

Citizen Life Insurance Company Limited
LS Complex, Thapathali, Kathmandu, Contact No.: 01-5316000, Website: www.citizenlifeneal.com
Quarterly Financial Result for 3rd Quarter, FY 2080/081 B.S.

CONDENSED STATEMENT OF FINANCIAL POSITION
As At Chaitra 30, 2080 (April 12, 2024)

Fig in NPR.

Particulars	Unaudited	Audited
	At the end of this Quarter	At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	2,521,970	2,505,085
Property and Equipment	244,571,283	235,740,566
Investment Properties	-	-
Deferred Tax Assets	644,501,917	635,650,542
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	17,877,553,246	12,127,149,590
Loans	796,130,107	634,571,621
Reinsurance Assets	3,919,575	93,107
Current Tax Assets	413,387,326	327,511,843
Insurance Receivables	204,354,086	46,676,376
Other Assets	45,073,100	35,686,102
Other Financial Assets	246,716,298	217,741,263
Cash and Cash Equivalent	167,893,363	464,897,050
Total Assets	20,646,622,271	14,728,223,146
Equity:		
Share Capital	3,937,500,000	2,625,000,000
Share Application Money Pending Allotment	-	-
Share Premium	1,552,037,437	13,037,437
Catastrophe Reserves	165,380,492	137,250,191
Retained Earnings	631,742,296	579,539,081
Other Equity	632,434,740	657,177,783
Total Equity	6,919,094,964	4,012,004,492
Liabilities:		
Provisions	22,689,111	22,689,111
Gross Insurance Contract Liabilities	13,076,426,629	10,204,161,327
Deferred Tax Liabilities	-	-
Insurance Payable	217,765,691	9,198,540
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	188,500,042	230,356,119
Other Financial Liabilities	222,145,834	249,813,558
Total Liabilities	13,727,527,307	10,716,218,654
Total Equity and Liabilities	20,646,622,271	14,728,223,146

CONDENSED STATEMENT OF PROFIT OR LOSS
For Period from Shrawan 01, 2080 to Chaitra 30, 2080 (July 17, 2023 to April 12, 2024)

Fig in NPR.

Particulars	Unaudited		Unaudited	
	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	1,506,873,632	4,243,737,638	1,353,366,289	4,018,348,128
Premiums Ceded	(87,929,432)	(252,629,503)	(92,752,158)	(290,058,662)
Net Earned Premiums	1,418,944,200	3,991,108,135	1,260,614,131	3,728,289,466
Commission Income	-	-	-	-
Other Direct Income	5,070,326	12,999,370	4,629,378	13,901,559
Interest Income on Loan to Policyholders	20,825,322	61,082,214	10,128,954	32,961,118
Income from Investments and Loans	409,420,016	1,150,226,273	294,831,553	784,284,469
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	1,025,116	1,083,605	-	-
Total Income	1,855,284,979	5,216,499,597	1,570,204,016	4,559,436,612
Expenses:				
Gross Benefits and Claims Paid	421,714,541	1,282,892,057	495,680,089	1,333,168,044
Claims Ceded	(92,863,719)	(206,937,011)	(80,589,956)	(194,744,429)
Gross Change in Contract Liabilities	1,004,397,437	2,872,265,303	792,188,951	2,281,357,852
Change in Contract Liabilities Ceded to Reinsurers	1,166,126	(3,826,468)	(2,712,937)	(7,347,451)
Net Benefits and Claims Paid	1,334,414,384	3,944,393,880	1,204,566,147	3,412,434,016
Commission Expenses	157,978,851	433,550,662	153,164,361	495,956,074
Service Fees	10,642,082	29,933,311	7,092,930	31,769,683
Other Direct expenses	-	-	-	-
Employee Benefits Expenses	83,807,580	241,897,792	54,164,228	178,683,427
Depreciation and Amortization Expenses	8,069,935	24,066,098	7,913,368	22,689,138
Impairment Losses	-	-	10,862,238	3,745,742
Other Operating Expenses	102,726,400	261,354,844	102,658,680	264,009,542
Finance Cost	-	-	-	-
Total Expenses	1,697,639,231	4,935,196,587	1,540,421,952	4,409,287,620
Net Profit/(Loss) For The Period Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	157,645,748	281,303,009	29,782,064	150,148,992
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	157,645,748	281,303,009	29,782,064	150,148,992
Income Tax Expenses	-	-	-	-
Net Profit/(Loss) For the Period	157,645,748	281,303,009	29,782,064	150,148,992
Earning Per Share				
Basic EPS		9.53		7.63
Diluted EPS		9.53		7.63

CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME
For Period from Shrawan 01, 2080 to Chaitra 30, 2080 (July 17, 2023 to April 12, 2024)

Fig in NPR.

Particulars	Unaudited		Unaudited	
	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	157,645,748	281,303,009	29,782,064	150,148,992
Other Comprehensive Income	(20,264,339)	(26,554,125)	-	-
Total Comprehensive Income	137,381,409	254,748,885	29,782,064	150,148,992

OTHER INDICATORS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	1,231,578	1,542,146
2. Total no. of policies issued during the period	566,636	732,918
3. First Year Premium (Including Single Premium)	1,291,294,765	1,292,000,051
4. Single Premium	197,569,962	221,899,407
5. Renewal Premium	2,952,442,873	2,726,348,077
6. Total Benefits and Claims Paid in Count	5,193	4,654
7. Outstanding Benefits and Claims in Count	113	304
8. Declared Bonus rate (Fiscal Year 2079/2080)	25-77	25-73
9. Interim bonus rate	25-77	25-73
10. Long Term Investments (Amount)	16,287,853,246	10,291,064,339
11. Short Term Investments (Amount)	1,589,700,000	1,022,122,966

*The detailed interim report regarding the above has been published in the website of Citizen Life Insurance Company Limited.

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

- 1. Solvency Ratio related disclosure:** The company has maintained solvency ratio of 1.82 as per its latest audited financial statement i.e. Fiscal Year 2079/080.
- 2. Reinsurance related disclosure:** The company has entered into reinsurance agreements with Nepal Reinsurance Company Ltd. and Himalayan Reinsurance Company Limited in order to minimize its business and operation risks.
- 3. Details regarding legal proceeding:** There are no legal proceedings against the company arising from activities other than normal business operations.
- 4. Corporate Governance:** The company has fully complied with the Corporate Governace Directive issued by Nepal Insurance Authority.
- 5. Regulatory limit on expenses ratio:** The expense of company is within the expense ratio prescribed by Nepal Insurance Authority.
6. The company has complied with all the applicable laws and directives issued by the regulatory bodies.

Citizen Life Insurance Company Limited
Statement of Changes In Equity
As At Chaitra 30, 2080 (April 12, 2024)

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2079	1,750,000,000	-	-	-	477,196,178	-	-	125,750,988	3,560,957	-	(18,060,131)	-	645,912,139	33,245,610	3,017,605,741
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2079	1,750,000,000	-	-	-	477,196,178	-	-	125,750,988	3,560,957	-	(18,060,131)	-	645,912,139	33,245,610	3,017,605,741
Profit/(Loss) For the Year	-	-	-	-	102,596,173	-	-	-	-	-	-	-	-	-	102,596,173
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Changes in Fair Value of FVOCI Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Gains/ (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Exchange differences on translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	11,657,364	-	-	-	11,657,364
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(12,649,123)	-	-	11,499,203	1,149,920	-	-	-	-	(5,750,000)	(5,750,000)
Transfer to Deferred Tax Reserves	-	-	-	-	12,395,853	-	-	-	-	-	-	-	(12,395,853)	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	875,000,000	-	-	13,037,437	-	-	-	-	-	-	-	-	-	-	888,037,437
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) CSR Expenses during the year	-	-	-	-	-	-	-	-	(2,142,223)	-	-	-	-	-	(2,142,223)
Balance as on Ashadh end, 2080	2,625,000,000	-	-	13,037,437	579,539,081	-	-	137,250,191	2,568,654	-	(6,402,767)	-	633,516,285	27,495,610	4,012,004,492
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2080	2,625,000,000	-	-	13,037,437	579,539,081	-	-	137,250,191	2,568,654	-	(6,402,767)	-	633,516,285	27,495,610	4,012,004,492

Citizen Life Insurance Company Limited
Statement of Changes In Equity
As At Chaitra 30, 2080 (April 12, 2024)

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Restated Balance as at Shrawan 1, 2080	2,625,000,000	-	-	13,037,437	579,539,081	-	-	137,250,191	2,568,654	-	(6,402,767)	-	633,516,285	27,495,610	4,012,004,492
Profit/(Loss) For the Year	-	-	-	-	281,303,009	-	-	-	-	-	-	-	-	-	281,303,009
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Changes in Fair Value of FVOCI Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Gains/ (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Exchange differences on translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	(26,554,125)	-	-	-	(26,554,125)
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(30,943,331)	-	-	28,130,301	2,813,030	-	-	-	-	-	-
Transfer to Deferred Tax Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	(788,043)	-	-	-	-	-	-	-	-	-	(788,043)
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	187,500,000	-	-	-	(187,500,000)	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	1,125,000,000	-	-	1,539,000,000	-	-	-	-	-	-	-	-	-	-	2,664,000,000
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	(9,868,421)	-	-	-	-	-	-	-	-	-	(9,868,421)
v) CSR Expenses during the year	-	-	-	-	-	-	-	-	(1,001,948)	-	-	-	-	-	(1,001,948)
Balance as on Chaitra end, 2080	3,937,500,000	-	-	1,552,037,437	631,742,295	-	-	165,380,492	4,379,736	-	(32,956,892)	-	633,516,285	27,495,610	6,919,094,964

Citizen Life Insurance Company Limited
Statement of Cash Flows
As At Chaitra 30, 2080 (April 12, 2024)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	4,243,737,638	5,893,266,051
Commission Received	-	51,876,177
Claim Recovery Received from Reinsurers	206,937,011	267,727,102
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	-
Other Direct Income	12,999,370	15,697,135
Others (to be specified)	(142,871,876)	(218,387,312)
Cash Paid	-	-
Gross Benefits and Claims Paid	(1,282,892,057)	(1,902,818,961)
Reinsurance Premium Paid	(252,629,503)	(411,186,336)
Commission Paid	(433,550,662)	(718,889,220)
Service Fees Paid	(29,933,311)	(44,918,778)
Employee Benefits Expenses Paid	(241,897,792)	(267,699,619)
Other Expenses Paid	(262,356,792)	(389,899,759)
Others (to be specified)	-	-
Income Tax Paid	-	-
Net Cash Flow From Operating Activities [1]	1,817,542,026	2,274,766,479
Cash Flow From Investing Activities:		
Acquisitions of Intangible Assets	(442,259)	(700,450)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Rental Income Received	-	-
Acquisitions of Property and Equipment	(32,490,274)	(214,442,229)
Proceeds From Sale of Property and Equipment	45,000	660,750
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(298,392,720)	(76,294,149)
Proceeds from Sale of Equity Instruments	-	750,000
Purchase of Mutual Funds	(90,000,000)	(95,000,000)
Proceeds from Sale of Mutual Funds	735,981	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(951,152,416)	(721,412,000)
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	(5,305,000,000)	(4,773,826,633)
Maturity of Deposits	858,000,000	2,005,826,633
Loans Paid	(161,558,486)	(244,558,300)
Proceeds from Loans	-	-

Citizen Life Insurance Company Limited
Statement of Cash Flows
As At Chaitra 30, 2080 (April 12, 2024)

Fig. in NPR

Particulars	Current Year	Previous Year
Rental Income Received	-	-
Proceeds from Finance Lease	-	-
Interest Income Received	1,211,308,487	1,117,801,737
Dividend Received	-	-
Other Income Received	1,057,438	1,118,100
Total Cash Flow From Investing Activities [2]	(4,767,889,249)	(3,000,076,541)
Cash Flow From Financing Activities:		
Interest Paid	-	-
Proceeds From Borrowings	-	-
Repayment of Borrowings	-	-
Payment of Finance Lease	-	-
Proceeds From Issue of Share Capital	2,664,000,000	888,037,437
Share Issuance Cost Paid	(10,656,464)	-
Dividend Paid	-	-
Dividend Distribution Tax Paid	-	-
Others (to be specified)	-	-
Total Cash Flow From Financing Activities [3]	2,653,343,536	888,037,437
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(297,003,686)	162,727,375
Cash & Cash Equivalents At Beginning of The Year/Period	464,897,050	302,169,675
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash & Cash Equivalents At End of The Year/Period	167,893,363	464,897,050
Components of Cash & Cash Equivalents:		
Cash In Hand	24,780,472	12,217,196
Cheque in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	143,112,891	452,679,854

Citizen Life Insurance Company Limited
Statement of Distributable Profit or Loss
As At Chaitra 30, 2080 (April 12, 2024)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	579,501,761	477,196,178
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per Statement of Profit or Loss	281,303,009	102,596,173
Appropriations:		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Catastrophe Reserve	(28,130,301)	(11,499,203)
iii) Transfer to Capital Reserve	-	-
iv) Transfer to CSR Reserve	(2,813,030)	(1,149,920)
v) Transfer to/from Regulatory Reserve	-	-
vi) Transfer to Fair Value Reserve	-	-
vii) Transfer of Deferred Tax Reserve	-	12,395,853
viii) Transfer to OCI reserves due to change in classification	-	-
ix) Reversal previous year investment provision as per Sec 16 of Financial Directive	5,750,000	5,750,000
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others (if any)	-	-
ii) Accumulated Fair Value gain on Investment Properties	-	-
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	-	-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	-	-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	-	-
vi) Goodwill Recognised	-	-
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	-	-
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	-	-
ix) Overdue Loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares as per sec 16 of Financial Directive	(5,750,000)	(5,750,000)
xii) Delisted share investment or mutual fund investment	-	-
xiii) Bonus Share/Dividend Paid	(197,368,421)	-
xiv) Deduction as per Sec 17 of Financial Directive	-	-
xiv) Deduction as per Sec 18 of Financial Directive	-	(37,320)
xv) Others (Share Issue Expenses)	(788,043)	-
Adjusted Retained Earning	631,704,975	579,501,761
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned Capital	-	-
Less: Deduction as per Sec 15(1) of Financial Directive	-	(6,402,767)
Add/Less: Others (to be specified)	-	-
Total Distributable Profit/(Loss)	631,704,975	573,098,994

Citizen Life Insurance Company Limited

Notes to the Interim Financial Statements

for the period ended Chaitra 30th, 2080 (April 12th, 2024)

1. General Information

Citizen Life Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on 2064/03/12 BS and operated as Life Insurance Company after obtaining license on 2074/05/07 BS under the Insurance Act 2079.

The registered office of the Company is located at Thapathali, Kathmandu. The Company's shares are listed on NEPSE.

The principal activities of the Company are to provide various life insurance products including participating and non-participating products through its province offices, branches, sub-branches, and network of agents.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act 2063, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS includes all the standards and the related interpretations which are consistently used.

(b) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2080 to 30th Chaitra 2080 with the corresponding previous year of statement of financial position as on 31st Ashadh 2080 and profit and loss is from 1st Shrawan 2079 to 30th Chaitra 2079.

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Investments on Equity Shares and Mutual Funds

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date.
- Level 2- Inputs are inputs, other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules, and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

3. Significant Accounting Policies

(a) Goodwill and Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

ii) Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit of loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates, The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Software	10 Years
Licenses	License Period
Others (to be specified)	Not Applicable

(b) Property and Equipment (P&E)

i) Recognition

Freehold land is carried at historical cost and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Building consists of right to use assets created as per NFRS 16. Depreciation on such assets is charged on SLM basis over the duration of lease term which is computed at the end of every fiscal year.

ii) Revaluation

After recognition as an assets, land and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings is undertaken by professionally qualified valuers.

An increase in the carrying amount because of revaluation is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount because of revaluation is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

iii) Depreciation

Depreciation of Property, Plant and Equipment other than the Freehold Land i.e., the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property, Plant and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	Not Applicable
Buildings	Lease term as per NFRS 16
Leasehold Improvement	5 Years
Furniture & Fixture	10 Years
Computers and IT Equipment	8 Years
Office Equipment	8 Years
Vehicles	5 Years
Other Assets	Not Applicable

(c) Deferred Tax Assets and Liabilities

Deferred Tax Assets and liabilities are calculated for gain /loss arising in fair value measurement through statement of other comprehensive income. DTADTL arising from taxable income\loss is excluded in interim financial statements as this figure is only ascertained after completion of statutory audit.

(d) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, because of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the re-insurer. If a reinsurance asset is impaired, the company reduces the carrying amount accordingly and is recognized in statement of profit or loss.

(e) Current Tax Assets

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

(f) Cash & Cash Equivalent

Cash & Cash Equivalents include Cash in Hand, Cheque in Hand, Bank Balances, and short-term deposits with a maturity of three months or less.

(g) Financial Liabilities

i) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii) Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(h) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(i) Reserves and Funds

i) Share Application Money Pending Allotment: If the company has issued shares and part of such shares are not fully paid up then such pending amount are called share application money pending allotment.

ii) Share Premium: If the Company issues share capital at premium, it receives an extra amount other than share capital such amount is transferred to share premium. The amount in share premium is allowed for distribution subject to provisions of Company act & regulatory requirement.

- iii) **Catastrophe Reserve:** The Company has allocated a catastrophe reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directive.
 - iv) **Fair Value Reserve:** The Company has a policy of creating a fair value reserve equal to the amount of Fair Value Gain recognized in the statement of other comprehensive income as per regulator's directive.
 - v) **Actuarial Reserves:** Reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred); and the effects of changes in actuarial assumptions.
 - vi) **Corporate Social Responsibility Reserves:** The Company has allocated corporate social responsibility reserves for the amount which is 1% of the profit for the year as per Regulator's Directive.
 - vii) **Revaluation Reserves:** Reserve created against revaluation gain on property, plant & equipment & intangible assets, other than the reversal or earlier revaluation losses charged to profit or loss.
 - viii) **Other Reserve:** Reserves other than the above reserves.
- (j) **Gross Insurance Contract Liabilities**
At each reporting date, the Company reviews its unexpired risk, and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation is done as per the guideline issued by Nepal Insurance Authority.
- (k) **Revenue Recognition**
- i) **Gross Premium**
Gross Premium is recognized only after cash is realized from the customer.
 - ii) **Premiums on Reinsurance Accepted**
Premiums on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.
Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.
- iii) **Commission Income**
Commission Income is recognized on an accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.
- iv) **Investment Income**
Interest income is recognized in the statement of profit or loss as it accrues.
- v) **Net realized gains and losses**
Net realized gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.
- (l) **Benefit, Claims and Expenses**
- i) **Gross Benefits and Claims**
Benefits and claims include the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Benefits and claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified. Death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

ii) Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contracts.

iii) Commission Expenses: Commission expenses are recognized on an accrual basis. If the expenses is for future periods, then they are deferred and recognized over those future periods.

iv) Service Fees: Service fees are recognized on an accrual basis as per the rates mentioned in Insurance act, 2019.

v) Finance Cost: Finance costs are recognized for the period relating to unwinding of discount and interest expenses due to re-measurement of liabilities.

(m) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company has following portfolios under which it operates its business:

i) Endowment

This is a with profit plan that makes provisions for the family of the Life Assured in event of his early death and assures a lump sum at a desired age on maturity. It costs moderate premiums, has high liquidity and is savings oriented. This plan is opted for people of all ages and social groups who wish to protect their families from a financial setback that may occur owing to their demise.

ii) Anticipated

This scheme provides for specific periodic payments or partial survival benefits during the term of the policy itself so long as the policy holder is alive. It is therefore suitable to meet specified financial requirements needed for occasions like Brata Bandha, Academic Graduations etc. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. It is also with the profit plan.

iii) Endowment Cum Whole Life

This plan is a combination of Endowment Assurance and Whole Life with profit plan. It provided financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the maturity of the policy to the assured in case of his survival.

iv) Whole Life

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

v) Foreign Employment Term

The main objective of foreign employment term is providing insurance for financial assistance if there is death or elimination of any insured due to work or staying abroad.

vi) Other Term

Term life insurance, also known as pure life insurance, is life insurance that guarantees payment of a stated death benefit during a specified term. Once the term expires, the policyholder can renew it for another term, convert the policy to permanent coverage, or allow the policy to terminate.

vii) Special Term

Special Term insurance is a modified version of term insurance with added benefits.

viii) Others to be Specified – (Anticipated Whole Life)

This scheme provides for specific periodic payments or partial survival benefits during the term of the policy itself so long as the policy holder is alive. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. It provides insurance coverage for the contract holder for his or her entire life. It is also with the profit plan.

(n) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(o) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equities shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(p) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

The company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

4. Related Party Disclosure

The related party of the company are as follows:

1. Pradeep Jung Pandey	-	Chairman
2. Sumit Kumar Agrawal	-	Director
3. Manoj Karki	-	Director
4. Mahesh Swar	-	Director
5. Dawa Futi Sherpa	-	Director
6. Bhej Prasad Timilsina	-	Director
7. Poshak Raj Paudel	-	Chief Executive Officer

There are no related party transactions with these personnel apart from employee benefits of CEO and meeting allowance of directors.

Citizen Life Insurance Company Limited
Notes to the Financial Statements

52 Operating Segment

Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio. Performance is measured based on segment profit as management believes that it is most relevant in evaluating the results of segment relative to other entities that operate within these industries. Segment asset is disclosed below based on total of all asset for each business segment.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be presented.

Business Segments of the Company's are:

- Endowment
- Anticipated Endowment
- Endowment Cum Whole Life
- Foreign Employment Term
- Micro Term

(a) Segmental Information for the year ended Chaitra 30, 2080 (April 12, 2024):

Fig. in NPR

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Whole Life	Foreign Employment Term	Micro Term	Special Term	Others (to be Specified)	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	2,207,578,295	993,358,945	616,986,922	-	80,777,332	345,036,144	-	-	-	4,243,737,638
Premiums Ceded	(70,642,505)	(31,787,486)	(19,743,582)	-	(9,693,280)	(120,762,650)	-	-	-	(252,629,503)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	2,136,935,790	961,571,459	597,243,340	-	71,084,052	224,273,494	-	-	-	3,991,108,135
Commission Income	-	-	-	-	-	-	-	-	-	-
Other Direct Income	7,377,334	2,191,899	3,376,965	-	53,172	-	-	-	-	12,999,370
Interest Income on Loan to Policyholders	23,263,317	7,621,924	30,196,973	-	-	-	-	-	-	61,082,214
Income from Investments and Loans	507,197,037	136,280,562	210,984,411	-	14,229,258	31,780,838	-	250,837,772	-	1,151,309,878
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	2,674,773,478	1,107,665,843	841,801,690	-	85,366,482	256,054,331	-	250,837,772	-	5,216,499,597
Expenses:										
Gross Benefits and Claims Paid	111,958,814	690,138,564	56,702,092	-	81,776,871	342,315,715	-	-	-	1,282,892,057
Claims Ceded	(24,139,500)	(13,393,600)	(10,330,400)	-	(12,637,088)	(146,436,423)	-	-	-	(206,937,011)
Gross Change in Contract Liabilities	2,012,167,358	276,027,746	668,215,387	-	2,082,213	(86,227,402)	-	-	-	2,872,265,303
Change in Contract Liabilities Ceded to Reinsurers	(1,088,000)	-	(40,000)	-	5,107	(2,703,575)	-	-	-	(3,826,468)
Net Benefits and Claims Paid	2,098,898,672	952,772,711	714,547,079	-	71,227,103	106,948,316	-	-	-	3,944,393,880
Commission Expenses	286,516,749	64,849,694	62,257,719	-	-	19,926,500	-	-	-	433,550,662
Service Fees	16,027,018	7,211,786	4,479,325	-	533,130	1,682,051	-	-	-	29,933,311
Other Direct expenses	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	2,401,442,440	1,024,834,190	781,284,123	-	71,760,234	128,556,867	-	-	-	4,407,877,853
Total Segmental Results	273,331,038	82,831,653	60,517,567	-	13,606,249	127,497,465	-	250,837,772	-	808,621,743
Segment Assets	1,088,000	-	40,000	-	-	2,791,575	-	-	-	3,919,575
Segment Liabilities	7,292,004,163	1,952,010,317	3,313,331,708	-	189,890,165	329,190,276	-	-	-	13,076,426,629

Citizen Life Insurance Company Limited
Notes to the Financial Statements

Fig. in NPR

52. Operating Segment (Cont)

(c) Reconciliation of Segmental Profit with Statement of Profit or Loss:

Particulars	Current Year	Previous Year
Segmental Profit	808,621,743	827,825,708
Less: Employee Benefits expenses	(241,897,792)	(267,699,619)
Less: Depreciation and Amortization	(24,066,098)	(54,430,347)
Less: Other operating expenses	(261,354,844)	(380,497,838)
Less: Impairment losses	-	(499,449)
Less: Finance Cost	-	(9,706,429)
Add: Unallocable Other Income	-	-
Profit Before Tax	281,303,009	114,992,026

(d) Reconciliation of Assets:

Particulars	Current Year	Previous Year
Segment Assets	3,919,575	93,107
Goodwill & Intangible Assets	2,521,970	2,505,085
Property and Equipment	244,571,283	235,740,566
Investment Properties	-	-
Deferred Tax Assets	644,501,917	635,650,542
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	17,877,553,246	12,127,149,590
Loans	796,130,107	634,571,621
Current Tax Assets	413,387,326	327,511,843
Insurance Receivables	204,354,086	46,676,376
Other Assets	45,073,100	35,686,102
Other Financial Assets	246,716,298	217,741,263
Cash and Cash Equivalents	167,893,363	464,897,050
Total Assets	20,646,622,271	14,728,223,146

(e) Reconciliation of Liabilities:

Particulars	Current Year	Previous Year
Segment Liabilities	13,076,426,629	10,204,161,327
Provisions	22,689,111	22,689,111
Deferred Tax Liabilities	-	-
Current Tax Liabilities	-	-
Insurance Payables	217,765,691	9,198,540
Other Financial Liabilities	222,145,834	249,813,558
Other Liabilities	188,500,042	230,356,119
Total Liabilities	13,727,527,307	10,716,218,654

Additional Disclosure as per Securities Registration and Issue Regulation, 2073 (Rule 26(1), Annexure 14)

1. a) Financial Statement

Statement of Financial Position and Statement of Profit and Loss are prepared and published as per Nepal Financial Reporting Standard. There has been no transaction between related parties.

b) Key financial indicators and ratios

Earnings Per Share	9.53
Price Earnings Ratio (P/E Ratio)	47.40
Net worth Per Share	175.72
Total Assets per share	524.36

2. Management Analysis

The company has earned a gross premium of NPR 4,243.74 Million which in comparison to the corresponding previous year's premium collection for the same period has exceeded by 5.61%. Company has excellent business strategy and good customer service. Company has made claim payment of NPR 1,282.89 million until the end of third quarter. Company has proper guidelines and procedure in place to handle and settle claims timely to provide hasslefree service to its customers.

Company has made a total investment of NPR 17,877.55 million until the end of third quarter which in comparison to the corresponding previous year's investment for the same period has exceeded by 58.02%.

3. Details relating to legal action

a. Case filed against the company.

There were no major cases except those arising during the normal course of the company's business.

b. Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or director of the company.

No such information has been received.

c. Case relating to financial crime filed against any promoter or director.

No such information has been received.

4. Analysis of share transaction and progress of the company

a. Management's view on share transaction of company in the secondary market

As the prices in the secondary market is determined by open share market operations, management view is neutral on this.

b. Maximum, minimum, closing price, total traded days and total share transacted during the quarter (Source www.nepalstock.com)

Maximum Price	501.00	Total Days Transacted	58
Minimum Price	418.50	Total Share Transacted	2,549,621
Closing Price	451.50	Total Transactions Value	1,171,645,915

5. Problems and challenges

Problems

Following a robust recovery from the pandemic in past year, the Nepalese life insurance market is estimated to have shrunk due to slowdown in the economic activities. High inflation, economic uncertainty and a drop in disposable income are the major causes of subdued premium growth in current year.

Management Strategy

The company aims to enhance its capabilities by focusing on differentiation in a volatile and constantly evolving market and thereby offer value to all our stakeholders. The management intends to execute bold customer commitments by moving from customer service to customer care through holistic solutions, effortless service, and strengthening and scaling our relationship with them by providing more meaningful engagement.

Looking ahead, due to experience of COVID-19, there has been increased awareness about the importance of covering personal risk. This will support the growth of life insurance products and by building on the progress we have already made, we will drive consistent and quality growth that will protect and grow our market position in the future.

6. Corporate Governance

The company follows zero tolerance governance and compliance culture and ensures absolute compliance of directives and guidelines issued by Nepal Insurance Authority. To ensure adequate compliance and risk management, the company has developed strong policy and procedural framework along with dedicated compliance, risk management and audit function. The company has appointed an independent Chartered Accountant firm as internal auditor in order to monitor and evaluate the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies. The Company recognizes that risk management is integral part of its business, and to be able to manage it efficiently, the company has developed a proper risk management policy which provides a robust framework for managing Financial and Non-Financial risks.

The board of directors, audit committee, risk management committee, human resource management committee and all other management committees are committed to enforce highest standard of corporate governance within the company.

7. Declaration by CEO

I hereby declare that the data and information provided in this report is true, complete and factual to the best of my knowledge. No any conscious attempt has been made to misguide the investors.

Poshak Raj Paudel
Chief Executive Officer