



American Life Insurance Company

13th Year

Audited Financial Statements

Final

Fiscal Year - 2013/014 (2070/071)

CSC & Co

Chartered Accountants

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To
The Chief Executive Officer
American Life Insurance Company-Nepal Branch

Auditor's Report on the financial statements for the year ended July 16, 2014

We had audited the accompanying financials statements of American Life Insurance Company-Nepal Branch for the year ended July 16, 2014 (Ashad 32, 2071) and issued our audit opinion on January 14, 2015. In response to the request for approval for the financial statements, Beema Samiti provided in-principle approval of the financial statements vide letter Bi.Bi.Sha.239/(2071/72) dispatch number 3087 dated 2071/12/19 (April 2, 2015) with the condition that audited financial statements be submitted by creating catastrophic reserve equal to 10 % of amount available for appropriation after incorporating the effect of the actuarial valuation. Upon submission of the actuarial valuation report by the company, Beema Samiti, provided approval for allocation of actuarial valuation surplus to the shareholders' fund and bonus to the insured vide letter dated 2071/09/03 (December 28, 2015). The attached financial statements for the year ending July 16, 2014 have been updated adjusting the changes as required by the Beema Samiti.

Changes in the financial statements due to the adjustments mentioned above do not have any impact on the true and fair view of the financial position of the company as of July 16, 2014 (Ashad 32, 2071) and its financial performance and cash flows for the year then ended. Hence, those changes do not require any change in our audit opinion issued on January 14, 2015.

Date: January 4, 2016
Place: Kathmandu



Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants



Directors Reports

A. General Information about Insurer:

1. Date of Incorporation: 2058/04/18 (August 02, 2001)
2. Date of receiving insurer registration certificate: 2058/04/18 (August 02, 2001)
3. Type & category of insurance license received by the insurer: Life Insurance
4. Date of starting business: 2058/10/17 (30 January 2002)
5. Other information, as insurer finds important: ALICO is registered as a branch of foreign company with Office of the Company Registrar on 2062/02/23 (June 05, 2005).

B. Insurer's Board of Director Reports.

1. Company license is properly renewed vide Insurance Board's letter no. Ni. Sa. 07/071/072 Cha. No. 246 dated 2071/04/27 (12 August, 2014) & is valid for doing insurance business till the end of Chaitra 2071 (13 April 2015).
2. Service fee payable of amount NPR. 18,158,179 to Insurance Board and withholding tax payable of NPR. 2,894,968 at the Balance Sheet date are being paid on respective due dates.
3. American Life Insurance Company Nepal is a branch of American Life Insurance Company which is incorporated under the laws of the United State of America. The branch does not have any share capital.
4. The Company would maintain solvency margin as per requirement of relevant Solvency Margin Directive upon finalization of actuarial valuation for the year 2070/71 (2013/14). The Company maintained a solvency margin of 689 % as of 2071 Ashad end (16 July 2014).
5. A. Value of assets included in the insurer's financial statement on the date of balance sheet is not above the realizable/market value of the assets.
B. Investments are valued as per method given in financial directives of Insurance Board.
6. Company has made all its investment within the provisions of the existing laws.
7. Company has adequate re-insurance arrangement for insurance risks, and other situational risks are being closely monitored. Required actions are being taken in consultation with RO/HO.
8. American Life Insurance Company, Nepal is an independent branch and it does not have to share any part of risk arising from the business operated in other territories. ALICO is a subsidiary of MetLife Inc, HO/RO and offices operated in different countries are as under:

ALICO – HO	China	Jordan and PNA	Russia
Wilmington, USA	Colombia	Kuwait	Saudi Arabia
	Cyprus	Korea	Serbia
Regional Office	Czech Republic	Latvia	Slovakia
Hong Kong	Egypt	Lebanon	Spain
Other MetLife Operations	France	Lithuania	Turkey
Argentina	Greece	Mexico	Ukraine
Australia	Hungary	Malaysia	United Arab Emirates
Bahrain	Hong Kong	Oman	United Kingdom
Bangladesh	Ireland	Poland	Uruguay
Brazil	India	Portugal	Unites State of America
Bulgaria	Italy	Qatar	Vietnam
Chile	Japan	Romania	

9. Total number of paid claim is 856. Detail of total outstanding claims number is as follows.

Fiscal Year	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71
Par Product	15	64	75	117	86	76
Term Product	61	102	102	245	307	412

10. The financial statement has been prepared in accordance with Insurance Act 2049, Insurance Regulation 2049, circular/guidelines issued by Insurance Board, Company Act 2063 and other applicable laws, accounting standards and generally accepted accounting practices which are in practice except as indicated in annexure 28 & 29 of the financials.
11. a. In preparing the financial statements the appropriate financial policies are applied and uniformity is maintained which has been tested and appropriateness is found.
b. The financial statement gives true & fair picture of all the financial conditions of the Company including profit and loss as of balance sheet date.
12. It is declared that the control mechanism and processes are in place which is sufficient and effective to safeguard the Company's assets and to control the fraud and misappropriations.
13. Financial statements are prepared in accordance with 'going concern basis'.
14. Company has strong, effective, reliable and independent internal audit unit at Local and HO level which is conducting internal audit periodically on regular basis. It has been found quite effective as a controlling mechanism for normal operation of the business activities.
15. Company has not done business with any person, firm, company, and with its director or institution having interest of the directors which is against the existing Insurance Act, 2049, Company Act, 2063 and regulations, orders and directives under it.
16. There is no late fee imposed to us by the Insurance Board during this fiscal year.
- 17.1 Company is compliant with Anti money laundering Act 2064 and its directive, rules, by-laws and policies.
- 17.2 The Company received approval of its actuarial valuation report for 2013/14 on 29 December 2015. Shareholders' portion of Profit (after deduction for employee housing fund and profit bonus) for 2013/14 arising from the actuarial valuation together with Profits from non-participating portfolio for 2013/14 amount to NPR. 84,416,637.

Insurance Board in its letter Bi.Bi.Sha 239/ (2071/72) dispatch no 3087 dated 2 April 2015, advised the company to create catastrophic reserve equal to 10% of amount available for appropriation. Accordingly NPR.8,441,664 has been transferred to catastrophic reserve account leaving net NPR 75,974,973 available for reserve and cash dividend.

Insurance Board, in its letter no. Bi. Bi.Sha.490 (2070/71) dispatch no. 4585, dated 26 May 2014, advised the Company to show a maximum 40% of the Profit as per the Profit and Loss account under Proposed Cash Dividend. Accordingly, NPR 30,389,989 representing 40% of total Shareholders' portion (NPR 75,974,973) has been shown as 'Proposed Cash Dividend' in the Profit and Loss Account and as 'Provision for Dividend' under 'Other Provision (Annexure – 26A)' in the Balance Sheet, which will be available for remittance to Head Office of the Company subject to necessary regulatory approval.

The remaining balance of Shareholders' portion of profit i.e. NPR. 45,584,984 has been shown under 'Reserve and Surplus' in Balance Sheet.

NPR. 225,764,000 has been transferred from Provision for Dividend to Policyholders' surplus as a result of restatement of shareholder surplus related to 2012/13 and reflected in actuarial valuation report of 2013/14 which has been approved by Insurance Board on 29 Dec 2015.

American Life Insurance Company

Balance Sheet as on 16 July, 2014 (2071 Ashad End)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
<u>SOURCES</u>				
1	Paid-up Capital	16	-	-
2	Reserve and Surplus	17	512,770,096	463,907,824
3	Life Insurance Fund	11	8,763,267,860	7,458,729,732
4	Catastrophe Fund	18	8,441,664	-
5	Long Term Debt and Loan Payable	19	-	-
	Total Sources		9,284,479,620	7,922,637,556
<u>USES</u>				
6	Fixed Assets (Net)	20	13,899,572	6,066,858
7	Long Term Investment	21	2,574,647,036	3,636,847,029
8	Policy Loan	3	624,428,217	555,310,888
9	Other Long Term Loan	23	92,519	166,477
	Current Assets Loan and Advance			
10	Cash & Bank Balance	22	30,254,022	461,017,179
11	Short Term Investment	21	6,436,462,454	3,738,168,957
12	Other Short Term Loan	23	-	-
13	Other Assets	24	294,316,131	261,595,408
	Total (A) (10+11+12+13)		6,761,032,607	4,460,781,544
	Current Liabilities and Provisions:			
14	Current Liabilities	25	172,882,172	168,898,476
15	Provision for Unexpired Risks	26	104,186,000	72,277,374
16	Claims Payable	9	199,934,892	165,802,798
17	Other Provisions	26A	266,837,543	437,831,820
	Total (B) (14+15+16+17)		743,840,607	844,810,468
18	Net Current Assets (C)= A-B		6,017,192,000	3,615,971,076
19	Other Exps Balance for Write off/Adjustment	27	54,220,276	108,275,228
20	Loss Transferred from P&L Account			
	Total Uses (6+7+8+9+18+19+20)		9,284,479,620	7,922,637,556
Contingent liabilities and annexure 3, 9, 11 and 16 to 29 are integral part of this.				
Contingent Liabilities				
SN	Particular		This Year	Last Year
1	Investment remaining for settlement			
2	Guaranteed issued			
3	Claim other than insurance business not accepted by the company			
4	Guarantee issued by insured or on behalf of insured.			
5	Other			
	Total		-	-

As per our report of even date.

.....
Poshak Raj Paudel
Financial Controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

.....
Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Profit & Loss Account for the Fiscal Year 2013/014 (2070/071)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
INCOME				
1	Transferred from Revenue A/c	10	74,037,392	56,039,380
2	Transferred from Life Fund	11	28,502,010	582,029,423
3	Income from Investment, Loan and Others	2	22,327,282	7,241,228
4	Written Back Provision	12	-	-
5	Other Income			
Total Income (A)			124,866,684	645,310,031
EXPENSE				
6	Management Expense	7	27,121,103	13,749,088
7	Written off Expense	13	-	-
8	Share Issue Expense	13a		
9	Other Expense	14	-	-
10	Provision for Loss	15	-	-
11	Provision for Housing Fund	26a	4,887,280	31,578,047
12	Provision for Staff Bonus	26a	8,441,664	54,543,900
13	Adjusted Income Tax (A)	8		
14	B) Income tax		-	-
15	C) Deferred Tax Assets / (Liabilities)		(2,656,287)	(10,908,387)
16	Transfer to Life Fund	11	-	-
Total Expense (B)			37,793,760	88,962,648
17	Net Profit / (Loss) (C) = A-B		87,072,924	556,347,383
18	Expenses Related with Last Years		-	-
19	Profit/(Loss) Transferred from Last Year			
Amount for Allocation			87,072,924	556,347,383
20	A) Deferred Tax Reserve	17	2,656,287	10,908,387
	B) Capital Reserve	17	-	-
	C) Special Reserve	17	-	-
	D) Other Reserve - Contingency Reserve	17	-	-
	E) Proposed Dividend			
	a) Bonus Share	17		
	b) Cash Dividend	26 A	30,389,989	218,175,598
F) Catastrophe Reserve	18	8,441,664	-	
21	Profit/(Loss) Transferred to Balance Sheet		45,584,984	327,263,398

Annexure 2,7,8 & 10 to 15, 17 & 18 are integral part of this.

As per our report of even date.

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Poshak Raj Paudel
Financial Controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

.....
Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Consolidated Revenue Account for the Fiscal Year 2013/014 (2070/071)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
REVENUE				
1	Premium (Net)	1	1,793,985,177	1,583,693,410
2	Re-insurance Commission Income		10,893,072	7,692,942
3	Investment, Loan and Other Income	2	530,134,940	506,211,267
4	Income from Policy Loan	3	76,041,443	66,866,453
5	Other Direct Income		4,346,285	6,770,061
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		165,802,798	161,363,526
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		72,277,374	43,384,567
	Total Revenue (A)		2,653,481,089	2,375,982,226
EXPENDITURE				
				-
8	Claim Payment (Net)	4	806,990,955	561,260,626
9	Agent Commission	5	127,544,046	110,226,772
10	Medical Examination Fee		1,164,649	1,518,645
11	Re-insurance Commission Expenses		-	-
12	Service Fee (Net)	6	18,158,179	15,998,476
13	Other Direct Expenses		-	-
14	Management Expenses	7	129,593,926	101,479,708
15	Income Tax	8	84,594,912	80,865,553
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	199,934,892	165,802,798
17	Provision for Unexpired Risks at the End of the Fiscal Year		104,186,000	72,277,374
	Total Expenditure(B)		1,472,167,559	1,109,429,952
18	Surplus Transferred to Life Insurance Fund		1,107,276,138	1,210,512,895
19	Surplus (Loss) Transferred to Profit & Loss A/c		74,037,392	56,039,380

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Poshak Raj Paudel
Financial controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

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Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Revenue Account of Three Payment Plan Insurance for the Fiscal Year 2013/014(2070/071)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
	REVENUE			
1	Premium (Net)	1	727,748,982	707,352,268
2	Re-insurance Commission Income		4,794,291	4,138,359
3	Investment, Loan and Other Income	2	195,406,162	209,703,729
4	Income from Policy Loan	3	48,939,077	39,799,461
5	Other Direct Income		1,503,898	3,819,611
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		104,087,875	99,391,755
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Revenue (A)		1,082,480,285	1,064,205,183
	EXPENDITURE			
8	Claim Payment (Net)	4	684,657,584	408,880,222
9	Agent Commission	5	30,758,411	40,023,368
10	Medical Examination Fee		835,183	1,199,199
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	7,341,180	7,117,417
13	Other Direct Expense		-	-
14	Management Expense	7	53,963,839	45,725,414
15	Income Tax	8	29,872,848	32,729,484
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	131,011,578	104,087,875
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	Total Expenditure(B)		938,440,623	639,762,979
18	Surplus Transferred to Life Insurance Fund		144,039,662	424,442,204
19	Surplus (Loss) Transferred to Profit & Loss A/c		-	-

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Poshak Raj Paudel
Financial controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

.....
Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Revenue Account of Endowment Insurance for the Fiscal Year 2013/014 (2070/071)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
REVENUE				
1	Premium (Net)	1	661,488,769	640,630,602
2	Re-insurance Commission Income		4,357,780	1,997,846
3	Investment, Loan and Other Income	2	302,146,254	280,259,573
4	Income from Policy Loan	3	27,102,366	27,066,992
5	Other Direct Income		2,842,387	2,950,450
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		41,217,556	41,229,315
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Revenue (A)		1,039,155,112	994,134,778
EXPENDITURE				
8	Claim Payment (Net)	4	86,819,122	120,173,738
9	Agent Commission	5	36,186,168	40,619,142
10	Medical Examination Fee		329,466	319,446
11	Re-insurance Commission Expense			
12	Service Fee (Net)	6	6,672,778	6,448,906
13	Other Direct Expense			
14	Management Expense	7	48,451,488	41,185,928
15	Income Tax	8	53,580,746	47,718,243
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	41,679,187	41,217,556
17	Provision for Unexpired Risks at the End of the Fiscal Year			
	Total Expenditure(B)		273,718,955	297,682,959
18	Surplus Transferred to Life Insurance Fund		765,436,157	696,451,820
19	Surplus (Loss) Transferred to Profit & Loss A/c		-	-

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Poshak Raj Paudel
Financial controller

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M. Ala Uddin Ahmad
Chief Executive Officer

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Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Revenue Account of DPS Insurance for the Fiscal Year 2013/014 (2070/071)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
REVENUE				
1	Premium (Net)	1	262,513,347	120,969,948
2	Re-insurance Commission Income		-	-
3	Investment, Loan and Other Income	2	19,308,903	6,211,941
4	Income from Policy Loan	3	-	-
5	Other Direct Income		-	-
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		360,001	-
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Revenue (A)		282,182,251	127,181,889
EXPENDITURE				
8	Claim Payment (Net)	4	9,067,546	5,241,890
9	Agent Commission	5	51,402,613	24,122,613
10	Medical Examination Fee		-	-
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	2,648,108	1,212,820
13	Other Direct Expense		-	-
14	Management Expense	7	16,392,774	6,625,694
15	Income Tax	8	615,891	-
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	4,255,000	360,001
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	Total Expenditure(B)		84,381,932	37,563,018
18	Surplus Transferred to Life Insurance Fund		197,800,319	89,618,871
19	Surplus (Loss) Transferred to Profit & Loss A/c		-	-

Annexure 1-9 are integral part of this.

As per our report of even date.

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Poshak Raj Paudel
Financial controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

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Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Revenue Account of Term (Non Par) Insurance for the Fiscal Year 2013/014 (2070/071)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
	REVENUE			
1	Premium (Net)	1	142,234,079	114,740,592
2	Re-insurance Commission Income		1,741,001	1,556,737
3	Investment, Loan and Other Income	2	13,273,621	10,036,024
4	Income from Policy Loan	3	-	-
5	Other Direct Income		-	-
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		20,137,366	20,742,456
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		72,277,374	43,384,567
	Total Revenue (A)		249,663,441	190,460,376
	EXPENDITURE			
8	Claim Payment (Net)	4	26,446,703	26,964,776
9	Agent Commission	5	9,196,854	5,461,649
10	Medical Examination Fee			
11	Re-insurance Commission Expense			
12	Service Fee (Net)	6	1,496,113	1,219,333
13	Other Direct Expense			
14	Management Expense	7	10,785,825	7,942,672
15	Income Tax	8	525,427	417,826
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	22,989,127	20,137,366
17	Provision for Unexpired Risks at the End of the Fiscal Year		104,186,000	72,277,374
	Total Expenditure(B)		175,626,049	134,420,996
18	Surplus Transferred to Life Insurance Fund		-	-
19	Surplus (Loss) Transferred to Profit & Loss A/c		74,037,392	56,039,380

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Poshak Raj Paudel
Financial controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

.....
Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Cash Flow Statement for the Period of 17 July, 2013 to 16 July, 2014

Amount in NPR.

SN	Particular	This Year	Last Year
A	<u>Cash Flow from Operating Activities</u>		
	Premium Income	1,815,817,857	1,599,847,614
	Late Fee Income	4,346,285	6,770,061
	Reinsurance Premium Income	-	-
	Reinsurance Commission Income	10,893,072	7,692,942
	Other Direct Income	-	-
	Claim Recovered from Re-insurance	6,783,338	5,197,084
	Re-insurance Premium Payment	(21,832,680)	(16,154,204)
	Re-insurance Commission Payments	-	-
	Agent Commission Payment	(127,544,046)	(110,226,772)
	Medical Exam Fee Payments	(1,164,649)	(1,518,645)
	Claim Paid	(50,775,774)	(45,089,428)
	Maturity Claim paid	(106,312,914)	(14,186,971)
	Partial Maturity Claim Paid	(469,718,422)	(317,441,763)
	Surrender Claim Paid	(185,788,277)	(188,625,305)
	Other Claim Paid	(1,178,906)	(1,114,242)
	Service Fee Paid	(18,158,179)	(15,998,476)
	Other Direct Expenses	-	-
	Management Expenses Paid	(156,715,029)	(115,228,796)
	Employee Bonus Payment	-	(2,488,213)
	Income Tax Paid	(150,451,298)	(79,136,201)
	Current Assets (increase)/ Decrease	907,662,243	450,916,315
	Current Liabilities Increase / (Decrease)	(100,969,861)	124,708,800
	Net Cash Flow from Operating Activities (A)	1,354,892,760	1,287,923,799
B	<u>Cash flow from Investment Activities</u>		
	Decrease (Increase) in Fixed Assets	(7,832,714)	(1,486,075)
	Decrease (Increase) in Government Securities	-	288,987,249
	Decrease (Increase) in FD of Bank & Financial Institutions	(2,337,118,497)	(1,585,320,218)
	Decrease (Increase) in Other Deposit of Bank & Financial institutions	-	-
	Decrease (Increase) in Equity Share Investment	-	-
	Decrease (Increase) in Preference Share\debenture	-	-
	Decrease (Increase) in Other Investment	-	-
	Decrease (Increase) in Policy Loan	(69,117,329)	(69,473,966)
	Decrease (Increase) in Advance & Other Loans	73,958	(20,674)
	Interest Received (Investment)	606,352,174	513,452,495
	Dividend Received	-	-
	Rent Income	-	-
	Interest Received (Loan)	76,041,443	66,866,453
	Other Indirect Income/Expenses	(54,054,952)	(74,956,327)
	Net Cash Flow from Investment Activities (B)	(1,785,655,917)	(861,951,063)
C	<u>Cash Flow from Financial Activities</u>		
	Amount Received from Share	-	-
	Decrease/(Increase) in payable of lending	-	-
	Decrease/(Increase) in Short Term Loan	-	-
	Interest paid on Loan	-	-
	Dividend Paid	-	-
	Net Cash Flow from Financial activities (C)	-	-
	Net Cash Flow from the All Activities = A+B+C	(430,763,157)	425,972,736
	Opening Cash & Bank Balance	461,017,179	35,044,443
	Closing Cash & Bank Balance	30,254,022	461,017,179

As per our report of even date.

.....
Poshak Raj Paudel
Financial controller

.....
M. Ala Uddin Ahmad
Chief Executive Officer

.....
Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

American Life Insurance Company

Statement of Changes in Equity for the Fiscal Year 2013/014 (2070/071)

Amount in NPR.

Particular	Share Capital	Accumulated profit/loss	Proposed Bonus Share	Capital Reserve Fund	Share Premium	Special Reserve Fund	Other Reserve & Fund	Catastrophe Reserve	Total Amount
Opening Balance	-	365,396,339	-	-	-	15,000,000	83,511,485	-	463,907,824
Profit of This Year		45,584,984							45,584,984
Proposed Cash Dividend									-
Deferred Tax Adjustment		-					2,656,287		2,656,287
Foreign Exchange Revaluation		-					621,000		621,000
Catastrophe Reserve								8,441,664	8,441,664
Closing Balance	-	410,981,323	-	-	-	15,000,000	86,788,773	8,441,664	521,211,760

Integral Parts of the Financial Statement are:

A. Insurance Premium (Net)

Annexure- 1

Amount in NPR.

SN	Type of Insurance	Gross Insurance Premium		RI Premium Paid (Ceded)		Insurance Premium (net)	
		This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	734,117,932	711,741,735	6,368,950	4,389,467	727,748,982	707,352,268
2	Endowment	667,277,838	644,890,555	5,789,069	4,259,953	661,488,769	640,630,602
3	Future Care -DPS	264,810,752	121,282,033	2,297,405	312,085	262,513,347	120,969,948
4	Term Insurance (Non-par Insurance)	149,611,335	121,933,291	7,377,256	7,192,699	142,234,079	114,740,592
Total		1,815,817,857	1,599,847,614	21,832,680	16,154,204	1,793,985,177	1,583,693,410

B. Gross Insurance Premium

SN	Type of Insurance	Direct Insurance Premium		Received Re-insurance Premium (Accepted)		Gross Insurance Premium	
		This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	734,117,932	711,741,735	-	-	734,117,932	711,741,735
2	Endowment	667,277,838	644,890,555	-	-	667,277,838	644,890,555
3	Future Care -DPS	264,810,752	121,282,033	-	-	264,810,752	121,282,033
4	Term Insurance	149,611,335	121,933,291	-	-	149,611,335	121,933,291
Total		1,815,817,857	1,599,847,614	-	-	1,815,817,857	1,599,847,614

C. Direct Insurance Premium

SN	Type of Insurance	First Year Insurance Premium		Renewal Insurance Premium		Single Insurance Premium		Total Direct Insurance Premium	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	14,526,360	13,149,024	719,591,572	698,592,711	-	-	734,117,932	711,741,735
2	Endowment	27,455,012	26,860,233	639,822,826	618,030,322	-	-	667,277,838	644,890,555
3	Future Care-DPS	165,695,242	109,160,361	99,115,510	12,121,672	-	-	264,810,752	121,282,033
4	Term Insurance	36,471,236	29,742,542	25,332,138	20,848,989	87,807,961	71,341,760	149,611,335	121,933,291
Total		244,147,850	178,912,160	1,483,862,046	1,349,593,694	87,807,961	71,341,760	1,815,817,857	1,599,847,614

Income from Investment, Loan & Other Sources

Annexure - 2

Amount in NPR.

SN	Particular	This Year	Last Year
1	Income from Government & Secured Government securities	380,193,530	407,192,146
2	Income from Commercial Bank's Fixed Deposit (FD)	220,270,126	167,112,994
3	Income from Development Bank's Fixed Deposit (FD)		
4	Income from Citizen Investment Trust Scheme		
5	Income from Financial Institutions' Fixed Deposit (FD)		
6	Dividend from Housing Development Company's Equity Share		
7	Dividend from Other Public Company's Equity Share		
8	Dividend from Bank & Financial Institution's Preference Share		
9	Income from Bank & Financial Institution's Debenture		
10	Other Income	-	
	a. Foreign Currency Exchange Revaluation Gain/Loss	153,189	363,608
	b. Policy Charges & Misc.	15,721	14,445
11	Income from Loan		
12	Income from Other Deposit (Except FD)	5,719,608	3,557,247
13	Profit on Sales of Investment Less: Loss on Sale of Investment		- -
14	Profit on (Purchase) Investment. Less: Loss on (Purchase) Investment.	- (54,054,952)	- (64,980,952)
15	Profit on Sales of Fixed Assets Less: Loss on Sales of Fixed Assets	165,000 -	193,008 -
16	Account Written Off		
17	Income Related to Last year	-	
18	Other Income	-	
Total		552,462,222	513,452,496

Appropriation of Income from Investment, Loan & Other Source

1	Transfer to Profit & Loss Accounts	22,327,282	7,241,228
2	Transfer to Three Payment Plan Revenue Account	195,406,162	209,703,729
3	Transfer to Endowment Revenue Account	302,146,254	280,259,573
4	Transfer to DPS Insurance Revenue Account	19,308,903	6,211,941
5	Transfer to Term Insurance Revenue Account	13,273,621	10,036,024
Total		552,462,222	513,452,495

Policy Loan and Interest Income

Annexure - 3

Amount in NPR.

SN	Type of Insurance	Policy Loan		Interest Income on Policy Loan	
		This Year	Last Year	This Year	Last Year
1	Three Payment Plan	401,872,180	328,934,485	48,939,077	39,799,461
2	Endowment	222,556,037	226,376,403	27,102,366	27,066,992
3	Future Care -DPS				
4	Term Insurance	-	-	-	-
Total		624,428,217	555,310,888	76,041,443	66,866,453

Claim Paid

Annexure - 4

Amount in NPR.

SN	Type of Insurance	Death Claim Paid		Maturity Claim Paid		Partial Maturity Claim Paid		Surrender Claims Paid		Other Claim paid		Total Claim Paid		RI Portion in Claim Paid		Claim Paid (net)	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	9,967,977	11,991,556	106,312,914	14,186,971	469,718,422	298,790,763	104,141,609	84,175,458	-	-	690,140,922	409,144,748	5,483,338	264,526	684,657,584	408,880,222
2	Endowment	9,160,000	1,774,780	-	-	-	18,651,000	77,659,122	99,747,957	-	-	86,819,122	120,173,738	-	-	86,819,122	120,173,738
3	Future Care DPS product	5,080,000	540,000	-	-	-	-	3,987,546	4,701,890	-	-	9,067,546	5,241,890	-	-	9,067,546	5,241,890
4	Term Insurance	26,567,797	30,783,092	-	-	-	-	-	-	1,178,906	1,114,242	27,746,703	31,897,334	1,300,000	4,932,558	26,446,703	26,964,776
Total		50,775,774	45,089,428	106,312,914	14,186,971	469,718,422	317,441,763	185,788,277	188,625,305	1,178,906	1,114,242	813,774,293	566,457,709	6,783,338	5,197,084	806,990,955	561,260,625

Agent Commission

Annexure - 5

Amount in NPR.

SN	Types of Insurance	Agent Commission on First Year Premium		Agent Commission on Renewal Premium		Agent Commission on Single Premium		Total Agent Commission	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	2,953,050	3,220,636	27,805,361	36,802,732	-	-	30,758,411	40,023,368
2	Endowment	4,198,570	5,988,491	31,987,598	34,630,651	-	-	36,186,168	40,619,142
3	Future Care-DPS	38,113,031	24,110,003	13,289,582	12,610			51,402,613	24,122,613
4	Term Insurance	3,331,752	1,673,463	1,252,080	205,312	4,613,022	3,582,874	9,196,854	5,461,649
Total		48,596,403	34,992,593	74,334,621	71,651,305	4,613,022	3,582,874	127,544,046	110,226,772

Service Fee (Net)

Annexure - 6

Amount in NPR.

SN	Types of Insurance	Gross Service Fee		Reinsurance Portion in Gross Service Fee		Service Fee (Net)	
		This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	7,341,180	7,117,417			7,341,180	7,117,417
2	Endowment	6,672,778	6,448,906			6,672,778	6,448,906
3	Future Care-DPS	2,648,108	1,212,820			2,648,108	1,212,820
4	Term Insurance	1,496,113	1,219,333			1,496,113	1,219,333
Total		18,158,179	15,998,476	-	-	18,158,179	15,998,476

Management Expenses

Annexure - 7

Amount in NPR.

SN	Particular	This Year	Last Year
1	Employee Expenses (Anx 7.1)	65,660,462	49,249,614
2	Building Rent	16,623,710	14,919,246
3	Water & Electricity	3,573,483	3,249,410
4	Repair & Maintenance	-	-
	A. Building	-	-
	B. Motor Vehicle	-	-
	C. Office Equipment	1,646,616	1,989,066
	D. Others	675,701	278,149
5	Communication	5,055,920	4,561,441
6	Printing & Stationary	5,568,058	3,507,886
7	Office Expenses	293,528	384,503
8	Transportation	3,019,855	2,410,540
9	Travel Expenses (Including Allowance)		
	A. Internal	1,303,006	1,218,949
	B. International	1,892,946	1,269,669
10	Agents Training	7,797,357	3,933,549
11	Agents Other	22,062,431	12,960,938
12	Insurance Premium	943,091	938,431
13	Security Expenses	13,859,874	9,347,814
14	Legal & Advisory Fees	252,909	231,876
15	Books & Periodicals		
16	Advertisement & Promotion		
17	Business Promotion		
18	Guest Entertainments	-	-
19	Donation & Awards	-	400,000
20	Board Committee Expenses		
	A. Meeting Allowance		
	B. Others		
21	Other Committee/Sub-Committee Expenses		
	A. Meeting Allowance		
	B. Others		
22	General Meeting Related Expenses		
23	A. Actuarial Service Fee		
	B. Actuarial Expenses		
24	Audit Related Expense		
	A. Audit Fee	271,250	255,000
	B. Tax Audit Fee	48,000	48,000
	C. Long Form Audit Report Fee	22,000	22,000
	D. Other Fee		
	E. Internal Audit Fee	794,940	-
	F. Other Expense		
25	Interest		
26	Bank Charge	1,279,668	1,063,928
27	Fee & Charges	55,000	55,000
28	Depreciation	3,360,384	2,689,713
29	Postal Stamps	260,000	230,000
30	Integration and Separation	-	-
31	Other	394,840	14,074
Total for Appropriation		156,715,029	115,228,796

1	Transfer to P&L A/c	27,121,103	13,749,088
2	Transfer to Three Payment Plan Revenue A/c	53,963,839	45,725,414
3	Transfer to Endowment Revenue A/c	48,451,488	41,185,928
4	Transfer to DPS future care Revenue A/c	16,392,774	6,625,694
5	Transfer to Term Insurance Revenue A/c	10,785,825	7,942,672
Total		156,715,029	115,228,796

Employee Expense**Annexure - 7.1**

SN	Particular	This Year	Last Year
1	Salary	47,597,796	37,456,340
2	Allowance - OT	679,832	515,164
3	Dashain Expense	3,080,121	2,250,398
4	Providend Fund Contribution	2,799,555	1,891,779
5	Training Expense	538,274	243,366
6	Dress Allowance	-	-
7	Medical Expense	305,610	245,523
8	Insurance	1,452,341	1,211,025
9	Provision for Pension/Gratuity	5,518,567	3,286,708
10	Expenses & Provision for Leave Encashment	1,579,450	361,752
11	Provision for Other Facilities (Detail)	-	-
12	Relocation Expense	-	-
13	Recruting Expense	29,344	11,703
14	Employee Benefit Misc.	2,079,572	1,775,856
Total		65,660,462	49,249,614

Income Tax**Annexure - 8**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Income Tax of This Year	84,594,911	80,865,553
2	Income Tax of Last Year	-	-
3	Total Income Tax for Allocation	84,594,911	80,865,553
4	Deferred Income Tax	(2,656,287)	(10,908,387)
Allocation			
	Transfer to Profit & Loss Accounts C= A+B	(2,656,287)	(10,908,387)
	A) Income Tax from Allocation	-	-
	B) Deferred Tax for This Year	(2,656,287)	(10,908,387)
	Transfer to Three Payment Plan Revenue A/c	29,872,848	32,729,484
	Transfer to Endowment Revenue A/c	53,580,746	47,718,243
	Transfer to DPS Future Care Insurance Revenue A/c	615,891	-
	Transfer to Term Insurance Revenue A/c	525,427	417,826
Total		81,938,625	69,957,166

Provision for Outstanding Claim at the end of the Fiscal Year

Annexure - 9

Amount in NPR.

SN	Type of Insurance	Outstanding Death Claim		Outstanding Maturity Claim		Outstanding Partial Maturity Claim		Outstanding Surrender Claim		Outstanding Other Claim		Claim Incurred but not Reported (Estimated)		Total Outstanding Claim		RI Portion in O/s Claim		Provision for Outstanding Claim	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	3,667,500	8,774,250	33,088,242	-	77,374,737	81,747,590	-	-	-	-	-	-	114,130,478	90,521,840	238,472	12,242	131,011,578	104,087,875
2	Endowment	36,242,771	35,928,310	-	-	-	-	-	-	-	-	-	-	36,242,771	35,928,310	-	100,000	41,679,187	41,217,556
3	Future Care DPS product	3,700,000	313,044	-	-	-	-	-	-	-	-	-	-	3,700,000	313,044	-	-	4,255,000	360,001
4	Term Insurance	20,481,459	17,189,958	-	-	-	-	-	-	-	-	2,700,390	2,190,360	23,181,850	19,380,318	3,670,000	2,150,000	22,989,127	20,137,366
Total		64,091,730	62,205,563	33,088,242	-	77,374,737	81,747,590	-	-	-	-	2,700,390	2,190,360	177,255,099	146,143,513	3,908,472	2,262,242	199,934,892	165,802,798

Amount Transferred from Revenue Accounts to P&L Account

Annexure - 10

Amount in NPR.

SN	Particular	This Year	Last Year
1	Transferred from Three Payment Plan Revenue Account	-	-
2	Transferred from Endowment Revenue Account	-	-
3	Transferred from Future Care DPS Insurance Revenue Account Account	-	-
4	Transferred from Term Insurance Revenue Account Account	74,037,392	56,039,380
Total		74,037,392	56,039,380

Annexure -11

Life Insurance Fund

Amount in NPR.

SN	Types of Insurance	Life Insurance Fund before Adjustment (Beginning of the Year)		Transferred from Revenue Accounts		Transferred from P&L A/c		Transferred from Reserve A/c		Life fund Adjustment to align with latest Policy Liability Balance		Life Insurance Fund before Adjustment (End of the Year)	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	3,187,817,276	3,020,787,009	144,039,662	424,442,204			-		314,287,233		3,646,144,171	3,445,229,213
2	Endowment	4,181,293,585	3,809,459,251	765,436,157	696,451,820			-		(314,287,233)		4,632,442,509	4,505,911,071
3	Future Care DPS Insurance	89,618,871	-	197,800,319	89,618,871		-		-			287,419,190	89,618,871
4	Term Insurance	-		-		-	-	-	-			-	-
Total		7,458,729,732	6,830,246,260	1,107,276,138	1,210,512,895	-	-	-	-	-	-	8,566,005,870	8,040,759,155

Adjustment in Life Insurance Fund

Amount in NPR.

SN	Types of Insurance	Life insurance Fund before Adjustment (End of the Year)		Transfer to P&L Account		Liabilities for Policies		Provision for Bonus		Provision for Solvency Margin		Unallocated Amount (Transfer from SH divided to PH surplus)		Life Insurance Fund at the End of Year	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	3,646,144,171	3,445,229,213	13,288,600	257,411,937							105,258,806		3,738,114,377	3,187,817,276
2	Endowment	4,632,442,509	4,505,911,071	15,213,410	324,617,486							120,505,194		4,737,734,293	4,181,293,585
3	Future Care DPS Insurance	287,419,190	89,618,871				-		-		-			287,419,190	89,618,871
4	Term Insurance	-	-											-	-
Total		8,566,005,870	8,040,759,155	28,502,010	582,029,423	-	-	-	-	-	-	225,764,000	-	8,763,267,860	7,458,729,732

Reversal of Provision**Annexure - 12**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Reversal of Provision for Loss on Investment	-	-
2	Reversal of Loan loss Provision		
3	Reversal of Provision for Doubtful Debt		
4	Reversal Other Provision		
Total		-	-

Expense Written Off**Annexure - 13**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Preliminary Expense	-	-
2	Pre-operating Expense	-	-
3	Deferred Expenditure	-	-
4	Investment Written off	-	-
5	Loan Written off	-	-
6	Debtors Written off	-	-
7	Other Written off	-	-
Total		-	-

Share Expense**Annexure- 13A**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Share Issue Expense	-	-
2	Share Registration Expense	-	-
3	Share Publication Expense	-	-
4	Dividend Distribution Expense	-	-
5	Other Expense	-	-
Total		-	-

Others Expense**Annexure - 14**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Fine and Penalty	-	-
2	Late Fee and Fine		
3	Others	-	-
Total		-	-

Provision for Loss**Annexure - 15**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Provision for Loss on Investment	-	-
2	Loan Loss Provision	-	-
3	Provision for Doubtful Debt		
4	Other Provision	-	-
Total		-	-

A. Share Capital

Annexure - 16

Amount in NPR.

SN	Particular	This Year	Last Year
1	Authorized Capital		
	A.Equity Shares Worth Rs Each		
	B.Non Redeemable Preferred Worth Rs Each		
	C.Redeemable Preferred Worth Rs Each		
2	Issued Capital		
	A.Equity Shares Worth Rs Each		
	B.Non Redeemable Preferred Worth Rs Each		
	C.Redeemable Rpreferred Worth Rs Each		
3	Paid-up Capital		
	A.Equity Shares Worth Rs Each		
	Less: Receivable Paid up Shares worth		
	B.Non Redeemable Preferred Worth Rs Each		
	C.Redeemable Rpreferred Worth Rs Each		
Total		-	-

B. Ownership Structure of Share

Shareholders		This Year		Last Year	
		No. of Equity Share	Ownership %	No. of Equity Share	Ownership %
Promoters	Nepali Organizations				
	Nepali Citizens				
	Foreign				
Total					
Public					
Other (Details)					
Total					

Details of one or more Percentage of Share Owner

SN	Particular	This Year		Last Year	
		Ownership %	Amount	Ownership %	Amount

Reserve & Surplus

Annexure - 17
Amount in NPR.

SN	Particular	This Year	Last Year
1	Reserve for Deferred Tax	20,617,773	17,961,485
2	Capital Reserve		
3	Special Reserve		
4	Other Reserve		
	HO Fund	66,171,000	65,550,000
	Contingency Reserve	15,000,000	15,000,000
	Shareholder share of profit	365,396,339	38,132,941
5	Share Premium		
6	Proposed Bonus Share		
7	Remaining Bonus Share for Capitalization		
8	Profit Transferred from P&L A/c	45,584,984	327,263,398
Total		512,770,096	463,907,824

Catastrophe Reserve

Annexure - 18
Amount in NPR.

Catastrophe Reserve at the Beginning of the Year		Transferred from P&L A/c		Catastrophe Reserve at the end of the Year	
This Year	Last Year	This Year	Last Year	This Year	Last Year
-	-	8,441,664		8,441,664	-
				-	-
				-	-
				-	-
Total				8,441,664.00	-

Long Term Loan Payable

Annexure - 19
Amount in NPR.

SN	Particular	This Year	Last Year
1	Debenture / Bond		-
2	Bank	-	-
3	Financial Institutions	-	-
4	Others		
Total		-	-

Fixed Assets

Annexure -20

Amount in NPR.

Particular	Cost				Depreciation Deduction				Net Price	
	Opening Balance	This Year Addition	This Year Less	Total	Up to Last Year	This Year	Sales /Adj.	Total	Up to This Year	Up to Last Year
Land	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
Furniture & Fixture	15,890,712	1,289,500		17,180,212	15,056,539	293,494		15,350,033	1,830,178	834,173
Office Equipments	4,809,596	817,800		5,627,395	3,918,576	390,330	(177,339)	4,131,567	1,495,829	891,020
Computer and EDP	36,986,394	436,299		37,422,693	36,010,410	531,000		36,541,410	881,283	975,984
Intangible Assets	1,085,347			1,085,347	1,085,347			1,085,347	-	-
Auto Mobiles	14,602,315	8,649,500	528,898	22,722,917	11,413,972	1,087,764	528,898	13,030,635	9,692,282	3,188,343
Lease Hold Assets	3,021,860	-		3,021,860	3,021,860	-	-	3,021,860	-	-
Others	335,405		-	335,405	158,066		177,339	335,405	-	177,339
Total	76,731,629	11,193,098	528,898	87,395,830	70,664,771	2,302,588	528,898	73,496,257	13,899,572	6,066,858
Capital Expenditure -WIP	-	-	-	-	-	-	-	-	-	-
Grand Total	76,731,629	11,193,098	528,898	87,395,830	70,664,771	2,302,588	528,898	73,496,257	13,899,572	6,066,858
Last Year	76,299,837	1,203,792	(772,000)	76,731,629	68,746,905	2,689,866	(772,000)	70,664,771	6,083,208	7,552,933

Investment

Annexure -21

Amount in NPR.

SN	Particular	This Year	Last Year
a.	<u>Long Term Investment :</u>		
1	Government Securities	2,574,647,036	3,636,847,029
2	Fixed Deposit with Commercial Bank		
3	Fixed Deposit with Development Bank	-	-
4	Citizen Investment Plan	-	-
5	Fixed deposit with Financial Institution	-	-
6	Equity Share of Housing Company	-	-
7	Equity Share of other Company	-	-
8	Debenture & Preference Share of Bank and Financial Institution	-	-
9	Other	-	-
	Total	2,574,647,036	3,636,847,029
b.	<u>Short Term Investment</u>		
1	Government Security	1,351,875,000	990,700,000
2	Fixed Deposit with Commercial Bank	5,084,587,454	2,747,468,957
3	Fixed Deposit with Development Bank		
4	Citizen Investment Plan	-	-
5	Fixed deposit with Financial Institute	-	-
6	Debenture/Pref. Share of Banks & Financial Institute	-	-
7	Interest Earning other Deposit with Commercial Bank	-	-
8	Interest Earning other Deposit with Development Bank	-	-
9	Interest Earning other Deposit with Financial Institute	-	-
10	Other Interest Earning Investments	-	-
	Total	6,436,462,454	3,738,168,957
	G. Total	9,011,109,490	7,375,015,986

Share Investment

Annexure - 21.1

SN	Company	Net Value	Par Value	Cost Price	Market Value
1 Companies no of Share @....			-	
				-	
				-	
	Total	-	-	-	-

Cash & Bank Balance

Annexure - 22

Amount in NPR.

SN	Particular	This Year	Last Year
1	<u>Cash Balance</u>		
	Cash	54,000	55,500
	Total	54,000	55,500
2	<u>Bank Balance</u>		
	Commercial Banks Balance	30,200,022	460,961,679
	Development Banks Balance	-	-
	Finance Companies Balance	-	-
	Other	-	-
	Total	30,200,022	460,961,679
	G. Total	30,254,022	461,017,179

Other Loan

Annexure -23
Amount in NPR.

SN	Particular	This Year	Last Year
A.	Long Term Loan		
1	Agent Loan	92,519	166,477
2	Employee Loan	-	
3	Other		
	Total	92,519	166,477
B.	Short Term Loan		
1	Agent Loan	-	
2	Employee Loan	-	
3	Other	-	
	Total	-	-

Other Assets

Annexure - 24
Amount in NPR.

SN	Particular	This Year	Last Year
1	Receivable income from Investment	63,393,872	65,656,350
2	Receivable Interest from Policy Loan	27,709,321	24,713,377
3	Receivable Interest from other Loan (except Policy Loan)	-	-
4	Receivable from other Insurer		
5	Receivable from Re-insurer	1,071,052	2,356,052
6	Sundry Debtors	970,120	-
7	Pre-payments	1,575,705	1,454,660
8	Staff Advance	8,060,635	5,977,421
9	Other Advance		
10	Deposit	-	-
11	Receivable Insurance Premium	-	-
	Less: Suspense Receivable Insurance Premium	-	-
12	Other - a. Gratuity Deposit at CIT office	20,466,356	15,013,789
	b. Advance Tax Deposited	150,451,298	128,462,273
	C. Deferred Tax	20,617,773	17,961,485
	Total	294,316,131	261,595,408

Current Liabilities

Annexure - 25
Amount in NPR.

SN	Particular	This Year	Last Year
1	Payable to Agents	19,702,434	12,862,067
2	Payable to other Insurer		
3	Payable to Re-insurer	4,056,076	3,896,277
4	Short Term Lending		
5	Premium Deposit	723,222	848,332
6	Premium Deposit without Full Details	4,234,288	3,403,589
7	Sundry Creditors	2,481,306	285,100
8	Payable to Holding/Subsidiary Companies	-	-
9	Payable Withholding Tax	2,894,968	1,047,840
10	Payable VAT		
11	Payable Service Fee	18,158,179	15,998,476
12	Payable to Staff	3,476,865	2,822,926
13	Payable to Management		
14	Dividend Payable		
15	Other		
	a. Outstanding Cheques	117,154,834	127,733,869
	Total	172,882,172	168,898,476

Provision for Unexpired Risk**Annexure - 26**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Unexpired Risk Reserve for Three Payment Plan Insurance	-	-
2	Unexpired Risk Reserve for Endowment Insurance	-	-
3	Unexpired Risk Reserve for Future Care-DPS Insurance	-	-
4	Unexpired Risk Reserve for Term Insurance	104,186,000	72,277,374
Total		104,186,000	72,277,374

Other Provision

Annexure - 26 A

Amount in NPR.

S.N.	Particular	Opening Provision		Additional Provision during the Fiscal Year		Written Off / Payment during the Fiscal Year		Adjustment of Provision during the Fiscal Year		Provision at the End of This Year	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Provision for Dividend	243,597,559	-	30,389,989	218,175,598	-	-	(225,764,000)	25,421,961	48,223,548	243,597,559
2	Provision for Income Tax	80,865,553	94,447,722	84,594,911	80,865,553	80,865,553	94,447,722		-	84,594,911	80,865,553
3	Provision for Loss on Investment	-	-	-	-					-	-
4	Provision for Loss on Debt	-	-							-	-
5	Provision for Doubtful Debtor	-	-							-	-
6	Provision for Other Loss	-	-							-	-
7	Provision for Staffs	-	-							-	-
	Provision for Gratuity	14,367,274	12,377,101	5,937,580	3,286,708	419,013	1,296,535	-		19,885,841	14,367,274
	Provision for Leave Encashment	2,276,017	2,052,622	2,026,260	361,752	223,395	138,357			4,078,882	2,276,017
	Provision for Housing fund	42,181,517	10,603,470	4,887,280	31,578,047	-	-			47,068,797	42,181,517
	Provision for Staff Bonus	54,543,900	2,488,213	8,441,664	54,543,900		2,488,213			62,985,564	54,543,900
	Others	-	-							-	-
8	Other Provision	-	-							-	-
	Total	437,831,820	121,969,128	136,277,684	388,811,558	81,507,961	98,370,827	(225,764,000)	25,421,961	266,837,543	437,831,820

Other Expenses Balance for Written off / Adjustment**Annxure- 27**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Balance Preliminary Expenses for Written off		
2	Balance Pre-operating Expenses for Written off		
3	Balance Investment Premium for Written off	54,220,276	108,275,228
4	Balance Deferred Expenses for Written off		
5	Others		
	Total	54,220,276	108,275,228

Annexure – 28

Significant Accounting Policies on Financial statements

American Life Insurance Company is incorporated under the laws of the United States of America. The company commenced life insurance business as a branch in Nepal from the year 2002 AD under the license granted by the Insurance Board. The Nepal branch was registered as a branch of foreign company in 2006 AD under the Company Ordinance, 2006 AD.

1. Basis of financial statements presentation

Basis of Preparation

The financial statements are prepared in accordance with generally accepted accounting practices in Nepal, the Insurance Act, 2049 BS, the Insurance Regulations 2049 BS and guidelines issued by the Insurance Board and unless otherwise stated, is based on historical cost convention and accrual basis of accounting. The financial statements present transactions of Nepal branch only.

Use of Estimates

The preparation of the financial statements in conformity with Nepal accounting standard requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet. Actual amount could differ from those estimates. Any differences from those estimates are recorded in the period in which they are identified.

Comparative Information

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year, except otherwise stated. Previous year figures in some headings have been regrouped or rearranged wherever necessary to facilitate comparison only.

2. Fixed Assets

Fixed assets are stated on historical cost less accumulated depreciation. Original cost includes all expenses incurred up to commissioning/putting the assets in use.

3. Depreciation

Fixed assets are depreciated using straight line method at the rates prescribed by schedule 2 of Income Tax Act, 2058.

4. Non Capitalized Items

Non consumable items normally having life less than one year and/or costing less than NPR. 5,000 is expensed off during the year of purchase.

5. Provision for Income tax & its appropriation

a. Current Tax

Provisions for taxes have been made in accordance with Income Tax Act 2058 and amendments thereto. Provisions for taxes have been apportioned to revenue accounts in accordance with the directive of Insurance Board.

b. Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases using the asset and liability method. Deferred tax has been calculated as per the method prescribed by Nepal Accounting Standards – 9

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income in the period that covers the enactment date.

Deferred tax assets arising from the temporary differences and unused tax losses are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax related to temporary differences in opening balances is adjusted directly with Life Insurance Fund and subsequent year differences are recognized in the Profit & Loss Account and Revenue Accounts the basis of weightage as prescribed by the Insurance Board.

6. Accounting of Investment

All investments are made within guidelines of investment directive and valued as per financial directive issued by Insurance Board as follows:

Investment made in government securities, development bonds and debentures secured by Nepal governments are valued for accounting based on cost or face value whichever is lower. The premium (i.e. excess amount over face value) paid on government securities are amortized as “Deferred Expenditure” over the period of their maturity on pro-rata basis. When the government securities are purchased in discount, difference amount on face value of securities are amortized as “Income on investment” over the period of their maturity on pro-rata basis. Investments in fixed deposit with banks are valued at cost.

7. Accounting of foreign exchange transactions

Assets and liabilities in foreign currency at the end of fiscal year are converted using selling rate into Nepalese Rupees. Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of the transactions. Receivable or payable in foreign current at the end of fiscal year is computed using the rate prevailing on the year end date and foreign exchange revaluation difference is shown in profit and loss accounts.

8. Accounting of premium income

- a. Gross premium income is recognized on cash basis in accordance with the Insurance Regulations & financial directives that is not consistent with Nepal Accounting Standard which requires revenue to be recognized on an accrual basis. Cash received in advance is recognized as premium income during the period to which they relate.
- b. Entire single premium income is recognized on cash basis and unexpired risk reserve is booked as per financial directive issued by the Insurance Board.

9. Re-insurance commission

Re-insurance commission income is recognized on accrual basis in accordance with the re-insurance agreements.

10. Accounting & allocation of other revenue

All other revenues except late fees on overdue premium are recognized on accrual basis as per Nepal Accounting Standard and allocated as per financial directive issued by the Insurance Board.

11. Accounting of Policy Loan

Policy loans are valued at cost plus capitalized interest at the time of anniversary of the policy.

12. Management expenses

Management expenses are allocated as per financial directive issued by Insurance Board. 10% of the management expenses are directly charged to Profit & Loss account and balance expenses is appropriated in to the respective revenue accounts as per the directives.

13. Accounting policy for the payment of insurance Claim expenses

Claim expenses are accounted for the amount payable to the policy holder in accordance with the terms of the insurance policy along with the expenses directly attributable thereon for claim settlement. However, claim expenses related to the company's representative or staffs is not included.

14. Provision for outstanding insurance claim

As per Insurance Act 2049 section 15 (d), provision for outstanding claim is made at 115% of the total outstanding claim. Incurred But Not Reported (IBNR) claims have been booked on actual basis of claim intimated till balance sheet date in accordance with the directive of Insurance Board, Nepal Accounting Standards 05 on "Events after the Balance Sheet Date" and as per company practice.

15. Allocation of surplus on insurance business

Surplus arising from insurance businesses is allocated as follows in accordance with the directives of the Insurance Board:

- a. All the surpluses arising from participating insurance business revenue accounts (including a non-par products future care –DPS) are transferred to Life Insurance Fund for actuarial valuation. Accumulated life fund are re-allocated on the basis of mathematical reserve, other reserve/provisions and cost of bonus ratio of last submitted valuation report to align with latest policy liabilities balance.

- b. All the surplus arising from non-participating insurance business revenue account is transferred to Profit & Loss Account.
- c. The Company received approval of its actuarial valuation report for 2013/14 on 29 December 2015. Shareholders' portion of Profit (after deduction for employee housing fund and profit bonus) for 2013/14 arising from the actuarial valuation together with Profits from non-participating portfolio for 2013/14 amount to NPR. 84,416,637.

Insurance Board in its letter Bi.Bi.Sha 239/ (2071/72) dispatch no 3087 dated 2 April 2015, advised the company to create catastrophic reserve equal to 10% of amount available for appropriation. Accordingly NPR.8,441,664 has been transferred to catastrophic reserve account leaving net NPR 75,974,973 available for reserve and cash dividend.

Insurance Board, in its letter no. Bi. Bi.Sha.490 (2070/71) dispatch no. 4585, dated 26 May 2014, advised the Company to show a maximum 40% of the Profit as per the Profit and Loss account under Proposed Cash Dividend. Accordingly, NPR 30,389,989 representing 40% of total Shareholders' portion (NPR 75,974,973) has been shown as 'Proposed Cash Dividend' in the Profit and Loss Account and as 'Provision for Dividend' under 'Other Provision (Annexure – 26A)' in the Balance Sheet, which will be available for remittance to Head Office of the Company subject to necessary regulatory approval.

The remaining balance of Shareholders' portion of profit i.e. NPR. 45,584,984 has been shown under 'Reserve and Surplus' in Balance Sheet.

NPR. 225,764,000 has been transferred from Provision for Dividend to Policyholders' surplus as a result of restatement of shareholder surplus related to 2012/13 and reflected in actuarial valuation report of 2013/14 which has been approved by Insurance Board on 29 Dec 2015.

16. Provision for employee gratuity, leave and other facility accounting policy

Provision for gratuity, leave encashment and other benefits payable to employees as per the employee service rule of the Company is accounted for on accrual basis in accordance with the Nepal Accounting Standards. Contributions to approved retirement fund are made on a regular basis as per the Retirement Fund rules and regulations.

17. Doubtful debt provision:

Company's management is applying appropriate policy for doubtful debt provision.

18. Amortization of Expenses

Expenses incurred on improvement of leasehold property are amortized over the life of the lease or within 5 years of improvement whichever is shorter on straight line basis. Investment purchased in premium amount is amortized as per Insurance Board financial directive over the period of investment.

19. Provision of Housing Fund and Staff Bonus

Company has created provision for housing fund and staff bonus as per the provisions of Labour Act, 2048 and the Bonus Act 2030 respectively. Accumulated balance of housing fund stood at NPR. 47,068,797 as of 16 July 2014.

Annexure – 29

Notes to Accounts on financial statements

1. Contingent Liabilities

- a. Outstanding for settlement of investment : None
- b. Underwriting Commitments: None
- c. Not accepted/denied non insurance litigation/claim to the company: None
- d. Guarantees issued by insurer or on behalf of insurer: None
- e. Other Liabilities (Give details):None

2. Basis taken by actuary for insurer's liabilities valuation.

The recent most actuarial valuation of Par Life Fund was carried out for 2013/014 following on Gross Premium Method which was based on Nepali mortality table published by Insurance Board (unless otherwise mentioned) at 5.75 % level discount rate. For non-par fund, reserve is based on unearned premium Reserve. Reserve is kept for Incurred But Not Reported (IBNR) claims as well.

3. The Company does not have any limitation and disputes on its assets.

4. The Company does not have any commitments on Loan, Investment and Fixed Assets.

5. Value of investment pursuant to sales / purchase agreements:

- a. Ownership not obtained for purchased Assets: None
- b. Payment not received for sale of assets: None

6. Details of investment, sales/refund received of investment during the year with name of organization, date, quantity and amount:

Investment					Maturities				
S.N	Name	Purchase Date	Qty	Face Value	S.N	Name	Maturity Date	Qty	Face Value
1	Nabil Bank Ltd.	Fixed Deposit 1-Aug-13	1	97,000,000	1	Nabil Bank Ltd.	Fixed Deposit 1-Aug-13	1	97,000,000
2	Nabil Bank Ltd.	Fixed Deposit 2-May-14	1	100,000,000	2	Nabil Bank Ltd.	Fixed Deposit 22-Aug-13	1	27,000,000
3	Nabil Bank Ltd.	Fixed Deposit 12-Jul-14	1	142,400,000	3	Nabil Bank Ltd.	Fixed Deposit 27-Mar-14	1	136,700,000
4	Nabil Bank Ltd.	Fixed Deposit 14-Jul-14	1	25,000,000	4	Nabil Bank Ltd.	Fixed Deposit 7-Jul-14	1	92,000,000
5	Nepal Investment Bank	Fixed Deposit 28-Jul-13	1	12,000,000	5	Nabil Bank Ltd.	Fixed Deposit 12-Jul-14	1	142,400,000
6	Nepal Investment Bank	Fixed Deposit 19-Jan-14	1	250,000,000	6	Nabil Bank Ltd.	Fixed Deposit 14-Jul-14	1	25,000,000
7	Nepal Investment Bank	Fixed Deposit 9-Feb-14	1	150,000,000	7	Nepal Investment Bank	Fixed Deposit 27-Jul-13	1	12,000,000
8	Nepal Investment Bank	Fixed Deposit 30-Apr-14	1	200,000,000	8	Nepal Investment Bank	Fixed Deposit 8-Feb-14	1	150,000,000
9	Nepal Investment Bank	Fixed Deposit 2-May-14	1	10,000,000	9	Nepal Investment Bank	Fixed Deposit 30-Apr-14	1	200,000,000
10	Nepal Investment Bank	Fixed Deposit 28-May-14	1	60,000,000	10	Nepal Investment Bank	Fixed Deposit 2-May-14	1	10,000,000
11	Nepal Investment Bank	Fixed Deposit 2-Jun-14	1	50,000,000	11	Nepal Investment Bank	Fixed Deposit 6-Jun-14	1	77,000,000
12	Nepal Investment Bank	Fixed Deposit 6-Jun-14	1	77,000,000	12	Nepal Investment Bank	Fixed Deposit 15-Jul-14	1	10,000,000
13	Nepal Investment Bank	Fixed Deposit 9-Jun-14	1	150,000,000	13	NIC ASIA Bank	Fixed Deposit 20-Jul-13	1	10,000,000
14	Nepal Investment Bank	Fixed Deposit 15-Jul-14	1	10,000,000	14	NIC ASIA Bank	Fixed Deposit 25-Jul-13	1	5,000,000
15	NIC ASIA Bank	Fixed Deposit 8-Oct-13	1	120,000,000	15	NIC ASIA Bank	Fixed Deposit 8-Oct-13	1	120,000,000
16	NIC ASIA Bank	Fixed Deposit 8-Feb-13	1	70,000,000	16	NIC ASIA Bank	Fixed Deposit 8-Jan-14	1	120,000,000
17	NIC ASIA Bank	Fixed Deposit 8-Jan-14	1	120,000,000	17	NIC ASIA Bank	Fixed Deposit 8-Feb-14	1	70,000,000
18	NIC ASIA Bank	Fixed Deposit 12-Jul-13	1	15,000,000	18	NIC ASIA Bank	Fixed Deposit 8-Jul-14	1	120,000,000
19	NIC ASIA Bank	Fixed Deposit 20-Jul-13	1	10,000,000	19	NIC ASIA Bank	Fixed Deposit 12-Jul-14	1	15,000,000
20	NIC ASIA Bank	Fixed Deposit 25-Jul-13	1	5,000,000	20	Everest Bank Ltd.	Fixed Deposit 19-Jul-13	1	10,000,000
21	NIC ASIA Bank	Fixed Deposit 14-Jan-14	1	260,000,000	21	Everest Bank Ltd.	Fixed Deposit 27-Jul-13	1	11,000,000
22	NIC ASIA Bank	Fixed Deposit 8-Feb-14	1	70,000,000	22	Everest Bank Ltd.	Fixed Deposit 8-Feb-14	1	99,000,000
23	NIC ASIA Bank	Fixed Deposit 8-Jul-14	1	120,000,000	23	Everest Bank Ltd.	Fixed Deposit 6-Jun-14	1	24,400,000
24	NIC ASIA Bank	Fixed Deposit 13-Jul-14	1	15,000,000	24	Everest Bank Ltd.	Fixed Deposit 8-Jun-14	1	91,000,000
25	NIC ASIA Bank	Fixed Deposit 7-Jul-14	1	92,000,000	25	Everest Bank Ltd.	Fixed Deposit 12-Jul-14	1	163,000,000
26	NIC ASIA Bank	Fixed Deposit 16-Jul-14	1	70,000,000	26	Himalayan Bank	Fixed Deposit 27-Dec-13	1	120,000,000
27	Everest Bank Ltd.	Fixed Deposit 19-Jul-13	1	10,000,000	27	Himalayan Bank	Fixed Deposit 27-Mar-14	1	120,000,000
28	Everest Bank Ltd.	Fixed Deposit 27-Jul-13	1	11,000,000	28	Himalayan Bank	Fixed Deposit 30-Apr-14	1	90,000,000
29	Everest Bank Ltd.	Fixed Deposit 19-Jan-14	1	250,000,000	29	Himalayan Bank	Fixed Deposit 6-Jun-14	1	157,000,000
30	Everest Bank Ltd.	Fixed Deposit 8-Feb-14	1	99,000,000	30	Himalayan Bank	Fixed Deposit 16-Jul-14	1	150,000,000
31	Everest Bank Ltd.	Fixed Deposit 6-Jun-14	1	24,400,000	31	Laxmi Bank Ltd	Fixed Deposit 23-Jan-14	1	39,000,000
32	Everest Bank Ltd.	Fixed Deposit 8-Jun-14	1	91,000,000	32	Laxmi Bank Ltd	Fixed Deposit 12-Jul-14	1	12,000,000
33	Everest Bank Ltd.	Fixed Deposit 12-Jul-14	1	163,000,000	33	Laxmi Bank Ltd	Fixed Deposit 16-Jul-14	1	4,200,000
34	Himalayan Bank	Fixed Deposit 16-Jan-14	1	150,000,000	34	Siddhartha Bank	Fixed Deposit 8-Feb-14	1	54,000,000
35	Himalayan Bank	Fixed Deposit 20-Jan-14	1	100,000,000	35	Siddhartha Bank	Fixed Deposit 12-Jul-14	1	31,000,000
36	Himalayan Bank	Fixed Deposit 30-Apr-14	1	90,000,000	36	Siddhartha Bank	Fixed Deposit 14-Jul-14	1	2,500,000
37	Himalayan Bank	Fixed Deposit 4-May-14	1	120,000,000	37	Nepal SBI Bank	Fixed Deposit 1-Oct-13	1	100,000,000
38	Himalayan Bank	Fixed Deposit 6-Jun-14	1	157,000,000	38	Nepal SBI Bank	Fixed Deposit 8-Nov-13	1	90,000,000
39	Himalayan Bank	Fixed Deposit 16-Jul-14	1	150,000,000	39	Nepal SBI Bank	Fixed Deposit 29-Nov-13	1	43,500,000
40	Laxmi Bank Ltd	Fixed Deposit 16-Jul-13	1	4,200,000	40	Nepal SBI Bank	Fixed Deposit 8-Feb-14	1	16,000,000
41	Laxmi Bank Ltd	Fixed Deposit 7-Nov-13	1	15,000,000	41	Nepal SBI Bank	Fixed Deposit 2-Jun-14	1	91,000,000
42	Laxmi Bank Ltd	Fixed Deposit 23-Jan-14	1	39,000,000	42	Bank of Kathmandu	Fixed Deposit 7-Aug-13	1	19,000,000
43	Laxmi Bank Ltd	Fixed Deposit 12-Jul-14	1	12,000,000	43	Bank of Kathmandu	Fixed Deposit 31-Aug-13	1	50,000,000
44	Laxmi Bank Ltd	Fixed Deposit 16-Jul-14	1	4,200,000	44	Bank of Kathmandu	Fixed Deposit 8-Feb-14	1	38,500,000
45	Siddhartha Bank	Fixed Deposit 19-Jan-14	1	10,000,000	45	Global IME Bank Ltd.	Fixed Deposit 27-Sep-13	1	44,600,000
46	Siddhartha Bank	Fixed Deposit 8-Feb-14	1	54,000,000	46	Global IME Bank Ltd.	Fixed Deposit 27-Dec-13	1	44,600,000
47	Siddhartha Bank	Fixed Deposit 3-Jul-14	1	70,000,000	47	Global IME Bank Ltd.	Fixed Deposit 27-Mar-14	1	44,600,000
48	Siddhartha Bank	Fixed Deposit 12-Jul-14	1	31,000,000	48	Global IME Bank Ltd.	Fixed Deposit 27-Jun-14	1	44,600,000
49	Siddhartha Bank	Fixed Deposit 14-Jul-14	1	2,500,000	49	Sanima Bank Limited	Fixed Deposit 18-Jul-13	1	30,000,000
50	Standard Chartered Bank	Fixed Deposit 31-Mar-14	1	300,000,000	50	Sanima Bank Limited	Fixed Deposit 18-Oct-13	1	44,895,000
51	Nepal SBI Bank	Fixed Deposit 8-Feb-13	1	16,000,000	51	Sanima Bank Limited	Fixed Deposit 18-Jan-14	1	44,895,000
52	Nepal SBI Bank	Fixed Deposit 2-Jun-13	1	91,000,000	52	Sanima Bank Limited	Fixed Deposit 19-Apr-14	1	44,895,000
53	Nepal SBI Bank	Fixed Deposit 31-Oct-13	1	250,000,000	53	Standard Chartered Bank	USD FDR 25-Apr-14	1	756,515
54	Nepal SBI Bank	Fixed Deposit 8-Nov-13	1	90,000,000	54	Nepal Rastra Bank	G Board 10-Feb-13	1	140,000,000
55	Nepal SBI Bank	Fixed Deposit 29-Nov-13	1	43,500,000	55	Nepal Rastra Bank	G Board 4-Jul-13	1	9,050,000
56	Nepal SBI Bank	Fixed Deposit 14-Jan-14	1	100,000,000					
57	Nepal SBI Bank	Fixed Deposit 8-Feb-14	1	16,000,000					
58	Nepal SBI Bank	Fixed Deposit 2-Jun-14	1	91,000,000					
59	Nepal SBI Bank	Fixed Deposit 1-Jun-14	1	60,000,000					
60	Nepal SBI Bank	Fixed Deposit 12-Jun-14	1	150,000,000					
61	Bank of Kathmandu	Fixed Deposit 7-Jul-13	1	19,000,000					
62	Bank of Kathmandu	Fixed Deposit 3-Sep-13	1	68,500,000					
63	Bank of Kathmandu	Fixed Deposit 8-Feb-14	1	38,500,000					
64	Bank of Kathmandu	Fixed Deposit 12-Jun-14	1	50,000,000					
65	Global IME Bank Ltd.	Fixed Deposit 27-Jun-13	1	44,600,000					
66	Global IME Bank Ltd.	Fixed Deposit 27-Sep-13	1	44,600,000					
67	Global IME Bank Ltd.	Fixed Deposit 27-Sep-13	1	44,600,000					
68	Global IME Bank Ltd.	Fixed Deposit 27-Jun-14	1	44,600,000					
69	Global IME Bank Ltd.	Fixed Deposit 3-Jul-14	1	70,000,000					
70	Global IME Bank Ltd.	Fixed Deposit 16-Jul-14	1	60,000,000					
71	Sanima Bank Limited	Fixed Deposit 18-Apr-13	1	30,000,000					
72	Sanima Bank Limited	Fixed Deposit 18-Jul-13	1	44,895,000					
73	Sanima Bank Limited	Fixed Deposit 18-Oct-13	1	44,895,000					
74	Sanima Bank Limited	Fixed Deposit 19-Jan-14	1	44,895,000					
75	Sanima Bank Limited	Fixed Deposit 19-Apr-14	1	44,895,000					
76	Prime com Bank Ltd	Fixed Deposit 4-May-14	1	26,000,000					
77	Prime com Bank Ltd	Fixed Deposit 12-Jun-14	1	30,000,000					
78	Standard Chartered Bank	USD FDR 25-Apr-14	1	761,325					
79	Nepal Rastra Bank	G Board 21-Nov-13	1	241,750,000					

7. All the bank balances have been reconciled with the balance confirmation certificates obtained from them.
8. All the re-insurer balances have been reconciled with the balance confirmation certificates obtained from them.
9. All the investments made by the insurer are in line with Insurance Act, Rules and Regulation as specified by the Insurance board.
10. The Company does not have any transactions with the Board of Directors or their related person or organization of the Board of Directors or their related person.
11. The Company has not obtained loan against the mortgage of its property.
12. The Company filed self tax assessment return to the Large Tax Payer's Office (LTPO) since the fiscal year 2058/59 to fiscal year 2069/070. Appeal to the Revenue Tribunal Office against the final tax assessment made by LTPO and Department of Tax for FY 2061/062 & 2062/063 for disallowing the management expenses NPR.25,852,799 & NPR.27,958,933 respectively has been lost and the dues are settled. Appeal against disallowed management expenses of NPR.5,156,976 for the FY 2064/065 is pending decision at Revenue Tribunal. The company's final tax assessment from LTPO for fiscal years 2067/068 to fiscal year 2069/070 is pending as of the Balance Sheet date. The company has received the tax clearance certificate for Fiscal year 2069-70 from Inland Revenue Department.
13. **Premiums refunded**

During the year, the company refunded NPR. 361,829 due to invalid Agent license, age of proposed insured beyond acceptable range, non-submission of requirements/medical reports etc.
14. **Declared and interim bonus rate**

The Company has declared bonus at the rate of 35 per thousand for policies with term 10-15 years, 45 per thousand for policies with term 16-20 years, 55 per thousand for policies with terms 21 years and above for Fiscal Year 2013-14.
15. The company has adopted the Standard rate of 12% for fees and interest on late payment of insurance premium and policy loan which is subject to change during the reinstatement campaign.
16. The Company has accumulated deferred investment expenditure for NPR. 54,220,276 representing premium paid at the time purchase of investments which is being written off over the term of respective investments during this year.
17. Details of paid in advance in share capital, Call in arrears and ceased but not re-issued shares-None.
18. Leasehold Assets – None.
19. Total transaction of off-balance sheet items in a year. - None.
20. There are no prior period expenses or incomes accounted in this fiscal year.
- 21.1 Solvency margin of company stood at 689 % as of 16 July 2014.

21.2 Related Parties Transactions

There is no related party transaction during the year.

21.3 Deferred Taxes

Deferred tax is calculated on temporary differences using effective tax rate of 25% (previous year: 25%) which is separately disclosed in annexure 17.

The items attributable to deferred tax assets and liabilities and their movement are as follows:

Particular	Balance of 16 July 2013	Movement	Balance of 16 July 2014
Deferred Tax Assets			
Accumulated depreciation in Financial Statements	3,255,283	(395,891)	2,859,393
Provision for gratuity	3,591,819	1,379,642	4,971,460
Provision for Employee Housing	10,545,379	1,221,820	11,767,199
Provision for Leave Encashment	569,004	450,716	1,019,721
Net Deferred Tax assets	17,961,485	2,656,288	20,617,773

21.4 Fund received from HO as working capital is shown under the Other Reserve. In addition, company maintained accumulated contingency reserve of NPR.15,000,000.

21.5 For single premium (micro insurance) business, full commission expenses have been charged in the non-participating revenue account on cash basis.

Major Indicators

Anx -30

SN.	Particular	Indicator	Fiscal Year				
			2013/14	2012/13	2011/12	2010/11	2009/10
			2070/071	2069/070	2068/069	2067/068	2066/067
1	Net Worth	NPR.	521,211,760	463,907,824	147,155,958	75,715,708	73,500,425
2	Number of Share	Count	-	-	-	-	-
3	Book Value Per Share	NPR.	-	-	-	-	-
4	Net Profit	NPR.	87,072,924	556,347,383	25,942,849	37,528,284	5,274,877
5	Earning Per Share (EPS)	NPR.	-	-	-	-	-
6	Dividend Per Share (DPS)	NPR.	-	-	-	-	-
7	Market Price Per Share (MPPS)	NPR.	-	-	-	-	-
8	Price Earning Ration (PE Ratio)	Ratio	-	-	-	-	-
9	First Year Premium	NPR.	331,955,811	250,253,920	136,460,837	152,231,767	151,040,171
10	Gross Premium	NPR.	1,815,817,857	1,599,847,614	1,485,536,888	1,433,454,398	1,465,458,330
11	Net premium/Gross Premium	%	98.8%	99.0%	99.1%	98.5%	98.2%
12	Net profit/Gross Premium	%	4.8%	34.8%	1.7%	2.6%	0.4%
13	Gross Premium/Total Assets	%	18%	18%	20%	23%	28%
14	Income from Investment & Loan/ Total Investment & Loan	%	6.5%	7.3%	7.1%	8.0%	6.1%
15	Total Investment & Loan/Life Fund	%	110%	106%	105%	103%	104%
16	RI Commission Income/Total RI Premium	%	49.9%	47.6%	45.2%	31.0%	24.7%
17	Management Expenses/Gross Premium	%	8.6%	7.2%	7.3%	7.3%	6.6%
18	Agent Expenses/Gross Premium	%	7.0%	6.9%	6.5%	6.9%	7.0%
19	Total Number of Agents	count	2,260	1,842	2,500	2,331	2,149
20	Number of Employee	count	97	89	90	90	84
21	Number of Offices	count	19	15	15	14	13
22	Employee Expenses/Management Expenses	%	41.9%	42.7%	38.9%	39.9%	38.1%
23	Employee Expenses/Number of Employee	NPR.	676,912	553,366	471,380	447,066	438,401
24	Payable Claim/Paid Claim	%	25%	30%	29%	30%	27%
25	Total Number of Inforce Policy	Count	347,937	300,245	264,893	255,552	176,004
26	This Year Renewed Policy/ Inforce Policy up to Last Year	%	86.7%	86.7%	86.7%	86.7%	83.3%
27	Number of Claim/ Total Inforce Policy	%	0.06%	0.07%	0.08%	0.08%	0.12%
28	Solvency Margin	%	468%	468%	Na	Na	Na
29	Declared Bonus Rate	NPR./1000	35/45/55	35/45/55	35	30	30
30	Interim Bonus Rate	NPR./1000	35/45/55				

Statement of Sum Assured

Annexure - 31

Amount in NPR.

S.N	Type of Insurance	Inforce Policy Count		Sum Assured of Inforce Policies		Sum at Risk		Sum at Risk Transferred to Re-insurer		Sum at risk retained by insurer	
		This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Three Payment Plan	58,902	60,088	8,833,734,238	8,795,983,331	6,918,596,392	7,277,077,475	576,028,400	686,178,485	6,342,567,992	6,590,898,990
2	Endowment	62,077	62,116	8,625,754,752	8,377,152,193	6,134,360,089	6,221,847,862	409,114,392	473,901,334	5,725,245,697	5,747,946,528
3	Future Care-DPS	29,665	7,487	5,390,782,143	2,455,469,084	5,155,848,297	2,382,998,493	1,678,293,682	772,093,622	3,477,554,615	1,610,904,871
4	Term Insurance	197,293	170,554	24,397,870,789	13,294,268,789	24,305,578,059	13,220,353,549	4,642,408,517	2,832,864,787	19,663,169,542	10,387,488,762
Total		347,937	300,245	47,248,141,921	32,922,873,397	42,514,382,837	29,102,277,379	7,305,844,992	4,765,038,228	35,208,537,846	24,337,239,151



बीमा समिति
BEEMA SAMITI

नेपालको बीमा नियमनकारी निकाय
Insurance Regulatory Authority of Nepal



मिति : २०७२/१०/१७

वि.वि.शा.१६०(२०७२/७३) च.नं. २५८२

श्री मेट लाइफ (ALICO),
पुल्चोक, ललितपुर ।

विषय : आ.व.२०७०/७१ को वित्तीय विवरण स-शर्त स्वीकृति बारे ।

यस समितिमा प्राप्त तहाँको मिति २०७२/०९/२१ समेतको पत्र सम्बन्धमा लेखिंदैछ ।

बीमकको वित्तीय विवरण प्रतिको उत्तरदायित्व बीमकमा रहेको सर्वविदितै छ । समितिको मिति २०७१/१२/१९ (वि.वि.शा.२३९/२०७१/७२) च.नं.३०८७ को निर्देशन बमोजिम परिमार्जित भई उल्लिखित पत्रसाथ समितिको स्वीकृतिको लागि पेश भएको तहाँको आ.व.२०७०/७१ को परिमार्जित वित्तीय विवरण देहायका शर्तहरु सहित स्वीकृत गरिएको व्यहोरा निर्णयानुसार आवश्यक कार्यार्थ अनुरोध गरिन्छ ।

- १) समितिको मिति २०७०/०४/२२ को निर्देशनको प्रतिकुल हुने गरी तोकिएको सीमा भन्दा बढी व्यवस्थापन खर्च गरेको तर्फ बीमक सचेत रहनुहुन ।
- २) पूर्ण विवरण नखुलेको बीमा शुल्क न्यूनीकरण गर्न कडाइका साथ पहल गर्नुहुन ।
- ३) बीमकले अण्डराइटिङ तथा दावी भुक्तानी प्रकृया प्रभावकारी बनाउन हुन ।
- ४) बीमकले माइक्रो प्रोडक्टहरु तयार पारी न्यून आय भएको ग्रामिण जनता समक्ष बीमा सेवाको पहुँच पुऱ्याउनु हुन ।
- ५) लेखा परीक्षकले औल्याईएको कैफियतहरु सुधार गरी आन्तरिक नियन्त्रण प्रणाली प्रभावकारी बनाउनु हुन ।



(सन्तोष प्रसाई)

वित्त विश्लेषक