



**American Life Insurance Company**

**15th Year**

**Audited Financial Statements**

**Fiscal Year - 2015/016 (2072/073)**

# 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. Ni. Sa. 298/072/073 Cha. No. 4960 dated 2073/03/01 (15 June, 2016) & is valid for doing insurance business till the end of Chaitra 2073 (13 April 2017).
2. Service fee payable amount is NPR. 25,394,826 out of which NPR 13,967,154 which accounts for 55% of total service fee payable has already been paid on October 3, 2016 to Insurance Board and withholding tax payable of NPR. 7,043,266 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. Company is compliant with the requirement of Solvency Margin Directive and maintains 503 % solvency margin as of 2073 Ashad end (15 July 2016).
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:

<b>ALICO – HO</b>	China	Jordan and PNA	Serbia
<b>Wilmington, USA</b>	Colombia	Kuwait	Slovakia
	Cyprus	Korea	Spain
<b>Regional Office</b>	Czech Republic	Lebanon	Turkey
Hong Kong	Egypt	Mexico	Ukraine
<b>Other MetLife Operations</b>	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 1889. Detail of total outstanding claims number is as follows.

Fiscal Year	2067/68	2068/69	2069/70	2070/71	2071/72	2072/73
Par Product	75	117	86	76	100	39
Term Product	102	245	307	412	585	242

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 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 2015/16 on 26 December 2016 (Poush 11, 2073). Shareholders' portion of Profit (after deduction for employee housing fund and profit bonus) for 2015/16 arising from the actuarial valuation together with Profits from non-participating portfolio for 2015/16 amount to NPR. 339,069,112.

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. 33,906,911 has been transferred to catastrophic reserve account.

Insurance Board, in its letter no. Bi. Bi.Sha.129 (2072/73) dispatch no. 2044, dated 17 August 2016, advised the Company not to outflow the cash from profit of FY 2015/16 in the form of cash dividend, accordingly profit of this year NPR 305,162,201 has been transferred to 'Reserve and Surplus' account in the Balance Sheet.

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

**Independent Auditors' Report  
To  
The Shareholders of American Life Insurance Company Ltd.**

We have audited the accompanying financial Statements of **American Life Insurance Company-Nepal Branch (Metlife)**, which comprise the Balance Sheet as at Ashad 31, 2073 (July 15, 2016) and the Profit and Loss Account, related statements of Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Financial Statements, in accordance with Nepal Accounting Standards, Insurance Directives and relevant practices in Nepal. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we consider the internal control relevant to the Company's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


**Report on Company Act, 2063, Insurance Act, 2049, Insurance Directives relating to Financial Statements and Other Regulatory Requirements**

On the basis of our examination, we would like to further report that:

Based on our examination of financial statements as aforesaid, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Income Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 2063, in the manner so required and give a true and fair view and report that:
  - a. In case of the Balance Sheet, of the statement of affairs of the company as at 31<sup>st</sup> Ashad 2073 (Corresponding to 15<sup>th</sup> July 2016)
  - b. In the case of the Income Statement, of the profit for the year ended on that date; and
  - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Opinion**

In our opinion, the accompanying financial statements read together with accounting policies and notes to the accounts in Schedule 28 and 29 forming part of the accounts give a true and fair view, in all material respects, the financial position of **American Life Insurance Company- Nepal Branch** as at Ashad 31, 2073 (15 July, 2016) and of the results of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards, Companies Act, 2063, Insurance Act, 2049 and Directives of Insurance Board.

Date : 29<sup>th</sup> December 2016  
Place: Kathmandu, Nepal

  
CA. Gyanendra B. Bhari  
Partner





# American Life Insurance Company

Balance Sheet as on 15 July, 2016 (2073 Ashad End)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
<b><u>SOURCES</u></b>				
1	Paid-up Capital	16	-	-
2	Reserve and Surplus	17	891,598,514	577,512,575
3	Life Insurance Fund	11	11,177,455,928	9,923,314,546
4	Catastrophe Reserve	18	49,228,792	15,321,881
5	Long Term loans and Borrowings	19	-	-
	<b>Total Sources</b>		<b>12,118,283,234</b>	<b>10,516,149,002</b>
<b><u>USES</u></b>				
6	Fixed Assets (Net)	20	26,469,311	21,550,200
7	Long Term Investments	21	2,173,375,036	758,050,036
8	Policy Loans	3	765,366,539	706,397,572
9	Other Long Term Loans	23	531,080	89,470
	<b><u>Current Assets, Loans and Advances</u></b>			
10	Cash & Bank Balances	22	81,738,285	76,783,755
11	Short Term Investments	21	9,634,302,718	9,476,614,091
12	Other Short Term Loans	23	-	-
13	Other Assets	24	392,957,500	298,983,671
	<b>Total (A) (10+11+12+13)</b>		<b>10,108,998,503</b>	<b>9,852,381,517</b>
	<b><u>Current Liabilities and Provisions:</u></b>			
14	Current Liabilities	25	216,880,005	193,626,256
15	Provision for Unexpired Risks	26	233,615,020	182,183,967
16	Claims Payable	9	260,827,705	237,381,920
17	Other Provisions	26A	257,592,326	228,331,144
	<b>Total (B) (14+15+16+17)</b>		<b>968,915,056</b>	<b>841,523,287</b>
18	<b>Net Current Assets (C)= A-B</b>		<b>9,140,083,447</b>	<b>9,010,858,230</b>
19	Miscellaneous Expenses (To the extent not Written off)	27	12,457,821	19,203,494
20	Loss Transferred from P&L Account			
	<b>Total Uses (6+7+8+9+18+19+20)</b>		<b>12,118,283,234</b>	<b>10,516,149,002</b>

Contingent liabilities and annexeure 3, 9, 11 and 16 to 29 are integral part of this.

	<b>Contingent Liabilities</b>		
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		
	<b>Total</b>	-	-

As per our report of even date

.....  
Poshak Raj Paudel  
Financial Controller  
Date: 29 December 2016

.....  
M. Ala Uddin Ahmad  
Chief Executive Officer  
Date: 29 December 2016

.....  
Gyanendra B. Bhari  
Partner  
BRS Neupane & Co.  
Chartered Accountants  
Date: 29 December 2016

# American Life Insurance Company

## Profit & Loss Account for the Fiscal Year 2015/016 ( 2072/073)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
<b>INCOME</b>				
1	Transferred from Revenue A/c	10	202,582,423	76,173,427
2	Transferred from Life Fund	11	220,254,909	31,692,740
3	Income from Investment, Loan and Others	2	30,502,227	25,998,258
4	Written Back Provision	12	-	-
5	Other Income			-
<b>Total Income (A)</b>			<b>453,339,559</b>	<b>133,864,425</b>
<b>EXPENSE</b>				
6	Management Expense	7	60,733,219	54,198,757
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	19,630,317	3,983,283
12	Provision for Staff Bonus	26a	33,906,911	6,880,217
13	Adjusted Income Tax (A)	8		
14	B) Income tax		-	-
15	C) Deferred Tax Assets / (Liabilities)		(5,066,638)	795,072
16	Transfer to Life Fund	11	-	-
<b>Total Expense (B)</b>			<b>109,203,809</b>	<b>65,857,329</b>
17	<b>Net Profit / (Loss) (C) = A-B</b>		<b>344,135,750</b>	<b>68,007,096</b>
18	Expenses Related with Last Years		-	-
19	Profit/(Loss) Transferred from Last Year			
<b>Amount for Allocation</b>			<b>344,135,750</b>	<b>68,007,096</b>
20	A) Deferred Tax Reserve	17	<b>5,066,638</b>	<b>(795,072)</b>
	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	-	
	F) Catastrophe Reserve	18	33,906,911	6,880,217
21	<b>Profit/(Loss) Transferred to Balance Sheet</b>		<b>305,162,201</b>	<b>61,921,951</b>

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

As per our report of even date.

.....  
 Poshak Raj Paudel  
 Financial Controller  
 Date: 29 December 2016

.....  
 M. Ala Uddin Ahmad  
 Chief Executive Officer  
 Date: 29 December 2016

.....  
 Gyanendra B. Bhari  
 Partner  
 BRS Neupane & Co.  
 Chartered Accountants  
 Date: 29 December 2016

# American Life Insurance Company

## Consolidated Revenue Account for the Fiscal Year 2015/016 (2072/073)

Amount in NPR.

SN	Particular	Anx.	This Year	Last Year
	<b>INCOME</b>			
1	Premium (Net)	1	2,493,143,913	1,959,830,934
2	Re-insurance Commission Income		25,523,706	15,900,967
3	Investment, Loan and Other Income	2	604,583,006	549,576,294
4	Income from Policy Loan	3	92,212,388	85,120,174
5	Other Direct Income		4,275,515	4,431,770
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		237,381,920	199,934,892
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		182,183,967	104,186,000
	<b>Total Income (A)</b>		<b>3,639,304,415</b>	<b>2,918,981,031</b>
	<b>EXPENDITURE</b>			
8	Claim Payment (Net)	4	992,848,638	843,779,354
9	Agent Commission	5	216,207,169	145,274,552
10	Medical Examination Fee		2,334,094	1,488,708
11	Re-insurance Commission Expenses		-	-
12	Service Fee (Net)	6	25,394,826	19,900,673
13	Other Direct Expenses		-	-
14	Management Expenses	7	167,625,336	139,805,008
15	Income Tax	8	63,472,914	81,253,996
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	260,827,705	237,381,920
17	Provision for Unexpired Risks at the End of the Fiscal Year		233,615,020	182,183,967
	<b>Total Expenditure( B)</b>		<b>1,962,325,701</b>	<b>1,651,068,178</b>
18	Surplus Transferred to Life Insurance Fund		1,474,396,290	1,191,739,426
19	Surplus (Loss) Transferred to Profit & Loss A/c		202,582,423	76,173,427

Annexure 1-9 are integral part of this.

As per our report of even date.

.....  
 Poshak Raj Paudel  
 Financial Controller  
 Date: 29 December 2016

.....  
 M. Ala Uddin Ahmad  
 Chief Executive Officer  
 Date: 29 December 2016

.....  
 Gyanendra B. Bhari  
 Partner  
 BRS Neupane & Co.  
 Chartered Accountants  
 Date: 29 December 2016



## American Life Insurance Company

### Revenue Account of Three Payment Plan Insurance for the Fiscal Year 2015/016(2072/073)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
	<b>INCOME</b>			
1	Premium (Net)	1	694,821,427	664,013,708
2	Re-insurance Commission Income		5,287,083	4,240,846
3	Investment, Loan and Other Income	2	204,724,899	205,294,367
4	Income from Policy Loan	3	60,110,508	57,719,727
5	Other Direct Income		2,565,309	1,861,343
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		109,153,525	131,011,578
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	<b>Total Income (A)</b>		<b>1,076,662,751</b>	<b>1,064,141,569</b>
	<b>EXPENDITURE</b>			
8	Claim Payment (Net)	4	639,576,765	568,940,201
9	Agent Commission	5	29,146,489	21,837,595
10	Medical Examination Fee		757,731	541,513
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	7,068,749	6,728,575
13	Other Direct Expense		-	-
14	Management Expense	7	48,892,849	49,335,400
15	Income Tax	8	22,636,322	30,925,274
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	104,716,760	109,153,525
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	<b>Total Expenditure( B)</b>		<b>852,795,666</b>	<b>787,462,083</b>
18	Surplus Transferred to Life Insurance Fund		223,867,085	276,679,486
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  
Date: 29 December 2016

.....  
M. Ala Uddin Ahmad  
Chief Executive Officer  
Date: 29 December 2016

.....  
Gyanendra B. Bhari  
Partner  
BRS Neupane & Co.  
Chartered Accountants  
Date: 29 December 2016

# American Life Insurance Company

## Revenue Account of Endowment Insurance for the Fiscal Year 2015/016(2072/073)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
<b>INCOME</b>				
1	Premium (Net)	1	629,009,826	610,027,860
2	Re-insurance Commission Income		3,482,777	4,827,094
3	Investment, Loan and Other Income	2	303,886,703	288,351,238
4	Income from Policy Loan	3	30,634,806	26,848,803
5	Other Direct Income		1,710,206	2,570,427
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		83,486,742	41,679,187
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	<b>Total Income (A)</b>		<b>1,052,211,060</b>	<b>974,304,609</b>
<b>EXPENDITURE</b>				
8	Claim Payment (Net)	4	231,820,909	215,964,976
9	Agent Commission	5	29,302,035	31,306,100
10	Medical Examination Fee		685,961	223,545
11	Re-insurance Commission Expense			
12	Service Fee (Net)	6	6,399,216	6,181,527
13	Other Direct Expense			
14	Management Expense	7	44,051,232	44,492,300
15	Income Tax	8	37,743,964	48,355,055
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	121,028,673	83,486,742
17	Provision for Unexpired Risks at the End of the Fiscal Year			
	<b>Total Expenditure( B)</b>		<b>471,031,991</b>	<b>430,010,245</b>
18	Surplus Transferred to Life Insurance Fund		581,179,069	544,294,364
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  
Date: 29 December 2016

.....  
M. Ala Uddin Ahmad  
Chief Executive Officer  
Date: 29 December 2016

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Gyanendra B. Bhari  
Partner  
BRS Neupane & Co.  
Chartered Accountants  
Date: 29 December 2016

# American Life Insurance Company

## Revenue Account of DPS Insurance for the Fiscal Year 2015/016(2072/073)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
<b>INCOME</b>				
1	Premium (Net)	1	816,476,438	463,230,981
2	Re-insurance Commission Income		13,989,526	4,723,758
3	Investment, Loan and Other Income	2	70,077,879	38,939,320
4	Income from Policy Loan	3	1,467,074	551,644
5	Other Direct Income		-	-
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		13,084,200	4,255,000
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		-	-
	<b>Total Income (A)</b>		<b>915,095,117</b>	<b>511,700,703</b>
<b>EXPENDITURE</b>				
8	Claim Payment (Net)	4	49,695,837	13,934,685
9	Agent Commission	5	130,203,003	76,958,659
10	Medical Examination Fee		890,401	723,650
11	Re-insurance Commission Expense		-	-
12	Service Fee (Net)	6	8,306,403	4,694,006
13	Other Direct Expense		-	-
14	Management Expense	7	50,523,373	29,709,794
15	Income Tax	8	2,840,507	1,830,133
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	3,285,456	13,084,200
17	Provision for Unexpired Risks at the End of the Fiscal Year		-	-
	<b>Total Expenditure( B)</b>		<b>245,744,980</b>	<b>140,935,127</b>
18	Surplus Transferred to Life Insurance Fund		669,350,137	370,765,576
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  
Date: 29 December 2016

.....  
M. Ala Uddin Ahmad  
Chief Executive Officer  
Date: 29 December 2016

.....  
Gyanendra B. Bhari  
Partner  
BRS Neupane & Co.  
Chartered Accountants  
Date: 29 December 2016

# American Life Insurance Company

## Revenue Account of Term (Non Par) Insurance for the Fiscal Year 2015/016 (2072/073)

Amount in NPR.

SN	Particular	Anx	This Year	Last Year
	<b>INCOME</b>			
1	Premium (Net)	1	352,836,222	222,558,385
2	Re-insurance Commission Income		2,764,321	2,109,269
3	Investment, Loan and Other Income	2	25,893,525	16,991,369
4	Income from Policy Loan	3	-	-
5	Other Direct Income		-	-
6	Provision for Outstanding Claim at the Beginning of the Fiscal Year		31,657,453	22,989,127
7	Provision for Unexpired Risks at the Beginning of the Fiscal Year		182,183,967	104,186,000
	<b>Total Income (A)</b>		<b>595,335,488</b>	<b>368,834,150</b>
	<b>EXPENDITURE</b>			
8	Claim Payment (Net)	4	71,755,126	44,939,492
9	Agent Commission	5	27,555,642	15,172,198
10	Medical Examination Fee			
11	Re-insurance Commission Expense			
12	Service Fee (Net)	6	3,620,458	2,296,565
13	Other Direct Expense			
14	Management Expense	7	24,157,882	16,267,514
15	Income Tax	8	252,121	143,534
16	Provision for Outstanding Claim at the End of the Fiscal Year	9	31,796,816	31,657,453
17	Provision for Unexpired Risks at the End of the Fiscal Year		233,615,020	182,183,967
	<b>Total Expenditure( B)</b>		<b>392,753,065</b>	<b>292,660,723</b>
18	Surplus Transferred to Life Insurance Fund		-	-
19	Surplus (Loss) Transferred to Profit & Loss A/c		202,582,423	76,173,427

Annexure 1-9 are integral part of this.

As per our report of even date.

.....  
 Poshak Raj Paudel  
 Financial Controller  
 Date: 29 December 2016

.....  
 M. Ala Uddin Ahmad  
 Chief Executive Officer  
 Date: 29 December 2016

.....  
 Gyanendra B. Bhari  
 Partner  
 BRS Neupane & Co.  
 Chartered Accountants  
 Date: 29 December 2016

# American Life Insurance Company

## Cash Flow Statement for the Period of 17 July, 2015 to 15 July, 2016

Amount in NPR.

SN	Particular	This Year	Last Year
<b>A</b>	<b><u>Cash Flow from Operating Activities</u></b>		
	Premium Income	2,539,482,541	1,990,067,311
	Late Fee Income	4,275,515	4,431,770
	Reinsurance Premium Income		-
	Reinsurance Commission Income	25,523,706	11,177,209
	Other Direct Income	-	-
	Claim Recovered from Re-insurance	36,965,316	13,330,049
	Re-insurance Premium Payment	(46,338,628)	(30,236,376)
	Re-insurance Commission Payments	-	-
	Agent Commission Payment	(216,207,169)	(145,274,552)
	Medical Exam Fee Payments	(2,334,094)	(765,058)
	Claim Paid	(109,390,464)	(83,870,621)
	Maturity Claim paid	(211,074,426)	(190,248,198)
	Partial Maturity Claim Paid	(530,900,000)	(382,805,114)
	Surrender Claim Paid	(177,015,563)	(199,013,335)
	Other Claim Paid	(1,433,501)	(1,172,135)
	Service Fee Paid	(25,394,826)	(19,900,673)
	Other Direct Expenses		
	Management Expenses Paid	(228,358,555)	(194,003,765)
	Employee Bonus Payment	(8,441,664)	(54,543,900)
	Income Tax Paid	(163,064,971)	(160,020,126)
	Current Assets (increase)/ Decrease	6,064,527	44,975,519
	Current Liabilities Increase / (Decrease)	23,253,749	97,682,680
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>915,611,494</b>	<b>699,810,686</b>
<b>B</b>	<b><u>Cash flow from Investment Activities</u></b>		
	Decrease (Increase) in Fixed Assets	(4,919,111)	(7,650,628)
	Decrease (Increase) in Government Securities	401,272,000	1,351,875,000
	Decrease (Increase) in FD of Bank & Financial Institutions	(1,974,285,627)	(2,575,429,637)
	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	(58,968,967)	(81,969,355)
	Decrease (Increase) in Advance & Other Loans	(441,610)	3,049
	Interest Received (Investment)	641,219,636	609,787,225
	Dividend Received	-	-
	Rent Income	-	-
	Interest Received (Loan)	92,212,388	85,120,175
	Other Indirect Income/Expenses	(6,745,673)	(35,016,782)
	<b>Net Cash Flow from Investment Activities (B)</b>	<b>(910,656,964)</b>	<b>(653,280,953)</b>
<b>C</b>	<b><u>Cash Flow from Financial Activities</u></b>		
	Amount Received from Share	-	-
	Decrease/(Increase) in payable of lending	-	-
	Decrease/(Increase) in Short Term Loan		
	Interest paid on Loan	-	-
	Dividend Paid	-	-
	<b>Net Cash Flow from Financial activities (C)</b>	<b>-</b>	<b>-</b>
	<b>Net Cash Flow from the All Activities = A+B+C</b>	<b>4,954,530</b>	<b>46,529,733</b>
	<b>Opening Cash &amp; Bank Balance</b>	<b>76,783,755</b>	<b>30,254,022</b>
	<b>Closing Cash &amp; Bank Balance</b>	<b>81,738,285</b>	<b>76,783,755</b>

As per our report of even date.

.....  
Poshak Raj Paudel  
Financial Controller  
Date: 29 December 2016

.....  
M. Ala Uddin Ahmad  
Chief Executive Officer  
Date: 29 December 2016

.....  
Gyanendra B. Bhari  
Partner  
BRS Neupane & Co.  
Chartered Accountants  
Date: 29 December 2016

## American Life Insurance Company

### Statement of Changes in Equity for the Fiscal Year 2015/016 (2072/073)

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
<b>Opening Balance</b>	-	472,903,274	-	-	-	15,000,000	89,609,301	15,321,881	592,834,456
Profit of This Year		305,162,201							305,162,201
Proposed Cash Dividend									-
Deferred Tax Adjustment		-					5,066,638		5,066,638
Foreign Exchange Revaluation		-					3,857,100		3,857,100
Catastrophe Reserve								33,906,911	33,906,911
<b>Closing Balance</b>	-	778,065,475	-	-	-	15,000,000	98,533,039	49,228,792	940,827,306



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	706,874,861	672,857,540	12,053,434	8,843,832	694,821,427	664,013,708
2	Endowment	639,921,592	618,152,668	10,911,766	8,124,808	629,009,826	610,027,860
3	Future Care -DPS	830,640,286	469,400,638	14,163,848	6,169,657	816,476,438	463,230,981
4	Term Insurance ( Non-par Insurance)	362,045,802	229,656,465	9,209,580	7,098,080	352,836,222	222,558,385
Total		2,539,482,541	1,990,067,311	46,338,628	30,236,376	2,493,143,913	1,959,830,935

**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	706,874,861	672,857,540	-	-	706,874,861	672,857,540
2	Endowment	639,921,592	618,152,668	-	-	639,921,592	618,152,668
3	Future Care -DPS	830,640,286	469,400,638	-	-	830,640,286	469,400,638
4	Term Insurance	362,045,802	229,656,465	-	-	362,045,802	229,656,465
Total		2,539,482,541	1,990,067,311	-	-	2,539,482,541	1,990,067,311

**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	20,386,667	8,793,146	686,488,194	664,064,394	-	-	706,874,861	672,857,540
2	Endowment	40,980,165	24,269,469	598,941,427	593,883,199	-	-	639,921,592	618,152,668
3	Future Care-DPS	455,445,843	230,603,802	375,194,443	238,796,836	-	-	830,640,286	469,400,638
4	Term Insurance	108,832,181	53,452,948	45,230,012	35,758,136	207,983,609	140,445,381	362,045,802	229,656,465
Total		625,644,856	317,119,365	1,705,854,076	1,532,502,565	207,983,609	140,445,381	2,539,482,541	1,990,067,311

### Income from Investment, Loan & Other Sources

### Annexure - 2

Amount in NPR.

SN	Particular	This Year	Last Year
1	Income from Government & Secured Government securities	202,545,672	301,298,741
2	Income from Commercial Bank's Fixed Deposit (FD)	437,016,750	307,047,141
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	(574,608)	(394,203)
	b. Policy Charges & Misc.	7,458	111,842
11	Income from Loan		
12	Income from Other Deposit (Except FD)	2,224,364	1,723,704
13	Profit on Sales of Investment		
	Less: Loss on Sale of Investment		
14	Profit on (Purchase) Investment.	-	-
	Less: Loss on (Purchase) Investment.	(6,745,673)	(35,016,782)
15	Profit on Sales of Fixed Assets	611,270	804,108
	Less: Loss on Sales of Fixed Assets	-	-
16	Account Written Off		
17	Income Related to Last year	-	-
18	Other Income	-	-
<b>Total</b>		<b>635,085,233</b>	<b>575,574,551</b>
<b>Appropriation of Income from Investment, Loan &amp; Other Source</b>			
1	Transfer to Profit & Loss Accounts	30,502,227	25,998,258
2	Transfer to Three Payment Plan Revenue Account	204,724,899	198,027,165
3	Transfer to Endowment Revenue Account	303,886,703	295,618,440
4	Transfer to DPS Insurance Revenue Account	70,077,879	38,939,320
5	Transfer to Term Insurance Revenue Account	25,893,525	16,991,369
<b>Total</b>		<b>635,085,233</b>	<b>575,574,552</b>

### 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	498,919,640	479,006,009	60,110,508	57,719,727
2	Endowment	254,270,127	222,813,563	30,634,806	26,848,803
3	Future Care -DPS	12,176,772	4,578,000	1,467,074	551,644
4	Term Insurance	-	-	-	-
<b>Total</b>		<b>765,366,539</b>	<b>706,397,572</b>	<b>92,212,388</b>	<b>85,120,175</b>

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	13,854,805	13,021,334	75,942,877	65,474,922	530,900,000	382,805,114	54,095,100	118,898,881	-	-	674,792,782	580,200,251	35,216,017	11,260,049	639,576,765	568,940,202
2	Endowment	2,952,613	12,728,931	135,131,549	124,773,276			93,736,747	79,712,769	-	-	231,820,909	217,214,976	-	1,250,000	231,820,909	215,964,976
3	Future Care DPS product	20,512,121	13,533,000					29,183,716	401,685			49,695,837	13,934,685			49,695,837	13,934,685
4	Term Insurance	72,070,924	44,587,357	-	-	-	-			1,433,501	1,172,135	73,504,425	45,759,492	1,749,299	820,000	71,755,126	44,939,492
Total		109,390,464	83,870,622	211,074,426	190,248,198	530,900,000	382,805,114	177,015,563	199,013,335	1,433,501	1,172,135	1,029,813,954	857,109,404	36,965,316	13,330,049	992,848,638	843,779,355

### 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	4,368,329	2,180,753	24,778,160	19,656,842	-	-	29,146,489	21,837,595
2	Endowment	10,160,224	6,148,937	19,141,812	25,157,163	-	-	29,302,035	31,306,100
3	Future Care-DPS	91,230,667	50,745,511	38,972,336	26,213,148			130,203,003	76,958,659
4	Term Insurance	11,276,925	5,338,783	2,396,109	1,858,854	13,882,608	7,974,561	27,555,642	15,172,198
Total		117,036,145	64,413,984	85,288,416	72,886,007	13,882,608	7,974,561	216,207,169	145,274,552

### 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	7,068,749	6,728,575			7,068,749	6,728,575
2	Endowment	6,399,216	6,181,527			6,399,216	6,181,527
3	Future Care-DPS	8,306,403	4,694,006			8,306,403	4,694,006
4	Term Insurance	3,620,458	2,296,565			3,620,458	2,296,565
Total		25,394,826	19,900,673	-	-	25,394,826	19,900,673

## Management Expenses

## Annexure - 7

Amount in NPR.

SN	Particular	This Year	Last Year
1	Employee Expenses (Anx 7.1)	79,188,915	76,664,573
2	Building Rent	23,394,639	19,864,931
3	Water & Electricity	4,010,728	3,452,792
4	Repair & Maintenance	-	-
	A. Building	-	-
	B. Motor Vehicle	-	-
	C. Office Equipment	2,557,303	1,174,408
	D. Others	330,669	174,486
5	Communication	8,985,348	5,708,482
6	Printing & Stationary	8,444,193	7,079,189
7	Office Expenses	144,374	377,859
8	Transportation	2,765,396	3,463,458
9	Travel Expenses (Including Allowance)		
	A. Internal	2,983,087	2,588,460
	B. International	2,626,788	2,312,307
10	Agents Training	11,375,218	7,481,195
11	Agents Other	41,470,711	33,873,847
12	Insurance Premium	1,800,089	1,250,697
13	Security & Outsourcing Expenses	20,827,944	16,975,799
14	Legal & Advisory Fees	249,730	81,925
15	Books & Periodicals		
16	Advertisement & Promotion	4,145,029	2,616,610
17	Business Promotion		
18	Guest Entertainments	-	-
19	Donation & Awards	-	500,000
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	320,000	320,000
	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	595,168	1,422,373
27	Fee & Charges	144,012	70,000
28	Depreciation	8,263,669	5,854,986
29	Postal Stamps	2,503,000	400,000
30	Integration and Separation	-	-
31	Other	1,152,545	215,388
<b>Total for Appropriation</b>		<b>228,358,555</b>	<b>194,003,765</b>

Cont.. Annexure 7

1	Transfer to P&L A/c	60,733,219	54,198,757
2	Transfer to Three Payment Plan Revenue A/c	48,892,849	49,335,400
3	Transfer to Endowment Revenue A/c	44,051,232	44,492,300
4	Transfer to DPS future care Revenue A/c	50,523,373	29,709,794
5	Transfer to Term Insurance Revenue A/c	24,157,882	16,267,514
<b>Total</b>		<b>228,358,555</b>	<b>194,003,765</b>

**Employee Expense****Annexure - 7.1**

SN	Particular	This Year	Last Year
1	Salary	60,891,662	53,310,827
2	Allowance - OT	934,524	610,421
3	Dashain Expense	4,330,332	3,881,634
4	Providend Fund Contribution	3,236,114	2,657,365
5	Training Expense	1,183,639	372,198
6	Dress Allowance	-	-
7	Medical Expense	372,055	180,495
8	Insurance	1,636,826	1,558,021
9	Provision for Pension/Gratuity	610,382	9,984,408
10	Expenses & Provision for Leave Encashment	1,336,316	321,922
11	Provision for Other Facilities (Detail)	-	-
12	Relocation Expense	-	-
13	Recruting Expense	104,593	84,156
14	Employee Benefit Misc.	4,552,472	3,703,126
<b>Total</b>		<b>79,188,915</b>	<b>76,664,573</b>

**Income Tax****Annexure - 8**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Income Tax of This Year	63,472,914	81,253,995
2	Income Tax of Last Year		-
3	<b>Total Income Tax for Allocation</b>	<b>63,472,914</b>	<b>81,253,995</b>
4	Deferred Income Tax	(5,066,638)	795,072
<b>Allocation</b>			
	<b>Transfer to Profit &amp; Loss Accounts C= A+B</b>	<b>(5,066,638)</b>	<b>795,072</b>
	A) Income Tax from Allocation	-	-
	B) Deferred Tax for This Year	(5,066,638)	795,072
	<b>Transfer to Three Payment Plan Revenue A/c</b>	<b>22,636,322</b>	<b>30,925,274</b>
	<b>Transfer to Endowment Revenue A/c</b>	<b>37,743,964</b>	<b>48,355,055</b>
	<b>Transfer to DPS Future Care Insurance Revenue A/c</b>	<b>2,840,507</b>	<b>1,830,133</b>
	<b>Transfer to Term Insurance Revenue A/c</b>	<b>252,121</b>	<b>143,534</b>
<b>Total</b>		<b>58,406,276</b>	<b>82,049,068</b>



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	1,018,250	4,491,500	12,728,192	14,382,980	77,398,567	77,423,567	-	-	-	-	-	-	91,145,008	96,298,047	100,000	1,589,229	104,716,760	109,153,525
2	Endowment	38,389,083	35,313,197	66,853,241	38,607,448	-	-	-	-	-	-	-	-	105,242,324	73,920,645	-	1,522,000	121,028,673	83,486,742
3	Future Care DPS product	3,083,005	12,108,000	-	-	-	-	-	-	-	-	-	-	3,083,005	12,108,000	260,000	840,000	3,285,456	13,084,200
4	Term Insurnace	23,279,017	31,474,897	-	-	-	-	-	-	-	-	5,659,083	3,515,932	28,938,101	34,990,829	1,482,000	8,582,000	31,796,816	31,657,453
Total		65,769,356	83,387,594	79,581,433	52,990,428	77,398,567	77,423,567	-	-	-	-	5,659,083	3,515,932	228,408,438	217,317,521	1,842,000	12,533,229	260,827,705	237,381,920

**Amount Transferred from Revenue Accounts to P&L Account**

**Annexure - 10**

SN	Particular	Amount in NPR.	
		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	202,582,423	76,173,427
Total		202,582,423	76,173,427

**Annexure -11**

**Life Insurance Fund**

SN	Types of Insurance	Amount in NPR.											
		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	4,016,079,364	3,738,114,377	223,867,085	276,679,486			-				4,239,946,449	4,014,793,863
2	Endowment	5,286,929,838	4,737,734,293	581,179,069	544,294,364			-				5,868,108,907	5,282,028,657
3	Future Care DPS Insurance	620,305,344	287,419,190	669,350,137	370,765,576		-		-			1,289,655,481	658,184,766
4	Term Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Total		9,923,314,546	8,763,267,860	1,474,396,290	1,191,739,426	-	-	-	-	-	-	11,397,710,836	9,955,007,286

**Adjustment in Life Insurance Fund**

SN	Types of Insurance	Amount in NPR.													
		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	Three Payment Plan	4,239,946,449	4,014,793,863	7,071,570	(1,285,501)									4,232,874,879	4,016,079,364
2	Endowment	5,868,108,907	5,282,028,657	24,298,222	(4,901,181)									5,843,810,685	5,286,929,838
3	Future Care DPS Insurance	1,289,655,481	658,184,766	188,885,117	37,879,422		-		-		-			1,100,770,364	620,305,344
4	Term Insurance	-	-											-	-
Total		11,397,710,836	9,955,007,286	220,254,909	31,692,740	-	-	-	-	-	-	-	-	11,177,455,928	9,923,314,546

**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		
<b>Total</b>		-	-

**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	-	-
<b>Total</b>		-	-

**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	-	-
<b>Total</b>		-	-

**Others Expense****Annexure - 14**

Amount in NPR.

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

**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	-	-
<b>Total</b>		-	-

## A. Share Capital

## Annexure - 16

Amount in NPR.

SN	Particular	This Year	Last Year
1	<b>Authorized Capital</b>		
	A. ....Equity Shares Worth Rs ..... Each		
	B. ....Non Redeemable Preferred Worth Rs ..... Each		
	C. ....Redeemable Preferred Worth Rs ..... Each		
2	<b>Issued Capital</b>		
	A. ....Equity Shares Worth Rs ..... Each		
	B. ....Non Redeemable Preferred Worth Rs ..... Each		
	C. ....Redeemable Rpreferred Worth Rs ..... Each		
3	<b>Paid-up Capital</b>		
	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		
<b>Total</b>		-	-

## 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				
<b>Total</b>					
Public					
Other (Details)					
<b>Total</b>					

### 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	24,889,339	19,822,701
2	Capital Reserve		
3	Special Reserve		
4	<b>Other Reserve</b>		
	HO Fund	73,643,700	69,786,600
	Contingency Reserve	15,000,000	15,000,000
	Shareholder share of profit	472,903,274	410,981,323
5	Share Premium		
6	Proposed Bonus Share		
7	Remaining Bonus Share for Capitalization		
8	Profit Transferred from P&L A/c	305,162,201	61,921,951
<b>Total</b>		<b>891,598,514</b>	<b>577,512,575</b>

**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
15,321,881	8,441,664	33,906,911	6,880,217	49,228,792	15,321,881
				-	-
				-	-
				-	-
<b>Total</b>				49,228,792	15,321,881.00

**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		
<b>Total</b>		-	-

## 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	18,449,925	3,044,033		21,493,958	16,033,223	1,474,760		17,507,983	3,985,975	2,416,702
Office Equipments	6,033,290	5,168,968		11,202,258	4,158,446	1,010,990		5,169,436	6,032,822	1,874,844
Computer and EDP	37,941,877	3,417,889	194,352	41,165,414	35,495,347	1,383,079	(194,352)	36,684,074	4,481,340	2,446,530
Intangible Assets	1,085,347	657,660		1,743,007	1,085,347	95,132		1,180,479	562,528	-
Automobiles	28,734,918	736,600	2,206,462	27,265,056	13,922,793	4,142,078	(2,206,462)	15,858,410	11,406,646	14,812,125
Lease Hold Assets	3,021,860	-		3,021,860	3,021,860	-	-	3,021,860	-	-
Others	335,405		-	335,405	335,405			335,405	-	-
<b>Total</b>	<b>95,602,622</b>	<b>13,025,150</b>	<b>2,400,814</b>	<b>106,226,957</b>	<b>74,052,422</b>	<b>8,106,039</b>	<b>(2,400,814)</b>	<b>79,757,646</b>	<b>26,469,311</b>	<b>21,550,200</b>
Capital Expenditure -WIP	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>95,602,622</b>	<b>13,025,150</b>	<b>2,400,814</b>	<b>106,226,957</b>	<b>74,052,422</b>	<b>8,106,039</b>	<b>(2,400,814)</b>	<b>79,757,646</b>	<b>26,469,311</b>	<b>21,550,200</b>
<b>Last Year</b>	<b>87,395,830</b>	<b>13,505,611</b>	<b>5,298,819</b>	<b>95,602,622</b>	<b>73,496,257</b>	<b>14,061,776</b>	<b>(13,505,611)</b>	<b>74,052,422</b>	<b>21,550,200</b>	<b>13,899,572</b>



**Investment**
**Annexure -21**

Amount in NPR.

SN	Particular	This Year	Last Year
<b>a.</b>	<b><u>Long Term Investment :</u></b>		
[	Government Securities	2,173,375,036	758,050,036
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	-	-
	<b>Total</b>	<b>2,173,375,036</b>	<b>758,050,036</b>
<b>b.</b>	<b><u>Short Term Investment</u></b>		
1	Government Security		1,816,597,000
2	Fixed Deposit with Commercial Bank	9,634,302,718	7,660,017,091
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	-	-
	<b>Total</b>	<b>9,634,302,718</b>	<b>9,476,614,091</b>
	<b>G. Total</b>	<b>11,807,677,754</b>	<b>10,234,664,127</b>

**Share Investment**
**Annexure - 21.1**

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

**Cash & Bank Balance**
**Annexure - 22**

Amount in NPR.

SN	Particular	This Year	Last Year
<b>1</b>	<b><u>Cash Balance</u></b>		
	Cash	51,000	51,000
	<b>Total</b>	<b>51,000</b>	<b>51,000</b>
<b>2</b>	<b><u>Bank Balance</u></b>		
	Commercial Banks Balance	81,687,285	76,732,755
	Development Banks Balance	-	-
	Finance Companies Balance	-	-
	Other	-	-
	<b>Total</b>	<b>81,687,285</b>	<b>76,732,755</b>
	<b>G. Total</b>	<b>81,738,285</b>	<b>76,783,755</b>

**Other Loan****Annexure -23**

Amount in NPR.

SN	Particular	This Year	Last Year
<b>A.</b>	<b>Long Term Loan</b>		
1	Agent Loan	245,640	89,470
2	Employee Loan	285,440	-
3	Other		
	<b>Total</b>	<b>531,080</b>	<b>89,470</b>
<b>B.</b>	<b>Short Term Loan</b>		
1	Agent Loan	-	
2	Employee Loan	-	
3	Other	-	
	<b>Total</b>	<b>-</b>	<b>-</b>

**Other Assets****Annexure - 24**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Receivable income from Investment	120,463,362	51,153,244
2	Receivable Interest from Policy Loan	20,129,043	21,713,117
3	Receivable Interest from other Loan (except Policy Loan)	-	-
4	Receivable from other Insurer		
5	Receivable from Re-insurer	2,411,128	400,000
6	Sundry Debtors	-	3,455,425
7	Pre-payments	3,993,660	3,407,710
8	Staff Advance	9,509,059	7,579,343
9	Other Advance - Agent EQ	5,030,697	2,326,424
10	Deposit - Department of Tax	13,518,431	-
11	Receivable Insurance Premium	-	-
	Less: Suspense Receivable Insurance Premium	-	-
12	Other - a. Gratuity Deposit at CIT office	29,947,810	29,105,581
	b. Advance Tax Deposited	163,064,971	160,020,126
	C. Deferred Tax	24,889,339	19,822,701
	<b>Total</b>	<b>392,957,500</b>	<b>298,983,671</b>

**Current Liabilities****Annexure - 25**

Amount in NPR.

SN	Particular	This Year	Last Year
1	Payable to Agents	24,220,132	23,065,276
2	Payable to other Insurer		
3	Payable to Re-insurer	6,756,674	4,566,981
4	Short Term Lending		
5	Premium Deposit	13,284,800	5,120,794
6	Premium Deposit without Full Details	8,121,244	3,774,955
7	Sundry Creditors	1,635,151	3,707,525
8	Payable to Holding/Subsidiary Companies	-	-
9	Payable Withholding Tax	7,043,266	2,309,115
10	Payable VAT		
11	Payable Service Fee	25,394,826	19,900,673
12	Payable to Staff	3,531,213	5,005,445
13	Payable to Management		
14	Dividend Payable		
15	Other		
	a. Outstanding Cheques	126,892,699	126,175,492
	<b>Total</b>	<b>216,880,005</b>	<b>193,626,256</b>

**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	233,615,020	182,183,967
<b>Total</b>		<b>233,615,020</b>	<b>182,183,967</b>

## 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	81,253,995	84,594,911	63,472,915	81,253,995	81,253,995	84,594,911			63,472,915	81,253,995
3	Provision for Loss on Investment	-	-	-	-		-			-	-
4	Provision for Loss on Debt	-	-		-		-			-	-
5	Provision for Doubtful Debtor	-	-		-		-			-	-
6	Provision for Other Loss	-	-		-		-			-	-
7	<b>Provision for Staffs</b>	-	-		-		-			-	-
	Provision for Gratuity	28,516,952	19,885,841	1,165,565	10,582,784	331,788	1,951,673	-		29,350,729	28,516,952
	Provision for Leave Encashment	3,962,688	4,078,882	1,336,316	321,922	223,395	438,116			5,075,609	3,962,688
	Provision for Housing fund	51,052,080	47,068,797	19,630,317	3,983,283	-	-			70,682,397	51,052,080
	Provision for Staff Bonus	15,321,881	62,985,564	33,906,911	6,880,217	8,441,664	54,543,900			40,787,128	15,321,881
	Others	-	-		-		-			-	-
8	Other Provision	-	-		-		-			-	-
<b>Total</b>		<b>228,331,144</b>	<b>266,837,543</b>	<b>119,512,024</b>	<b>103,022,201</b>	<b>90,250,842</b>	<b>141,528,600</b>	-	-	<b>257,592,326</b>	<b>228,331,144</b>

**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			12,457,821	19,203,494
4	Balance Deferred Expenses for Written off				
5	Others				
Total				12,457,821	19,203,494

## **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 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 – 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 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 plus excess management expenses than the given limit 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 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 2015/16 on 26 December 2016 (Poush 11, 2073). Shareholders' portion of Profit (after deduction for employee housing fund and profit bonus) for 2015/16 arising from the actuarial valuation together with Profits from non-participating portfolio for 2015/16 amount to NPR. 339,069,112. 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. 33,906,911 has been transferred to catastrophic reserve account.

Insurance Board, in its letter no. Bi. Bi.Sha.129 (2073/74) dispatch no. 440, dated 17 August 2016, advised the Company not to outflow the cash from profit of FY 2015/16 in the form of cash dividend, accordingly profit of this year NPR 305,162,201 has been transferred to 'Reserve and Surplus' account in the Balance sheet.

**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. 70,682,397 as of 15 July 2016.

## **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 2015/16 following on Gross Premium Method which was based on Nepali mortality table published by Insurance Board (unless otherwise mentioned) at 5.00 % 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					Maturities					
S.N	Name		Purchase Date	Qty	Facevalue	S.N	Name		Date of Maturity	Face Value
1	Nepal Rastra Bank	G Bond	1-Apr-16	1	212,775,000.00	1	Nepal Rastra Bank	G Bond	31-Dec-15	453,600,000.00
2	Nepal Rastra Bank	G Bond	17-Apr-16	1	352,550,000.00	2	Nepal Rastra Bank	G Bond	20-Jan-16	320,000,000.00
3	Nepal Rastra Bank	G Bond	22-Apr-16	1	450,000,000.00	3	Nepal Rastra Bank	G Bond	20-Jan-16	139,045,000.00
4	Nepal Rastra Bank	G Bond	28-Apr-16	1	400,000,000.00	4	Nepal Rastra Bank	G Bond	21-Feb-16	28,675,000.00
5	Standard chartered	USD FD	25-Nov-15	1	766,200.72	5	Nepal Rastra Bank	G Bond	1-Apr-16	78,475,000.00
6	Nepal Inv. Bank	FD	11-May-15	1	100,000,000.00	6	Nepal Rastra Bank	G Bond	11-Apr-16	229,004,000.00
7	NIC ASIA Bank	FD	11-May-15	1	150,000,000.00	7	Nepal Investment Bank	FD	28-Jul-15	12,000,000.00
8	Sanima Bank	FD	11-May-15	1	47,000,000.00	8	NIC ASIA Bank	FD	20-Jul-15	10,000,000.00
9	Nepal SBI Bank	FD	11-May-15	1	130,000,000.00	9	NIC ASIA Bank	FD	25-Jul-15	5,000,000.00
10	GIME Bank	FD	27-Dec-15	1	100,000,000.00	10	Everest Bank	FD	19-Jul-15	10,000,000.00
11	Himalayan Bank	FD	6-Jan-16	1	180,000,000.00	11	Everest Bank	FD	27-Jul-15	11,000,000.00
12	Nabil Bank	FD	6-Jan-16	1	110,000,000.00	12	Everest Bank	FD	19-Jul-15	250,000,000.00
13	Everest Bank	FD	6-Jan-16	1	160,000,000.00	13	Sanima Bank	FD	19-Jul-15	44,895,000.00
14	Nepal SBI Bank	FD	7-Feb-16	1	100,000,000.00	14	GIME Bank	FD	20-Aug-15	100,000,000.00
15	NIC ASIA Bank	FD	7-Feb-16	1	100,000,000.00	15	Everest Bank	FD	1-Aug-15	40,000,000.00
16	Everest Bank	FD	8-Feb-16	1	200,000,000.00	16	Everest Bank	FD	8-Aug-15	99,000,000.00
17	Himalayan Bank	FD	11-Feb-16	1	200,000,000.00	17	Nabil Bank	FD	2-Aug-15	97,000,000.00
18	GIME Bank	FD	23-Feb-16	1	150,000,000.00	18	Laxmi Bank	FD	25-Aug-15	20,000,000.00
19	GIME Bank	FD	6-Mar-16	1	100,000,000.00	19	Bank of Kathmandu	FD	19-Aug-15	20,000,000.00
20	Machhapuchhre Bank	FD	8-May-16	1	100,000,000.00	20	SCB (USD)	FD	5-Aug-15	765,708.57
21	Everest Bank	FD	30-May-16	1	150,000,000.00	21	Bank of Kathmandu	FD	14-Sep-15	68,500,000.00
22	NIC ASIA Bank	FD	14-Jul-16	1	100,000,000.00	22	Nepal Investment Bank	FD	24-Sep-15	50,000,000.00
23	GIME Bank	FD	14-Jul-16	1	100,000,000.00	23	Sanima Bank	FD	29-Sep-15	58,000,000.00
24	Nepal Inv. Bank	FD	28-Jul-15	1	12,000,000.00	24	GIME Bank	FD	8-Oct-15	160,000,000.00
25	NIC ASIA Bank	FD	20-Jul-15	1	10,000,000.00	25	Sanima Bank	FD	8-Oct-15	50,000,000.00
26	NIC ASIA Bank	FD	25-Jul-15	1	5,000,000.00	26	Nepal SBI Bank	FD	30-Oct-15	250,000,000.00
27	Everest Bank	FD	19-Jul-15	1	10,000,000.00	27	Nabil Bank	FD	5-Nov-15	140,000,000.00
28	Everest Bank	FD	27-Jul-15	1	11,000,000.00	28	Laxmi Bank	FD	7-Nov-15	15,000,000.00
29	Everest Bank	FD	19-Jul-15	1	250,000,000.00	29	Nepal SBI Bank	FD	8-Nov-15	90,000,000.00
30	Sanima Bank	FD	19-Jul-15	1	44,895,000.00	30	NIC ASIA Bank	FD	12-Jan-15	50,000,000.00
31	GIME Bank	FD	20-Aug-15	1	100,000,000.00	31	Nabil Bank	FD	12-Jul-15	100,000,000.00
32	Everest Bank	FD	1-Aug-15	1	40,000,000.00	32	Prime Commercial Bank	FD	12-Jul-15	30,000,000.00
33	Everest Bank	FD	8-Aug-15	1	99,000,000.00	33	Prime Commercial Bank	FD	27-Dec-15	72,000,000.00
34	Nabil Bank	FD	2-Aug-15	1	97,000,000.00	34	Sanima Bank	FD	29-Dec-15	58,000,000.00
35	Laxmi Bank	FD	25-Aug-15	1	20,000,000.00	35	Standard Chartered Bank	FD	24-Jan-16	280,000,000.00
36	Bank of Kathmandu	FD	19-Aug-15	1	20,000,000.00	36	Nabil Bank	FD	31-Jan-16	100,000,000.00
37	Standard chartered	USD FD	5-Aug-15	1	765,708.57	37	Nabil Bank	FD	13-Jan-16	100,000,000.00
38	Bank of Kathmandu	FD	14-Sep-16	1	68,500,000.00	38	Nepal Investment Bank	FD	19-Jan-16	250,000,000.00
39	Nepal Inv. Bank	FD	24-Sep-16	1	50,000,000.00	39	Himalayan Bank	FD	16-Jan-16	150,000,000.00
40	Sanima Bank	FD	29-Sep-16	1	58,000,000.00	40	Himalayan Bank	FD	19-Jan-16	60,000,000.00
41	GIME Bank	FD	8-Oct-15	1	160,000,000.00	41	Himalayan Bank	FD	20-Jan-16	100,000,000.00
42	Sanima Bank	FD	8-Oct-15	1	50,000,000.00	42	NIC ASIA Bank	FD	14-Jan-16	260,000,000.00
43	Nepal SBI Bank	FD	30-Oct-15	1	250,000,000.00	43	Laxmi Bank	FD	23-Jan-16	39,000,000.00
44	Nabil Bank	FD	5-Nov-15	1	140,000,000.00	44	Siddhartha Bank	FD	19-Jan-16	10,000,000.00
45	Laxmi Bank	FD	7-Nov-15	1	15,000,000.00	45	Sanima Bank	FD	8-Jan-16	50,000,000.00
46	Nepal SBI Bank	FD	8-Nov-15	1	90,000,000.00	46	Nepal Investment Bank	FD	9-Feb-16	150,000,000.00
47	NIC ASIA Bank	FD	12-Jan-15	1	50,000,000.00	47	NIC ASIA Bank	FD	8-Feb-16	70,000,000.00
48	Nabil Bank	FD	12-Jul-15	1	100,000,000.00	48	Siddhartha Bank	FD	8-Feb-16	54,000,000.00
49	Prime Comm. Bank	FD	12-Jul-15	1	30,000,000.00	49	Bank of Kathmandu	FD	9-Feb-16	45,000,000.00
50	Prime Comm. Bank	FD	27-Dec-15	1	72,000,000.00	50	Sanima Bank	FD	5-Feb-16	47,000,000.00
51	Sanima Bank	FD	29-Dec-15	1	58,000,000.00	51	Standard Chartered Bank	FD	31-Mar-16	200,000,000.00
52	Standard chartered	FD	24-Jan-16	1	280,000,000.00	52	Siddhartha Bank	FD	18-Mar-16	20,000,000.00
53	Nabil Bank	FD	31-Jan-16	1	100,000,000.00	53	NSBI Bank	FD	29-Mar-16	50,000,000.00
54	Nabil Bank	FD	13-Jan-16	1	100,000,000.00	54	NSBI Bank	FD	17-Mar-16	50,000,000.00
55	Nepal Inv. Bank	FD	19-Jan-16	1	250,000,000.00	55	Sanima Bank	FD	29-Mar-16	58,000,000.00
56	Himalayan Bank	FD	16-Jan-16	1	150,000,000.00	56	Nabil Bank	FD	12-Apr-16	180,000,000.00
57	Himalayan Bank	FD	19-Jan-16	1	60,000,000.00	57	Nepal Investment Bank	FD	30-Apr-16	200,000,000.00
58	Himalayan Bank	FD	20-Jan-16	1	100,000,000.00	58	Nepal Investment Bank	FD	22-Apr-16	20,000,000.00
59	NIC ASIA Bank	FD	14-Jan-16	1	260,000,000.00	59	Himalayan Bank	FD	8-Apr-16	120,000,000.00
60	Laxmi Bank	FD	23-Jan-16	1	39,000,000.00	60	Himalayan Bank	FD	30-Apr-16	90,000,000.00
61	Siddhartha Bank	FD	19-Jan-16	1	10,000,000.00	61	Everest Bank	FD	9-Apr-16	170,000,000.00
62	Sanima Bank	FD	8-Jan-16	1	50,000,000.00	62	NSBI Bank	FD	1-Apr-16	100,000,000.00
63	Nepal Inv. Bank	FD	30-Apr-16	1	200,000,000.00	63	Sanima Bank	FD	8-Apr-16	50,000,000.00
64	Himalayan Bank	FD	8-Apr-16	1	120,000,000.00	64	Nepal Investment Bank	FD	28-May-16	60,000,000.00
65	Himalayan Bank	FD	30-Apr-16	1	90,000,000.00	65	Himalayan Bank	FD	5-May-16	120,000,000.00
66	Himalayan Bank	FD	5-May-16	1	120,000,000.00	66	Sanima Bank	FD	5-May-16	55,000,000.00
67	Nepal Inv. Bank	FD	2-Jun-16	1	201,000,000.00	67	Nepal Investment Bank	FD	2-Jun-16	50,000,000.00
68	Nepal Inv. Bank	FD	9-Jul-16	1	227,000,000.00	68	Nepal Investment Bank	FD	7-Jun-16	77,000,000.00
69	Himalayan Bank	FD	8-Jun-16	1	187,000,000.00	69	Nepal Investment Bank	FD	9-Jun-16	150,000,000.00
70	Laxmi Bank	FD	19-Jun-16	1	113,000,000.00	70	Himalayan Bank	FD	7-Jun-16	157,000,000.00
71	Siddhartha Bank	FD	19-Jun-16	1	67,000,000.00	71	Everest Bank	FD	11-Jun-16	115,400,000.00
72	Nepal Inv. Bank	FD	20-Jun-16	1	95,000,000.00	72	Nepal SBI Bank	FD	12-Jun-16	150,000,000.00
73	GIME Bank	FD	19-Jun-16	1	135,000,000.00	73	Bank of Kathmandu	FD	12-Jun-16	50,000,000.00
74	Siddhartha Bank	FD	3-Jul-16	1	70,000,000.00	74	Everest Bank	FD	19-Jun-16	55,000,000.00
75	GIME Bank	FD	6-Jul-16	1	115,000,000.00	75	NIC ASIA Bank	FD	19-Jun-16	118,000,000.00
76	Bank of Kathmandu	FD	11-Jul-16	1	120,000,000.00	76	Laxmi Bank	FD	19-Jun-16	113,000,000.00
77	NIC ASIA Bank	FD	8-Jul-16	1	212,000,000.00	77	Siddhartha Bank	FD	19-Jun-16	67,000,000.00
78	Nepal SBI Bank	FD	7-Jul-16	1	272,000,000.00	78	Nepal Investment Bank	FD	19-Jun-16	85,000,000.00
79	Nabil Bank	FD	12-Jul-16	1	148,400,000.00	79	GIME Bank	FD	19-Jun-16	135,000,000.00
80	Everest Bank	FD	12-Jul-16	1	163,000,000.00	80	Nepal SBI Bank	FD	2-Jun-16	91,000,000.00
81	Laxmi Bank	FD	14-Jul-16	1	150,000,000.00	81	Nepal SBI Bank	FD	1-Jun-16	60,000,000.00
82	Siddhartha Bank	FD	14-Jul-16	1	39,800,000.00	82	Prime Commercial Bank	FD	7-Jun-16	30,000,000.00
83	Nabil Bank	FD	15-Jul-16	1	125,000,000.00	83	Prime Commercial Bank	FD	27-Jun-16	72,000,000.00
84	NIC ASIA Bank	FD	14-Jul-16	1	275,000,000.00	84	Siddhartha Bank	FD	3-Jul-16	70,000,000.00
85	Nepal Inv. Bank	FD	15-Jul-16	1	140,000,000.00	85	GIME Bank	FD	3-Jul-16	70,000,000.00
						86	GIME Bank	FD	6-Jul-16	45,000,000.00
						87	Bank of Kathmandu	FD	6-Jul-16	65,000,000.00
						88	Himalayan Bank	FD	7-Jul-16	100,000,000.00
						89	NIC ASIA Bank	FD	7-Jul-16	92,000,000.00
						90	NIC ASIA Bank	FD	8-Jul-16	120,000,000.00
						91	NSBI Bank	FD	7-Jul-16	72,000,000.00
						92	Nabil Bank	FD	11-Jul-16	142,400,000.00
						93	Everest Bank	FD	12-Jul-16	163,000,000.00
						94	Laxmi Bank	FD	12-Jul-16	12,000,000.00
						95	Siddhartha Bank	FD	12-Jul-16	31,000,000.00
						96	Siddhartha Bank	FD	14-Jul-16	2,500,000.00
						97	Nabil Bank	FD	15-Jul-16	100,000,000.00
						98	Nabil Bank	FD	13-Jul-16	25,000,000.00
						99	NIC ASIA Bank	FD	13-Jul-16	15,000,000.00
						100	NIC ASIA Bank	FD	14-Jul-16	260,000,000.00
						101	Nepal Investment Bank	FD	15-Jul-16	10,000,000.00

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 2064/65 to fiscal year 2071/072. Appeal against disallowed management expenses of NPR.5,156,976 for the FY 2064/065 is pending decision at Revenue Tribunal.

Appeal against disallowed management expenses of NPR 100,024,416, NPR 66,237,179 and NPR 12,259,489 for the FY 2065/066, FY 2066/67 and FY 2067/68 respectively is pending decision at Department of Tax. The Company's final tax assessment from LTPO for fiscal year 2068/069 to fiscal year 2071/072 is pending as of the Balance Sheet date. The company has received the tax clearance certificate for Fiscal year 2071-72 from Inland Revenue Department.

**13. Premiums refunded**

During the year, the company refunded NPR 1,343,021 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 2015-16.

Policy terms	Products wise declared & interim bonus rate per thousand	
	3PP	Endowment, EPP & others Par products
1-15 Years	35	40
16-20 Years	45	50
21 Years & above	55	60

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. 12,457,821 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 503 % solvency margin as of 2073 Ashad end (15 July 2016)

**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 2015	Movement	Balance of 15 July 2016
<b>Deferred Tax Assets</b>			
Accumulated depreciation in Financial Statements	(1,060,229)	(327,616)	(1,387,845)
Provision for gratuity	7,129,238	208,444	7,337,682
Provision for Employee Housing	12,763,020	4,907,579	17,670,599
Provision for Leave Encashment	990,672	278,230	1,268,902
<b>Net Deferred Tax assets</b>	<b>19,822,701</b>	<b>5,066,638</b>	<b>24,889,339</b>

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				
			2015/16	2014/15	2013/14	2012/13	2011/12
			2072/073	2071/072	2070/071	2069/070	2068/069
1	Net Worth	NPR.	940,827,306	592,834,456	521,211,760	463,907,824	147,155,958
2	Number of Share	Count	-	-	-	-	-
3	Book Value Per Share	NPR.	-	-	-	-	-
4	Net Profit	NPR.	344,135,750	68,007,096	87,072,924	556,347,383	25,942,849
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.	833,628,465	457,564,746	331,955,811	250,253,920	136,460,837
10	Gross Premium	NPR.	2,539,482,541	1,990,067,311	1,815,817,857	1,599,847,614	1,485,536,888
11	Net premium/Gross Premium	%	98.2%	98.5%	98.5%	99.0%	99.1%
12	Net profit/Gross Premium	%	13.6%	3.4%	4.8%	34.8%	1.7%
13	Gross Premium/Total Assets	%	19%	18%	18%	18%	20%
14	Income from Investment & Loan/ Total Investment & Loan	%	5.8%	6.0%	6.0%	7.3%	7.1%
15	Total Investment & Loan/Life Fund	%	112%	110%	110%	106%	105%
16	RI Commission Income/Total RI Premium	%	55.1%	52.6%	52.6%	47.6%	45.2%
17	Management Expenses/Gross Premium	%	9.0%	9.7%	10.7%	7.2%	7.3%
18	Agent Expenses/Gross Premium	%	8.5%	7.3%	8.0%	6.9%	6.5%
19	Total Number of Agents	count	3,219	2,662	2,260	1,842	2,500
20	Number of Employee	count	110	102	97	89	90
21	Number of Offices	count	22	22	19	15	15
22	Employee Expenses/Management Expenses	%	34.7%	39.5%	41.9%	42.7%	38.9%
23	Employee Expenses/Number of Employee	NPR.	776,362	751,613	676,912	553,366	471,380
24	Payable Claim/Paid Claim	%	26%	28%	25%	30%	29%
25	Total Number of Inforce Policy	Count	646,068	458,211	347,937	300,245	264,893
26	This Year Renewed Policy/ Inforce Policy up to Last Year	%	85.7%	85.7%	87.7%	86.7%	88.7%
27	Number of Claim/ Total Inforce Policy	%	0.05%	0.05%	0.06%	0.07%	0.08%
28	Solvency Margin	%	503%	561%	689%	468%	Na
29	Declared Bonus Rate	NPR./1000	35/45/55 -3PP & 40/50/60 EPP/End	35/45/55 -3PP & 40/50/60 EPP/End	35/45/55	35/45/55	35
30	Interim Bonus Rate	NPR./1000	35/45/55 -3PP & 40/50/60 EPP/End				



**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	56,173	59,540	7,431,227,744	8,771,898,098	1,312,040,361	6,731,794,290	116,114,658	560,475,634	1,195,925,702	6,171,318,656
2	Endowment	59,687	63,620	7,538,984,563	8,548,122,959	2,711,462,269	6,091,419,568	203,523,744	406,250,592	2,507,938,525	5,685,168,977
3	Future Care-DPS	41,602	25,220	16,386,911,672	7,870,541,929	14,792,470,446	7,527,538,514	5,666,165,980	2,450,308,775	9,126,304,465	5,077,229,738
4	Term Insurance	488,606	309,831	59,610,835,664	39,866,320,208	59,371,562,222	39,719,710,698	7,954,178,288	7,672,329,702	51,417,383,934	32,047,380,996
<b>Total</b>		<b>646,068</b>	<b>458,211</b>	<b>90,967,959,643</b>	<b>65,056,883,194</b>	<b>78,187,535,298</b>	<b>60,070,463,070</b>	<b>13,939,982,671</b>	<b>11,089,364,703</b>	<b>64,247,552,627</b>	<b>48,981,098,367</b>



**बीमा समिति**  
**BEEMA SAMITI**

नेपालको बीमा नियमनकारी निकाय  
Insurance Regulatory Authority of Nepal



मिति : २०७३/११/०४

वि.वि.शा. २४७ (२०७३/७४) च.नं. २०४

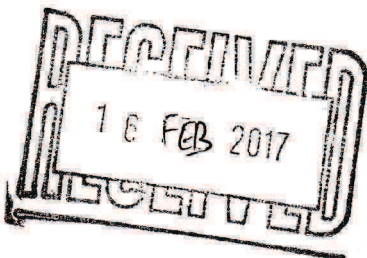
श्री मेट लाइफ (ALICO),  
पुल्चोक, ललितपुर।

विषय : आ.व.२०७२/७३ को वित्तीय विवरण स-शर्त स्वीकृति बारे।

यस समितिमा प्राप्त तहाँको मिति २०७३/१०/१३ (च.नं. ४८ /२०१७) समेतको पत्र सम्बन्धमा लेखिदैछ।

बीमकको वित्तीय विवरण प्रतिको उत्तरदायित्व बीमकमा रहेको सर्वविदितै छ। लेखापरीक्षण भई समितिको स्वीकृतिको लागि पेश हुन आएको तहाँको आ.व.२०७२/७३ को वित्तीय विवरण सम्बन्धमा देहाय बमोजिमका शर्तहरु सहित स्वीकृत गरिएको व्यहोरा निर्णयानुसार आवश्यक कार्यार्थ जानकारी गराइन्छ।

- १) बीमकले बीमितहरुको परिपक्व भइसेकेको बीमालेख वापत चुक्ता गर्नु पर्ने रकम रु १२,६८,९२,६९९।- तोकिएको समय सीमा भित्र भुक्तानी गर्न आवश्यक पहल गर्नु हुन।
- २) पूर्ण विवरण नखुलेको बीमा शुल्क रु ८१,२१,२४४।-लाई न्यूनीकरण गर्नु हुन।
- ३) बीमकले अण्डराइटिङ प्रकृया प्रभावकारी बनाउनु हुन।
- ४) तोकिएको सीमा भन्दा बढी व्यवस्थापन खर्च गरेको तर्फ बीमक त्यस्तो खर्च नगर्न सचेत रहनु हुन।
- ५) बीमकले माइको प्रोडक्टहरु तयार पारी न्यून आय भएको ग्रामिण जनता समक्ष बीमा सेवाको पहुँच पुर्याउनु हुन।
- ६) लेखा परीक्षकले औल्याएका कैफियतहरु सुधार गरी आन्तरिक नियन्त्रण प्रणाली प्रभावकारी बनाउनु हुन।



(सन्तोष प्रसाई)  
वित्त विश्लेषक