Citizen Life Insurance Company Limited

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Quarterly Financial Result for 1st Quarter, FY 2083/084 B.S.

CONDENSED STATEMENT OF FINANCIAL POSITION
As At Ashwin 31, 2083 (October 17, 2026)

Fig in NPR.

Particulars	Unaudited At the end of this Quarter	Unaudited At the end of Immediate Previous Year
Assets:		
Goodwill & Intangible Assets	5,269,963	5,477,543
Property and Equipment	209,111,050	203,627,076
Investment Properties	-	-
Deferred Tax Assets	291,635,962	313,990,099
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	31,744,519,205	30,529,210,784
Loans	1,367,490,309	1,258,328,894
Reinsurance Assets	251,500	109,053
Current Tax Assets	802,182,590	745,966,273
Insurance Receivables	74,194,488	38,970,565
Other Assets	5,815,414	6,303,179
Other Financial Assets	327,908,563	452,243,754
Cash and Cash Equivalent	1,667,483,799	857,580,682
Total Assets	**36,495,862,844**	**34,411,807,903**
Equity:		
Share Capital	5,000,000,000	5,000,000,000
Share Application Money Pending Allotment	-	-
Share Premium	449,688,265	449,688,265
Catastrophe Reserves	279,459,714	269,453,074
Retained Earnings	587,079,583	498,340,489
Other Equity	358,690,637	362,638,334
Total Equity	**6,674,918,198**	**6,580,120,161**
Liabilities:		
Provisions	35,765,961	35,765,961
Gross Insurance Contract Liabilities	29,207,978,573	27,149,132,391
Deferred Tax Liabilities	-	-
Insurance Payable	90,526,803	45,083,829
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	140,707,115	212,402,981
Other Financial Liabilities	345,966,193	389,302,581
Total Liabilities	**29,820,944,645**	**27,831,687,742**
Total Equity and Liabilities	**36,495,862,844**	**34,411,807,903**

CONDENSED STATEMENT OF PROFIT OR LOSS
For Period from Shrawan 01, 2083 to Ashwin 31, 2083 (July 17, 2026 to October 17, 2026)

Fig in NPR.

Particulars	Unaudited Current Year		Unaudited Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter(YTD)
Income:				
Gross Earned Premiums	2,575,240,540	2,575,240,540	2,232,836,736	2,232,836,736
Premiums Ceded	(91,178,731)	(91,178,731)	(106,462,093)	(106,462,093)
Net Earned Premiums	**2,484,061,809**	**2,484,061,809**	**2,126,374,643**	**2,126,374,643**
Commission Income	-	-	-	-
Other Direct Income	6,372,230	6,372,230	4,515,762	4,515,762
Interest Income on Loan to Policyholders	34,765,630	34,765,630	35,279,404	35,279,404
Income from Investments and Loans	545,003,806	545,003,806	548,992,972	548,992,972
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	86,903	86,903	227	227
Total Income	**3,070,290,379**	**3,070,290,379**	**2,715,163,008**	**2,715,163,008**
Expenses:				
Gross Benefits and Claims Paid	491,959,696	491,959,696	480,135,233	480,135,233
Claims Ceded	(66,592,694)	(66,592,694)	(65,224,190)	(65,224,190)
Gross Change in Contract Liabilities	1,998,490,013	1,998,490,013	1,705,288,318	1,705,288,318
Change in Contract Liabilities Ceded to Reinsurers	(142,447)	(142,447)	(962,430)	(962,430)
Net Benefits and Claims Paid	**2,423,714,568**	**2,423,714,568**	**2,119,236,932**	**2,119,236,932**
Commission Expenses	232,778,052	232,778,052	202,521,151	202,521,151
Service Fees	18,630,464	18,630,464	15,947,810	15,947,810
Other Direct Expenses	-	-	-	-
Employee Benefits Expenses	123,574,732	123,574,732	107,471,979	107,471,979
Depreciation and Amortization Expenses	17,063,369	17,063,369	9,191,122	9,191,122
Impairment Losses	-	-	-	-
Other Operating Expenses	152,870,390	152,870,390	129,304,425	129,304,425
Finance Cost	1,592,406	1,592,406	-	-
Total Expenses	**2,970,223,981**	**2,970,223,981**	**2,583,673,419**	**2,583,673,419**
Net Profit/(Loss) For The Period Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	**100,066,398**	**100,066,398**	**131,489,590**	**131,489,590**
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	**100,066,398**	**100,066,398**	**131,489,590**	**131,489,590**
Income Tax Expenses	-	-	-	-
Net Profit/(Loss) For the Period	**100,066,398**	**100,066,398**	**131,489,590**	**131,489,590**
Earning Per Share				
Basic EPS (Annualized)		8.01		10.52
Diluted EPS (Annualized)		8.01		10.52

CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME
For Period from Shrawan 01, 2083 to Ashwin 31, 2083 (July 17, 2026 to October 17, 2026)

Fig in NPR.

Particulars	Unaudited Current Year		Unaudited Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	100,066,398	100,066,398	131,489,590	131,489,590
Other Comprehensive Income	67,062,411	67,062,411	(191,803,665)	(191,803,665)
Total Comprehensive Income	**167,128,808**	**167,128,808**	**(60,314,075)**	**(60,314,075)**

OTHER INDICATORS

Particulars	Current Year Upto this Quarter (YTD)	Previous Year Upto this Quarter (YTD)
1. Total inforce policy count	783,669	907,056
2. Total number of policies issued during the period	437,411	123,928
3. First year premium (including single premium)	827,461,152	652,438,614
4. Single premium	346,199,491	253,745,985
5. Renewal premium	1,747,779,388	1,580,398,122
6. Total benefits and claims paid in count	1,707	1,606
7. Outstanding benefits and claims in count	31	71
8. Gross claim outstanding (Amount)	45,216,930	41,149,858
9. Declared bonus rate (FY 2081/082)	25-80	25-80
10. Interim bonus rate	25-80	25-80
11. Long term investments (Amount)	28,106,954,116	18,719,488,130
12. Short term investments (Amount)	3,637,565,088	7,362,047,474
13. Policyholders loan	1,339,827,301	1,095,743,196
14. Investment in cost value	31,625,281,352	26,231,504,166
15. Life insurance fund (Amount)	29,162,761,643	21,591,051,898
16. Unearned premium reserve for term policies (Amount)	488,588,637	510,654,801
17. Solvency margin ratio (FY 2081/082)	1.73	3.42

***The detailed interim report regarding the above and Right to Information pertaining to this quarter 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 1.73 as per its latest approved actuary valuation report by NIA i.e. Fiscal Year 2081/082.
2. **Reinsurance related disclosure:** The company has entered into reinsurance agreeements, as per regulatory guidelines, with the companies in Nepal.
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. FE Pool business has been accounted as per the data published by the Nepal Insurance Authority.
7. The company has complied with all the applicable laws and directives issued by the regulatory bodies.
8. The figures presented may vary with the audited figures, if instructed by the Regulator or Staututory Auditor of the company.
9. The corresponding figures have been restated and regrouped for better presentation of financial data.

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 or Loss are prepared and published as per Nepal Financial Reporting Standard. There has been no transaction between related parties apart from meeting allowances paid to directors and committee members.

b) Key financial indicators and ratios

Earnings Per Share	8.01
Price Earnings Ratio (P/E Ratio)	55.69
Net worth Per Share	133.50
Total Assets per share	729.92

2. Management Analysis

The Company recorded gross premium income of NPR 2,575.24 million during the period under review. This represents a increase of 15.33% compared to the premium income achieved in the corresponding period of the previous year. The Company continues to pursue a well-defined business strategy, complemented by a strong focus on customer service.Up to the end of this quarter, claim payments totaling NPR 491.96 million were made.The Company has established comprehensive policies and procedures to ensure the prompt and efficient settlement of claims, thereby delivering a seamless and customer-friendly service experience.

As at the close of the quarter, the Company's total investment portfolio amounted to NPR 31,744.52 million, reflecting a growth of 21.71% compared to the investment position during the corresponding period of the previous year.

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.np)

Maximum Price	464.60	Total Days Transacted	61
Minimum Price	410.00	Total Share Transacted	669,566
Closing Price	445.80	Total Transactions Value	291,276,281

5. Problems and challenges

Problems

The lack of awareness regarding life insurance has remained a significant obstacle to the expansion of life insurance coverage across the nation. Furthermore, economic uncertainty, and a decline in disposable income have continued to be the major problem in acheiving sustainable growth of insurance business. In addition, the limited investment opportunities and the low interest rates offered by banking and financial institutions have further constrained the growth potential of the life insurance sector.

Management Strategy

The company aspires to strengthen its capabilities by emphasizing differentiation in an increasingly dynamic and competitive market, thereby delivering sustainable value to all stakeholders. The management is committed to fulfilling bold customer promises by evolving from traditional customer service to genuine customer-care offering comprehensive solutions, seamless service experiences, and deeper, more meaningful engagement that nurtures lasting relationships.

Looking ahead, our strategic direction remains anchored in customer-centricity and digital transformation, complemented by a strong focus on financial literacy and education. By promoting awareness of life insurance benefits and encouraging individuals to invest in their future security, we aim to expand the reach and relevance of our offerings across the nation.

In response to challenges such as limited investment opportunities and the low interest rates provided by banking and financial institutions, the company seeks to diversify its investment portfolio by exploring new, high-potential sectors such as infrastructure, green energy, and government-backed instruments while maintaining prudent risk management practices. These initiatives will enable us to enhance investment returns, strengthen financial resilience, and ensure long-term value creation.

6. Corporate Governance

The Company adheres to a zero-tolerance governance and compliance culture and ensures full compliance with all directives and guidelines issued by the Nepal Insurance Authority. To strengthen compliance and risk management, the Company has established a robust policy and procedural framework, supported by dedicated compliance, risk management, and audit functions. An independent Chartered Accountant firm has been appointed as the internal auditor to monitor and assess the effectiveness and adequacy of the Company's internal control system, as well as its adherence to operating systems, accounting procedures, and policies. The Company acknowledges that risk management is an integral component of its business operations and, to manage risks effectively, has implemented a comprehensive risk management policy that provides a strong framework for identifying and managing both 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 presented in this report are, to the best of my knowledge, true, complete, and accurate. No deliberate attempt has been made to mislead the investors.

Poshak Raj Paudel
Chief Executive Officer