नेपाल लाइफ इन्स्योरेन्स

नेपाल लाइफ इन्स्योरेन्स कम्पनी लिमिटेड
रजिष्टर्ड कार्यालय: वीरगञ्ज, पर्सा
प्रधान कार्यालय: क्लासिक कम्पलेक्स, कमलादी, काठमाडौं
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Quarterly Financial Results for (First Quarter), F.Y. 2083/84 B.S

Fig in NPR.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Particulars	Unaudited	Unaudited	Unaudited	Unaudited
	Group		Insurance	
	At the end of this Quarter	At the end of Immediate Previous Year	At the end of this Quarter	At the end of Immediate Previous Year
Assets				
Goodwill & Intangible Assets	7,810,306	8,947,513	6,388,626	7,426,626
Property and Equipment	1,313,336,266	1,231,987,567	1,273,856,489	1,189,061,271
Investment Properties	403,469,626	404,603,808	403,469,626	404,603,808
Deferred Tax Assets	6,880,420	-	-	-
Investment in Subsidiaries	-	-	2,029,500,000	2,029,500,000
Investment in Associates	2,383,677,091	1,924,544,876	1,542,679,591	1,519,139,876
Investments	249,887,954,164	243,376,996,767	248,867,594,431	241,937,167,590
Loans	35,044,791,559	34,676,394,682	35,044,791,559	34,676,394,682
Reinsurance Assets	-	-	-	-
Current Tax Assets	-	346,995,493	-	340,566,500
Insurance Receivables	77,878,506	96,579,916	77,878,506	96,579,916
Other Assets	184,871,349	181,719,645	527,954,363	313,489,243
Other Financial Assets	5,546,268,170	5,619,357,270	5,528,542,339	5,608,889,911
Cash and Cash Equivalent	9,341,317,801	4,463,466,858	8,602,720,916	3,975,782,863
Total Assets	**304,198,255,258**	**292,331,594,396**	**303,905,376,446**	**292,098,602,285**
Equity & Liabilities				
Equity				
Share Capital	9,480,201,370	9,480,201,370	9,480,201,370	9,480,201,370
Share Application Money	-	-	-	-
Pending Allotment				
Share Premium	-	-	-	-
Catastrophe Reserves	1,556,475,296	1,543,628,817	1,556,475,296	1,543,628,817
Retained Earnings	970,092,889	798,676,915	928,634,809	799,089,554
Other Equity	157,372,736	137,448,965	148,948,450	129,024,679
Total Equity attributable to equity holders	**12,164,142,290**	**11,959,956,067**	**12,114,259,924**	**11,951,944,420**
Non Controlling Interest	210,606,683	198,453,426	-	-
Total Equity	**12,374,748,973**	**12,158,409,493**	**12,114,259,924**	**11,951,944,420**
Liabilities				
Provisions	223,819,085	254,624,299	222,670,220	253,411,742
Gross Insurance Contract Liabilities	288,434,017,385	276,134,693,543	288,434,017,385	276,134,693,543
Deferred Tax Liabilities	50,933,482	16,240,822	50,933,482	20,778,931
Insurance Payable	262,810,039	165,517,299	262,810,039	165,517,299
Current Tax Liabilities	296,382,224	-	294,032,030	-
Borrowings	-	-	-	-
Other Liabilities	1,144,991,848	1,331,090,561	1,119,233,598	1,305,779,346
Other Financial Liabilities	1,410,552,222	2,271,018,379	1,407,419,767	2,266,477,003
Total Liabilities	**291,823,506,285**	**280,173,184,904**	**291,791,116,522**	**280,146,657,865**
Total Equity and Liabilities	**304,198,255,258**	**292,331,594,396**	**303,905,376,446**	**292,098,602,285**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Particulars	Group				Insurance Company			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income								
Gross Earned Premiums	14,861,020,496	14,861,020,496	13,503,857,311	13,503,857,311	14,861,020,496	14,861,020,496	13,503,857,311	13,503,857,311
Premiums Ceded	(144,556,577)	(144,556,577)	(134,650,000)	(134,650,000)	(144,556,577)	(144,556,577)	(134,650,000)	(134,650,000)
Net Earned Premiums	**14,716,463,919**	**14,716,463,919**	**13,369,207,311**	**13,369,207,311**	**14,716,463,919**	**14,716,463,919**	**13,369,207,311**	**13,369,207,311**
Commission Income	-	-	-	-	-	-	-	-
Other Direct Income	87,514,349	87,514,349	90,280,359	90,280,359	87,514,349	87,514,349	90,280,359	90,280,359
Interest Income on Loan to Policyholders	960,004,540	960,004,540	951,793,553	951,793,553	960,004,540	960,004,540	951,793,553	951,793,553
Income from Investments and Loans	4,511,969,435	4,511,969,435	3,949,903,505	3,949,903,505	4,505,148,245	4,505,148,245	3,939,268,018	3,939,268,018
Net Gain/(Loss) on Fair Value Changes	18,503,856	18,503,856	(17,604,588)	(17,604,588)	-	-	-	-
Net Realised Gains/(Losses)	23,753,751	23,753,751	2,706,799	2,706,799	-	-	-	-
Other Income	14,665,939	14,665,939	18,013,653	18,013,653	3,519,883	3,519,883	13,582,145	13,582,145
Total Income	**20,332,875,789**	**20,332,875,789**	**18,364,300,594**	**18,364,300,594**	**20,272,650,936**	**20,272,650,936**	**18,364,131,387**	**18,364,131,387**
Expenses								
Gross Benefits and Claims Paid	5,379,858,543	5,379,858,543	4,150,215,757	4,150,215,757	5,379,858,543	5,379,858,543	4,150,215,757	4,150,215,757
Claims Ceded	(70,216,423)	(70,216,423)	(57,772,464)	(57,772,464)	(70,216,423)	(70,216,423)	(57,772,464)	(57,772,464)
Gross Change in Contract Liabilities	12,223,034,902	12,223,034,902	11,719,083,526	11,719,083,526	12,223,034,902	12,223,034,902	11,719,083,526	11,719,083,526
Change in Contract Liabities	-	-	-	-	-	-	-	-
Net Benefits and Claims Incurred	**17,532,677,022**	**17,532,677,022**	**15,811,526,819**	**15,811,526,819**	**17,532,677,022**	**17,532,677,022**	**15,811,526,819**	**15,811,526,819**
Commission Expenses	1,078,350,761	1,078,350,761	960,484,926	960,484,926	1,078,350,761	1,078,350,761	960,484,926	960,484,926
Service Fees	110,373,479	110,373,479	100,269,055	100,269,055	110,373,479	110,373,479	100,269,055	100,269,055
Other Direct expenses	-	-	483,350	483,350	-	-	483,350	483,350
Employee Benefits Expenses	251,573,096	251,573,096	296,558,856	296,558,856	242,472,593	242,472,593	288,372,006	288,372,006
Depreciation and Amortization Expenses	38,055,070	38,055,070	32,308,335	32,308,335	36,596,967	36,596,967	31,073,148	31,073,148
Impairment Losses	-	-	(23,145)	(23,145)	-	-	(23,145)	(23,145)
Other Operating Expenses	252,313,845	252,313,845	85,128,852	85,128,852	248,150,581	248,150,581	81,954,318	81,954,318
Finance Cost	10,802,306	10,802,306	10,076,394	10,076,394	10,802,306	10,802,306	9,601,524	9,601,524
Total Expenses	**19,274,145,578**	**19,274,145,578**	**17,296,813,441**	**17,296,813,441**	**19,259,423,708**	**19,259,423,708**	**17,283,742,001**	**17,283,742,001**
Net Profit/(Loss) For The Year Before Share of Net Profit of Associates accounted using Equity Method & Tax	**1,058,730,211**	**1,058,730,211**	**1,067,487,152**	**1,067,487,152**	**1,013,227,228**	**1,013,227,228**	**1,080,389,386**	**1,080,389,386**
Share of Net Profit of Associates accounted using Equity Method	25,006,483	25,006,483	-	-	25,006,483	25,006,483	-	-
Profit Before Tax	**1,083,736,694**	**1,083,736,694**	**1,067,487,152**	**1,067,487,152**	**1,038,233,711**	**1,038,233,711**	**1,080,389,386**	**1,080,389,386**
Income Tax Expense	890,832,085	890,832,085	864,837,721	864,837,721	884,652,530	884,652,530	864,837,721	864,837,721
Net Profit/(Loss) For The Year	**192,904,610**	**192,904,610**	**202,649,431**	**202,649,431**	**153,581,181**	**153,581,181**	**215,551,664**	**215,551,664**
Profit attributable to:								
Equity holders of the insurer	181,388,846	181,388,846	201,948,289	201,948,289				
Non-Controlling Interest	11,515,764	11,515,764	701,142	701,142				
Earning Per Share								
Basic EPS	8.14	8.14	8.98	8.98	6.48	6.48	9.55	9.55
Diluted EPS	8.14	8.14	8.98	8.98	6.48	6.48	9.55	9.55

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Group				Insurance Company			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	192,904,610	192,904,610	202,649,431	202,649,431	153,581,181	153,581,181	215,551,664	215,551,664
Other Comprehensive Income	90,112,579	90,112,579	(647,272,897)	(647,272,897)	90,112,579	90,112,579	(647,272,897)	(647,272,897)
Total Comprehensive Income	**283,017,189**	**283,017,189**	**(444,623,466)**	**(444,623,466)**	**243,693,760**	**243,693,760**	**(431,721,233)**	**(431,721,233)**

OTHER INDICATORS

Particulars	Current Year	Corresponding Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	2,179,871	2,002,357
2. Total no of Policy Issued during the year	275,621	92,093
3. First Year Premium (including single premium)	3,306,014,512	2,777,526,179
4. Single Premium	1,421,365,250	1,478,177,801
5. Renewal Premium	11,555,005,985	10,726,331,133
6. Total Benefits and Claims Paid in Count	19,329	18,443
7. Outstanding Benefits and Claims in Count	21,204	20,229
8. Gross claim outstanding (Amount)	1,965,435,966	1,349,784,507
9. Declared Bonus rate (2081/82)	Rs. 55- Rs. 85 Per Thousand	Rs. 55- Rs. 85 Per Thousand
10. Interim bonus rate	Rs. 55- Rs. 85 Per Thousand	Rs. 55- Rs. 85 Per Thousand
11. Long Term Investments (Amount)*	217,751,806,018	171,545,481,856
12. Short Term Investments (Amount)*	44,722,019,289	47,940,333,773
13. Policyholders Loan	34,702,954,443	35,150,026,289
14. Investment in cost Value	262,167,407,117	219,289,311,627
15. Life Insurance Fund (Amount)	286,468,581,419	245,499,750,941
16. Unearned premium reserve for term policies (Amount)	421,648,519	532,611,765
17. Solvency Margin Ratio**	1.54	1.50

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

1. The company have reisurance arrangement with Hannover RE (Malaysia), Nepal RE (Nepal) and Himalayan RE (Nepal).
2. There is no any legal proceedings against the company.
3. The company compliant with the Corporate governance Directive issued by Nepal Insurance Authority.
4. The management expense ratio on TPI is 3.62% this year, which was 3.04% in corresponding previous year.
5. The figures in the Statement of Profit or Loss and Statement of Financial Position are unaudited comparatives for the corresponding previous period and the immediately preceding year-end, respectively.
6. Short term investment presented is the investment having maturity less than one year.
7. Group Financial Statements includes Nepal Life Insurance Company (Parent Co.), Nepal Life Capital Ltd. (Subsidiary Co.), and Nepal Life Investment Company Limited (Subsidiary Co.).
8. The figure presented above may vary with the audited figures, if instructed by the regulator and/or Statutory Auditor.
9. Share of net profit from associates includes profits from Professional Holdings Ltd. and Uniglobe Higher Secondary School, which were not incorporated in the previous year due to server and system damage during the Gen-Z protests.
10. Detailed financial statements are published in our website www.nepallife.com.np.

*Investments includes FDs and debentures
** Full Adoption of Risk Based Capital and Solvency Directives, 2025 (2082)

आ.व. २०८३/८४ को प्रथम त्रैमासिक प्रतिवेदन
(वित्तोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६ को उपनियम १ को प्रयोजनका लागि)

१) वित्तीय विवरण:

क) प्रथम त्रैमासिक अवधिको वासलात तथा नाफा नोक्सान हिसाब सम्बन्धी मिति २०८३/०७/२० गतेको राष्ट्रिय दैनिक पत्रिकामा प्रकाशित गरिएको छ ।

ख) प्रमुख वित्तीय अनुपातहरु :

प्रति शेयर आम्दानी	प्रति शेयर नेटवर्थ	पि.ई. अनुपात	प्रति शेयर कुल सम्पतिको मूल्य	औसत प्रतिफल दर
६.४८	१२७.७८	११४.६५	३,२०२.९१	७.०३%

* बीमाङ्कीय मूल्याङ्कन पश्चात उल्लेखित वित्तीय अनुपातहरु फरक पर्न जानेछ ।

२) व्यवस्थापकिय विश्लेषण:

क) कम्पनीका प्रथम त्रैमासिक अवधिसम्ममा कुल बीमाशुल्क आर्जन रु.१,४८६.१० करोड रहेको छ, जुन गत वर्षको सोही अवधिमा प्राप्त रु.१,३५०.३२ करोडको तुलनामा १०.०५ प्रतिशतले बृद्धि भएको छ । प्रतिस्पर्धात्मक बजार, बीमा प्रति बढ्दो जनचेतना, नविकरण बीमाशुल्क संकलनमा विशेष प्रयास, समयानुकुल बजार प्रवर्द्धन रणनीति तथा बीमितको हितलाई केन्द्रमा राखी गरिएका कार्यहरुका कारण कम्पनीले व्यवसायिक बृद्धिलाई निरन्तरता दिन सफल भएको छ । कम्पनीले त्रैमासिक अवधिसम्ममा रु. ५३०.०६ करोड खुद दावी भुक्तानी गरेको छ र दावी प्रक्रियालाई छिटो, सहज, पारदर्शी र बीमित मैत्री बनाउन डिजिटल प्रविधि तथा आन्तरिक समन्वयलाई थप प्रभावकारी बनाउँदै लगिएको छ । कम्पनीले प्रथम त्रैमासिक अवधिसम्ममा रु.२९,६८७ करोड भरपर्दो एवं सुरक्षित क्षेत्रमा लगानी गर्न सफल भएको छ र लगानीको सुरक्षा, तरलता तथा प्रतिफललाई सन्तुलित राख्ने नीति अनुरुप नेपाल बीमा प्राधिकरणले जारी गरेको लगानी निर्देशिका बमोजिम क्यापिटल कम्पनी, लगानी कम्पनी, शैक्षिक संस्था, प्राइमेट इक्वटी फण्ड, जलबिद्युत आदि क्षेत्रहरुमा करिब रु.५०२ करोड लगानी गरिसकेको छ । कम्पनीले लगानी विविधिकरणलाई प्राथमिकतामा राखि लगानी कार्य गरिरहेको छ ।

ख) बीमितहरुलाई उच्च स्तरीय, सहज र विश्वसनीय सेवा प्रदान गर्ने उद्देश्यले कम्पनीले शाखा कार्यालय, अभिकर्ता तथा डिजिटल माध्यमहरुको प्रभावकारी परिचालनमा जोड दिएको छ । आगामी दिनमा व्यवसाय विस्तार, बीमा साक्षरता अभिबृद्धि, पोलिसी नविकरणमा सुधार तथा गुणस्तरीय सेवा प्रवाहलाई थप प्राथमिकता दिने कम्पनीको लक्ष्य रहेको छ ।

ग) समिक्षा अवधिमा विगतमा लगानी गरेको उच्च ब्याजदरको मुद्दती निक्षेप परिपक्व भई नविकरण गर्दा तथा नयाँ लगानी समेत तुलनात्मक रुपमा न्यून ब्याजदरमा लगानी गर्नुपर्ने अवस्थाका कारण लगानीको औसत प्रतिफल दरमा संकुचन आएको छ । यस अवस्थाले अल्पकालिन रुपमा कम्पनीको लगानी आम्दानी तथा समग्र मुनाफामा प्रभाव पार्न सक्ने भए तापनि दिर्घकालिन रुपमा विविध, सुरक्षित तथा नियमनकारी निर्देशन अनुरुप लगानी गरी प्रतिफल सन्तुलन कायम गर्ने तर्फ कम्पनी सचेत रहेको छ ।

घ) विगतको अनुभवबाट कम्पनीको वासलात, नाफा नोक्सान हिसाब, आय-व्यय हिसाब तथा नगद प्रवाहमा तात्विक असर पार्न सक्ने घटना, अवस्था आदि देखिएको छैन ।

३) कानूनी कारवाही सम्बन्धी विवरण : नभएको ।

४) संगठित संस्थाको शेयर कारोवार सम्बन्धी विश्लेषण

क) समिक्षा अवधिमा भएको कम्पनीको शेयर कारोवार वास्तविक र यथार्थपरक रहेको पाइएका छौं ।

ख) त्रैमासिक अवधिको शेयर कारोबारको विवरण निम्न बमोजिम रहेको छ ।

अधिकतम मूल्य : रु ८०६	न्यूनतम मूल्य : रु ६८०.५	अन्तिम मूल्य : रु ७४३
कारोबार संख्या : १२,१७,५०२ कित्ता	कारोबार दिन : ६१ दिन	कारोबार रकम : रु ८९,०५,४६,१२८.९

५) समस्या र चुनौती: मुलुकमा जीवन बीमा व्यवसाय प्रति सकारात्मक धारणा अभिबृद्धि भइरहेको भए तापनि बीमाको पहुँच, बीमा साक्षरता तथा दिर्घकालिन बचतको संस्कार अझै आवश्यक स्तरमा पुग्न नसकेकेको अवस्था रहेको छ । जीवन बीमालाई सामाजिक सुरक्षा, जोखिम व्यवस्थापन तथा अनुशासित बचतको प्रभावकारी माध्यमको रुपमा स्थापित गर्न ग्रामीण तथा अर्धशहरी क्षेत्रसम्म बीमा जागरण, ग्राहक शिक्षा तथा विश्वसनीय सेवा प्रवाहलाई थप सशक्त बनाउन जरुरी देखिएको छ । दिर्घकालिन, सुरक्षित र उच्च प्रतिफल दिने लगानीका अवसरहरु सीमित रहेकोले परम्परागत लगानीका क्षेत्रहरुमा मात्र लगानी केन्द्रित हुने जोखिम, बैंक निक्षेपमा घट्दो ब्याजदर, पूँजी बजारमा देखिने उतारचढाव, बीमालेख समर्पण तथा व्यतित जोखिम, प्रतिस्पर्धात्मक बजारमा गुणस्तरीय व्यवसाय प्राप्त गर्नुपर्ने अवस्था तथा डिजिटल प्रणालीसँगै साइबर सुरक्षामा सर्तक रहनुपर्ने आवश्यकता कम्पनीका मुख्य चुनौतीको रुपमा रहेका छन् । यी चुनौतीहरुलाई सम्बोधन गर्न कम्पनीले दावी व्यवस्थापन, ग्राहक सेवा, लगानी विविधिकरण, आन्तरिक नियन्त्रण, बीमा साक्षरता तथा डिजिटल प्रविधिमा सुधारका कार्यहरुलाई निरन्तर अगाडि बढाउँदै आएको छ ।

६) संस्थागत सुशासन: कम्पनीले पारदर्शिता तथा जवाफदेहितालाई प्राथमिकतामा राखि कार्य गर्दै आएको छ । कम्पनीको केन्द्रीकृत अनलाईन कारोबार प्रणालीले आन्तरिक नियन्त्रण प्रणाली चुस्त राख्न सहयोग पुऱ्याएको छ । कम्पनीले आफ्नो हिसाब किताब सर्वमान्य लेखा सिद्धान्त, नेपाल लेखामान मापदण्ड अनुरुप राख्दै कम्पनीको कारोबारहरुलाई समयमै लेखा परीक्षण गर्दै आएको छ । कम्पनीले आफ्नो आन्तरिक नियन्त्रणलाई सबल बनाउन आन्तरिक लेखा परीक्षकको रुपमा चार्टर्ड एकाउन्टेण्ट्स फर्मलाई Outsource गरेको छ । प्रत्येक त्रैमासिक अवधिको प्रतिवेदन प्राप्त गरी नेपाल बीमा प्राधिकरणमा उल्लेखित समयमा पठाउने गरिएको छ । नियमनकारी निकायले औंल्याएका कैफियतहरुलाई पालना गरि नेपाल बीमा प्राधिकरणद्वारा जारी संस्थागत सुशासन सम्बन्धी निर्देशिका बमोजिमका प्रावधानहरु कार्यान्वयन गर्ने तर्फ कम्पनीको व्यवस्थापन दृढ रहेको छ ।

७) सत्य, तथ्यता सम्बन्धमा कार्यकारी प्रमुखको उद्घोषण: आजका मितिसम्म यस प्रतिवेदनमा उल्लेखित जानकारी तथा विवरणहरुको शुद्धता सम्बन्धमा म व्यक्तिगत रुपमा उत्तरदायित्व लिन्छु । साथै, म यो उद्घोष गर्दछु कि मैले जाने बुझेसम्म यस प्रतिवेदनमा उल्लेखित विवरणहरु सत्य, तथ्य र पूर्ण छन् र लगानीकर्ताहरुलाई सूसुचित निर्णय लिन आवश्यक कुनै विवरण, सूचना तथा जानकारीहरु लुकाइएको छैन ।

NEPAL LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Changes In Equity
For Period 17th July, 2026 - 17th October, 2026
(For the Quarter Ended Ashwin, 2083)

Fig. in NPR

Insurance Company

	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 Ashadh end, 2082	**9,028,763,209**	**-**	**-**	**-**	**2,257,843,608**	**-**	**-**	**1,494,027,292**	**25,208,130**	**-**	**91,304,513**	**11,225,268**	**90,380,722**	**-**	**5,541,431**	**-**	**13,004,294,174**
Prior period adjustment	-	-	-	-	-	-	-	-	7,500,000	-	-	-	-			-	7,500,000
Restated Balance as at Shrawan 1, 2082	**9,028,763,209**	**-**	**-**	**-**	**2,257,843,608**	**-**	**-**	**1,494,027,292**	**32,708,130**	**-**	**91,304,513**	**11,225,268**	**90,380,722**	**-**	**5,541,431**		**13,011,794,174**
Profit/(Loss) For the Year	-	-	-	-	465,450,355	-	-	-	-	-	-	-	-	-		-	465,450,355
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	-	-	-	-	-	-	-	-	-	-	(506,108,145)	-	-	-	-	-	32,598,784
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(53,977,048)	-	-	49,601,525	4,960,152	-	-	-	-	-	16,602,659	-	17,187,288
Transfer to Insurance Contract Liabilities					-									-			(557,306,261)
Transfer from Reserve	-	-	-	-	23,537,915	-	-	-	(32,362,179)	-	-	-	(23,537,915)		(17,187,288)	-	(49,549,467)
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	-	-	-	-	151,182,882	-	-	-	-	-	-	-	-	-		-	151,182,882
Transfer to Insurance Contract Liabilities	-	-	-	-	(144,155,903)	-	-	-	-	-	455,497,330	-	-	-		-	311,341,427
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	451,438,160	-	-	-	(451,438,160)	-	-	-	-	-	-	-	-	-		-	-
ii) Share Issue	-	-	-	-		-	-	-	-	-	-	-	-	-		-	
iii) Cash Dividend		-	-	-	(1,356,168,176)	-	-	-	-	-	-	-	-	-		-	(1,356,168,176)
iv) Dividend Distribution Tax	-	-	-	-	(93,185,918)	-	-	-	-	-	-	-	-	-		-	(93,185,918)
v) Others (Actuarial Impact)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end, 2083	**9,480,201,370**	**-**	**-**	**-**	**799,089,554**	**-**	**-**	**1,543,628,817**	**5,306,103**	**-**	**40,693,699**	**11,225,268**	**66,842,807**	**-**	**4,956,802**	**-**	**11,951,944,420**
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Restated Balance as at Shrawan 1, 2083	**9,480,201,370**	**-**	**-**	**-**	**799,089,554**	**-**	**-**	**1,543,628,817**	**5,306,103**	**-**	**40,693,699**	**11,225,268**	**66,842,807**	**-**	**4,956,802**		**11,951,944,420**
Profit/(Loss) For the Year	-	-	-	-	153,581,181	-	-	-	-	-	-	-	-	-		-	153,581,181
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	-	-	-	-	-	-	-	-	-	-	90,112,579	-	-	-		-	90,112,579
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Transfer to Reserves/ Funds	-	-	-	-	(23,926,017)	-	-	12,846,479	1,284,648	-	-	-	-	-	15,814,124	-	6,019,234
Transfer from Reserve	-	-	-	-	117,025	-	-	-	(50,000)	-	-	-	(117,025)		(6,019,234)	-	(6,069,234)
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	-	-	-	-	(5,039,315)	-	-	-	-	-	-	-	-	-		-	(5,039,315)
Transfer to Insurance Contract Liabilities	-	-	-	-	4,812,381	-	-	-	-	-	(81,101,321)	-	-	-		-	(76,288,940)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
iii) Cash Dividend		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
v) Others (Actuarial Impact)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Balance as on Ashwin end, 2083	**9,480,201,370**	**-**	**-**	**-**	**928,634,809**	**-**	**-**	**1,556,475,296**	**6,540,751**	**-**	**49,704,957**	**11,225,268**	**66,725,782**	**-**	**14,751,692**	**-**	**12,114,259,924**

The accompanying notes form an Integral Part of Financial Statements.

NEPAL LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Changes In Equity
For Period 17th July, 2026 - 17th October, 2026
(For the Quarter Ended Ashwin, 2083)

Group

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Other Reserve-Bargain Purchase Gain	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves-Regulatory Reserve	Other Reserve	Non-Controlling Interest	Total
Balance as on Ashadh end, 2082	**9,028,763,209**	**-**	**-**	**-**	**2,257,894,783**	**-**	**601,993**	**1,494,027,292**	**25,208,130**	**-**	**91,304,513**	**11,225,268**	**98,244,382**	**-**	**5,541,431**	**190,644,898**	**13,203,455,899**
Prior period adjustment	-	-	-	-	-	-	-	-	7,500,000	-	-	-	-	-	-	-	7,500,000
Restated Balance as at Shrawan 1, 2082	**9,028,763,209**	**-**	**-**	**-**	**2,257,894,783**		**601,993**	**1,494,027,292**	**32,708,130**		**91,304,513**	**11,225,268**	**98,244,382**	**-**	**5,541,431**	**190,644,898**	**13,210,955,899**
Profit/(Loss) For the Year	-	-	-	-	464,945,175	-	-	-	-	-	-	-	-	-	-	-	464,945,175
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	-	-	-	-	-	-	-	-	-	-	(506,108,145)	-	-	-	-	-	(506,108,145)
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(53,977,048)	-	-	49,601,525	4,960,152	-	-	-	-	-	16,602,659	7,808,528	24,995,816
Transfer from Reserve	-	-	-	-	23,579,282	-	-	-	(32,362,179)	-	-	-	(23,579,282)	-	(17,187,288)	-	(49,549,467)
Transfer to Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	151,182,882	-	-	-	-	-	-	-	-	-	-	-	151,182,882
Transfer to Insurance Contract Liabilities	-	-	-	-	(144,155,903)	-	-	-	-	-	455,497,330	-	-	-	-	-	311,341,427
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	451,438,160	-	-	-	(451,438,160)	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(1,356,168,176)	-	-	-	-	-	-	-	-	-	-	-	(1,356,168,176)
iv) Dividend Distribution Tax	-	-	-	-	(93,185,918)	-	-	-	-	-	-	-	-	-	-	-	(93,185,918)
v) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end, 2083	**9,480,201,370**	**-**	**-**	**-**	**798,676,915**		**601,993**	**1,543,628,817**	**5,306,103**		**40,693,699**	**11,225,268**	**74,665,099**	**-**	**4,956,802**	**198,453,426**	**12,158,409,493**
Prior period adjustment	-	-	-	-	14,063,053.46	-	-	-	-	-	-	-	-	-	-	637,493.00	14,700,546
Restated Balance as at Shrawan 1, 2083	**9,480,201,370**	**-**	**-**	**-**	**812,739,969**		**601,993**	**1,543,628,817**	**5,306,103**		**40,693,699**	**11,225,268**	**74,665,099**	**-**	**4,956,802**	**199,090,919**	**12,173,110,039**
Profit/(Loss) For the Year	-	-	-	-	181,388,846	-	-	-	-	-	-	-	-	-	-	11,515,764	192,904,610
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	-	-	-	-	-	-	-	-	-	-	90,112,579	-	-	-	-	-	90,112,579
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(23,926,017)	-	-	12,846,479	1,284,648	-	-	-	-	-	15,814,124	-	6,019,234
Transfer from Reserve	-	-	-	-	117,025	-	-	-	(50,000)	-	-	-	(117,025)	-	(6,019,234)	-	(6,069,234)
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	-	-	-	-	(5,039,315)	-	-	-	-	-	-	-	-	-	-	-	(5,039,315)
Transfer to Insurance Contract Liabilities	-	-	-	-	4,812,381	-	-	-	-	-	(81,101,321)	-	-	-	-	-	(76,288,940)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashwin end, 2083	**9,480,201,370**	**-**	**-**	**-**	**970,092,889**		**601,993**	**1,556,475,296**	**6,540,751**		**49,704,957**	**11,225,268**	**74,548,074**	**-**	**14,751,692**	**210,606,683**	**12,374,748,973**

The accompanying notes form an Integral Part of Financial Statements.

NEPAL LIFE INSURANCE COMPANY LIMITED

Statement of Distributable Profit or Loss

For Period 17th July, 2026 - 17th October, 2026

(Quarter Ended Upto Ashwin 31, 2083)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	799,089,554	2,251,668,307
Adjustment: Opening adjustment	-	-
Adjusted Balance in Retained Earnings	**799,089,554**	**2,251,668,307**
Transfer from OCI reserves to retained earning in current year	(226,934)	7,026,979
Net profit or (loss) as per statement of profit or loss	153,581,181	465,450,355
Appropriations:		
i)Transfer to Insurance Fund	-	-
ii)Transfer to Catastrophe Reserve	(12,846,479)	(49,601,525)
iii)Transfer to Capital Reserve	-	-
iv)Transfer to CSR reserve	(1,284,648)	(4,960,152)
v)Transfer to/from Regulatory Reserve	-	-
vi)Transfer to Fair Value Reserve	-	-
vii)Transfer of Deferred Tax Reserve	117,025	23,537,915
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	(20,685,676)	(12,009,727)
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	-	(1,900,792,255)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xv) Others (to be specified)	(9,794,890)	584,629
Adjusted Retained Earning	**907,949,133**	**780,904,526**
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)	**907,949,133**	**780,904,526**

NEPAL LIFE INSURANCE COMPANY LIMITED

Segment Reporting

For Period 17th July, 2026 - 17th October, 2026

(For the Quarter Ended Ashwin, 2083)

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Foreign Employment Term	Others (Other Term)	Inter Segment Elimination	Total
Income:							
Gross Earned Premiums	10,351,755,183	1,317,416,775	2,956,856,113	132,097,616	102,894,810	-	14,861,020,496
Premiums Ceded	(84,350,648)	(10,724,872)	(24,105,078)	(140,305)	(25,235,675)	-	(144,556,577)
Inter-Segment Revenue	-	-	-	-	-	-	-
Net Earned Premiums	**10,267,404,535**	**1,306,691,903**	**2,932,751,035**	**131,957,311**	**77,659,135**	**-**	**14,716,463,919**
Commission Income	-	-	-	-	-	-	-
Other Direct Income	51,137,920	14,758,686	21,446,098	-	171,645	-	87,514,349
Interest Income on Loan to Policyholders	498,588,213	204,659,409	256,756,918	-	-	-	960,004,540
Income from Investments and Loans	2,847,883,435	431,688,622	1,017,851,391	4,428,815	3,778,269	-	4,305,630,533
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	
Total Segmental Income	**13,665,014,103**	**1,957,798,619**	**4,228,805,443**	**136,386,126**	**81,609,049**	**-**	**20,069,613,341**
Expenses:							
Gross Benefits and Claims Paid	2,316,045,646	2,138,832,611	818,332,311	48,560,706	58,087,269	-	5,379,858,543
Claims Ceded	(11,576,561)	(2,866,711)	(3,245,050)	(13,270,311)	(39,257,790)	-	(70,216,423)
Gross Change in Contract Liabilities	9,602,175,884	(369,121,061)	2,891,026,467	96,583,743	2,369,870	-	12,223,034,902
Change in Contract Liabities Ceded to Reinsurers	-	-	-	-	-	-	-
Net Benefits and Claims Incurred	**11,906,644,968**	**1,766,844,839**	**3,706,113,728**	**131,874,138**	**21,199,349**	**-**	**17,532,677,022**
Commission Expenses	793,052,232	61,240,495	218,255,387	-	5,802,647	-	1,078,350,761
Service Fees	77,005,534	9,800,189	21,995,633	989,680	582,444	-	110,373,479
Employee Benefits Expenses	140,189,286	18,424,936	40,167,675	1,937,763	1,424,245	-	202,143,905
Depreciation and Amortization Expenses	22,842,403	3,002,154	6,544,910	315,739	232,066	-	32,937,271
Impairment Losses	-	-	-	-	-	-	-
Other Operating Expenses	179,130,319	11,682,422	31,127,004	947,233	697,371	-	223,584,350
Finance Cost	6,742,379	886,144	1,931,857	93,196	68,499	-	9,722,075
Total Segmental Expenses	**13,125,607,121**	**1,871,881,180**	**4,026,136,193**	**136,157,749**	**30,006,620**	**-**	**19,189,788,863**
Total Segmental Results	**539,406,982**	**85,917,440**	**202,669,250**	**228,377**	**51,602,428**	**-**	**879,824,478**
Segment Assets	**184,504,064,006**	**36,377,239,164**	**71,462,964,196**	**230,696,401**	**151,557,838**	**-**	**292,726,521,605**
Segment Liabilities	**188,017,456,945**	**33,000,474,215**	**70,167,560,061**	**260,732,427**	**171,290,245**	**-**	**291,617,513,892**

NEPAL LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Cash Flows
For Period 17th July, 2026 - 17th October, 2026
(For the Quarter Ended Ashwin, 2083)

Fig. in NPR

	Group		Insurance Company	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Cash Flow From Operating Activities:				
Cash Received				
Gross Premium Received	14,861,020,496	54,034,294,512	14,861,020,496	54,034,294,512
Commission Received	-	41,340,183	-	41,340,183
Claim Recovery Received from Reinsurers	70,216,423	427,366,513	70,216,423	427,366,513
Realised Foreign Exchange Income other than on Cash and Cash Equivalents				
Other Direct Income	125,934,038	553,577,208	91,034,232	495,372,903
Others (to be specified)	18,503,856	(23,078,348)	-	-
Cash Paid				
Gross Benefits and Claims Paid	(5,379,858,543)	(21,579,210,322)	(5,379,858,543)	(21,579,210,322)
Reinsurance Premium Paid	(144,556,577)	(580,305,424)	(144,556,577)	(580,305,424)
Commission Paid	(1,078,350,761)	(4,124,959,317)	(1,078,350,761)	(4,124,959,317)
Service Fees Paid	(110,373,479)	(400,904,918)	(110,373,479)	(400,904,918)
Employee Benefits Expenses Paid	(251,573,096)	(873,021,661)	(242,472,593)	(839,878,920)
Other Expenses Paid	(263,116,150)	(2,635,964,151)	(258,952,886)	(2,556,591,290)
Others (lncrease)/Decrease in current assets)	435,634,298	5,017,506,379	225,150,360	4,350,683,805
Others (lncrease/(Decrease) in current liabilities)	(683,695,121)	363,906,257	(685,019,736)	364,416,937
Income Tax Paid	(882,855,733)	(3,251,638,437)	(882,855,733)	(3,251,638,437)
Net Cash Flow From Operating Activities [1]	**6,716,929,651**	**26,968,908,475**	**6,464,981,203**	**26,379,986,226**
Cash Flow From Investing Activities				
Acquisitions of Intangible Assets	(1,638,500)	(1,906,719)	-	(1,894,854)
Proceeds From Sale of Intangible Assets	-	-	-	-
Acquisitions of Investment Properties	-	-	-	-
Proceeds From Sale of Investment Properties	-	-	-	-
Acquisitions of Property and Equipment	(49,208,708)	(415,339,353)	(100,979,217)	(417,613,990)
Proceeds From Sale of Property and Equipment	14,213,520	6,326,146	14,213,520	6,326,146
Investment in Subsidiaries	-	-	-	-
Receipts from Sale of Investments in Subsidiaries	-	-	-	-
Investment in Associates	(434,125,731)	-	1,466,769	-
Receipts from Sale of Investments in Associates	-	-	-	-
Purchase of Equity Instruments	(733,714,957)	(4,894,145,632)	(701,318,698)	(4,635,618,480)
Proceeds from Sale of Equity Instruments	556,545,719	2,662,710,250	556,545,719	2,662,710,250
Purchase of Mutual Funds	(20,000,000)	(714,865,844)	(20,000,000)	(714,865,844)
Proceeds from Sale of Mutual Funds	-	-	-	-
Purchase of Preference Shares	-	(4,674,460,700)	-	(4,674,460,700)
Proceeds from Sale of Preference Shares	-	-	-	-
Purchase of Debentures	(3,095,880,151)	(4,683,501,298)	(3,095,880,151)	(4,683,501,298)
Proceeds from Sale of Debentures	-	209,939,939	-	209,939,939
Purchase of Bonds	(7,540,847,000)	(40,192,613,000)	(7,540,847,000)	(40,192,613,000)
Proceeds from Sale of Bonds	-	-	-	-
Investments in Deposits	4,530,000,000	(457,500,000)	4,120,000,000	(457,500,000)
Maturity of Deposits	-	-	-	-
Loans Paid	(368,396,877)	350,093,415	(368,396,877)	350,093,415
Proceeds from Loans	-	-	-	-
Investment in PEVC	(168,000,000)	(300,000,000)	(168,000,000)	(300,000,000)
Investment in Hydro	-	-	-	-
Rental Income Received	9,417,734	37,913,772	9,417,734	37,913,772
Proceeds from Finance Lease	-	-	-	-
Interest Income Received	5,189,493,694	20,132,523,955	5,182,833,720	20,100,426,144
Dividend Received	272,410,984	207,954,683	272,410,984	206,354,610
Others (to be specified)	651,564	1,881,282	490,347	1,107,922
Total Cash Flow From Investing Activities [2]	**(1,839,078,709)**	**(32,724,989,103)**	**(1,838,043,150)**	**(32,503,195,968)**

NEPAL LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Cash Flows
For Period 17th July, 2026 - 17th October, 2026
(For the Quarter Ended Ashwin, 2083)

Fig. in NPR

	Group		Insurance Company	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Cash Flow From Financing Activities				
Interest Paid	-	(57,808,643)	-	(57,808,643)
Proceeds From Borrowings	-	20,876,625,675	-	20,876,625,675
Repayment of Borrowings	-	(20,876,625,675)	-	(20,876,625,675)
Payment of Finance Lease	-	-	-	-
Proceeds From Issue of Share Capital	-	-	-	-
Share Issuance Cost Paid	-	-	-	-
Dividend Paid	-	(1,356,168,176)	-	(1,356,168,176)
Dividend Distribution Tax Paid	-	(93,185,918)	-	(93,185,918)
	-	-	-	-
Total Cash Flow From Financing Activities [3]	**-**	**(1,507,162,737)**	**-**	**(1,507,162,737)**
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	**4,877,850,942**	**(7,263,243,365)**	**4,626,938,053**	**(7,630,372,479)**
Cash & Cash Equivalents At Beginning of The Year/Period	4,463,466,858	11,726,710,223	3,975,782,865	11,606,155,344
Effect of Exchange Rate Changes on Cash and Cash Equivalents				
Cash & Cash Equivalents At End of The Year/Period	**9,341,317,801**	**4,463,466,858**	**8,602,720,918**	**3,975,782,865**
Components of Cash & Cash Equivalents				
Cash In Hand	4,462,585	12,721,700	4,462,585	12,721,700
Cheuqe in Hand	14,461,725	14,827,818	14,461,725	14,827,818
Term Deposit with Banks (with initial maturity upto 3 months)				
Balance With Banks	9,322,393,490	4,435,917,340	8,583,796,608	3,948,233,347

The accompanying notes form an Integral Part of Financial Statements.

Related Party Disclosure

(a) Identify Related Parties

Holding Company: The Company doesn't have holding company for the for the First quarter ended, 2083/84.

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)

2) The Company have received Bonus Share of 9,21,512 from Professional Holding Limited during the fiscal year ended Ashadh 32, 2083

3) 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)

4) The Company have received Bonus Share of 75,000 from Uniglobe Higher Secondary School Ktm Ltd. during the fiscal year ended Ashadh 32, 2083

Fellow Subsidiaries: The Company doesn't have holding company for the First quarter ended, 2083/84.

Key Management Personnel:	**Position**	**Remarks**
Mr. Purushotam Lal Sanghai	Chairman	
Mr. Kamlesh Kumar Agrawal	Director / Promoter Group	
Mr. Vivek Agrawal	Director / Promoter Group	
Mr. Bimal Prasad Dhakal	Director / Public	
Mr. Krishna Raj Lamichhane	Director / Public	
Mrs. Sharmila Shrestha Maharjan	Director / Public	
Mr. Prabin Prakash Chhetri	Director / Independent	
Mr. Pravin Raman Parajuli	Chief Exeutive Officer	
Mr. Amit Kumar Keyal	Deputy Chief Executive Officer	

(b) Key Management Personnel Compensation:

Particulars	**Current Year**	**Previous Year**
Short-term employee benefits	**10,303,080**	**8,930,783**
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	8,035,584.66	-
Total	**18,338,664**	**8,930,783**

Payment to Chief Executive Officer (CEO)

Particulars	**Current Year**	**Previous Year**
Annual salary and allowances	4,286,067	4,954,000
Performance based allowances	-	-
i) Employee Bonus	-	-
ii) Benefits as per prevailing provisions	-	-
iii) Incentives	-	-
Insurance related benefits	-	-
i) Life Insurance	-	-
ii) Accident Insurance	-	-
iii) Health Insurance (including family members)	-	-
Total	**4,286,067**	**4,954,000**

(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	-	1,046,070.00	-	-	-	1,046,070
Previous Year	-		-	-	-	-
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	-	-	-	-	1,733,000	1,733,000
Previous Year	-	-	-	-	1,303,000	1,303,000
Allowances to Directors						
Current Year	-	-	-	-	315,000	315,000
Previous Year	-	-	-	-	270,000.00	270,000
Others (to be specified)						
Current Year (Service Fee & Deputation Fee)	-	-	-	-	-	-
Previous Year (service fee)	-	-	-	-	-	-

(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	-	-	-	-	-	-

Nepal Life Insurance Company Limited

Notes to the Consolidated Financial Statements

For the Quarter Ended Ashwin 31, 2083 (October 17, 2026)

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 Nepal life capital and Nepal Life investment company are subsidiaries of the company.

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.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2083 to 31st Ashwin 2083 with the corresponding previous year from 1st Shrawan 2082 to 31st Ashwin 2082 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, 2083.

(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.

(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 Risk Based Capital & Solvency Directive, 2026 (2083).

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.

(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 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) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by 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 applicable accounting standards.

(i) 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.

(j) 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.

(k) Regrouping & Reclassification

There has been no reclassification or regrouping of expenses during the current financial year, and the classification and presentation of expenses remain consistent with the previous financial year.

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) Subsequent Measurement and Fair Value Disclosure

The Company measures its land and buildings at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, which is not depreciated. The Company periodically assesses the fair value of its land and buildings through professionally qualified independent valuers. Such fair values are disclosed in the Notes to Accounts for information purposes only and are not recognized in the carrying amounts of the respective assets in the financial statements. Accordingly, no revaluation surplus or deficit is recognized in profit or loss, other comprehensive income, or equity.

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 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 of 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 the end of each financial year. 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

Initial Investment in Associates are recognized on cost method, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. 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 of standalone Financial Statement.

(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 a share premium as on Ashwin End, 2083.

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 issued by NIA.

vi) Corporate Social Responsibility (CSR) Reserves

The company has allocated amounts from profit and loss accounts 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 (SOCI). 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 has no outstanding balance in the Regulatory Reserve as at Ashwin end, 2083.

x) Employee Training Reserves

The Company has allocated an amount from the Profit and Loss Account to the Employee Training Reserve Fund equivalent to the unspent portion of 2% of the total employee cost of the previous fiscal year, as prescribed by the 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 by 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 or 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 in 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) Whole Life

Whole life is a type of life insurance contract that provides insurance coverage of the contract holder for his or her entire life. Upon the inevitable death of the contract holder, the insurance payout is made to the contract's beneficiaries. These policies also include a savings component, which accumulates a cash value. This cash value is one of the key elements of whole life insurance.

v) 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.

vi) 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.

vii) 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 cost 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 units existing as on Ashad end in pervious year 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**

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 recognizes 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.

- 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.

Dismantling and Restoration Obligations

In accordance with **NFRS 16**, the estimated cost of dismantling, removing or restoring leased assets/premises is included in the cost of the Right-of-Use asset, with the corresponding obligation recognized under **NAS 37**.

As at the reporting date, the Company is unable to reliably estimate such restoration costs due to uncertainties regarding the nature, timing and extent of the required work. Accordingly, no provision or corresponding adjustment to the ROU asset has been recognized. The obligation will be reassessed at each reporting date and recognized when a reliable estimate can be made.

(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 disclosed 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 in 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)