



American Life Insurance Company

17th Year

**Audited
Financial Statements**

Fiscal Year - 2074/75 (2017-18)

Directors Report

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. Niyaman Shakha. 313 (074/75) Cha. No. 4498 dated 2075/02/10 (24 May, 2018) & is valid for doing insurance business till the end of Chaitra 2075 (13 April 2019). The company has submitted a request letter for renewal of company license to Insurance Board on 28 March 2019.
2. Service fee payable of amount NPR. 36,271,603 to Insurance Board and withholding tax payable of NPR. 2,453,501 related to F.Y 2017-18 at the Balance Sheet date has been 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. Company is compliant with the requirement of Solvency Margin Directive and maintains 580% solvency margin as of 2075 Ashad end (16 July 2018).
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	Serbia
Wilmington, USA	Colombia	Kuwait	Slovakia
	Cyprus	Korea	Spain
Regional Office	Czech Republic	Lebanon	Turkey
Hong Kong	Egypt	Mexico	Ukraine
Other MetLife Operations	France	Malaysia	United Arab Emirates
Argentina	Greece	Oman	United Kingdom
Australia	Hungary	Poland	Uruguay
Bahrain	Hong Kong	Portugal	Unites State of America
Bangladesh	Ireland	Qatar	Vietnam
Brazil	India	Romania	
Bulgaria	Italy	Russia	
Chile	Japan	Saudi Arabia	

9. Total number of paid claim is 3541. Detail of total outstanding claims number is as follows.

Fiscal Year	2069/70	2070/71	2071/72	2072/73	2073/74	2074/75
Par Product	86	76	100	39	34	3
Term Product	307	412	585	242	206	135

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.

The financial statement has also been separately prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by The Institute of Chartered Accountants of Nepal (ICAN).

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 RO/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. Company is compliant with Anti money laundering Act 2064 and its directive, rules, by-laws and policies.
17. The company received approval of its actuarial valuation report for 2017/18 on 13 May 2019 (Baisakh 30, 2075). Shareholders' portion of Profit (after deduction for staff bonus) for 2017/18 arising from the actuarial valuation together with Profits from non-participating portfolio for 2017/18 amount to NPR. 520,968,285. The company has transferred 20% of current year profit amounting to NPR. 111,666,169 to Capital fund which is required to be maintained as per sub-section 2 of section 19 of Insurers' Registration and Insurance Operation Directive 2073. The balance current year profit of NPR. 409,302,116 have been transferred to reserve and surplus. Shareholders' portion of Profit of total NPR. 520,968,285 has been transferred to reserve and surplus until the Insurance Board's approval of our request for reconsideration on applicability of "Insurers' Registration and Insurance Business Operation Directive, 2073" regarding the new capital requirement.
18. Insurance Board in its letter Bi.Bi.Sha 239/ (2072/73) dispatch no 3087 dated 2 April 2016, advised the company to create catastrophic reserve equal to 10% of amount available for appropriation. Accordingly, NPR 57,885,365 has been transferred to catastrophe reserve account.

BRS Neupane & Co.
Chartered Accountants
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**BRS Neupane
& Co.**

**Independent Auditor's Report
To
The Shareholders of American Life Insurance Company**

We have audited the accompanying financial statements of **American Life Insurance Company-Nepal Branch (MetLife)**, for the year ended 32nd Ashad 2075 (July 16, 2018) and had issued our audit opinion on January 11, 2019. 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 on 2076/01/29 (12th May 2019). The attached financial statements for the year ending July 16, 2018 have been updated adjusting the allocation of the actuarial valuation surplus directed by the Beema Samiti. The company has transferred 20% of current year profit amounting to NPR. 111,666,169 to Capital fund which is required to be maintained as per Sub-Section 2 of Section 19 of Insurers' Registration and Insurance Operation Directive 2073. The company has transferred call deposit amounting to NPR 189,353,273 under the head "Short Term Investment" as per the directives issued by Insurance Board.

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, 2018 (Ashad 32, 2075) 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 11, 2019.

Date: 26th May 2019
Place: Kathmandu, Nepal

CA. Gyanendra B. Bhattarai
Partner



American Life Insurance Company

Balance Sheet as on 32nd Ashad 2075 (16 July, 2018)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
<u>SOURCES</u>				
1	Paid-up Capital	16	-	-
2	Reserve and Surplus	17	1,809,136,593	1,304,219,911
3	Life Insurance Fund	11	14,866,331,214	12,857,835,386
4	Catastrophe Reserve	18	152,232,723	94,347,358
5	Long Term loans and Borrowings	19	-	-
	Total Sources		16,827,700,530	14,256,402,655
<u>USES</u>				
6	Fixed Assets (Net)	20	47,790,429	46,008,407
7	Long Term Investments	21	1,761,325,036	2,173,375,036
8	Policy Loans	3	886,045,002	828,258,386
9	Other Long Term Loans	23	2,517,074	1,916,228
	Current Assets, Loans and Advances			
10	Cash & Bank Balances	22	8,402,334	147,317,586
11	Short Term Investments	21	14,738,947,100	11,526,415,547
12	Other Short Term Loans	23	-	-
13	Other Assets	24	577,821,364	440,413,988
	Total (A) (10+11+12+13)		15,325,170,798	12,114,147,121
	Current Liabilities and Provisions:			
14	Current Liabilities	25	216,648,732	191,262,063
15	Provision for Unexpired Risks	26	305,405,928	265,591,470
16	Claims Payable	9	222,208,146	170,290,275
17	Other Provisions	26A	455,214,308	288,561,125
	Total (B) (14+15+16+17)		1,199,477,114	915,704,933
18	Net Current Assets (C)= A-B		14,125,693,684	11,198,442,188
19	Miscellaneous Expenses (To the extent not Written off)	27	4,329,305	8,402,410
20	Loss Transferred from P&L Account		-	-
	Total Uses (6+7+8+9+18+19+20)		16,827,700,530	14,256,402,655
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	Underwriting Commitment		-	-
3	Claim other than insurance business not accepted by the company		-	-
4	Guarantee issued by insured or on behalf of insured.		-	-
5	Others		-	-
	Total		-	-

As per our report of even date

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Profit & Loss Account for the Fiscal Year 2074/75 (2017-18)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
INCOME				
1	Transferred from Revenue A/c	10	221,906,717	240,815,380
2	Transferred from Life Fund	11	341,456,162	264,525,750
3	Income from Investment, Loan and Others	2	128,332,499	49,524,589
4	Written Back Provision	12	-	-
5	Other Income		-	-
Total Income (A)			691,695,378	554,865,719
EXPENSE				
6	Management Expense	7	36,560,657	29,687,076
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	-	26,258,932
12	Provision for Staff Bonus	26a	59,557,702	45,356,337
13	Adjusted Income Tax (A)	8		
14	B) Income tax		16,723,369	2,377,716
15	C) Deferred Tax Assets / (Liabilities)		20,522,803	(9,224,607)
16	Transfer to Life Fund	11	-	-
Total Expense (B)			133,364,531	94,455,454
17	Net Profit / (Loss) (C) = A-B		558,330,847	460,410,265
18	Expenses Related with Last Years		-	-
19	Profit/(Loss) Transferred from Last Year		-	-
Amount for Allocation			558,330,847	460,410,265
20	A) Deferred Tax Reserve	17	(20,522,803)	9,224,607
	B) Capital Reserve	17	-	-
	C) Special Reserve	17	-	-
	D) Other Reserve - (Capital Fund)	17	111,666,169	-
	E) Proposed Dividend		-	-
	a) Bonus Share	17	-	-
	b) Cash Dividend	26 A	-	-
	F) Catastrophe Reserve	18	57,885,365	45,118,566
22	Profit/(Loss) Transferred to Balance Sheet		409,302,116	406,067,092

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

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Consolidated Revenue Account for the Fiscal Year 2074/75 (2017-18)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
	INCOME			
1	Premium (Net)	1	3,542,869,818	3,017,598,277
2	Re-insurance Commission Income		48,584,242	39,720,467
3	Investment, Loan and Other Income	2	1,350,331,645	692,012,927
4	Income from Policy Loan	3	102,920,470	95,122,918
5	Other Direct Income		4,398,968	4,228,313
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		170,290,275	260,827,705
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		265,591,470	233,615,020
	Total Income (A)		5,484,986,888	4,343,125,627
	EXPENDITURE			
8	Claim Payment (Net)	4	1,467,039,569	1,071,617,598
9	Agent Commission	5	363,386,204	296,873,568
10	Medical Examination Fee		3,072,595	3,155,929
11	Re-insurance Commission Expenses		-	-
12	Service Fee (Net)	6	36,271,603	30,861,294
13	Other Direct Expenses		-	-
14	Management Expenses	7	329,045,915	267,183,681
15	Income Tax	8	186,698,222	51,831,224
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	222,208,146	170,290,275
17	Provision for Unexpired Risks at the End of the Fiscal Year		305,405,928	265,591,470
	Total Expenditure (B)		2,913,128,182	2,157,405,039
18	Surplus Transferred to Life Insurance Fund		2,349,951,989	1,944,905,209
19	Surplus (Loss) Transferred to Profit & Loss A/c		221,906,717	240,815,380

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Revenue Account of Anticipated Endowment Policy for the Fiscal Year 2074/75 (2017-18)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
INCOME				
1	Premium (Net)	1	595,621,047	615,645,288
2	Re-insurance Commission Income		6,951,197	6,456,115
3	Investment, Loan and Other Income	2	371,581,484	212,781,005
4	Income from Policy Loan	3	60,228,446	61,109,797
5	Other Direct Income		3,660,097	3,440,331
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		34,632,906	104,716,760
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Income (A)		1,072,675,177	1,004,149,296
EXPENDITURE				
8	Claim Payment (Net)	4	727,821,439	588,027,958
9	Agent Commission	5	17,736,429	18,158,247
10	Medical Examination Fee		592,979	741,664
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	6,072,083	6,277,135
13	Other Direct Expense		-	-
14	Management Expense	7	59,425,312	58,384,503
15	Income Tax	8	56,883,493	18,505,902
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	77,491,560	34,632,906
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	Total Expenditure(B)		946,023,295	724,728,315
18	Surplus Transferred to Life Insurance Fund		126,651,882	279,420,981
19	Surplus (Loss) Transferred to Profit & Loss A/c		-	-

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Revenue Account of Endowment Policy for the Fiscal Year 2074/75 (2017-18)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
INCOME				
1	Premium (Net)	1	718,950,752	672,712,589
2	Re-insurance Commission Income		8,390,517	7,054,565
3	Investment, Loan and Other Income	2	608,653,904	330,110,465
4	Income from Policy Loan	3	34,959,170	31,037,437
5	Other Direct Income		736,176	786,458
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		105,215,846	121,028,673
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Income (A)		1,476,906,365	1,162,730,187
EXPENDITURE				
8	Claim Payment (Net)	4	473,906,701	342,898,453
9	Agent Commission	5	49,130,774	39,458,844
10	Medical Examination Fee		715,762	810,413
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	7,329,373	6,858,995
13	Other Direct Expense		-	-
14	Management Expense	7	68,932,476	61,915,173
15	Income Tax	8	98,352,181	32,145,778
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	98,435,975	105,215,846
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	Total Expenditure(B)		796,803,242	589,303,502
18	Surplus Transferred to Life Insurance Fund		680,103,123	573,426,685
19	Surplus (Loss) Transferred to Profit & Loss A/c		-	-

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Revenue Account of Other Policy (Future Care-DPS) for the Fiscal Year 2074/75 (2017-18)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
INCOME				
1	Premium (Net)	1	1,771,710,666	1,331,335,837
2	Re-insurance Commission Income		20,676,754	13,961,379
3	Investment, Loan and Other Income	2	316,954,185	119,386,724
4	Income from Policy Loan	3	7,732,854	2,975,684
5	Other Direct Income		1,119	747
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		6,149,440	3,285,456
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Income (A)		2,123,225,018	1,470,945,827
EXPENDITURE				
8	Claim Payment (Net)	4	103,427,700	33,310,668
9	Agent Commission	5	260,902,340	213,524,770
10	Medical Examination Fee		1,763,853	1,603,852
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	18,061,778	13,574,334
13	Other Direct Expense		-	-
14	Management Expense	7	155,759,787	109,545,677
15	Income Tax	8	29,374,080	1,179,544
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	10,738,495	6,149,440
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	Total Expenditure(B)		580,028,033	378,888,285
18	Surplus Transferred to Life Insurance Fund		1,543,196,985	1,092,057,542
19	Surplus (Loss) Transferred to Profit & Loss A/c		-	-

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Revenue Account of Micro Insurance Policy for the Fiscal Year 2074/75 (2017/18)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
INCOME				
1	Premium (Net)	1	247,247,146	-
2	Re-insurance Commission Income		-	-
3	Investment, Loan and Other Income	2	19,304,109	
4	Income from Policy Loan	3	-	-
5	Other Direct Income		-	-
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		-	-
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	Total Income (A)		266,551,255	-
EXPENDITURE				
8	Claim Payment (Net)	4	19,491,250	-
9	Agent Commission	5	23,775,187	-
10	Medical Examination Fee		-	-
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	2,472,471	-
13	Other Direct Expense		-	-
14	Management Expense	7	22,551,139	-
15	Income Tax	8	-	-
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	719,268	-
17	Provision for Unexpired Risks at the End of the Fiscal Year		182,415,711	-
	Total Expenditure(B)		251,425,026	-
18	Surplus Transferred to Life Insurance Fund		-	-
19	Surplus (Loss) Transferred to Profit & Loss A/c		15,126,229	-

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Revenue Account of Term Insurance Policy for the Fiscal Year 2074/75 (2017-18)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
INCOME				
1	Premium (Net)	1	209,340,207	397,904,563
2	Re-insurance Commission Income		12,565,774	12,248,408
3	Investment, Loan and Other Income	2	33,837,963	29,734,733
4	Income from Policy Loan	3	-	-
5	Other Direct Income		1,576	777
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		24,292,083	31,796,816
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		265,591,470	233,615,020
	Total Income (A)		545,629,073	705,300,317
EXPENDITURE				
8	Claim Payment (Net)	4	142,392,479	107,380,519
9	Agent Commission	5	11,841,474	25,731,707
10	Medical Examination Fee		-	-
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	2,335,898	4,150,830
13	Other Direct Expense		-	-
14	Management Expense	7	22,377,201	37,338,328
15	Income Tax	8	2,088,468	-
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	34,822,848	24,292,083
17	Provision for Unexpired Risks at the End of the Fiscal Year		122,990,217	265,591,470
	Total Expenditure(B)		338,848,585	464,484,937
18	Surplus Transferred to Life Insurance Fund		-	-
19	Surplus (Loss) Transferred to Profit & Loss A/c		206,780,488	240,815,380

Annexure 1-9 are integral part of this.

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Cash Flow Statement for the Period of 1st Shrawan 2074 to 32nd Ashad 2075

(16 July, 2017 to 16 July, 2018)

Amount in NPR.

SN	Particular	This Year	Last Year
A	<u>Cash Flow from Operating Activities</u>		
	Premium Income	3,627,160,362	3,086,129,370
	Late Fee Income	4,398,968	4,228,313
	Reinsurance Premium Income	-	-
	Reinsurance Commission Income	48,584,242	39,720,467
	Other Direct Income	-	-
	Claim Recovered from Re-insurance	25,293,709	19,706,399
	Re-insurance Premium Payment	(84,290,544)	(68,531,092)
	Re-insurance Commission Payments	-	-
	Agent Commission Payment	(363,386,204)	(296,873,568)
	Medical Exam Fee Payments	(3,072,595)	(3,155,929)
	Death Claim Paid	(241,807,909)	(155,356,625)
	Maturity Claim paid	(935,577,527)	(467,991,809)
	Partial Maturity Claim Paid	(131,771,798)	(281,319,097)
	Surrender Claim Paid	(181,483,674)	(186,041,533)
	Other Claim Paid	(1,692,370)	(614,933)
	Service Fee Paid	(30,861,294)	(25,394,826)
	Other Direct Expenses	-	-
	Management Expenses Paid	(365,606,572)	(284,372,089)
	Employee Bonus Payment	(45,123,177)	(40,787,128)
	Income Tax Paid	(54,208,940)	(63,472,914)
	Current Assets (increase)/ Decrease	(157,930,180)	(37,735,580)
	Current Liabilities Increase / (Decrease)	25,386,669	(31,084,410)
	Net Cash Flow from Operating Activities (A)	1,134,011,166	1,207,053,016
B	<u>Cash flow from Investment Activities</u>		
	Decrease (Increase) in Fixed Assets	(1,782,022)	(19,539,096)
	Decrease (Increase) in Government Securities	-	-
	Decrease (Increase) in FD of Bank & Financial Institutions	(2,611,128,280)	(1,892,112,829)
	Decrease (Increase) in Other Deposit of Bank & Financial institutions	(189,353,273)	-
	Decrease (Increase) in Equity Share Investment	-	-
	Decrease (Increase) in Preference Share\debenture	-	-
	Decrease (Increase) in Other Investment	-	-
	Decrease (Increase) in Policy Loan	(57,786,616)	(62,891,847)
	Decrease (Increase) in Advance & Other Loans	(600,846)	(1,385,148)
	Interest Received (Investment)	1,488,166,663	743,387,698
	Dividend Received	-	-
	Rent Income	-	-
	Interest Received (Loan)	102,920,471	95,122,918
	Other Indirect Income/Expenses	(3,362,515)	(4,055,411)
	Net Cash Flow from Investment Activities (B)	(1,272,926,418)	(1,141,473,715)
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	(138,915,252)	65,579,301
	Opening Cash & Bank Balance	147,317,586	81,738,285
	Closing Cash & Bank Balance	8,402,334	147,317,586

As per our report of even date.

.....
Rajiv Kumar Pathak
Chief Financial Officer
Date: 24 May 2019

.....
Nirmal Kajee Shrestha
VP and General Manager
Date: 24 May 2019

.....
Gyanendra B. Bhari
Partner
BRS Neupane & Co.
Chartered Accountants
Date: 24 May 2019

American Life Insurance Company

Statement of Changes in Equity for the Fiscal Year 2074/75 (2017-18)

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	-	1,184,132,567	-	-	-	15,000,000	105,087,345	94,347,358	1,398,567,270
Profit of This Year		520,968,285	-	-	-	-	-	-	520,968,285
Proposed Cash Dividend		-	-	-	-	-	-	-	-
Deferred Tax Adjustment		-	-	-	-	-	(20,522,803)	-	(20,522,803)
Foreign Exchange Revaluation		-	-	-	-	-	4,471,200	-	4,471,200
Catastrophe Reserve		-	-	-	-	-	-	57,885,365	57,885,365
Closing Balance	-	1,705,100,852	-	-	-	15,000,000	89,035,741	152,232,723	1,961,369,316

Integral Parts of the Financial Statement are:

A. Insurance Premium (Net)

Annexure- 1

Amount in NPR.

SN	Type of Insurance	Gross Insurance Premium		Re-insurance Premium Paid (Ceded)		Insurance Premium (net)	
		This Year	Last Year	This Year	Last Year	This Year	Last Year
1	Anticipated Endowment Policy	607,208,342	627,713,502	11,587,295	12,068,214	595,621,047	615,645,288
2	Endowment Policy	732,937,321	685,899,467	13,986,569	13,186,878	718,950,752	672,712,589
3	Other Policy	1,806,177,774	1,357,433,406	34,467,108	26,097,569	1,771,710,666	1,331,335,837
4	Micro Insurance Policy	247,247,146	-	-	-	247,247,146	-
5	Term Insurance Policy	233,589,779	415,082,995	24,249,572	17,178,432	209,340,207	397,904,563
Total		3,627,160,362	3,086,129,370	84,290,544	68,531,092	3,542,869,818	3,017,598,278

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	Anticipated Endowment Policy	607,208,342	627,713,502	-	-	607,208,342	627,713,502
2	Endowment Policy	732,937,321	685,899,467	-	-	732,937,321	685,899,467
3	Other Policy	1,806,177,774	1,357,433,406	-	-	1,806,177,774	1,357,433,406
4	Micro Insurance Policy	247,247,146	-	-	-	247,247,146	-
5	Term Insurance Policy	233,589,779	415,082,995	-	-	233,589,779	415,082,995
Total		3,393,570,583	3,086,129,370	-	-	3,627,160,362	3,086,129,370

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	Anticipated Endowment Policy	28,450,991	25,006,493	578,757,351	602,707,009	-	-	607,208,342	627,713,502
2	Endowment Policy	110,910,545	88,432,660	622,026,776	597,466,807	-	-	732,937,321	685,899,467
3	Other Policy	798,390,859	749,720,294	1,007,786,915	607,713,112	-	-	1,806,177,774	1,357,433,406
4	Micro Insurance Policy	-	-	-	-	247,247,146	-	247,247,146	-
5	Term Insurance Policy	83,392,578	54,590,361	87,885,647	72,457,631	62,311,554	288,035,003	233,589,779	415,082,995
Total		1,021,144,973	917,749,808	2,296,456,689	1,880,344,559	309,558,700	288,035,003	3,627,160,362	3,086,129,370

Income from Investment, Loan & Other Sources

Annexure - 2

Amount in NPR.

SN	Particular	This Year	Last Year
1	Income from Government & Secured Government securities	109,564,455	109,564,455
2	Income from Commercial Bank's Fixed Deposit (FD)	1,369,236,800	631,889,811
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	1,175,094	564,330
	b. Policy Charges & Misc.	80,475	33,973
11	Income from Loan		
12	Income from Other Deposit (Except FD)	1,977,137	1,335,129
13	Profit on Sales of Investment		
	Less: Loss on Sale of Investment		
14	Profit on (Purchase) Investment.		
	Less: Loss on (Purchase) Investment.	(4,073,105)	(4,055,411)
15	Profit on Sales of Fixed Assets	493,482	2,117,780
	Less: Loss on Sales of Fixed Assets	-	-
16	Account Written Off	-	-
17	Income Related to Last year	-	-
18	Other Income	209,806	87,449
Total		1,478,664,144	741,537,516
Appropriation of Income from Investment, Loan & Other Sources			
1	Transfer to Profit & Loss Accounts	128,332,499	49,524,589
2	Transfer to Anticipated Endowment Revenue Account	371,581,484	212,781,005
3	Transfer to Endowment Revenue Account	608,653,904	330,110,465
4	Transfer to Other Policy Revenue Account	316,954,185	119,386,724
5	Transfer to Micro Insurance Revenue Account	19,304,109	-
6	Transfer to Term Insurance Revenue Account	33,837,963	29,734,733
Total		1,478,664,144	741,537,516

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	Anticipated Endowment Policy	518,508,258	532,097,867	60,228,446	61,109,797
2	Endowment Policy	300,964,404	270,250,514	34,959,170	31,037,437
3	Other Policy	66,572,340	25,910,005	7,732,854	2,975,684
4	Micro Insurance Policy	-	-	-	-
5	Term Insurance Policy	-	-	-	-
Total		886,045,002	828,258,386	102,920,471	95,122,918

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	Anticipated Endowment Policy	16,147,696	19,741,070	528,406,773	226,591,070	131,771,798	281,319,097	52,155,056	61,683,998	-	-	728,481,323	589,335,235	659,884	1,307,277	727,821,439	588,027,958
2	Endowment Policy	7,777,956	4,471,641	370,575,101	231,554,945	-	-	101,164,495	112,037,306	1,423,224	-	480,940,776	348,063,892	7,034,075	5,165,439	473,906,701	342,898,453
3	Other Policy	48,770,139	16,862,078	36,595,653	9,845,794	-	-	28,164,123	12,320,229	-	-	113,529,915	39,028,101	10,102,215	5,717,433	103,427,700	33,310,668
4	Micro Insurance Policy	19,491,250	-	-	-	-	-	-	-	-	-	19,491,250	-	-	-	19,491,250	-
5	Term Insurance Policy	149,620,868	114,281,836	-	-	-	-	-	-	269,146	614,933	149,890,014	114,896,769	7,497,535	7,516,250	142,392,479	107,380,519
Total		241,807,909	155,356,625	935,577,527	467,991,809	131,771,798	281,319,097	181,483,674	186,041,533	1,692,370	614,933	1,492,333,278	1,091,323,997	25,293,709	19,706,399	1,467,039,569	1,071,617,598

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	Anticipated Endowment Policy	6,809,033	6,014,311	10,927,396	12,143,936	-	-	17,736,429	18,158,247
2	Endowment Policy	25,662,575	22,045,918	23,468,199	17,412,926	-	-	49,130,774	39,458,844
3	Other Policy	149,780,362	136,477,205	111,121,978	77,047,565	-	-	260,902,340	213,524,770
4	Micro Insurance Policy	-	-	-	-	23,775,187	-	23,775,187	-
5	Term Insurance Policy	6,423,374	3,739,729	2,540,463	2,689,017	2,877,637	19,302,961	11,841,474	25,731,707
Total		188,675,344	168,277,163	148,058,036	109,293,444	26,652,824	19,302,961	363,386,204	296,873,568

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	Anticipated Endowment Policy	6,072,083	6,277,135	-	-	6,072,083	6,277,135
2	Endowment Policy	7,329,373	6,858,995	-	-	7,329,373	6,858,995
3	Other Policy	18,061,778	13,574,334	-	-	18,061,778	13,574,334
4	Micro Insurance Policy	2,472,471	-	-	-	2,472,471	-
5	Term Insurance Policy	2,335,898	4,150,830	-	-	2,335,898	4,150,830
Total		36,271,603	30,861,294	-	-	36,271,603	30,861,294

Management Expenses

Annexure - 7

Amount in NPR.

SN	Particular	This Year	Last Year
1	Employee Expenses (Anx 7.1)	122,822,205	104,779,538
2	Building Rent	26,571,790	24,756,608
3	Water & Electricity	3,719,929	3,518,232
4	Repair & Maintenance		
	A. Building	-	-
	B. Motor Vehicle	768,953	463,975
	C. Office Equipment	54,524	561,877
	D. Others	1,365,669	327,171
5	Communication	8,117,590	6,835,396
6	Printing & Stationary	10,655,191	10,467,764
7	Office Expenses	1,644,222	946,550
8	Transportation	3,794,241	3,298,025
9	Travel Expenses (Including Allowance)		
	A. Internal	4,957,646	1,526,569
	B. International	2,877,431	1,838,902
10	Agents Training	14,424,611	20,542,851
11	Agents Other	101,276,091	59,512,644
12	Insurance Premium	908,856	1,414,160
13	Security & Outsourcing Expenses	29,253,059	30,864,760
14	Legal & Advisory Fees	617,412	237,300
15	Books & Periodicals	-	-
16	Advertisement & Promotion	7,192,566	5,448,437
17	Business Promotion	750,000	-
18	Guest Entertainments	-	-
19	Donation & Awards	-	-
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	382,000	340,000
	B. Tax Audit Fee	55,000	55,000
	C. Long Form Audit Report Fee	25,000	25,000
	D. Other Fee	-	-
	E. Internal Audit Fee	-	-
	F. Other Expense	-	-
25	Interest	-	-
26	Bank Charge	2,079,521	2,303,134
27	Fee & Charges	80,715	188,319
28	Depreciation	16,883,893	11,555,091
29	Postal Stamps	4,210,078	4,459,564
30	Integration and Separation	-	-
31	Other	118,379	603,890
Total for Appropriation		365,606,572	296,870,757

1	Transfer to Profit & Loss Account	36,560,657	29,687,076
2	Transfer to Anticipated Endowment Revenue Account	59,425,312	58,384,503
3	Transfer to Endowment Revenue Account	68,932,476	61,915,173
4	Transfer to Other Policy Revenue Account	155,759,787	109,545,677
5	Transfer to Micro Insurance Revenue Account	22,551,139	-
6	Transfer to Term Insurance Revenue Account	22,377,201	37,338,328
Total		365,606,572	296,870,757

Employee Expense**Annexure - 7.1**

SN	Particular	This Year	Last Year
1	Salary	91,416,151	82,571,949
2	Allowance - OT	697,091	951,058
3	Dashain Expense	6,497,246	5,314,510
4	Providend Fund Contribution	4,853,599	3,804,419
5	Training Expense	3,161,435	770,586
6	Dress Allowance	-	-
7	Medical Expense	259,558	311,606
8	Insurance	2,378,982	2,086,734
9	Provision for Pension/Gratuity	7,590,987	5,286,100
10	Expenses & Provision for Leave Encashment	3,731,254	523,577
11	Provision for Other Facilities (Detail)	-	-
12	Relocation Expense	-	-
13	Recruting Expense	106,514	136,412
14	Employee Benefit Misc.	2,129,388	3,022,587
Total		122,822,205	104,779,538

Income Tax**Annexure - 8**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Income Tax of This Year	203,421,592	54,208,940
2	Income Tax of Last Year	-	-
3	Total Income Tax for Allocation	203,421,592	54,208,940
4	Deferred Income Tax	20,522,803	(9,224,607)
Allocation			
	Transfer to Profit & Loss Accounts C= A+B	37,246,172	(6,846,891)
	A) Income Tax from Allocation	16,723,369	2,377,716
	B) Deferred Tax for This Year	20,522,803	(9,224,607)
	Transfer to Anticipated Endowment Revenue A/C	56,883,493	18,505,902
	Transfer to Endowment Revenue A/C	98,352,181	32,145,778
	Transfer to Other Policy Revenue A/C	29,374,080	1,179,544
	Transfer to Micro Insurance Revenue A/C	-	-
	Transfer to Term Insurance Revenue A/C	2,088,468	-
Total		223,944,394	44,984,333

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	Anticipated Endowment Policy	148,499	115,749	63,535,363	27,089,080	3,700,103	2,910,742	-	-	-	-	-	-	67,383,966	30,115,570	-	-	77,491,560	34,632,906
2	Endowment Policy	31,934,321	34,986,820	51,636,844	56,505,220	-	-	-	-	-	-	2,329,135	-	85,900,300	91,492,040	-	-	98,435,975	105,215,846
3	Other Policy	3,378,446	553,406	5,279,833	4,793,933	-	-	-	-	-	-	1,081,474	-	9,739,753	5,347,339	300,000	-	10,738,495	6,149,440
4	Micro Insurance Policy	625,450	-	-	-	-	-	-	-	-	-	-	-	625,450	-	-	-	719,268	-
5	Term Insurance Policy	10,626,975	14,336,351	-	-	-	-	-	-	-	-	22,601,826	8,205,279	33,228,801	22,541,630	-	400,000	34,822,848	24,292,083
	Total	46,713,691	49,992,326	120,452,040	88,388,233	3,700,103	2,910,742	-	-	-	-	26,012,435	8,205,279	196,878,270	149,496,580	300,000	400,000	222,208,146	170,290,275

Amount Transferred from Revenue Accounts to P&L Account

Annexure - 10

Amount in NPR.

SN	Particular	This Year	Last Year
1	Transferred from Anticipated Endowment Revenue Account	-	-
2	Transferred from Endowment Revenue Account	-	-
3	Transferred from Other Policy Insurance Revenue Account	-	-
4	Transferred from Micro Insurance Revenue Account	15,126,229	-
5	Transferred from Term Insurance Revenue Account	206,780,488	240,815,380
Total		221,906,717	240,815,380

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	Anticipated Endowment Policy	4,493,615,271	4,232,874,879	126,651,882	279,420,981	-	-	-	-	-	-	4,620,267,153	4,512,295,860
2	Endowment Policy	6,388,664,067	5,843,810,685	680,103,123	573,426,685	-	-	-	-	-	-	7,068,767,190	6,417,237,370
3	Other Policy	1,975,556,048	1,100,770,364	1,543,196,985	1,092,057,542	-	-	-	-	-	-	3,518,753,033	2,192,827,906
4	Micro Insurance Policy	-	-	-	-	-	-	-	-	-	-	-	-
5	Term Insurance Policy	-	-	-	-	-	-	-	-	-	-	-	-
Total		12,857,835,386	11,177,455,928	2,349,951,989	1,944,905,209	-	-	-	-	-	-	15,207,787,375	13,122,361,137

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		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	Anticipated Endowment Policy	4,620,267,153	4,512,295,860	33,327,628	18,680,589	1,736,584,467	1,728,159,727	2,005,985,348	1,956,998,809	-	-	844,369,710	808,456,735	4,586,939,525	4,493,615,271
2	Endowment Policy	7,068,767,190	6,417,237,370	57,208,482	28,573,303	3,625,121,391	3,452,109,790	1,962,997,066	1,668,822,581	-	-	1,423,440,251	1,267,731,696	7,011,558,708	6,388,664,067
3	Other Policy	3,518,753,033	2,192,827,906	250,920,052	217,271,858	3,267,832,981	1,975,556,048	-	-	-	-	-	-	3,267,832,981	1,975,556,048
4	Micro Insurance Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Term Insurance Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		15,207,787,375	13,122,361,137	341,456,162	264,525,750	8,629,538,839	7,155,825,565	3,968,982,414	3,625,821,390	-	-	2,267,809,961	2,076,188,431	14,866,331,214	12,857,835,386

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	No. of Equity Share
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	13,591,141	34,113,945
2	Capital Reserve	-	-
3	Special Reserve	-	-
4	Other Reserve		
	HO Fund	75,444,600	70,973,400
	Capital Fund	111,666,169	-
	Contingency Reserve	15,000,000	15,000,000
	Shareholder share of profit	1,184,132,567	778,065,475
5	Share Premium	-	-
6	Proposed Bonus Share	-	-
7	Remaining Bonus Share for Capitalization	-	-
8	Profit Transferred from P&L A/c	409,302,116	406,067,092
	Total	1,809,136,593	1,304,219,911

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
94,347,358	49,228,792	57,885,365	45,118,566	152,232,723	94,347,358
				-	-
				152,232,723	94,347,358
				Total	

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	25,226,469	4,602,558	-	29,829,027	19,109,231	2,159,251	-	21,268,482	8,560,546	6,117,238
Office Equipments	11,818,618	3,109,868	-	14,928,486	6,826,531	2,415,700	-	9,242,231	5,686,255	4,992,087
Computer and EDP	36,201,236	3,736,721	-	39,937,957	28,876,449	3,456,665	-	32,333,114	7,604,843	7,324,787
Intangible Assets	2,760,007	785,400	-	3,545,407	1,508,038	537,745	-	2,045,783	1,499,624	1,251,969
Automobiles	41,013,056	8,927,200	3,705,311	46,234,945	14,690,730	8,314,532	1,209,478	21,795,784	24,439,161	26,322,326
Lease Hold Assets	3,021,860	-	-	3,021,860	3,021,860	-	-	3,021,860	-	-
Others	335,405	-	-	335,405	335,405	-	-	335,405	-	-
Total	120,376,650	21,161,747	3,705,311	137,833,087	74,368,243	16,883,893	1,209,478	90,042,658	47,790,429	46,008,407
Capital Expenditure -WIP	-	-	-	-	-	-	-	-	-	-
Grand Total	120,376,650	21,161,747	3,705,311	137,833,087	74,368,243	16,883,893	1,209,478	90,042,658	47,790,429	46,008,407
Last Year	106,226,957	31,073,717	16,924,024	120,376,650	79,757,646	11,534,621	16,924,024	74,368,243	46,008,407	26,469,311

Investment

Annexure -21

Amount in NPR.

SN	Particular	This Year	Last Year
a.	<u>Long Term Investment :</u>		
1	Government Securities	1,761,325,036	2,173,375,036
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	1,761,325,036	2,173,375,036
b.	<u>Short Term Investment</u>		
1	Government Securities	412,050,000	-
2	Fixed Deposit with Commercial Bank	14,137,543,827	11,526,415,547
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	189,353,273	-
8	Interest Earning other Deposit with Development Bank	-	-
9	Interest Earning other Deposit with Financial Institution	-	-
10	Other Interest Earning Investments	-	-
	Total	14,738,947,100	11,526,415,547
	G. Total	16,500,272,136	13,699,790,583

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	53,500	51,000
	Total	53,500	51,000
2	<u>Bank Balance</u>		
	Commercial Banks Balance	8,323,883	147,266,586
	Development Banks Balance	24,951	-
	Finance Companies Balance	-	-
	Other	-	-
	Total	8,348,834	147,266,586
	G. Total	8,402,334	147,317,586

Other Loan**Annexure -23**

Amount in NPR.

SN	Particular	This Year	Last Year
A.	Long Term Loan		
1	Agent Loan	1,991,508	1,697,664
2	Employee Loan	525,566	218,564
3	Other	-	-
	Total	2,517,074	1,916,228
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	46,868,040	53,000,742
2	Receivable Interest from Policy Loan	34,044,172	39,876,931
3	Receivable Interest from other Loan (except Policy Loan)	7,093	-
4	Receivable from other Insurer	-	-
5	Receivable from Re-insurer	11,558,155	9,937,909
6	Sundry Debtors	390,265	459,796
7	Pre-payments	1,935,535	1,826,465
8	Staff Advance	17,359,840	17,805,885
9	Other Advance - Agent EQ	-	302,555
10	Deposit - Department of Tax	21,709,332	21,709,332
11	Receivable Insurance Premium	-	-
	Less: Suspense Receivable Insurance Premium	-	-
12	Other - a. Gratuity Deposit at CIT office	38,607,798	38,420,923
	b. Advance Tax Deposited	391,749,993	222,959,505
	C. Deferred Tax	13,591,141	34,113,945
	Total	577,821,364	440,413,988

Current Liabilities**Annexure - 25**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Payable to Agents	29,118,380	27,962,857
2	Payable to other Insurer	-	-
3	Payable to Re-insurer	10,888,486	8,834,749
4	Short Term Lending	-	-
5	Premium Deposit	18,182,089	12,354,200
6	Premium Deposit without Full Details	2,407,754	2,775,490
7	Sundry Creditors	845,406	3,320,059
8	Payable to Holding/Subsidiary Companies	-	-
9	Payable Withholding Tax	2,453,501	4,204,593
10	Payable VAT	-	-
11	Payable Service Fee	36,271,603	30,861,294
12	Payable to Staff	2,942,978	15,724,643
13	Payable to Management	-	-
14	Dividend Payable	-	-
15	Other	-	-
	a. Outstanding Cheques	113,538,535	85,224,178
	Total	216,648,732	191,262,063

Provision for Unexpired Risk**Annexure - 26**

Amount in NPR

SN	Particular	This Year	Last Year
1	Unexpired Risk Reserve for Anticipated Endowment Policy	-	-
2	Unexpired Risk Reserve for Endowment Policy	-	-
3	Unexpired Risk Reserve for Other Policy	-	-
4	Unexpired Risk Reserve for Micro Insurance Policy	182,415,711	-
5	Unexpired Risk Reserve for Term Insurance Policy	122,990,217	265,591,470
	Total	305,405,928	265,591,470

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	48,223,548	48,223,548	-	-	-	-	-	-	48,223,548	48,223,548
2	Provision for Income Tax	54,208,940	63,472,915	203,421,592	54,208,940	54,208,940	64,580,176	-	1,107,261	203,421,592	54,208,940
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	38,420,923	29,350,729	8,860,607	9,971,326	8,673,732	901,132	-	-	38,607,798	38,420,923
	Provision for Leave Encashment	5,410,048	5,075,609	3,731,254	523,577	912,123	189,138	-	-	8,229,179	5,410,048
	Provision for Housing fund	96,941,329	70,682,397	-	26,258,932	-	-	-	-	96,941,329	96,941,329
	Provision for Staff Bonus	45,356,337	40,787,128	59,557,702	45,356,337	45,123,177	40,787,128	-	-	59,790,862	45,356,337
	Others	-	-	-	-	-	-	-	-	-	-
8	Other Provision	-	-	-	-	-	-	-	-	-	-
	Total	288,561,125	257,592,326	275,571,155	136,319,112	108,917,972	106,457,574	-	1,107,261	455,214,308	288,561,125

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	4,329,305	8,402,410
4	Balance Deferred Expenses for Written off	-	-
5	Others	-	-
	Total	4,329,305	8,402,410

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. The financial statement has been separately prepared based on Nepal Financial Reporting Standards (NFRS) as issued by The Institute of Chartered Accountants of Nepal (ICAN).

Use of Estimates

The preparation of the financial statements in conformity with Nepal Accounting Standards 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 Rs. 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 – 12

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. Receivables or payables in foreign currency 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 account.

8. Accounting of premium income

- a. Gross premium income is recognized on cash basis as and when it is due 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 10 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 product 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 2017/18 on 13 May 2019 (Baisakh 30, 2075). Shareholders' portion of Profit (after deduction for staff bonus) for 2017/18 arising from the actuarial valuation together with Profits from non-participating portfolio for 2017/18 amount to NPR. 520,968,285. The company has transferred 20% of current year profit amounting to NPR. 111,666,169 to Capital fund which is required to be maintained as per sub-section 2 of section 19 of Insurers' Registration and Insurance Operation Directive 2073. The balance current year profit of NPR. 409,302,116 along with capital fund of NPR. 111,666,169 have been transferred to reserve and surplus.
- d. Insurance Board in its letter Bi.Bi.Sha 239/ (2072/73) dispatch no 3087 dated 2 April 2016, advised the company to create catastrophic reserve equal to 10% of amount available for appropriation. Accordingly NPR 57,885,365 has been transferred to catastrophic reserve account with accumulated balance amount as of balance sheet date is NPR. 152,232,723.

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 Staff Bonus

Company has created provision for staff bonus as per the provisions of the Bonus Act 2030.

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 2017/18 following on Gross Premium Method which was based on Nepali mortality table published by Insurance Board (unless otherwise mentioned) at 6.00% 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					Maturity						
S.N	Name	Type	Purchase Date	Qty.	Face value	S.N	Name	Type	Maturity Date	Qty.	Face value
1	Nepal Investment Bank	FD	16-Jul-17	1	14,000,000	1	Himalayan Bank	FD	11-Aug-17	1	200,000,000
2	NIC Asia Bank	FD	20-Jul-17	1	10,000,000	2	Bank Of Kathmandu	FD	19-Aug-17	1	20,000,000
3	Everest Bank	FD	27-Jul-17	1	200,000,000	3	Global IME Bank	FD	23-Aug-17	1	100,000,000
4	SCBNL	FD	15-Aug-17	1	150,000,000	4	Bank Of Kathmandu	FD	4-Sep-17	1	110,000,000
5	NMB Bank	FD	22-Aug-17	1	50,000,000	5	Nepal Investment Bank	FD	6-Sep-17	1	150,000,000
6	Global IME Bank	FD	1-Sep-17	1	150,000,000	6	Sanima Bank	FD	23-Sep-17	1	50,000,000
7	Nepal SBI Bank	FD	7-Sep-17	1	200,000,000	7	Global IME Bank	FD	25-Sep-17	1	100,000,000
8	NIC Asia Bank	FD	22-Sep-17	1	150,000,000	8	Nepal Investment Bank	FD	6-Oct-17	1	55,000,000
9	Nepal SBI Bank	FD	26-Sep-17	1	50,000,000	9	Global IME Bank	FD	8-Oct-17	1	160,000,000
10	Nepal SBI Bank	FD	26-Sep-17	1	100,000,000	10	Bank Of Kathmandu	FD	26-Oct-17	1	70,000,000
11	NMB Bank	FD	26-Sep-17	1	120,000,000	11	SCBNL USD	FD	21-Nov-17	1	83,728,508
12	Himalayan Bank	FD	8-Oct-17	1	215,000,000	12	Everest Bank ltd	FD	27-Nov-17	1	130,000,000
13	Himalayan Bank	FD	16-Oct-17	1	250,000,000	13	Nepal SBI Bank	FD	26-Dec-17	1	60,000,000
14	Everest Bank	FD	17-Oct-17	1	150,000,000	14	Global IME Bank	FD	27-Dec-17	1	100,000,000
15	NIC ASIA Bank	FD	2-Nov-17	1	150,000,000	15	Nepal Investment Bank	FD	19-Jan-18	1	250,000,000
16	Nepal SBI Bank	FD	3-Nov-17	1	100,000,000	16	Siddhartha Bank	FD	20-Jan-18	1	25,000,000
17	NMB Bank	FD	10-Nov-17	1	250,000,000	17	Laxmi Bank	FD	23-Jan-18	1	39,000,000
18	SCBNL USD	FD	21-Nov-18	1	80,432,002	18	Nabil Bank Limited	FD	1-Feb-18	1	100,000,000
19	Nepal SBI Bank	FD	22-Nov-18	1	35,000,000	19	Nabil Bank Limited	FD	8-Feb-18	1	285,000,000
20	Nepal Investment Bank	FD	24-Nov-18	1	200,000,000	20	Standard Chartered Bank	FD	11-Feb-18	1	20,000,000
21	Global IME Bank	FD	28-Nov-18	1	150,000,000	21	Bank Of Kathmandu	FD	5-Mar-18	1	65,000,000
22	Global IME Bank	FD	27-Dec-17	1	200,000,000	22	Siddhartha Bank	FD	14-Mar-18	1	70,000,000
23	SCBNL	FD	5-Jan-18	1	100,000,000	23	SCBNL	FD	26-Apr-17	1	50,000,000
24	Nepal SBI Bank	FD	12-Jan-18	1	60,000,000	24	Nepal Investment Bank	FD	2-May-18	1	100,000,000
25	Nepal Investment Bank	FD	19-Jan-18	1	290,000,000	25	Everest Bank	FD	2-May-18	1	130,000,000
26	Siddhartha Bank	FD	21-Jan-18	1	80,000,000	26	Sanima Bank	FD	9-May-16	1	100,000,000
27	Bank of Kathmandu	FD	22-Jan-18	1	100,000,000	27	Nepal Investment Bank	FD	24-May-18	1	80,000,000
28	Laxmi Bank	FD	23-Jan-18	1	80,000,000	28	Everest Bank	FD	30-May-18	1	80,000,000
29	Sanima Bank	FD	1-Feb-18	1	160,000,000	29	Nepal Investment Bank	FD	2-Jun-18	1	271,000,000
30	Nabil Bank	FD	9-Feb-19	1	150,000,000	30	Nabil Bank Limited	FD	9-Jun-18	1	170,000,000
31	SCBNL	FD	6-Feb-19	1	70,000,000	31	Global IME Bank	FD	15-Jun-18	1	330,000,000
32	Himalayan Bank	FD	9-Feb-19	1	150,000,000	32	Global IME Bank	FD	20-Jun-18	1	135,000,000
33	Machhapuchchhre Bank	FD	6-Mar-18	1	130,000,000	33	Nepal Investment Bank	FD	20-Jun-18	1	95,000,000
34	Machhapuchchhre Bank	FD	14-Mar-18	1	70,000,000	34	Laxmi Bank	FD	20-Jun-18	1	113,000,000
35	Nepal Bangladesh Bank	FD	23-Mar-18	1	60,000,000	35	Siddhartha Bank	FD	20-Jun-18	1	67,000,000
36	NMB Bank	FD	26-Mar-18	1	140,000,000	36	Bank Of Kathmandu	FD	11-Jul-18	1	120,000,000
37	Global IME Bank	FD	13-Apr-18	1	70,000,000	37	Nabil Bank Limited	FD	12-Jul-18	1	198,400,000
38	Global IME Bank	FD	19-Apr-18	1	80,000,000	38	Everest Bank	FD	12-Jul-18	1	163,000,000
39	Nepal Investment Bank	FD	19-Apr-18	1	80,000,000	39	Laxmi Bank	FD	14-Jul-18	1	150,000,000
40	Nabil Bank	FD	22-Apr-18	1	70,000,000	40	Global IME Bank	FD	14-Jul-18	1	100,000,000
41	Nepal Investment Bank	FD	2-May-18	1	120,000,000	41	Nabil Bank Limited	FD	15-Jul-18	1	125,000,000
42	SCBNL	FD	4-May-18	1	70,000,000						
43	Everest Bank	FD	2-May-18	1	160,000,000						
44	NMB Bank	FD	10-May-18	1	250,000,000						
45	Nepal Investment Bank	FD	24-May-18	1	120,000,000						
46	Everest Bank	FD	30-May-18	1	100,000,000						
47	Nepal Investment Bank	FD	2-Jun-18	1	300,000,000						
48	Nabil Bank	FD	8-Jun-18	1	220,000,000						
49	Global IME Bank	FD	15-Jun-18	1	370,000,000						
50	Global IME Bank	FD	20-Jun-18	1	360,000,000						
51	Siddhartha Bank	FD	21-Jun-18	1	132,000,000						
52	Nabil Bank	FD	5-Jul-18	1	60,000,000						
53	Bank of Kathmandu	FD	11-Jul-18	1	123,500,000						
54	Nabil Bank	FD	12-Jul-18	1	203,000,000						
55	Everest Bank	FD	12-Jul-18	1	167,000,000						
56	Laxmi Bank	FD	14-Jul-18	1	152,000,000						
57	Global IME Bank	FD	14-Jul-19	1	102,000,000						
58	Nabil Bank	FD	15-Jul-19	1	128,000,000						

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 2065/66 to fiscal year 2074/75.

Appeal against disallowed expenses and carry forward balance dispute of NPR 100,024,416, NPR 66,237,179, NPR 12,259,489, NPR 32,436,816, NPR 4,319,862 and NPR 4,002,654 for the FY 2065/066, FY 2066/67, FY 2067/68, FY 2068/69, FY 2070/71 and FY 2071/72 respectively is pending decision at Department of Tax. The Company's final tax assessment from LTPO for fiscal year 2072/073 to fiscal year 2073/74 is pending as of the Balance Sheet date. The company has received the tax clearance certificate for Fiscal year 2074-75 from Inland Revenue Department.

13. Premiums refunded

During the year, the company refunded NPR 3,424,862 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 per below table rate per thousand for par Products mentioned against respective terms for Fiscal Year 2017/18.

Policy terms	Products wise declared & interim bonus rate per thousand		
	3PP	Endowment	EPP
1-15 Years	50	65	65
16-20 Years	60	70	75
21 Years & above	70	80	85

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. 4,329,305 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 Company is compliant with the requirement of Solvency Margin Directive and maintains 580% solvency margin as per submitted 2017/18 as of 2075 Ashad end (16 July 2018).

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% 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 2017	Movement	Balance of 16 July 2018
Deferred Tax Assets			
Accumulated depreciation in Financial Statements	(806,563)	2,688,460	1,881,897
Provision for gratuity	9,379,948	272,002	9,651,950
Provision for Employee Housing	24,235,332	(24,235,332)	-
Provision for Leave Encashment	1,305,228	752,067	2,057,295
Net Deferred Tax assets	34,113,945	(20,522,803)	13,591,141

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

Major Indicators

Anx-30

SN.	Particular	Indicator	Fiscal Year				
			2074/75	2073/74	2072/73	2071/72	2070/71
			2017/18	2016/17	2015/16	2014/15	2013/14
1	Net Worth	NPR.	1,957,040,011	1,390,164,859	940,827,306	592,834,456	521,211,760
2	Number of Share	Count	-	-	-	-	-
3	Book Value Per Share	NPR.	-	-	-	-	-
4	Net Profit	NPR.	558,330,847	460,410,265	344,135,750	68,007,096	87,072,924
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.	1,330,703,673	1,205,784,811	833,628,465	457,564,746	331,955,811
10	Gross Premium	NPR.	3,627,160,362	3,086,129,370	2,539,482,541	1,990,067,311	1,815,817,857
11	Net premium/Gross Premium	%	97.7%	97.8%	98.2%	98.5%	98.5%
12	Net profit/Gross Premium	%	15.4%	14.9%	13.6%	3.4%	4.8%
13	Gross Premium/Total Assets	%	20%	20%	19%	18%	18%
14	Income from Investment & Loan/ Total Investment & Loan	%	9.1%	5.8%	5.8%	6.0%	6.0%
15	Total Investment & Loan/Life Fund	%	117%	113%	112%	110%	110%
16	RI Commission Income/Total RI Premium	%	57.6%	58.0%	55.1%	52.6%	52.6%
17	Management Expenses/Gross Premium	%	10.1%	9.6%	9.0%	9.7%	10.7%
18	Agent Expenses/Gross Premium	%	13.2%	12.2%	10.6%	7.3%	8.0%
19	Total Number of Agents	count	4,136	3,706	3,219	2,662	2,260
20	Number of Employee	count	133	124	110	102	97
21	Number of Offices	count	24	23	22	22	19
22	Employee Expenses/Management Expenses	%	33.6%	35.3%	34.7%	39.5%	41.9%
23	Employee Expenses/Number of Employee	NPR.	923,475	844,996	776,362	751,613	676,912
24	Payable Claim/Paid Claim	%	15%	16%	26%	28%	25%
25	Total Number of Inforce Policy	Count	737,755	764,341	646,068	458,211	347,937
26	This Year Renewed Policy/ Inforce Policy up to Last Year	%	81.7%	79.9%	85.7%	85.7%	87.7%
27	Number of Claim/ Total Inforce Policy	%	0.48%	0.37%	0.05%	0.05%	0.06%
28	Solvency Margin	%	580%	474%	503%	561%	689%
29	Declared Bonus Rate	NPR./1000	50/60/70-3PP, 65/70/80-END & 65/75/85-EPP	40/50/60-3PP, 45/55/65-END & 45/55/70-EPP	35/45/55 -3PP & 40/50/60 EPP/End	35/45/55 -3PP & 40/50/60 EPP/End	35/45/55
30	Interim Bonus Rate	NPR./1000	50/60/70-3PP, 65/70/80-END & 65/75/85-EPP				

Additional ratios disclosure as required by Bi.Bi.Sha. 236 (2074/75) Chalani No. 2373 dated 2074/09/13

Additional ratios

SN.	Particular	Indicator	Fiscal Year				
			2074/75	2073/74	2072/73	2071/72	2070/71
			2017/18	2016/17	2015/16	2014/15	2013/14
A. Business Perspectives:							
1	Increment in Gross Premium	%	17.5%	21.5%	27.6%	10%	13%
a.	<i>Anticipated Endowment Policy</i>		-3.3%	-11.2%	5.1%	-8%	3%
b.	<i>Endowment Policy</i>		6.9%	7.2%	3.5%	-7%	3%
c.	<i>Other Policy</i>		33.1%	63.4%	77.0%	77%	118%
d.	<i>Term Insurance (includes micro insurance)</i>		15.8%	14.6%	57.6%	54%	23%
2	Increment in First Year (FY) Premium	%	10.4%	44.6%	82.2%	38%	33%
a.	<i>Anticipated Endowment Policy</i>		13.8%	22.7%	131.8%	-39.5%	10.5%
b.	<i>Endowment Policy</i>		25.4%	115.8%	68.9%	-11.6%	2.2%
c.	<i>Other Policy</i>		6.5%	64.6%	97.5%	39.2%	51.8%
d.	<i>Term Insurance (includes micro insurance)</i>		14.7%	8.1%	63.4%	56.0%	22.9%
3	Increment in Investment held	%	20.4%	16.0%	15.4%	13.6%	22.2%
4	Increment in Life Insurance Fund	%	15.6%	15.0%	12.6%	13.2%	17.5%
a.	<i>Anticipated Endowment Policy</i>		2.1%	6.2%	5.4%	7.4%	17.3%
b.	<i>Endowment Policy</i>		9.7%	9.3%	10.5%	11.6%	13.3%
c.	<i>Other Policy</i>		65.4%	79.5%	77.5%	115.8%	220.7%
d.	<i>Term Insurance (includes micro insurance)</i>		15.0%	13.7%	28.2%	74.9%	44.1%
B. Capital Adequacy and Solvency							
5	Capital to Total Net Assets Ratio	%	10.0%	7.0%	6.6%	4.8%	4.4%
6	Capital to Technical Reserve Ratio	%	11.5%	9.4%	7.3%	5.2%	4.9%
C. Assets Quality and Credit Control							
7	Investment in Unlisted Shares and Debtors/ Total Net Assets	%	0.1%	0.1%	0.0%	0.0%	0.0%
8	Investment in Shares/ Total Net Assets	%	-	-	-	-	-
9	Agent loan / Number of Agents	Per agent	99,575.4	113,177.6	122,820	89,470	46,259.5
D. Re-insurance and Actuarial							
10	Net Technical Reserve/ Average Net Premium of Three Years	%	353.9%	343.4%	308.8%	274.3%	211.1%
a.	<i>Anticipated Endowment Policy</i>		273.3%	262.6%	224.0%	201.1%	160.0%
b.	<i>Endowment Policy</i>		538.2%	541.7%	488.2%	430.6%	323.6%
c.	<i>Other Policy</i>		249.5%	225.8%	214.1%	191.1%	149.9%
11	Provision for Unexpired Risk / Average Premium of Term Insurance of previous 3 years	%	75.9%	81.9%	97.7%	114.0%	101.1%
E. Expense Analysis							
12	Expense Ratio	%	19.5%	18.7%	15.8%	15.4%	15.1%
13	Commission Ratio	%	9.0%	8.6%	7.8%	6.9%	6.6%
14	Agent Expenses (Other) / Total Management Expenses	%	27.7%	20.0%	18.2%	17.5%	14.1%
15	Direct Business Acquisition Ratio	%	10.7%	7.1%	7.3%	11.5%	11.0%

F. Investment and returns							
16	Return on Investment	%					
a.	<i>From Investment</i>	%	9.8%	5.8%	5.8%	6.0%	6.7%
b.	<i>From Policy Loan</i>	%	12.0%	12.0%	12.0%	12.0%	12.0%
17	Return on Equity	%	34.1%	38.4%	43.8%	12.7%	19.6%
G. Others disclosures							
18	Lapse Ratio	%	24.2%	18.2%	26.6%	25.5%	27.1%
a.	<i>Anticipated Endowment Policy</i>	%	21.6%	17.8%	29.6%	24.7%	29.9%
b.	<i>Endowment Policy</i>	%	15.1%	14.7%	24.1%	24.5%	21.9%
c.	<i>Other Policy</i>	%	28.3%	19.0%	25.1%	23.8%	-
d.	<i>Term Insurance</i>	%	31.6%	21.3%	27.4%	28.9%	29.6%
19	Persistency Ratio	%	75.8%	81.8%	73.4%	74.5%	72.9%
a.	<i>Anticipated Endowment Policy</i>	%	78.4%	82.2%	70.4%	75.3%	70.1%
b.	<i>Endowment Policy</i>	%	84.9%	85.3%	75.9%	75.5%	78.1%
c.	<i>Other Policy</i>	%	71.7%	81.0%	74.9%	76.2%	-
d.	<i>Term Insurance</i>	%	68.4%	78.7%	72.6%	71.1%	70.4%

Statement of Sum at Risk

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	Anticipated Endowment Policy	49,802	55,259	6,764,057,434	9,808,207,788	3,021,384,238	6,088,416,146	891,955,000	151,268,670	2,129,429,238	5,937,147,476
2	Endowment Policy	63,270	62,253	9,474,539,561	10,652,744,449	3,886,525,246	5,426,596,515	1,223,576,698	417,884,859	2,662,948,548	5,008,711,656
3	Other Policy	87,413	62,436	39,848,238,638	26,853,468,150	36,581,677,379	24,871,876,710	16,440,113,783	9,583,175,535	20,141,563,596	15,288,701,175
4	Micro Insurance Policy	475,238	-	31,031,395,563	-	31,031,395,563	-	-	-	31,031,395,563	-
5	Term Insurance Policy	62,032	584,393	37,630,245,980	69,270,524,801	37,324,840,052	68,965,641,248	27,539,739,222	18,269,623,529	9,785,100,830	50,696,017,719
Total		737,755	764,341	124,748,477,176	116,584,945,188	111,845,822,479	105,352,530,619	46,095,384,703	28,421,952,593	65,750,437,776	76,930,578,026



बीमा समिति
BEEMA SAMITI

नेपालको बीमा नियमनकारी निकाय
Insurance Regulatory Authority of Nepal

गैरस्थलगत सुपरीवेक्षण इकाई (२०७५/०७६) च.न. ५२९७

मिति: २०७६/०३/०२

श्री मेट लाईफ (ALICO)

पुल्चोक, ललितपुर ।

विषय: आ.व.२०७४/७५ को वित्तीय विवरण स शर्त स्वीकृति सम्बन्धमा ।

यस समितिमा प्राप्त तहाँको मिति २०७६/०२/१२ (च.न. २९२/२०१९) को पत्र सम्बन्धमा लेखिदैछ ।

बीमकको वित्तीय विवरण प्रतिको उत्तरदायित्व बीमकमा रहेको सर्वविदितै छ । लेखापरीक्षण भई समितिको स्वीकृतिको लागि पेश हुन आएको तहाँको आ.व. २०७४/७५ को समितिबाट जारी निर्देशन बमोजिमको वित्तीय विवरण सम्बन्धमा देहाय बमोजिमका शर्तहरू सहित स्वीकृत प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराइन्छ:

१. बीमकको अन्डरराइटिङ्ग प्रकृया तथा दावी भुक्तानी प्रकृया प्रभावकारी बनाउनु हुन ।
२. बीमकको व्यतीत अनुपात (Lapse Ratio) उच्च रहेको प्रति सचेत रहनु हुन ।
३. बीमकले समितिबाट जारी भएको बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७५ को पूर्ण पालना गर्नु हुन ।
४. बीमकको व्यवस्थापन खर्च उच्च रहेको प्रति सचेत रहनु हुन ।
५. बीमकले कर्मचारीहरूको विदा वापत व्यवस्था गरेको रकमलाई छुट्टै कोषमा जम्मा गर्नु हुन ।
६. बीमकका आन्तरिक तथा बाह्य लेखा परीक्षकले औल्याइएका कैफियतहरू सुधार गर्नु हुन ।
७. बीमकको लेखा परीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणाली सुदृढ बनाउनु हुन ।



Binay
सन्तोष कार्की

प्रमुख, गैरस्थलगत सुपरीवेक्षण शाखा