Ashadh 32, 2082 present true & fair view of Financial Position and Financial Performance of the Company.

10 Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities:

Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities

11 Declaration of Financial Statements have been prepared based on going concern basis:

Financial Statements have been prepared based on going concern basis.

12 Declaration that the internal control system is commensurate with the size, nature & volume of the company business:

The company has been keeping the internal control system effective and efficient. The company has appointed an independent chartered accountant as

internal auditor to strengthen internal control system; the management receives quarterly internal audit report and make comprehensive discussion.

13 Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest:

the insurer has not conducted any transactions contrary to Insurance Act, 2079, Companies Act, 2063, related

regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest

14 Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year:

There is no any penalties, levied by Nepal Insurance Authority for the financial year 2081/82.

15 Other disclosure which is deemed appropriate by management:

None

GOVIND LAL SANGHAI
CHAIRMAN

KAMLESH KUMAR AGRAWAL
DIRECTOR

BIMAL PRASAD DHAKAL
DIRECTOR

KRISHNA RAJ LAMICHHANE
DIRECTOR

SHAKTI KUMAR GOLYAN
DIRECTOR

SHARMILA SHRESTHA MAHARJAN
DIRECTOR

DATE : **2082/08/24**
PLACE : **KATHMANDU**

FIVE YEARS HORIZONTAL ANALYSIS OF FINANCIAL STATEMENT OF INSURANCE COMPANY

Amount in Ten Lakh

STATEMENT OF FINANCIAL POSITION

Particular As on Ashadh End	2082		2081		2080		2079		2078		2077	
	2082 Vs 2081	2082	2081 Vs 2080	2081	2080 Vs 2079	2080	2079 Vs 2078	2079	2078 Vs 2077	2078	2077	
Assets												
Intangible Assets	-17%	10	-5%	12	29%	10	448%	2	-13%	2	2	
Property and Equipment	73%	812	104%	470	1%	228	200%	76	-9%	76	84	
Investments	16%	240,019	18%	206,187	20%	145,622	21%	120,089	27%	94,820		
Other Assets	57%	10,710	29%	6,828	12%	4,722	-33%	7,082	3%	6,876		
Total Assets	18%	251,552	18%	213,496	20%	180,476	18%	150,582	25%	127,259	101,782	
Property and Equipment includes: ROU assets also												
Investments includes: Investment in subsidiary, loans, investments, investment property, cash at bank												
Other assets includes: current tax assets, deferred tax assets, other assets, other financial assets, cash and cheque balance												
Equity and Liabilities												
Gross Insurance Contract Liabilities	19%	234,755	20%	196,735	20%	163,391	21%	136,131.50	28%	112,551.81	87,756	
Total Equity	7%	13,004	3%	12,153	22%	11,795	-12%	9,701.37	20%	11,083.95	9,267	
Other Liabilities	-18%	3,793	-13%	4,608	11%	5,290	31%	4,748.87	-24%	3,622.86	4,759	
Total Equity and Liabilities	18%	251,552	18%	213,496	20%	180,476	18%	150,582	25%	127,259	101,782	

Other liabilities includes: Provisions, deferred tax, other liabilities, financial liabilities, insurance payable

STATEMENT OF PROFIT OR LOSS

Gross Earned Premiums	18%	48,202	10%	40,849	5%	37,163	10%	35,489	17%	32,367	27,659
Net Earned Premiums	19%	47,694	10%	40,173	4%	36,510	10%	35,036	17%	31,950	27,282
Commission and Other Direct Income	23%	643	-8%	522	19%	568	42%	477	27%	335	265
Investment Income and Other Income	7.58%	20,050	20%	18,637	38%	15,595	3%	11,314	37%	11,027	8,066
Net Claims and Benefits Paid	27%	(18,809)	-4%	(14,755)	9%	(15,429)	61%	(14,145)	47%	(8,759)	(5,946)
Changes in Contract Liabilities	12%	(36,937)	24%	(33,039)	13%	(26,672)	-5%	(23,593)	15%	(24,783)	(21,639)
Commission, Service fees and Other Direct Expenses	15%	(4,027)	2%	(3,488)	-12%	(3,415)	0%	(3,883)	10%	(3,885)	(3,517)
Employee benefits and other operating Expenses	12%	(2,893)	7%	(2,585)	-4%	(2,427)	-7%	(2,519)	0%	(2,721)	(2,729)
Depreciation and Amortization Expenses	144%	(124)	-28%	(51)	28%	(71)	73%	(55)	14%	(32)	(28)
Impairment losses and Finance costs	-111%	2	-184%	(19)	-112%	22	1045%	(190)	-28%	(17)	(23)
Share of Net Profit of Associates accounted using Equity Method		62									
Profit Before Tax	5%	5,661	15%	5,396	92%	4,683	-22%	2,441	80%	3,116	1,732
Income Tax	3%	(3,367)	22%	(3,267)	14%	(2,672)	104%	(2,344)	84%	(1,150)	(623)
Profit after Tax	8%	2,294	6%	2,129	1968%	2,011	-95%	97	77%	1,966	1,108
Employee Information											
Revenue Per Employee		117		99.55		86.92		70.63		68.32	58.38
Net Profit Per Employee		4		3.57		3.32		0.15		3.10	1.82
Number of Employee		584		596		606		663		634	610

FIVE YEARS VERTICAL ANALYSIS OF FINANCIAL STATEMENT OF INSURANCE COMPANY

Amount in Ten Lakh

STATEMENT OF FINANCIAL POSITION - Total Assets are considered as the base figure in vertical analysis

As on Ashadh End	2082	%	2081	%	2080	%	2079	%	2078	%	2077
Assets											
Intangible Assets	10	0%	12	0%	12	0%	10	0%	2	0%	2
Property and Equipment	812	0%	470	0%	230	0%	228	0%	76	0%	84
Investments	240,019	112%	206,187	97%	174,956	97%	145,622	97%	120,099	94%	94,820
Other Assets	10,710	5%	6,828	3%	5,278	3%	4,722	3%	7,082	6%	6,876
Total Assets	251,552	100%	213,496	100%	180,476	100%	150,582	100%	127,259	100%	101,782
Equity and Liabilities											
Gross Insurance Contract Liabilities	234,755	110%	196,735	92%	163,391	91%	136,131	90%	112,552	88%	87,756
Total Equity	13,004	6%	12,153	6%	11,795	7%	9,701	6%	11,084	9%	9,267
Other Liabilities	3,793	2%	4,608	2%	5,290	3%	4,749	3%	3,623	3%	4,759
Total Equity and Liabilities	251,552	100%	213,496	100%	180,476	100%	150,582	100%	127,259	100%	101,782
Investor Information											
Return on Net Assets (%)	0.92%	0%	17.78%	0%	18.71%	100.00%	1.50%	19.38%	12.06%	12.06%	
Return on Total Assets (%)	0.99%	0%	1.08%	0%	1.22%	100.00%	0.07%	1.72%	1.23%	1.23%	
Net Assets Per Share NPR	144	0%	148	0%	144	100.00%	118	135	128	128	
Earnings Per Share NPR	25.41	0%	25.94	0%	24.50	100.00%	1.90	23.93	15.39	15.39	
Dividend Per Share NPR	21.05	0%	21.05	0%	21.05	100.00%	-	15.79	14.74	14.74	
Dividend Cover Times	1.21	0%	1.23	0%	1.16	100.00%	-	1.52	1.04	1.04	
Dividend Payout Ratio (%)	83%	0%	81.16%	0%	85.91%	100.00%	-	65.99%	95.75%	95.75%	

STATEMENT OF PROFIT OR LOSS - Gross earned premium is considered as the base figure in vertical analysis

Gross Earned Premiums	48,202	100.00%	40,849	100.00%	37,163	100.00%	35,489	100.00%	32,367	100.00%	27,659
Net Earned Premiums	47,694	98.95%	40,173	98.34%	36,510	98.24%	35,036	98.72%	31,950	98.71%	27,282
Commission and Other Direct Income	643	1.33%	522	1.28%	568	1.53%	477	1.34%	335	1.04%	265
Investment Income and Other Income	20,050	41.60%	18,637	45.62%	15,595	41.96%	11,314	31.88%	11,027	34.07%	8,066
Net Claims and Benefits Paid	(18,809)	-39.02%	(14,755)	-36.12%	(15,429)	-41.52%	(14,145)	-39.86%	(8,759)	-27.06%	(5,946)
Changes in Contract Liabilities	(36,937)	-76.63%	(33,039)	-80.88%	(26,672)	-71.77%	(23,593)	-66.48%	(24,783)	-76.57%	(21,639)
Commission, Service fees and Other Direct Expenses	(4,027)	-8.35%	(3,488)	-8.54%	(3,415)	-9.19%	(3,883)	-10.94%	(3,885)	-12.00%	(3,517)
Employee benefits and other operating Expenses	(2,893)	-6.00%	(2,585)	-6.33%	(2,427)	-6.53%	(2,519)	-7.10%	(2,721)	-8.41%	(2,729)
Depreciation and Amortization Expenses	(124)	-0.26%	(51)	-0.12%	(71)	-0.19%	(55)	-0.16%	(32)	-0.10%	(28)
Impairment losses and Finance costs	2	0.00%	(19)	-0.05%	22	0.06%	(190)	-0.54%	(17)	-0.05%	(23)
Share of Net Profit of Associates accounted using Equity Method	62	0.13%									
Profit Before Tax	5,661	11.74%	5,396	13.21%	4,683	12.60%	2,441	6.88%	3,116	9.63%	1,732
Income Tax	(3,367)	-6.99%	(3,267)	-8.00%	(2,672)	-7.19%	(2,344)	-6.60%	(1,150)	-3.55%	(623)
Profit after Tax	2,294	4.76%	2,129	5.21%	2,011	5.41%	97	0.27%	1,966	6.08%	1,108

CLAIMS SETTLEMENT ANALYSIS

"Claims management and details of outstanding claims with ageing thereof" and "Outstanding claims Incurred but not reported (IBNR) & Incurred but not enough reported (IBNER) reserves:" are two different points, "Outstanding claims Incurred but not reported (IBNR) & Incurred but not enough reported (IBNER) reserves:" should be shown first and after that "Claims management and details of outstanding claims with ageing thereof" to be added and table should be shown below this point.

6 Claim payment
7 Regulatory compliance

Outstanding Premium/ Unearned premium

The company books premium collection on cash basis. Therefore, there is no outstanding premium i.e. premium due but not collected presented in the financial statement. Similarly, there is no unearned premium presented in the financial statement.

Claims management and details of outstanding claims with ageing thereof

The company follows the claim management process as:

- 1 Claim reporting and registration
- 2 Claim assessment and validation
- 3 Documentation and investigation
- 4 Fraud detection and prevention
- 5 Customer communication

Outstanding claims Incurred but not reported (IBNR) & Incurred but not enough reported (IBNER) reserves:

For FY 2081/82, IBNR/IBNER provisioning is not applicable; accordingly, no separate IBNR/IBNER provision has been maintained in the financial statements.

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Surrender Payable		IBNR/IBNER Claim		Gross outstanding claim reserve	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment												
0 to 1 Year	15,222,000	1,766,667	815,393,269	500,992,505	-	-	4,456,956	-	75,413,876	835,072,225	578,173,048	
1 to 3 Years	-	-	121,546,969	97,203,713	-	-	-	-	14,580,557	121,546,969	111,784,270	
3 to 6 Years	-	1,000,000	60,265,878	49,986,897	-	-	-	-	7,648,035	60,265,878	58,634,932	
6 to 10 Years	-	-	30,135,237	23,795,028	-	-	-	-	3,569,254	30,135,237	27,364,282	
Above 10 Years	-	-	3,047,370	2,146,678	-	-	-	-	322,002	3,047,370	2,468,680	
Anticipated Endowment												
0 to 1 Year	4,900,000	-	62,011,520	36,328,672	477,705,866	425,330,525	1,032,390	-	69,248,880	545,649,776	530,908,076	
1 to 3 Years	-	-	11,698,661	7,535,467	75,686,512	67,103,785	-	-	11,195,888	87,385,173	85,835,140	
3 to 6 Years	-	-	6,754,925	7,426,547	28,006,128	25,889,705	-	-	4,997,438	34,761,053	38,313,690	
6 to 10 Years	-	-	5,527,762	3,536,608	5,685,226	5,221,612	-	-	1,313,733	11,212,988	10,071,953	
Above 10 Years	-	-	-	-	657,037	202,500	-	-	30,375	657,037	232,875	
Endowment Cum Whole Life												
0 to 1 Year	-	2,425,833	245,819,837	158,676,221	-	-	3,968,150	-	24,165,308	249,787,987	185,267,362	
1 to 3 Years	-	1,500,000	29,230,560	10,891,046	-	-	-	-	1,858,657	29,230,560	14,248,703	
3 to 6 Years	-	-	2,113,816	1,539,206	-	-	-	-	230,881	2,113,816	1,770,087	
6 to 10 Years	-	-	391,862	237,030	-	-	-	-	35,555	391,862	272,585	
Above 10 Years	-	-	-	-	-	-	-	-	-	-	-	
Foreign Employment Term												
0 to 1 Year	3,307,897	-	-	-	-	-	-	-	-	-	3,307,897	-

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Surrender Payable		IBNR/IBNER Claim		Gross outstanding claim reserve	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 to 3 Years	-	-	-	-	-	-	-	-	-	-	-	3,307,897
3 to 6 Years	-	-	-	-	-	-	-	-	-	-	-	-
6 to 10 Years	-	-	-	-	-	-	-	-	-	-	-	-
Above 10 Years	-	-	-	-	-	-	-	-	-	-	-	-
Others (Other Term)												
0 to 1 Year	-	10,000,000	-	-	-	-	-	-	-	1,500,000	-	11,500,000
1 to 3 Years	-	-	-	50,000	-	-	-	-	-	7,500	-	57,500
3 to 6 Years	-	-	-	-	-	-	-	-	-	-	-	-
6 to 10 Years	-	-	-	-	-	-	-	-	-	-	-	-
Above 10 Years	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	23,429,897	16,692,500	1,393,937,666	900,345,618	587,740,769	523,748,127	9,457,496	-	216,117,937	2,014,565,828	1,660,212,078	

AGING SUMMARY

CURRENT YEAR

Description	0 to 1 Year		1 to 3 Years		3 to 6 Years		6 to 10 Years		Above 10 Years		Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
Endowment	835,072,225	121,546,969	60,265,878	30,135,237	3,047,370	1,050,067,879					
Anticipated Endowment	545,649,776	87,385,173	34,761,053	11,212,988	657,037	679,666,027					
Endowment Cum Whole Life	249,787,987	29,230,560	2,113,816	391,862	-	281,524,225					
Foreign Employment Term	3,307,897	-	-	-	-	3,307,897					
Others (Other Term)	-	-	-	-	-	-					
Total	1,633,817,885	238,162,702	97,140,747	41,740,087	3,704,407	2,014,565,828					

PREVIOUS YEAR

Description	0 to 1 Year		1 to 3 Years		3 to 6 Years		6 to 10 Years		Above 10 Years		Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
Endowment	578,173,048	111,784,270	58,634,932	27,364,282	2,468,680	778,425,211					
Anticipated Endowment	530,908,076	85,835,140	38,313,690	10,071,953	232,875	665,361,734					
Endowment Cum Whole Life	185,267,362	14,249,703	1,770,087	272,585	-	201,559,736					
Foreign Employment Term	-	3,307,897.00	-	-	-	3,307,897					
Others (Other Term)	11,500,000	57,500.00	-	-	-	11,557,500					
Total	1,305,848,486	215,234,510	98,718,708	37,708,820	2,701,555	1,660,212,078					

HIGHLIGHTS OF SEGMENT REVENUE ACCOUNT

The company has portfolios that are measured as business segment

Business Segments of the Company's are:

- Endowment
- Anticipated Endowment
- Endowment Cum Whole Life
- Foreign Employment Term
- Other(Other Term)

The revenue account of business segment is summarized as:

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Other Term	Foreign Employment Term	Total
INCOME						
Gross Written Premium	31,347,673,956	6,086,494,070	10,189,299,218	190,926,747	387,807,104	48,202,201,095
Premiums Ceded	(206,386,050)	(67,280,689)	(92,571,558)	(31,452,541)	(110,368,198)	(508,059,035)
Commission Income	54,505,830	17,768,593	24,447,823	8,306,505	-	105,028,752
Other Direct Income	277,648,021	126,015,074	133,809,902	581,823	-	538,054,820
Interest Income on Loan to Policyholders	1,836,836,229	939,481,404	923,381,867	-	-	3,699,699,500
Income from Investments & Loans (Annex 5.1)	9,856,862,738	1,865,328,664	3,691,967,169	11,715,550	28,776,707	15,454,650,829
Total Income (A)	43,167,140,725	8,967,807,117	14,870,334,422	180,078,084	306,215,613	67,491,575,962
EXPENDITURES						
Gross Benefits and Claims	9,850,724,992	5,392,732,262	3,574,685,135	87,543,575	285,995,021	19,191,680,985
Claims Ceded	(69,489,020)	(13,297,745)	(58,646,468)	(66,867,775)	(174,762,015)	(383,063,023)
Increase/(Decrease) in Gross claim payment Reserve including IBNR	271,642,468	9,404,293	84,864,489	(11,557,500)	-	354,353,750
(Increase)/Decrease in Reinsurance Assets in Gross payment Reserve including IBNR						
Commission expenses	2,553,687,594	264,351,017	835,263,875	13,550,170	-	3,666,852,656
Service Fees	233,559,659	45,144,100	75,725,457	1,196,057	2,080,792	357,706,065
Other Direct Expenses	1,870,471	28,718	440,088	51,742	-	2,391,019
Medical Examination Fee	7,806,418	334,250	1,611,470	39,930	-	9,792,068
Management expenses excluding agent incentives	683,431,623	138,219,390	222,042,044	4,210,266	9,207,183	1,057,110,507
Agent Incentives	1,260,642,373	27,921,535	162,557,190	-	-	1,451,121,099
Income Tax Expenses	1,995,136,771	428,434,532	833,922,350	1,892,388	4,934,275	3,264,320,316
Total Expenditure (B)	16,789,013,350	6,293,272,353	5,732,465,630	30,058,853	127,455,257	28,972,265,442
Surplus/Deficit (C)	26,378,127,376	2,674,534,764	9,137,868,791	150,019,231	178,760,357	38,519,310,519
Transfer from OCI reserves (D)	19,267,183	3,646,153	7,216,678	22,900	56,250	30,209,164
Transfer from Disposal of FVTOCI instrument	316,253,039	59,848,237	118,455,118	375,888	923,288	495,855,570
Transfer from regulatory reserve (E)	355,445,838	67,265,146	133,135,096	422,471	1,037,710	557,306,261
Transfer of Associates Profit	35,447,053	6,708,058	13,276,979	42,131	103,486	55,577,707
Total Current Year Surplus transferred to Life Insurance Fund (C+D+E)	27,104,540,489	2,812,002,358	9,409,952,662	150,882,623	180,881,090	39,658,259,222

DETAILS OF GROSS CLAIMS AND BENEFITS FOR DIFFERENT PORTFOLIO

Description	Death Claims		Maturity Benefits		Partial Maturity Benefits		Surrender Claim		Other Claims and Benefits		Total Gross Benefits and Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	358,351,646	290,271,176	5,027,125,214	4,112,737,510	-	-	4,410,945,958	3,285,759,248	54,302,174	37,814,273	9,850,724,992	7,726,582,207
Anticipated Endowment	98,599,520	140,626,341	4,07,737,253	292,665,490	2,714,390,394	3,811,420,389	2,159,605,095	523,623,022	12,400,000	-	5,392,732,262	4,768,335,242
Endowment Cum Whole Life	278,343,500	256,443,051	1,757,028,968	1,298,961,209	-	-	1,530,884,987	726,808,961	8,427,680	5,407,180	3,574,685,135	2,287,620,401
Foreign Employment Term	271,641,184	221,975,168	-	-	-	-	-	-	14,353,838	8,180,521	285,995,021	230,155,689
Others (Other Term)	87,206,923	2,865,573	57,500	-	-	-	279,152	-	-	-	87,543,575	2,865,573
Total	1,094,142,773	912,181,309	7,191,948,935	5,704,364,209	2,714,390,394	3,811,420,389	8,101,715,192	4,536,191,231	89,483,682	51,401,974	19,191,680,985	15,015,559,111

Description	Gross Benefits and Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	9,850,724,992	7,726,582,207	69,489,020	50,999,257	9,781,235,972	7,675,582,950
Anticipated Endowment	5,392,732,262	4,768,335,242	13,297,745	22,644,110	5,379,434,517	4,745,691,132
Endowment cum Whole Life	3,574,685,135	2,287,620,401	58,646,468	61,945,985	3,516,038,667	2,225,674,416
Whole Life	-	-	-	-	-	-
Foreign Employment Term	285,995,021	230,155,689	174,762,015	124,779,376	111,233,006	105,376,313
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (Other Term)	87,543,575	2,865,573	66,867,775	550,000	20,675,800	2,315,573
Total	19,191,680,985	15,015,559,111	383,063,023	260,916,727	18,808,617,963	14,754,640,384

DISCLOSURES OF RE-INSURANCE CEDED PREMIUM & CLAIM RECOVERED

Particulars	Premium Ceded To Reinsurers		Claims Ceded	
	Current Year	Previous Year	Current Year	Previous Year
Endowment	206,386,050	209,148,462	69,489,020	50,999,257
Anticipated Endowment	67,280,689	80,191,531	13,297,745	22,644,110
Endowment cum Whole Life	92,571,558	107,712,826	58,646,468	61,945,985
Whole Life	-	-	-	-
Foreign Employment Term	110,368,198	268,993,131	174,762,015	124,779,376
Micro Term	-	-	-	-
Special Term	-	-	-	-
Others (Other Term)	31,452,541	10,393,856	66,867,775	550,000
Total	508,059,035	676,439,806	383,063,023	260,918,727

DISCLOSURES OF UNEXPIRED RISK

Life insurance business is valued using prospective actuarial methodology. Under this approach, actuarial liability explicitly allows for all future claims, all future expenses, all future premiums, and the required Margin over Best Estimate (MOBE). This valuation framework reflects the entire future obligations arising under each policy and inherently tests the adequacy of future premiums. Any inadequacy in future premiums is automatically captured through an increase in actuarial liability. The policyholders' liabilities (technical provision) have been presented in Note 19.1 of Financial Statement as per Actuarial valuation of the company.

DISCLOSURES PERTAINING TO SOLVENCY MARGIN

Particulars	Amount
Risk-Based Capital Requirement	18,476,723,763
Total Solvency Available Capital Resources	28,396,859,062
Solvency surplus/deficit	9,920,135,299
Solvency ratio	153.7%
Minimum Solvency Ratio required By Regulator	130.0%

VALUATION & IMPAIRMENT OF INVESTMENT AS PER REGULATORY REQUIREMENTS

As per the Financial Directive issued by the Nepal Insurance Authority (NIA), the financial statements must be prepared in accordance with NFRS and other applicable accounting standards. Further, provisions must be made for overdue loan amounts and old outstanding receivable amounts, with provision percentages applied based on the outstanding time frame as specified in the Directive. Accordingly, the Company has made a provision of NPR 112.7 million for overdue agent loans, as presented in Note 11 of the financial statements, in line with the requirements of the Financial Directive. Similarly, the Company has made a provision of NPR 20.62 million for old receivable amounts as per the NIA Directive.

Further, the Company has prepared the financial statements on a historical cost basis, except for the following assets and liabilities,

which have been measured at fair value in accordance with NFRS and applicable accounting standards:

- Investment in equity shares and mutual funds (shown in Note 10(c));
- Defined employee benefits; and
- Gross insurance contract liabilities, which are required to be determined using the actuarial valuation method prescribed by the Actuarial Valuation Directive 2077.

Other Accounting ratios and information pertaining to insurance sector

Particulars	Amount
Claim/Net premium (%) / Net Incurred	
Claims to Net Earned Premium	39.44%
Claim settlement ratio	99.01%
Reinsurance claim recovery percentage	2.00%
NPA Ratio	0.05%

REVIEW OF ASSETS QUALITY

The Company reviews the quality of its assets on a regular basis to ensure that investments, loans and receivables remain recoverable, and impairment is done for any discrepancies. Accordingly, the Company has made a provision of Rs. 112.7 million for overdue agent loans and Rs. 20.62 million for old receivable amounts at the end of FY 2081/82.

ENCUMBRANCES ON ASSETS

Every fixed deposit (FD) investment made by the company must be earmarked by creating a lien in favor of the Nepal Insurance Authority (NIA) as per directive issued by NIA.

Particulars	Nature of Encumbrance	Carrying Amount (NPR)	Secured Against/ Purpose
Fixed Deposit	Earmarked/ Lien	173,015,600,000	Earmarked/ Liated to NIA

Age- wise analysis of Unclaimed amount of Policyholders

Aging	Maturity Amount	Survival	Total
Upto 1 Year	1,123,224,626	477,705,866	1,600,930,492
Above 1 year to 2 years	114,889,581	51,407,363	166,296,944
Above 2 years to 3 years	47,586,609	24,279,149	71,865,758
Above 3 years to 4 years	33,961,904	14,749,369	48,711,273
Above 4 years to 5 years	19,911,691	6,976,163	26,887,854
Above 5 years to 6 years	15,261,024	6,280,596	21,541,620
Above 6 years to 7 years	15,009,423	2,257,151	17,266,574
Above 7 years to 8 years	8,770,882	1,340,844	10,111,726
Above 8 years to 9 years	10,172,593	1,150,731	11,323,324
Above 9 years to 10 years	2,101,963	936,500	3,038,463
Above 10 Years	3,047,370	657,037	3,704,407
Total	1,393,937,666	587,740,769	1,981,678,435

PLEGGED REPORT OF PROMOTER SHAREHOLDERS

As on 2082 Ashad end

Sl.No.	Name of promoter shareholder	Share Unit	Sl.No.	Name of promoter shareholder	Share Unit
1	Subhash Chandra Sanghai	1488000	32	Sanjay Kumar Sureka	68887
2	Anuj Agrawal	1000000	33	Suresh Kumar Agrawal	53719
3	Basu Dev Golyan	964305	34	Captive Investment Company Pvt.Ltd.	46184
4	Pawan Kumar Golyan	781650	35	Suresh Kumar Agrawal	46046
5	Purushotam Lal Sanghai	608000	36	Nand Kishor Sharma	44350
6	Ram Chandra Sanghai	608000	37	Mahesh Kumar Agrawal	35112
7	Vishal Agrawal	600000	38	Pratik Jalan	34100
8	Anant Kumar Golyan	572099	39	Vishal Agrawal	33758
9	Narayan Prasad Mundara	562859	40	Madhusudan Agrawal	33397
10	Arpit Agrawal	509858	41	Sumit Agrawal	29070
11	Shashi Kant Agrawal	415800	42	Suraj Pandia	26859
12	Nirmal Kumar Agrawal	324105	43	Suraj Adhikary	21775
13	Bodh Prasad Tripathi	250000	44	Surendra Kumar Goel	19860
14	Shankar Lal Agrawal	207906	45	Raj Kumar Baral	19158
15	Amit Agrawal	193799	46	Prem Bahadur Baral	19158
16	Ashok Kumar Agrawal	182433	47	Mahendra Kumar Bhimsaria	18046
17	Shankar Lal Agrawal	173962	48	Nand Kishor Sharma	15979
18	Ram Awatar Agrawal	165000	49	Suruchi Mittal	15932
19	Prakash Bikram Khatri	143896	50	Sanjeeb Kumar Dahal	15924
20	Manohar Lal Agrawal	139294	51	Lalit Sarda	13276
21	Sushil Gupta	116600	52	Bharat Regmi	10886
22	Anjali Sarawagi	115116	53	Vivek Agarwal	10622
23	Shiv Ratan Agarwal	115108	54	Poonam Goel	9891
24	Ashok Kumar Agrawal	111100	55	Keshav Tuladhar	9588
25	Renu Mittal	109804	56	Ashok Kumar Agrawal	8000
26	Ram Awatar Agrawal	109537	57	Sanjay Kumar Sureka	5313
27	Sajjan Kumar Khetan	107353	58	Suresh Kumar Dharewal	5310
28	Saurav Garg	90304	59	Ravi Kumar Agrawal	3092
29	Alok Agrawal	75618	60	Dipesh Bahadur Dhoubanjar	1472
30	Jayant Kumar Agrawal	74971	61	Roshani Maiya Dhoubanjar	1472
31	Pramila Devi Agrawal	70400	62	Kumud Kumar Dugar	212



ICRA Nepal Limited

Reference Number: ICRAN/082/083/RAT-REV/001

Date: September 28, 2025

Mr. Pravin Raman Parajuli
Chief Executive Officer
Nepal Life Insurance Company Limited
Kathmandu, Nepal

Dear Sir,

Re: Review of rating assigned to Nepal Life Insurance Company Limited

Please refer to your letter/email dated September 22, 2025, requesting ICRA Nepal for review of rating assigned to your company; communicated to you vide our letter Ref No: ICRAN/082/083/RAT/004 dated August 27, 2025.

The Rating Committee of ICRA Nepal, after due consideration of latest developments, has reaffirmed the company's issuer rating at **[ICRANP-IR] AA-** (pronounced ICRA NP Issuer Rating Double A Minus). Issuers with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such issuers carry very low credit risk. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any particular debt instrument.

The aforesaid rating will be due for surveillance at any time on or before September 25, 2026. Other terms and conditions remain the same as detailed in the rating letter Ref No: ICRAN/082/083/RAT/004 dated August 27, 2025.

With kind regards,

Yours sincerely,
For ICRA Nepal Limited

Rajib Maharjan
Assistant Vice President
Head of Rating Division
Email: rajib@icranepal.com



Purushottam Sedhai
Senior Analyst
purushottam@icranepal.com

Regd. Office :
Sunrise Bizz Park - 6th Floor,
Dillibazar, Kathmandu, Nepal

Tel. : +977 1 4519910
Tel. : +977 1 4519920

Website : www.icranepal.com
Email : info@icranepal.com

R A T I N G • R E S E A R C H • I N F O R M A T I O N

1. CERTIFICATION

1.1 Certification by Appointed Actuary (AA)

- 1.1.1 I, Jayasager Kannala ThankappanNair, have prepared this report in connection with my role as the Appointed Actuary of Nepal Life Insurance Company Limited ("Nepal Life" or "the Company"). I am a Partner with BDO Actuarial Services LLP ("we", "our", "BDO") and the terms of my engagement as Appointed Actuary are governed by the engagement letter between BDO and Nepal Life dated 30 June 2025. My work has been reviewed by another qualified actuary from BDO.
- 1.1.2 For the avoidance of doubt, I am performing the role of Appointed Actuary in my independent capacity as a qualified actuary, and I am providing the relevant signoffs and certifications as required by Nepal Insurance Authority ("NIA"). While I am a Partner with BDO and have utilised the support of other BDO consultants in the performance of my work, BDO is not certifying my work or providing any signoffs. Use of terms such as 'we' and 'our' are used to reflect the contributions of other BDO consultants in the preparation of this report.
- 1.1.3 The valuation of the technical provisions and capital charges was carried out as of 16 July 2025 in accordance with the Risk Based Capital and Solvency Directive, 2025 (2082) ("RBC Directive") issued by the NIA and Quantitative Regulatory Reporting Templates Risk-Based Capital (QRRT RBC) for financial year 2081-2082.
- 1.1.4 The policy details and particulars of the in-force policies were provided by Nepal Life. I have reviewed this information for reasonableness and consistency. The detailed data checks that have been performed to verify the consistency, completeness and accuracy of the data are provided in separate report, the outcomes from which I have summarised here.
- 1.1.5 In developing this report, I have relied upon data and information supplied by the management of Nepal Life. This information includes, but is not limited to:
- market-consistent values for the life fund.
 - the admissible assets.
 - other liabilities not related to the technical provisions associated with insurance contracts.
 - risk-based capital charges not related to the technical provisions; and
 - other data such as product technical notes, expenses, assets, and liability information.
- 1.1.6 I also note that substantial portions of the template that has been provided by NIA to compute the various RBC components (the "QRRT Template") were populated by Nepal Life (i.e. the non-actuarial components).
- 1.1.7 I relied upon the general completeness and accuracy of this data and information without independent verification. However, I did review this information for reasonableness and consistency with my knowledge of the insurance industry and with my knowledge of Nepal Life. Should the data and information provided be not up to date or incorrect, the valuation and solvency results would change.

Jayasager
Kannala
Thankappan
Nair

Digitally signed by
Jayasager Kannala
Thankappan Nair
Date: 2025.12.07
16:24:52 +05'30'

Certified by:

Jayasager Kannala ThankappanNair

Fellow of the Institute and Faculty of Actuaries (ARN 9029064)

COP No: Not Applicable

Place: Thrissur, India

Date: 07-December 2025

Nepal Life Insurance Company Limited
RBC Note FY: (As at 16 July 2025)



07 December 2025



K. A. PANDIT

(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

Date: 15-10-2025

Mr. Pravin Raman Parajuli - CEO
Nepal Life Insurance Company Limited
Classic Complex,
Kamaladi,
Kathmandu, Nepal - 44600

Sir/Madam,

Subject: Actuarial Valuation Report as on 16-07-2025

As per the request received from **Nepal Life Insurance Company Limited** for conducting an actuarial valuation as on **16-07-2025** towards **PL + SL Encashment liability (Ref: 426319)**, the valuation report is attached herewith. I certify that the **Defined Benefit Obligation** as per the details mentioned here under works out to **NPR 146,369,960**.

This report is made to the best of my knowledge in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant Guidance Notes issued by the Institute of Actuaries of India to its members to the extent required by the relevant Accounting Standard and the benefit valued. The results of the valuation were shared with the entity, and this report is prepared in accordance with the constructive confirmation on the actuarial valuation summary specifying the data, assumptions and benefit scheme for the same.

With Regards,



Jayesh D. Pandit F.I.A.I. (04517)
Partner
kap@ka-pandit.com

ACTUARY

I am signing this report as a Fellow member of the Institute of Actuaries of India (FIAI) in my professional capacity.

📍 2nd Floor, Churchgate House, Veer Nariman Road, Fort, Mumbai - 400 001.

📍 201/C, Remi Bizcourt, Off. Veera Desai Road, Andheri (W), Mumbai - 400 058.

📍 509, Golden Triangle, Near Sardar Patel Stadium, Navrangpura, Ahmedabad - 380 014.

Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com



K.A. PANDIT

(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

Date: 15-10-2025

Mr. Pravin Raman Parajuli - CEO
Nepal Life Insurance Company Limited
Classic Complex,
Kamaladi,
Kathmandu, Nepal - 44600

Sir/Madam,

Subject: Actuarial Valuation Report as on 16-07-2025

As per the request received from **Nepal Life Insurance Company Limited** for conducting an actuarial valuation as on **16-07-2025** towards **Gratuity liability (Ref: 1100048)**, the valuation report is attached herewith. I certify that the **Defined Benefit Obligation** as per the details mentioned here under works out to **NPR 324,848,403**.

This report is made to the best of my knowledge in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant Guidance Notes issued by the Institute of Actuaries of India to its members to the extent required by the relevant Accounting Standard and the benefit valued. The results of the valuation were shared with the entity, and this report is prepared in accordance with the constructive confirmation on the actuarial valuation summary specifying the data, assumptions and benefit scheme for the same.

With Regards,



Jayesh D. Pandit F.I.A.I. (04517)
Partner
kap@ka-pandit.com

ACTUARY

I am signing this report as a Fellow member of the Institute of Actuaries of India (FIAI) in my professional capacity.

2nd Floor, Churchgate House, Veer Nariman Road, Fort, Mumbai - 400 001.

201/C, Remi Bizcourt, Off. Veera Desai Road, Andheri (W), Mumbai - 400 058.

509, Golden Triangle, Near Sardar Patel Stadium, Navrangpura, Ahmedabad - 380 014.

Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com



नेपाल बीमा प्राधिकरण NEPAL INSURANCE AUTHORITY

वि. वि. शा. : ८४ (२०८२/०८३) च.नं. ३३०६
श्री नेपाल लाईफ इन्स्योरेन्स कम्पनी लिमिटेड,
कमलादी, काठमाण्डौं ।



मिति: २०८२।०८।२६

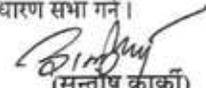
विषय: आ.व. २०८१।८२ को वित्तीय विवरणको स-शर्त स्वीकृति बारे ।

तहाँको मिति २०८२/०८/२५ (च.नं.७४६/२०८२/०८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१।८२ को वित्तीय विवरण सम्बन्धमा लेखिदैंछ ।

उपरोक्त सम्बन्धमा बीमक श्री नेपाल लाईफ इन्स्योरेन्स कम्पनी लिमिटेडबाट पेश भएको आ.व. २०८१।८२ को वित्तीय विवरण तथा अन्य कागजातहरू अध्ययन गर्दा बीमा ऐन, २०७९ को दफा ३८, ३९, ४० र ४१ तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ११ बमोजिम बीमा कोष, अनिवार्य जगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व. २०८१।८२ को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं ।

शर्तहरू:

१. बीमकको वित्तीय विवरणमा देखिएको Unidentified Deposit रकमलाई पहिचान गरी लेखाङ्कन गर्ने संयत्न तयार गर्ने ।
२. बीमकको आर्थिक वर्षको चौथो त्रैमासिक अवधिको त्रैमासिक वित्तीय विवरण र वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न शिर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले आगामी दिनमा सो कैफियतलाई सुधार गर्ने ।
३. बीमकको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रियालाई थप प्रभावकारी गराउने ।
४. बीमकले NFRS-17 Insurance Contracts लागु गर्न आवश्यक तयारी गर्ने ।
५. बीमकले जोखिम व्यवस्थापन थप प्रभावकारी बनाउने ।
६. बीमकले पूनर्बीमा सँग सम्बन्धित लेनादेना हिसाब राफसाफ गर्ने ।
७. बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१/०७/१३ गते प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५ (२०८१/०८२) च.नं. २०४०- वि.वि.शा. १) बमोजिमका बुँदाहरू समावेश गर्ने ।
८. बीमकको लेखापरीक्षकहरूले अँल्याएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने ।
९. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने ।


(सन्तोष कार्की)
चार्टर्ड एकाउन्टेन्ट

नेपाल लाइफ/च.नं. ५-७८८/२०८२/०८३

मिति: २०८२/०८/२९



श्री वित्त विश्लेषण शाखा
नेपाल बीमा प्राधिकरण
कुपण्डोल, ललितपुर ।

विषय: आ.व.२०८१/८२ को वित्तीय विवरणको स-शर्त स्वीकृतिको जवाफ बारे ।

महोदय,

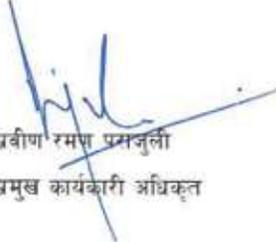
उपरोक्त सम्बन्धमा तहोको मिति २०८२/०८/२६ वि.वि.शा.: ८४(२०८२/०८३) च.नं. ३३०६ को पत्र प्राप्त भई व्यहोरा अवगत भयो । कम्पनीको आ.व. २०८१/८२ को वित्तीय विवरणको स-शर्त स्वीकृतिमा उल्लेख भएका शर्तहरूमा कम्पनीको धारणा निम्न बमोजिम रहेको व्यहोरा जानकारी गराउन चाहन्छौं ।

१. कम्पनीको वित्तीय विवरणमा देखिएको Unidentified Deposit रकमको सम्बन्धमा रकम जम्मा गर्ने व्यक्तिको पहिचान गरि समायोजन गर्ने प्रक्रिया जारी रहेको व्यहोरा जानकारी गराउँदछौं ।
२. कम्पनीले चौथो त्रैमासिक अवधिको वित्तीय विवरण प्रकाशित गर्दा विमाईय मूल्याङ्कन कार्य शुरु भइ नसकेको तथा पुर्नबीमा कम्पनीसंगको अन्तिम हिसाब प्राप्त नभएको कारणले सो सम्बन्धि समायोजन नभएको तर वार्षिक वित्तीय विवरणमा विमाईय मूल्याङ्कन पश्चात गर्नुपर्ने आवश्यक समायोजन र पुर्नबीमा कम्पनीसंगको अन्तिम हिसाबको समायोजन गरिएको हेँदा वित्तीय विवरणको Statement of Financial Position, Statement of Profit or Loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न शिर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक पर्न गएको व्यहोरा जानकारी गराउँदछौं । साथै आगामी दिनमा सो कैफियतलाई सुधार गर्न सम्भव भएका आवश्यक कार्ययोजना बनाइ अघि बढ्ने व्यहोरा समेत अनुरोध गर्दछौं ।
३. कम्पनीको जोखिमाङ्कन तथा दावी भुक्तानी प्रक्रियालाई चुस्त दुरुस्त बनाउनको लागि जोखिमाङ्कन तथा दावी भुक्तानी प्रक्रियालाई नियमित रूपमा अनुगमन तथा आवश्यक परिमार्जन गर्दै थप प्रभावकारी तथा प्रविधि मैत्री बनाइएको व्यहोरा अनुरोध गर्दछौं ।
४. कम्पनीले NFRS 17 लागु गर्नुका लागि निम्न बमोजिमको तयारी गरिरहेको व्यहोरा जानकारी गराउन चाहन्छौं ।
 - कम्पनीको सञ्चालक समितिमा छलफल भई NFRS 17 कार्य गर्नको लागि International Bidding को सूचना निकाल्ने निर्णय गरिएको ।

किराँडि जीवर अग्रज्य उ. 

- कम्पनीको कर्मचारीहरूलाई उपलब्ध भएका तालिमहरूमा पठाउने गरिएको ।
 - कम्पनीको नियुक्त Actuary संग आवश्यक छलफल भईरहेको ।
 - कम्पनीले NFRS17 कार्यान्वयनको लागि विभिन्न सेवा प्रदायकहरूसंग आवश्यक छलफल भइरहेको ।
 - कम्पनीले नियुक्त गरेको Consulting Actuary संगको कार्यक्षेत्रमा NFRS 17 सम्बन्धि कार्यसमेत समावेश गरिएको ।
 - कम्पनीले NFRS17 कार्य सहज गर्नको लागि Prophet Software खरिद गरि सञ्चालनमा ल्याउने क्रममा रहेको ।
५. कम्पनीले जोखिम व्यवस्थापन कार्यलाई प्रभावकारी बनाउन सो सम्बन्धि नीति, निर्देशन र प्रक्रियाहरू तयार गरि लागु गर्ने, Risk Register तयार गर्ने लगायतका कार्यहरू गरि अघि बढिरहेको र आगामी दिनमा थप प्रभावकारी बनाउँदै लगिने व्यहोरा जानकारी गराउन चाहन्छौं ।
 ६. श्री नेपाल बीमा प्राधिकरणद्वारा निर्देशन गरिए अनुसार पुनर्बीमाको बाँडफाँडको निर्णयलाई अस्वीकार गर्दै नेपाल पुनर्बीमा कम्पनी लि.ले पूर्ण "Debit Note" हालसम्म पनि नपठाएको र नेपाल पुनर्बीमा कम्पनी लि.ले पूर्ण "Debit Note" प्रदान नगरेको कारण सो कम्पनीसँगको हिसाब राफसाफ हुन नसकेको र केवल हिमालयन पुनर्बीमा कम्पनी लि.संग हिसाब फरफारक गर्दा Double Payment को समस्या आउन सक्ने भएकोले हिमालयन पुनर्बीमा कम्पनी लि.संग समेत आजको मितिसम्म हिसाब फरफारक गर्न असमर्थ भएको जानकारी गराउँदछौं । हिसाब फरफारक गर्न आग्रह गर्दै नेपाल पुनर्बीमा कम्पनीलाई विभिन्न मितिहरूमा पत्रहरू लेखिएको र सो विषयमा आवश्यक निर्देशन र सहजीकरणको लागि तहाँलाई विभिन्न मितिहरूमा अनुरोध समेत गरिएको जानकारी गराउन चाहन्छौं । त्यसैले यस कम्पनी पुनर्बीमा कम्पनीहरूसंग हिसाब फरफारक गर्न कटिबद्ध भई प्रयासरत रहेको व्यहोरा जानकारी गराउँदछौं ।
 ७. कम्पनीले वार्षिक प्रतिवेदन तयार गर्दा तहाँबाट जारी परिपत्र बमोजिमका बुँदाहरू समावेश गरि तयार गरिएको व्यहोरा जानकारी गराउन चाहन्छौं ।
 ८. कम्पनीको लेखापरीक्षकले औल्याएका कैफियतहरू सुधार गर्दै लिएको तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक सजगता अपनाइएको व्यहोरा अनुरोध गर्दछौं ।
 ९. कम्पनीले आ.व. २०८१/८२ साधारण सभा मिति २०८२/०९/१९ गते (स्वीकृती प्राप्त मितिले २३ औं दिनमा) हुने गरि सूचना प्रकाशित गरिसकेको व्यहोरा जानकारी गराउँदछौं ।

धन्यवाद ।


 प्रवीण रमण प्रमजुली
 प्रमुख कार्यकारी अधिकृत



NEPAL LIFE INSURANCE COMPANY LTD

THREE-COLUMN DETAILS OF THE AMENDED MOA & AOA

Memorandum of Association (MoA)			
Section	Existing Provision	Proposed Amendment	Remarks
5(b)	The company's current issued capital shall be NPR 9,028,763,209/- (in words: Nine Billion Twenty-Eight Million Seven Hundred Sixty-Three Thousand Two Hundred Nine).	The company's current issued capital shall be NPR 9,480,201,369/- (in words: Nine Billion Four Hundred Eighty Million Two Hundred One Thousand Three Hundred Sixty-Nine).	An increase in issued capital is required due to insufficiency while issuing bonus shares.
5(d)	The company's paid-up capital shall be NPR 9,028,763,209/- (in words: Nine Billion Twenty-Eight Million Seven Hundred Sixty-Three Thousand Two Hundred Nine).	The company's paid-up capital shall be NPR 9,480,201,369/- (in words: Nine Billion Four Hundred Eighty Million Two Hundred One Thousand Three Hundred Sixty-Nine).	The issuance of bonus shares requires increase the paid-up capital.

Article of Association (AoA)			
Section	Existing Provision	Proposed Amendment	Remarks
5(a)	The company's authorized capital shall be NPR 10,000,000,000/- (Ten Billion). This capital is divided into 100,000,000 (One Hundred Million) shares at a rate of NPR 100/- (One Hundred) per share.	Removed	Already mentioned in the Memorandum of Association.
5(b)	The company's current issued capital shall be NPR 9,028,763,209/- (in words: Nine Billion Twenty-Eight Million Seven Hundred Sixty-Three Thousand Two Hundred Nine).	Removed	Already mentioned in the Memorandum of Association.
5(e)	The company's paid-up capital shall be NPR 9,028,763,209/- (in words: Nine Billion Twenty-Eight Million Seven Hundred Sixty-Three Thousand Two Hundred Nine).	Removed	Already mentioned in the Memorandum of Association.

प्रोक्सी फारम

मिति:.....

श्री सञ्चालक समिति

नेपाल लाइफ इन्स्योरेन्स कम्पनी लिमिटेड

रजिष्टर्ड कार्यालय, बीरगंज, नेपाल ।

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

..... जिल्ला न.पा./गा.पा. वडा नं. बस्ने म/हामी
..... ले यस कम्पनीको शेयरधनीको हैसियतले मिति २०८२/०९/१९ गते शनिबारका दिन हुने कम्पनीको २६औं वार्षिक
साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा
मतदान गर्नका लागि जिल्ला न.पा./गा.पा. वडा नं. बस्ने श्री
..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरि पठाएको छु/पठाएका छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको

हस्ताक्षरको नमूना :

नाम :

ठेगाना :

शेयरधनी /हितग्राही परिचय नं.

निवेदकको

दस्तखत :

नाम :

ठेगाना :

शेयर प्रमाणपत्र नं. :

शेयरधनी /हितग्राही परिचय नं.

शेयर संख्या :



प्रवेश पत्र

शेयरधनीको नाम:

शेयरधनीको परिचय नं./हितग्राही खाता नं. शेयर संख्या नेपाल लाइफ
इन्स्योरेन्स कम्पनी लिमिटेडको मिति २०८२/०९/१९ गते शनिबारका दिन हुने २६औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र ।

शेयरधनीको दस्तखत :

द्रष्टव्य: १. शेयरधनी आफैले खाली कोष्ठहरू भर्नुहोला ।

२. सभा कक्षमा प्रवेश गर्न यो प्रवेश पत्र प्रस्तुत गर्नु अनिवार्य छ ।

कम्पनी सचिव

कार्यरत क्षेत्रहरू

हाब्रो सञ्जाल	
प्रधान कार्यालय	१
प्रादेशिक कार्यालय	७
उप-प्रादेशिक कार्यालय	१
शाखा कार्यालय	३८
उप-शाखा कार्यालय	१५०
जम्मा	१५७

कर्णाली प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	१	१२

गण्डकी प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	२	१९

बागमती प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	१७	३४

कोशी प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	६	२६

सुदूरपश्चिम प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	३	१३

लुम्बिनी प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	६	२४

मधेश प्रदेश

प्रादेशिक कार्यालय	शाखा	उपशाखा
१	३	२२

(२०८२ असीज मसान्त सम्म)

NEPALLIFE
INSURANCE

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