



ISO/IEC 27001:2022 & ISO/IEC 27701:2019 Certified Company

ལོ་བསྐྱར་སྟན་འཛིན་ ༡༦ པ། 16th Annual Report

2024

Your insurer of choice



ISO/IEC 27001:2022 & ISO/IEC 27701:2019 Certified Company

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2024

Your insurer of choice



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Bhutan Insurance Limited
Providing Security, Building Confidence

Post Box 779 Chorten Lam, Thimphu.
www.bhutaninsurance.com.bt PABX 339892/93/94
Fax#339895

Your
Insure of
Choice

Vision

To become the insurer of choice by providing quality service that exceed customer expectations and by constantly finding ways for improvement.

Mission

Our mission begins and ends with our clients for whom we exist to serve to the best of our ability. With dedicated service to our clients we aspire to contribute to the social and economic objectives of the nation, providing security to its growing assets through reliable insurance services and increasing retention of finance within the country.



Directors' Report

Dear Shareholders,

We are pleased to present the Directors' Report of Bhutan Insurance Limited (BIL) for the fiscal year ended December 31st, 2024. This report provides a comprehensive overview of our company's performance over the past year, highlighting key achievements, corporate governance practices, and offering insights into our strategic outlook for the future. We remain committed to driving growth, fostering innovation, and delivering long-term value to our stakeholders.

1. Business Performance Highlights

For the fiscal year 2024, the company's financial performance has been robust. Below are the key figures for the year (in millions):

	Fiscal year 2024 (figures in million)
Total assets	4,459.15
Gross written premium	656.66
Operating profit/loss Insurance Department	236.33
Operating profit/loss Investment Department	95.11
Operating profit/loss PF & GFM Department	(55.26)
Profit before tax for the year	272.32
Profit after tax for the year	207.88

In addition to these financial results, several key performance ratios demonstrate the company's strong financial health and profitability:

Performance Ratio	2024
Capital Adequacy as per prudential regulation	31.85 %
Core capital	23.34%
Statutory liquidity ratio	13.84%
Combined Ratio	64.52%
Operating profit	128.31%
Book value per share	20.15
Return on equity	15.73%
Net NPL Ratio	1.08%

2. Product Development

2.1. Launch of Sports Insurance

16th July 2024

In collaboration with the Bhutan Olympic Committee, we launched a new Sports Insurance product on July 16th, 2024. This initiative provides insurance coverage for elite athletes, offering them financial protection during sports activities. A Memorandum of Understanding (MoU) was signed to ensure comprehensive coverage for athletes.

2.2. Launch of Insurance Handbook

20th August 2024

As part of our commitment to insurance literacy, Bhutan Insurance Limited launched its first edition of the Insurance Handbook on 20th August 2024. The handbook was distributed across schools and institutions, reaching a wide audience to promote awareness of insurance benefits.

2.3. Launch of Gyalsup Insurance Plan

28th August 2024

On August 28th, 2024, we launched the Gyalsup Insurance Plan, designed specifically for Gyalsup cadets during their training and skilling period. This initiative, in partnership with the Gyalsung Headquarters, ensures that the cadets are covered with comprehensive insurance throughout their training.

3. Distribution Network

Our distribution network continues to expand, reflecting our commitment to serving customers across Bhutan. We are constantly working to enhance customer accessibility and improve regional service delivery.

On July 1st, 2024, we inaugurated our new extension office in Tashicholing (Sibsoo). This expansion is aimed at improving customer accessibility and enhancing service delivery in the region. With this addition, our network now includes 6 branches, 15 extension offices, and a growing number of agents, allowing us to serve both new and existing customers more efficiently. Additionally, our digital initiatives continue to improve accessibility and streamline the customer experience.

4. Awarding of Long Service Award

We recognize that the dedication and hard work of our employees are key to our success and growth. In 2024, we are proud to honor the commitment of our long-serving team members. Five employees were awarded the 15 Years of Service Award, and six employees received the 10 Years of Service Award.

These awards reflect their unwavering dedication and significant contributions to the company's progress. We are grateful for their expertise, leadership, and continued efforts in driving BIL's success. As an organization, we are committed to fostering a culture of appreciation and value, ensuring our employees feel recognized for their long-term contributions.

We congratulate the awardees and look forward to their continued involvement in shaping the future success of BIL.

5. Corporate Governance

At BIL, we understand that maintaining the highest standards of corporate governance is essential to upholding our reputation, fostering trust, and ensuring long-term success. Strong governance practices are not only necessary for legal and regulatory compliance but also essential in creating a culture of integrity, transparency, and accountability across all areas of our operations.

To that end, we have built a comprehensive governance framework aligned with regulatory guidelines and industry best practices. This framework promotes effective oversight, sound decision-making, and the ethical conduct of all employees, management, and board members. We continuously review and strengthen our governance practices to meet evolving market standards and stakeholder expectations.

Throughout the year, our governance structure has remained robust. The board of directors and its various committees have played an active role in overseeing critical aspects of the company's strategy, performance, and risk management.

6. Code of Conduct and Ethics

In line with our corporate governance framework, we have developed and implemented a Code of Conduct and Ethics, which has been formally approved by the board. This code defines the expected standards of behavior and ethical practices for all employees, management, and board members, ensuring consistency in our operations.

Our Code of Conduct promotes a workplace culture centered around ethical decision-making, respect for diversity, and fair treatment of all stakeholders. It covers areas such as conflict of interest, confidentiality, anti-bribery and corruption, and the responsible use of

company assets. These guidelines reinforce our commitment to corporate responsibility and help create a positive work environment.

Any violation of the Code is taken seriously and addressed promptly. Disciplinary measures, as outlined in our Human Resource Service Rules, are enforced to ensure accountability and corrective action. We maintain an open-door policy for employees to report concerns or breaches of the Code, and all reports are handled with the utmost confidentiality.

7. Board Directors and Board Committees

BIL’s board is composed of six members, all of whom adhere to regulatory and statutory guidelines. The board held five meetings during the fiscal year 2024. The attendance of board members at these meetings is as follows:

Board Member	No. of Board Meetings attended
Mr. Karma Lotey, Chairman	5
Kutshab Kinzang Dorji, Independent Director	4
Mr. Kalyan Humagai, Independent Director	4
Mr. Tashi Dorji Rinchhen, Ordinary Director	4
Mr. Ugyen Jigme Gyamtsho, Ordinary Director	5
Mr. Damdi Dorji, CEO/Executive - Director	5

Additionally, we have three dynamic board committees: the Board Governance Committee, the Board Audit Committee, and the Board Risk Management Committee. These committees, each chaired by experienced directors, ensure effective oversight across all key areas of the company.

8. Outlook

As we look to the future, we remain optimistic about the growth prospects of Bhutan Insurance Limited. We are committed to building on our core strengths, embracing new technologies, and driving innovation. Our goal is to continue providing innovative and customized insurance solutions, along with strategic investments and prudent credit management. Additionally, our Provident Fund (PF) and Gratuity Fund (GF) schemes will continue to provide financial security for employees and customers, all while maintaining the highest standards of corporate governance. With the support of our dedicated team and strong foundation, we are confident in our ability to maintain our market leadership and deliver long-term value to our shareholders.

9. Acknowledgment

We would like to take this opportunity to express our sincere gratitude to the Royal Government of Bhutan, the Royal Monetary Authority (RMA), other regulatory bodies, our reinsurers, shareholders, and employees for their continued support and invaluable contributions to our success. Your unwavering commitment and trust have been instrumental in helping us achieve our goals and propel the company forward. We deeply value our partnerships and look forward to continuing this collaboration to achieve even greater success in the years ahead.

Tashi Delek!

A handwritten signature in blue ink, appearing to read 'Tashi Delek', with a horizontal line underneath.

Chairman



Company Information

General Information

Establishments	Address	Telephone No.	Fax No.
Head Office, Thimphu	Post Box: 779, Chorten Lam. Email: info@bhutaninsurance.com.bt Website: www.bhutaninsurance.com.bt	00975-02-339892/93/94 Toll Free # 2011	02-339895

BIL Branch Offices

Establishments	Address	Telephone No.	Fax No.
Phuentsholing	1st floor, Bhutan Post Building	05-252894/95	05-252893
Wangdue	1st floor, Jamtsho Building, opposite BDBL office, Bajo Town	02-481495	
Paro	Above Pizza Explorer Building, Opposite to Children's Park.	08-272985	
Gelephu	1st floor, Oli Building, below NPPF office	06-252273/251198	
Babesa	Near NGH Office, Babesa	02-350948/7	
City Office	Norzin Lam, Main Town, Near BOBL Corporate office, Thimphu	02-332310	

BIL Extension Offices

Establishments	Address	Telephone No.	Fax No.
Samtse	First floor, Bafra Building, Samtse town	05-365568	
Samdrup Jongkhar	1st floor, Bhutan Post office building	07-251384/251414	
Bumthang	Opposite Home Collection Shop, Chamkhar town	03-631271	
Mongar	1st Floor, near BNBL office	04-641407	
Tsirang	1 st floor, Dina Nath building, near Tashi Cell office	06-471426	06-471427
Tashigang	KD Building near old Dasho Dzungda Zimchung	04-521343/344	
Trongsa	3 rd floor, opposite TashiCell office, Threpang Trongsa	03-521583	
Zhemgang	Top floor, KD building, Zhemgang town	03-741165	
Nganglam	near BNBL office, Nganglam town	07-481008	
Khuruthang	behind BNBL office, Khuruthang town	02-584348	
Gedu	Ground floor, BDBL office, Laptakha	05-282230	
Haa	Ground floor, Kiba Tshongkhag, Lower Market	08-375220	08-375332
Tashiyangtse	Near RSTA office	04-781251/5	
Dagapela	Near BOBL Branch Office	06-483134	
Lango, Paro	Near Lamgong Middle Secondary School, Paro	08-276909	
Tashichhoeling, Samtse	Belbotay Tashichhoeling Dungkhag	17126257	

Company Profile

Bhutan Insurance Limited was incorporated in 2009 under the Companies Act of the Kingdom of Bhutan 2000, and is licensed to engage in the business of General Insurance by the Royal Monetary Authority of Bhutan in pursuant to part II of the Financial Institutions Act of Bhutan – 1992, and is also listed with the Royal Securities Exchange of Bhutan Limited (RSEBL) since 2009.

BIL started operations on 20th August 2009, and today has a country wide network connected through the latest technology for quick communication and response with 22 offices in 18 Dzongkhags.

BIL is also authorized by the RMA to provide Financing & Investment services, and manage Private Provident Fund (PPF) and Gratuity Fund (GF).

We have expanded our service network progressively with our Head Office in Thimphu, Branch Offices in Thumphu Town & Babesa, Phuentsholing, Paro, Wangduephodrang, Gelephu and Samtse, and Extension Offices in Samdrup Jongkhar, Bumthang, Mongar, Tsirang, Haa, Tashigang, Trongsa, Gedu, Samtse, Khuruthang, Zhemgang, Nganglam and Tashi Yangtse, Dagapela, and Lango which was made possible through the continued support of our clients and employees throughout the years. The Company today employs 156 people.

Branch & Extension Office Establishments:

01.10.2009 - Extension office at Bumthang
18.10.2009 - Branch office at Phuentsholing
01.11.2009 - Branch office at Wangdue Phodrang
05.11.2009 - Branch office at Paro
06.01.2010 - Branch office at Gelephu
10.06.2010 - Extension office at Samdrup Jongkhar
12.07.2010 - Extension office at Mongar
09.04.2012 - Extension office at Tsirang
03.05.2012 - Extension office at Tashigang
01.01.2013 - Extension office at Trongsa
09.09.2014 - Extension office at Samtse
09.04.2015 - Extension office at Zhemgang
11.12.2015 - Extension office at Nganglam
14.01.2016 - Extension office at Khuruthang
17.01.2016 - Extension office at Gedu
05.08.2016 - Extension office at Haa
26.04.2017 - Extension office at Tashiyangtse
01.03.2018 - Extension office at Dagapela
15.08.2019 – Branch office at Babesa
07.07.2020 – Branch office at Norzin Lam, Thimphu

24.05.2021 – Extension office at Lango, Paro

01.07.2024 - Extension office at Tashichhoeling, Samtse

Re-Insurance

In order to enhance our underwriting capacity and have global spread of local risk, our office has strong reinsurance partnership with well-established companies that have high financial ratings and long histories of supporting their insured client's when losses occur. Our reinsurance network spreads to various markets and countries such as:

- United Kingdom
- Germany
- United States of America
- Netherland
- Thailand
- India
- Singapore
- Egypt
- Hongkong
- Indonesia

Service Offered

(A) BIL offers all type of Non-Life Insurance services such as:

Motor Insurance:

1. Comprehensive
2. Third Party
3. Road Transit

Fire Insurance:

1. Standard Fire Policy
2. Special Allied Perils Policy
3. Industrial All Risk Policy
4. Enhanced Rural Fire Policy

Engineering Insurance:

1. Contractors All Risk Policy
2. Erection All Risk Policy
3. Contractors Plant and Machinery Policy

Miscellaneous Insurance:

1. Group/Personal Accident Insurance
2. Burglary Insurance

3. Money-in-Transit Insurance
3. Fidelity Guarantee Insurance
4. Workmen Compensation Policy
5. Student Care Insurance
6. Loan Protection Insurance
7. Domestic Travel Insurance
8. Global Travel Insurance
9. Commercial General Liability
10. Drone Insurance Policy

Marine Insurance:

1. All Risk (By Air, Sea, Rail/Road)
2. Basic Road Risk
3. Domestic Transit Insurance

Aviation Insurance

Sports Insurance

Gyalsup Insurance Plan

(B) In addition to Non-Life Insurance services, we also offer the following services:

1. Housing Loan
2. Industrial Loan
3. Loan against Shares
4. Loan against PPF
5. Overdraft
6. Personal Loan
7. Venture Loan
8. Vehicle Loan

(C) And other service provided includes issuing of Bank Guarantees and management of Private Provident Fund (PPF) and Gratuity Fund (GF).

Customer Service

We differentiate ourselves through our employees, referrals, agents and our total commitment to customer service.

The company has an Independent Grievance cell in place to facilitate the walk-in and online customer grievances.

Distribution Channels

The company has multilayer distribution channels established with a mandate to educate the mass and assist them in choosing the right insurance products

- Referrals & Agents
- Direct field underwriters providing door to door service
- Interactive website facilitating online downloads and BIL Facebook Page and Instagram.
- Mbil (Mobile App)

Board Directors

1. Mr. Karma Lotey (Chairman)
M/s Yangphel Private Limited, Thimphu
Email: karma@yangphel.com
2. Kutshab Kinzang Dorji (Independent Director)
Kutshab to Thailand
Email: kutshabkdorji@gmail.com
3. Mr. Kalyan Humagai (Independent Director)
General Manager at Bhutan Professional Services, Thimphu
Email: kal70gai2@gmail.com
4. Mr. Tashi Dorji Rinchhen (Ordinary Director)
CEO of Druk NRG & Druk Ecotec
Email: tashibnb@gmail.com
5. Mr. Jigme Ugyen Gyamtsho (Ordinary Director)
Director & Founder at T & K Services
Email: jimmygyamtsho@gmail.com
6. Mr. Damdi Dorji (CEO/Director - Executive)
Bhutan Insurance Limited, P.O.Box #779, Chorten Lam, Thimphu
Phone: 02-339892/93/94 Fax: 02-339895
Email: dmdorji@gmail.com

Company Secretary

Ms. Sonam Wangmo
Bhutan Insurance Limited, P. O. Box # 779, Chorten Lam, Thimphu
Email: sonamom@bil.bt

Auditors

M/s. Mookherji Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E
Sudersan Mukherjee
Partner
ICAI Membership No. 059159
UDIN: 25059159BMMJOL5554
Place: Kolkata, India

Board Audit Committee Members

1. Mr. Kalyan Humagai (Chairperson)
General Manager at Bhutan Professional Services, Thimphu
Email: kal70gai2@gmail.com
2. Mr. Tashi Dorji Rinchhen (Ordinary Director)
CEO of Druk NRG & Druk Ecotec
Email: tashibnb@gmail.com
3. Mr. Tandin Dorji (Committee Secretary)
Internal Audit Department, BIL, Thimphu
Email: tandin@bil.bt

Board Risk Committee Members

1. Mr. Karma Lotey (Chairman)
M/s Yangphel Private Limited, Thimphu
Email: karma@yangphel.com
2. Mr. Jigme Ugyen Gyamtsho (Ordinary Director)
Director & Founder at T & K Services
Email: jimmygyamtsho@gmail.com
3. Mrs. Sabitri Katwal (Committee Secretary)
Chief Risk Officer, BIL, Thimphu.
Email: sabitri@bil.bt

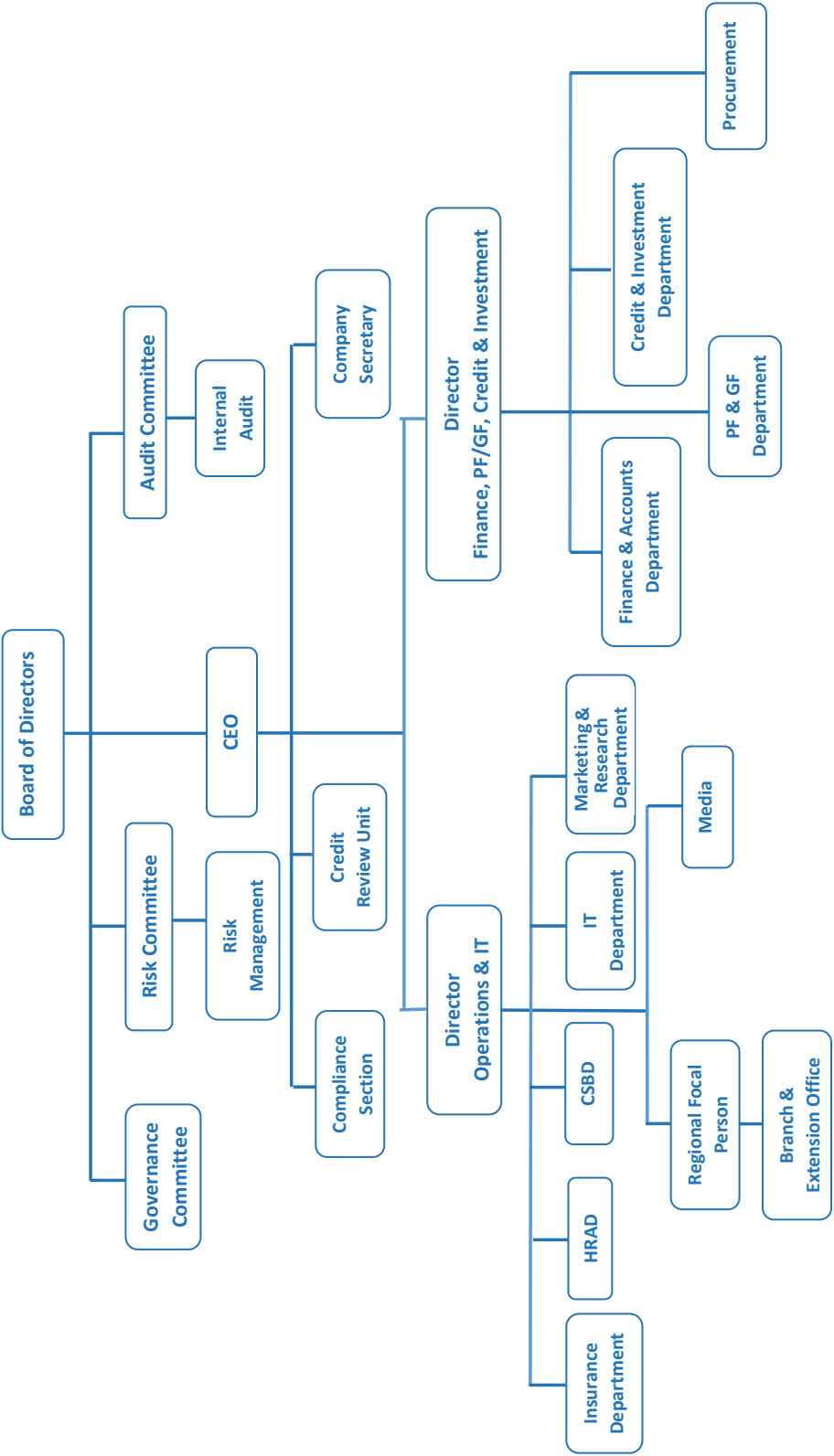
Governance Committee Members

1. Kutshab Kinzang Dorji (Independent Director)
Ambassador to Thailand
Email: kutshabkdorji@gmail.com
2. Mr. Tashi Dorji Rinchhen (Ordinary Director)
CEO of Druk NRG & Druk Ecotec
Email: tashibnb@gmail.com
3. Ms. Sonam Wangmo (Committee Secretary)
Company Secretary, BIL, Thimphu
Email: sonamom@bil.bt

Principal Bankers

1. Bhutan National Bank Limited
2. Druk PNB Limited

Organizational Structure





ཡུལ་ཉེན་བཅོལ་ཚད་འཛིན།
Bhutan Insurance Limited
Providing Security, Building Confidence

OUR PRODUCTS

Insurance Products



MOTOR INSURANCE



FIRE INSURANCE



MISCELLANEOUS INSURANCE



LOAN PROTECTION



AVIATION INSURANCE



MARINE INSURANCE



**PRIVATE PROVIDENT FUND
& GRATUITY FUND**



WORKMEN COMPENSATION

Loan Products



VENTURE TERM LOAN



**HOUSING COMMERCIAL/
HOUSING NON-COMMERCIAL**



INDUSTRIAL LOAN



LOAN AGAINST SHARES



VEHICLE LOAN



PERSONAL LOAN



**LOAN AGAINST PRIVATE
PROVIDENT FUND (PPF)**



SECURED OVERDRAFT

www.bhutaninsurance.com.bt

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 Fax: 339895, Email: bhutaninsurancelimited@gmail.com



Auditor's Report & Financial Statement

Mookherjee Biswas & Pathak
Chartered Accountants

5 & 6 Fancy Lane, Kolkata - 700 001
Phone : 033 2248 0080, 2248 1733, 4602 0635
Website : www.mbpkol.com
Email : mbpkol@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of Bhutan Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Bhutan Insurance Limited** ("the Company"), which comprise the Statement of Financial Position as at 31st December, 2024, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2024 and of its financial performance and its cash flows for the year then ended in accordance with applicable Bhutanese Financial Reporting Standards (BFRS) and the requirements of The Companies Act of Bhutan, 2016 ("the Act").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as prescribed in Section 266 of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

- i. We draw our attention to **note no 22** with respect to calculation of unexpired risk reserve and its impact.
- ii. We draw our attention to **note no. 43** regarding monetary measures taken by the Company as per guidelines issued by the Royal Monetary Authority (RMA) which includes details of deferment of loans in phases, relief on interest etc.

Our opinion is not modified to the extent of the above matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we have



Mookherjee Biswas & Pathak

determined the following matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Provision for Non-Performing Loans as per RMA regulations. Additional provision of 3% for deferred loans under watch category above 65 days have been provided.	We have verified the Non-Performing loans by analyzing the party wise loan accounts, their classification as per Prudential Norms of RMA, 2024. We have also gone through the individual loan files (on sample basis).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the applicable Bhutanese Financial Reporting Standards and the requirements of the Act and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the Financial Statements of the Company as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BFRS, requirements of the Act and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Additional responsibilities of the Auditor have been given in the **Annexure-I**.

Report on Other Legal and Regulatory Requirements

- As required by Section 266 of the Companies Act of Bhutan 2016, we enclose in the **ANNEXURE-II** hereto, a statement on Minimum Audit Examination and Reporting Requirements prescribed by the Royal Audit Authority of Bhutan, to the extent applicable to the Company.
- As required by Section 264 of the Companies Act of Bhutan 2016, we report that the financial statements present fairly in all material respect:

(a) the financial position of the Company as at 31st December, 2024;




Mookherjee Biswas & Pathak

- (b) the financial performance;
- (c) change in equity; and
- (d) Its cash flows for the year ended 31st December 2024.

in accordance with the Accounting Standards prescribed by the Accounting and Auditing Standards Board of Bhutan.

3. As required by Section 265 of the Companies Act of Bhutan 2016, we report to the extent applicable that:
- (a) we have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears during the course of audit;
 - (c) the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows and Statement of change in Equity dealt with by this report have been prepared in accordance with Bhutanese Accounting Standards and are in agreement with the books of account.
 - (d) Based on the information, explanations and management representations as provided by the Company, it appears that the Company has complied with all applicable and relevant legal and regulatory requirements.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E



(Sudersan Mukherjee)
Partner
ICAI Membership No. 059159
UDIN: 25059159BMMJOL5554



Place: Kolkata, India
Date: 15.05.2025



Additional Responsibilities of the Auditor:

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

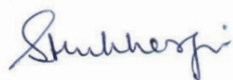
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Mookherjee Biswas & Pathak

Chartered Accountants

ICAI Firm Regn. No. 301138E



(Sudersan Mukherjee)

Partner

ICAI Membership No. 059159

UDIN: 25059159BMMJOL5554



Place: Kolkata, India

Date: 15.05.2025



Mookherjee Biswas & Pathak**Bhutan Insurance Limited****ANNEXURE II TO THE AUDIT REPORT****MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENTS**

(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

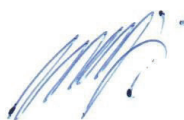
1. The Company has maintained a Fixed Assets Register showing full particulars including quantitative details and situation of fixed assets with mark of codification. As per the Management, physical verification of fixed assets was conducted during the year and no discrepancies were found.
2. None of the items of 'Property, Plant and Equipment' of the Company have been revalued during the year under audit except Land and Building. It is revalued based on Cost Inflation Index.
3. The Company has not taken any loan from Companies under the same management. Therefore, terms of which whether prejudicial to the interest of the Company does not arise.
4. The Company has not granted any loan, secured or unsecured to other Companies, firms or other parties under same management. Therefore, terms of which whether prejudicial to the interest of the Company does not arise.
5. The Company has taken secured loan from banks and financial institutions. The rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
6. The Company has given staff advances in normal course of business, recovery thereof is made as per stipulation.
7. The parties to whom the loans or advances have been given by the Company are generally repaying the principal amounts, as stipulated and are also generally regular in payment of interest, except for certain cases, where the outstanding loan balances comprising of principal and interests, are considered as non-performing assets as per Prudential Regulations 2024 of the Royal Monetary Authority of Bhutan and for which accrued interest as recognized have been reversed and provisioning for principal amounts have been done as per the said Regulations.
8. No excessive/frequent staff advances are generally granted and the accumulation of large advances against particular individual is generally avoided.
9. As per the information and explanations given to us by the management of the Company and from the various substantive and compliance test conducted by us on some transactions of the Company,



Mookherjee Biswas & Pathak

it appears that the Company has an adequate system of internal controls to ensure completeness, accuracy and reliability of accounting records, for carrying out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the rules/regulations and system and procedures. However, the management has been advised to strengthen the internal control procedures relating to key reporting areas and documentation process.

10. According to the information and explanations given to us, there is a reasonable system of competitive biddings commensurate with the size of the Company and the nature of its business, for purchase of goods and services including major items of stores, plant and machinery, equipment and other assets.
11. (a) As informed to us, certain transactions for sale of goods and services have been made in pursuance of contracts or arrangement with companies in which the directors are interested. Our examination has revealed that such transactions of sales were made at prices, which were reasonable having regard to the prevailing market prices for such goods and services or at the prices at which the transaction for similar goods or services have been made with other parties. Details of such transactions and amounts thereof are adequately disclosed in Note no. 39 of the notes to financial statements.
- (b) In respect of transactions referred to in clause 11(a) above, our examination has revealed that such transactions are prima-facie not prejudicial to the interest of the other shareholders and the Company.
12. According to the records, the Company is regular in depositing rates and taxes, duties, provident fund and other statutory dues with the appropriate authorities. Provision for corporate tax is computed on the basis of Rules on the Income Tax Act of the Kingdom of Bhutan, 2001 and necessary adjustments have been made in the books of account.
13. According to the information and explanations given to us and as per the records of the Company, no undisputed amounts payable in respect of provident fund, other statutory dues salary tax, health tax, contractor tax as on 31 December, 2024.
14. According to the information and explanations given to us and on the basis of our test checking of the accounts and other books and records, to the best of our knowledge, we are of the opinion that no personal expenses has been charged to the Company accounts other than those payable under contractual obligations/service rule and/or in accordance with generally accepted business practice.
15. The Company is having authorized policy of recruitment of commission agents, and as informed by the management they are screened to fit the specific criteria before being recruited.
16. In our opinion there has been, in general, a reasonable system for continuous follow up of receivable recovery of its outstanding amounts from the parties but the same offers further scope for




Mookherjee Biswas & Pathak

improvement. The Company keeps the records of overdue analysis of the parties as per Prudential Regulations 2024 of the Royal Monetary Authority of Bhutan.

17. According to the information and explanations given to us, we are of the opinion that the management of liquid resources, particularly cash/bank etc. is reasonably adequate and excessive amounts are not lying idle in non-interest-bearing accounts. Withdrawal of loan amounts are made after assessing the requirements of funds from time to time and no excess amounts are withdrawn leading to avoidable interest burden on the Company.
18. According to the information and explanations given to us and on the basis of examination of available books and records of the Company, we are of the opinion that financial activities carried out by the Company during the year are prima facie lawful and intra vires to the Articles of Incorporation of the Company.
19. We are given to understand that Capital investment decisions are made by the Company with prior approval of the Board and investment in new projects are made only after ascertaining the technical and economic feasibility of such new projects.
20. The Company has established an effective budgetary control system.
21. According to information and explanations given to us, the details of remuneration, commission and other payments made in cash or in kind to the Board of Directors or any of their relatives (including spouse(s) and child/children) by the Company directly or indirectly are disclosed in Note No. 39 of notes to financial statements.
22. According to the information and explanations given to us, the directives of the Board have been complied with.
23. We are given to understand by the management that the officials of the Company are refrained from transmitting any price sensitive information which is not publicly available, unauthorizedly, to their relatives/friends/associates or close persons, who will directly or indirectly benefit themselves.
24. In our opinion and according to the information and explanations given to us, the Company has executed agreements properly and the terms and conditions of leases are reasonable and the same are applied for machinery/ equipment acquired on lease or leased out to others.

Reporting Requirements specific to Finance and Investment Company

25. The Company has the process of maintaining adequate documents and records where it has granted loans and advances for which agreement have been drawn up and timely entries have been made therein.
26. The Company has generally adhered to the requirements of Financial Services Act, 2011 and other applicable laws, rules, regulations and guidelines issued by the appropriate authorities.





Mookherjee Biswas & Pathak

27. In our opinion and on the basis of examination of books and records, the Company follows the accounting policy of making provisions for diminution, other than temporary, if any, in the value of investment in shares.
28. The requirements relating to provisioning for the non-performing assets including loans and advances in terms of Prudential Regulations of RMA has been complied with.
29. Recognition of interest income in respect of non-performing asset has been deferred in terms of Prudential Regulations of RMA.
30. Assets hypothecated against loan and advances have been generally physically verified, properly valued and mortgage deed executed and ensured that the assets are free of any prior lien or charges. In this regard we have relied on the information available from the management.
31. The Company has the system of monitoring projects for which loans have been provided to ensure that loan accounts are used for the specified purposes and project activities are progressing satisfactorily.
32. The Company, in general, has the system for carrying out proper analysis before permitting re-structuring/rescheduling of loans. On the basis of examination carried out in accordance with the generally accepted audit procedures and based on the information and explanations provided by the management to us, re-structuring has generally not been permitted in respect of non-performing loans,
33. Additional loans are not granted to those who have defaulted payment of previous advances.

COMPUTERISED ACCOUNTING ENVIRONMENT

1. The Company has developed a customized software system for maintenance of accounts.
2. According to the information and explanations given to us, the Company has adequate safeguard measures and back up facilities. Back up of operational data is taken on daily basis by system personnel and stored in safe locations as informed to us.
3. In our opinion and according to the information and explanations given to us, there are backup facilities of keeping files.
4. In our opinion and according to the information and explanations given to us, the operational controls are adequate to ensure correctness and validity of input data and out-put information. Many employees are involved for a particular work at different stages. This is done solely to have check and balance. Moreover, as explained to us effective approval hierarchy is in place.




Mookherjee Biswas & Pathak

5. In our opinion and according to the information and explanations given to us, the measures to prevent unauthorized access over the computer installation and files are in existence and adequate. The Company has a dedicated IT Unit to look after this aspect within the organization.
6. In our opinion and according to information and explanations given to us, generally data migration during change to new system are effectively managed to ensure completeness and integrity of data as well as smooth operation of the System. Moreover, data migration is done only after approval from concerned authority and thoroughly checked.

GENERAL

1. Going Concern

From the review of financial statements of the Company and on an overall examination of financial and operational data, it appears that the Company is a going concern as on the date of the Statement of Financial Position as at 31st December 2024.

2. Ratio Analysis

Financial and Operational ratios including Ratio Analysis in respect of the Company has been worked out and presented in **Exhibit-1**.

3. Compliance with the Companies Act of Bhutan 2016

According to the information and explanations given to us and based on examination the Compliance Checklist compiled by the Company and received during the course of our audit it can be reasonably stated that the Company has generally complied with provisions of the Companies Act of Bhutan, 2016.

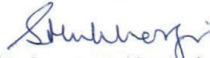
4. Adherence to Laws, Rules and Regulations:

The audit of the Company is governed by the Company Act of Bhutan, 2016 and the scope of audit is limited to examination and review of the financial statements based on data as provided by the management. During the course of audit, we have considered the compliance of provisions of the said Companies Act and its Articles of Incorporation relevant to the financial statements. Based on our examination of the books of accounts and documents which were made available to us we are of the view that the Company has complied with its Laws, Rules and Regulations, System Procedures, and recommended practices.

For Mookherjee Biswas & Pathak

Chartered Accountants

ICAI Firm Regn. No. 301138E


(Sudersan Mukherjee)

Partner

ICAI Membership No. 059159

UDIN: 25059159BMMJOL5554



Place: Kolkata, India

Date: 15.05.2025



BHUTAN INSURANCE LIMITED

Statement of Financial Position for the year ended 31st. December 2024

in Bhutanese Ngultrum

Particulars	Note No.	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	3	260,692,723	204,674,737
Loans & Advances	4	667,900,684	622,134,800
Investment Held Till Maturity	5	170,000,000	235,000,000
Insurance Receivable	7	101,411,084	47,245,257
Deferred Tax Assets	16a	9,515,854	9,463,522
Other Assets	8	119,464,418	121,452,027
Total Current Assets		1,328,984,763	1,239,970,343
Non Current Assets			
Loans & Advances	4	2,847,428,994	2,596,445,273
Investment Held Till Maturity	5	5,000,000	5,000,000
Equity Investment-FVOCI	6	104,023,501	90,051,205
Property, Plant and Equipment	9	170,522,613	166,465,764
Intangible Assets	10	3,188,225	670,471
Total Non current Assets		3,130,163,334	2,858,632,712
TOTAL ASSETS		4,459,148,096	4,098,603,055
LIABILITIES			
Current Liabilities			
Insurance Contract	11	56,582,652	39,068,870
Reinsurance Contract	12	75,633,570	-
Subordinate Term Debt	13	-	120,000,000
Borrowed Funds	14	1,807,964	2,183,151
Employee Benefit Obligation	15	20,555,231	19,207,340
Deferred Tax Liability	16b	8,236,212	13,061,256
Tax Payable	17	68,301,041	83,950,887
Provisions & Contingencies	18	198,449,824	188,007,873
Other Liabilities	19	217,696,593	210,562,226
Total Current Liabilities		647,263,087	676,041,603
Non Current Liabilities			
Borrowed Funds	14	2,460,468,717	2,173,649,111
Total Non current Liabilities		2,460,468,717	2,173,649,111
Total Liabilities		3,107,731,804	2,849,690,713
EQUITY & RESERVES			
Share Capital-Paid up	20	600,000,000	600,000,000
General Reserve	21(i)	423,781,984	371,812,866
Retained earnings	21(ii)	185,458,231	205,550,877
CAT Reserve	21(iii)	14,803,938	14,803,938
Equity Investment Revaluation Reserve	21(iv)	51,879,854	37,907,557
Fixed Assets Revaluation Reserve	21(v)	25,492,286	18,837,104
Corporate office construction Reserve	21(vi)	50,000,000	-
Net assets attributable to the Company's owners		1,351,416,293	1,248,912,342
Non Controlling Interest			
Total Equity		1,351,416,293	1,248,912,342
TOTAL EQUITY & LIABILITIES		4,459,148,096	4,098,603,055

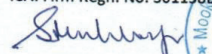
Note: -

i) Contingent Liabilities (Off balance sheet)	146,207,229	176,248,680
ii) Charged off Loans amount (Off balance sheet)	126,818,431	56,693,066
	273,025,659	232,941,746

The Schedules referred to above form an integral part of this Statement of Financial Position.
This is the Statement of Financial Position referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants

ICAI Firm Regn. No. 301138E



Sudersan Mukherjee
Partner

ICAI Member No. 059159

Place: Kolkata, India

Date: 15.05.2025

On Behalf of the Board of Directors

CEO

Director

Chairman

Finance Director



BHUTAN INSURANCE LIMITED

Statement of Comprehensive Income for the year ended 31st. December 2024

in Bhutanese Ngultrum

Particular	Note No.	2024	2023
Net Earned Premium	22	210,177,436	212,438,604
Finance Income	23	12,757,363	11,575,130
Net Fees & Commission Income	24	85,738,664	47,820,695
Net Interest Income on Loans & Advances	25	174,984,943	178,932,093
Other Operating Income	26	60,851,363	61,808,547
Total Operating Income		544,509,769	512,575,070
Net Claims Expenses	27	(70,958,747)	(75,629,103)
Other Operating & Administrative Expenses	28	(133,738,842)	(109,718,403)
Depreciation	9	(9,175,862)	(7,469,111)
Amortization	10	(562,628)	(118,318)
Impairment gain/(Loss) on Loans & Advances	18a(iii)+18c+18d(ii)+18e+18g(ii)	(57,751,061)	13,903,567
Total Operating Expense		(272,187,139)	(179,031,368)
Profit Before Tax		272,322,630	333,543,702
Income Tax	17	68,301,041	83,950,887
Deferred Tax	29	557,357	1,226,807
Prior period adjustment	30	39,583	2,870,719
Profit After Tax		204,539,362	247,948,903
Basic Earnings Per Share	32(i)	3.41	4.13
Diluted Earnings Per Share	32(i)	3.41	4.13
Profit Available for Appropriation			
Transfer to Catastrophic Reserve	21(iii)	-	1,000,000
Transfer to Statement of Other Comprehensive Income		204,539,362	246,948,903
Statement of Other Comprehensive Income			
in Bhutanese Ngultrum			
Profit for the year after appropriation		204,539,362	246,948,903
Remeasurement Gain/(Loss)	15a(iii)	-982,910	-211,808
Total Comprehensive Income before Tax		203,556,452	246,737,095
Deferred Tax	31	4,320,019	-369,129
Total Comprehensive Income After Tax available for appropriation		207,876,472	246,367,966
Transfer to General Reserve	21(i)	51,969,118	61,591,991
Transfer to Retained Earnings	21(ii)	155,907,354	184,775,974
Total appropriation amount		207,876,472	246,367,966
Basic Earnings Per Share	32(ii)	3.46	4.12
Diluted Earnings Per Share	32(ii)	3.46	4.12

The Schedules referred to above form an integral part of this Statement of Comprehensive Income.
This is the Statement of Comprehensive Income referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Sudersan Mukherjee
Partner

ICAI Member No. 059159
Place: Kolkata, India

Date: 15-05-2025



On Behalf of the Board of Directors

CEO

Director

Chairman

Finance Director



BHUTAN INSURANCE LIMITED
Statement of Changes in Equity for the year ended 31st. December 2024
in Bhutanese Ngultrum

Particulars	Share Capital	Retained Earnings	General Reserve	Investment Revaluation Reserve	Catastrophic Reserve	Corporate office construction Reserve	Total
Opening Balance as on 01.01.2024	600,000,000	205,550,877	371,812,866	56,744,661	14,803,938	-	1,248,912,342
Adjustment of Bonus Shares issued during the year	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-
Earnings for the year as per BAS	-	155,907,354	51,969,118	-	-	-	207,876,472
Transfer to Catastrophic Reserve	-	-	-	-	-	-	-
Cash Dividend paid	-	(126,000,000)	-	-	-	-	-126,000,000
Corporate office construction Reserve	-	(50,000,000)	-	-	-	50,000,000	-
Investment Revaluation during the year	-	-	-	20,627,479	-	-	20,627,479
Closing Balance as on 31.12.2024	600,000,000	185,458,231	423,781,984	77,372,140	14,803,938	50,000,000	1,351,416,293
Opening Balance as on 01.01.2023	300,000,000	380,774,903	310,220,875	36,431,039	13,803,938	-	1,041,230,755
Adjustment of Bonus Shares issued during the year	300,000,000	(300,000,000)	-	-	-	-	-
Earnings for the year as per BAS	-	184,775,974	61,591,991	-	-	-	246,367,966
Transfer to Catastrophic Reserve	-	-	-	-	1,000,000	-	1,000,000
Cash Dividend declared	-	(60,000,000)	-	-	-	-	(60,000,000)
Investment Revaluation during the year	-	-	-	20,313,622	-	-	20,313,622
Closing Balance as on 31.12.2023	600,000,000	205,550,877	371,812,866	56,744,661	14,803,938	-	1,248,912,342

The Schedules referred to above form an integral part of this Statement of Changes In Equity.
This is the Statement of Changes In Equity referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Partner
ICAI Member No. 059159
Place: Kolkata, India
Date: 15/05/25



On Behalf of the Board of Directors

CEO

Director

Chairman

Finance Director



BHUTAN INSURANCE LIMITED

Statement of Cash Flow as of 31st. December 2024

Particulars		2024	2023
1. Cash Flow from Operating Activities			
Profit before tax		271,339,720	333,331,894
Add: Depreciation		9,175,862	7,469,111
Add: Amortisation		562,628	118,318
Add/Less: Increase/(Decrease) in Current Liabilities		101,629,609	17,335,992
Add/Less: Increase/(Decrease) in Provision		10,441,951	(14,072,131)
Add/Less: Decrease/(Increase) in Current Assets		(51,620,862)	37,345,750
Less: Tax & Dividend Paid for last year profit		(209,950,887)	(153,083,821)
Less: Prior Period Taxes, Penalties Paid & Others		(596,939)	(4,097,526)
Net Cash Flow from Operating Activities	(A)	130,981,081	224,347,587
2. Cash Flow from Investing Activities			
Decrease/(Increase) in Investment		65,000,000	(65,000,000)
Decrease/(Increase) in Loans		(296,749,605)	(539,715,365)
Purchase of Property Plant & Equipment		(9,657,912)	(9,030,008)
Net Cash Flow from Investing Activities	(B)	(241,407,517)	(613,745,373)
3. Cash flow from Financing Activities			
Increase/(Decrease) in borrowings		166,444,420	332,874,250
Net Cash Flow from Financing Activities	(C)	166,444,420	332,874,250
Net Increase/(Decrease) in Cash and Cash Equivalent	(A+B+C)	56,017,986	(56,523,537)
Change in Cash & Cash Equivalents			
Closing Cash & Cash equivalent		260,692,723	204,674,737
Less: Opening Cash & Cash equivalent		204,674,737	261,198,274
Net changes in Cash & cash equivalent		56,017,986	(56,523,537)

This is the Cash Flow Statement referred to in our report of even date

For Mookherjee Biswas & Pathak

Chartered Accountants

ICAI Firm Regn. No. 301138E

Sudersan Mukherjee

Sudersan Mukherjee
Partner

ICAI Member No. 059159

Place: Kolkata, India

Date: 15-05-2025



On Behalf of the Board of Directors

[Signature]
CEO

[Signature]
Director

[Signature]
Chairman

[Signature]
Finance Director



BHUTAN INSURANCE LIMITED

Statement of Financial Position for General Insurance Department as on 31st. December 2024

Particulars	Note No.	2024	2023
ASSETS			
Non Current Assets			
Intangible Assets (Net block)	10	3,188,225	670,471
Property, Plant & Equipment (Net block)	9	170,522,613	166,465,764
Investment Held Till Maturity	5a	5,000,000	5,000,000
Equity Investment	6a	93,924,939	81,373,884
Total Non current Assets:-		272,635,777	253,510,119
Current Assets			
Cash & cash equivalents	3a	104,778,326	74,681,853
Investment Held Till Maturity	5a	30,000,000	30,000,000
Equity & Short term Investment	6a	408,035,071	498,545,221
Insurance Receivable	7a	101,411,084	47,245,257
Advance & other assets	8a	887,450,183	658,426,009
Deferred Tax Assets	16a(i)	9,515,854	9,463,522
Total current Assets:-		1,541,190,518	1,318,361,861
TOTAL ASSETS:-		1,813,826,296	1,571,871,982
LIABILITIES			
Equity			
Issue,Subscribed & Paid-up capital	20	600,000,000	600,000,000
Retained Earnings	21a(i)	652,501,777	542,874,968
Equity Investment Revaluation Reserve	21a(ii)	46,637,109	34,086,054
Fixed Assets Revaluation Reserve	21a(iii)	25,492,286	18,837,104
Corporate office construction Reserve	21a(iv)	50,000,000	-
Total Shareholders' Equity:-		1,374,631,172	1,195,798,126
Non Current Liabilities			
Borrowings & Funds	14d	10,859,828	11,086,284
Total Non Current Liabilities		10,859,828	11,086,284
Current Liabilities			
Insurance Contract Liabilities	11	56,582,652	39,068,870
Reinsurance Contract Liabilities	12	75,633,570	-
Subordinate Term Debt-ESP Bond	13	-	120,000,000
Employee Benefits Obligations	15a(i+ii)	20,555,231	19,207,340
Deferred tax Liabilities	16b(i)	8,236,212	13,061,256
Other Liabilities	19a	189,559,451	97,942,348
Provisions	18a	77,768,178	75,707,757
Total current Liabilities:-		428,335,295	364,987,572
TOTAL LIABILITIES & EQUITY:-		1,813,826,296	1,571,871,982

The Schedules referred to above form an integral part of this Statement of Financial Position.

This is the Statement of Financial Position for General Insurance Department referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Partner
ICAI Member No. 059159
Place: Kolkata, India
Date: 15.05.2025



On Behalf of the Board of Directors

[Signature]
CEO

[Signature]
Director

[Signature]
Chairman

[Signature]
Finance Director



BHUTAN INSURANCE LIMITED
Revenue Account for General Insurance Department as of 31st. December 2024

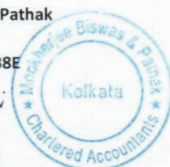
Particular	Note No.	2024 Nu.	2023 Nu.
Gross written Premium	22(a+b)	656,658,280	413,354,532
Premium ceded to reinsurers	22c	(444,420,423)	(211,137,350)
Net written premium		212,237,858	202,217,182
Net change in reserve for unearned premium	22d	-2,060,421	10,221,422
Net Earned Premium		210,177,436	212,438,604
Finance Income	23a	33,353,349	37,042,992
Commission income (Reinsurers ceded)	24	92,671,511	55,765,375
Other operating income	26a	53,534,397	45,449,037
Net Income		389,736,693	350,696,008
Gross claims	27	(134,834,226)	(125,259,940)
Reinsures recoveries	27f	63,875,479	49,630,838
Net policyholder claims & benefits paid		(70,958,747)	(75,629,103)
Commission expenses	24(a+b)	(6,932,847)	(7,944,680)
Other operating & administration expenses	28a	(71,584,699)	(57,834,207)
Gratuity & leave Remeasurement Gain/(Loss)	15a(iii)	(982,910)	(211,808)
Depreciation	9	(4,587,931)	(3,734,555)
Amortization	10	(281,314)	(59,159)
Other Expenses (ESP bond)	25d	(2,911,943)	(8,204,692)
Deferred Tax (Comprehensive Income)	29	557,357	1,226,807
Deferred Tax (Other Comprehensive Income)	31	4,320,019	(369,129)
Prior period adjustment	30a	(39,583)	139,771
Operating Profit/(Loss)		236,334,096	198,075,253

The Schedules referred to above form an integral part of this Revenue Account.

This is the General Insurance Revenue Account referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Partner
ICAI Member No. 059159
Place: Kolkata, India
Date: 15-05-2025



On Behalf of the Board of Directors


CEO


Director


Chairman


Finance Director



BHUTAN INSURANCE LIMITED
Sub Revenue Account for General Insurance Department as of 31st December 2024

Percentage of sub category of Insurance to total		Amount in Nu.									
PARTICULARS	Note No.	40%	37%	4%	3%	41%	41%	15%	19%	100%	100%
		FIRE INSURANCE		MARINE INSURANCE		MOTOR INSURANCE		MISCELLANEOUS INSURANCE		TOTAL	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Premium Earned (Net)	22	85,014,357	79,437,415	7,704,962	5,348,443	86,590,995	86,268,818	30,867,122	41,383,929	210,177,436	212,438,604
Commission (Net)	24	35,947,358	29,389,764	1,117,088	700,426	6,475,942	4,456,503	42,198,275	13,274,003	85,738,664	47,820,695
Finance Income	23a	13,491,046	13,851,529	1,222,711	932,610	13,741,245	15,042,773	4,898,347	7,216,130	33,353,349	37,042,992
Other Income	26a	21,654,048	16,994,811	1,962,535	1,144,244	22,055,634	18,456,319	7,862,180	8,853,663	53,534,397	45,449,037
Total (A)		156,106,810	139,673,520	12,007,296	8,125,722	128,863,817	124,224,363	85,825,924	70,777,724	382,803,846	342,751,329
Claims Incurred (Net)	27	1,658,631	20,191,207	(1,698,014)	(2,861,896)	37,673,268	47,078,152	33,324,862	11,221,640	70,958,747	75,629,103
Operating Expenses	28a	25,562,161	28,291,487	1,295,024	1,076,876	13,597,976	15,077,737	31,129,538	13,388,107	71,584,699	57,834,207
Re-measurement Gain/(Loss)	15a(iii)	397,576	79,202	36,033	5,333	404,949	86,013	144,352	41,261	982,910	211,808
Investment Expenses	25e	1,177,847	3,067,990	106,750	206,565	1,199,691	3,331,829	427,654	1,598,308	2,911,943	8,204,692
Depreciation	9	1,855,765	1,396,467	168,190	94,023	1,890,181	1,516,559	673,794	727,507	4,587,931	3,734,555
Amortization	10	113,788	22,121	10,313	1,489	115,899	24,024	41,314	11,524	281,314	59,159
Total (B)		30,765,769	53,048,474	(81,704)	(1,477,611)	54,881,965	67,114,314	65,741,515	26,988,347	151,307,543	145,673,524
Deferred Tax (Comprehensive Income)	29	225,444	458,741	20,432	30,887	229,625	498,192	81,855	238,987	557,357	1,226,807
Deferred Tax (Other Comprehensive Income)	31	1,747,398	-138,029	158,369	-9,293	1,779,805	-149,899	634,448	-71,908	4,320,019	(369,129)
Prior Period Adjustment	30a	16,011	(52,265)	1,451	(3,519)	16,308	(56,759)	5,813	(27,228)	39,583	(139,771)
Operating Profit (A - B)		127,297,873	86,998,023	12,266,351	9,628,445	75,974,974	57,515,101	20,794,898	43,933,684	236,334,096	198,075,253

1.3 Significant Accounting Policies & Notes to Accounts

The notes referred to above form an integral part of this Sub-Revenue Account.
This is the General Insurance Department Sub-Revenue Account referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E
Sudersan Mukherjee
Partner
ICAI Member No. 059159
Place: Kolkata, India
Date: 15.05.2025



On Behalf of the Board of Directors
CEO
Director
Chairman
Finance Director

BHUTAN INSURANCE LIMITED

Statement of Financial Position for Financing & Investment Department as on 31st. December 2024

Particulars	Note No.	2024	2023
ASSETS			
<u>Non current Assets</u>			
Loans & advances	4a	1,964,447,463	1,750,876,796
Total Non current Assets		1,964,447,463	1,750,876,796
<u>Current Assets</u>			
Cash & cash equivalents	3b	21,725,883	39,700,449
Investment Held Till Maturity	5b	110,000,000	175,000,000
Loans & Overdraft	4a	314,330,493	245,702,156
Other Assets	8b	32,132,710	35,699,324
Total Current Assets		478,189,086	496,101,929
TOTAL ASSETS:-		2,442,636,549	2,246,978,725
LIABILITIES			
<u>Non current Liability</u>			
Borrowings & Funds	14a	710,040,164	705,280,088
Retained Earnings	21b	823,191,890	728,085,709
Total Non current Liabilities		1,533,232,054	1,433,365,797
<u>Current Liabilities</u>			
Borrowed Funds	14a	385,432,223	500,728,372
Other Liabilities	19b	455,677,296	258,433,896
Provisions	18b	68,294,976	54,450,659
Total Current Liabilities		909,404,495	813,612,927
TOTAL LIABILITIES & EQUITY		2,442,636,549	2,246,978,725

The Schedules referred to above form an integral part of this Statement of Financial Position.
This is the Statement of Financial Position for Financing & Investment Department referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Partner
ICAI Member No. 059159
Place: Kolkata, India
Date: 15/05/2025



On Behalf of the Board of Directors

CEO

Director

Chairman

Finance Director



BHUTAN INSURANCE LIMITED
Revenue Account for Financing & Investment Department as of 31st. December 2024

Particulars	Note No.	2024	2023
INCOME			
Interest on Loan	25a	216,882,857	212,429,687
Finance Income	23b	6,578,484	6,312,069
Other Income	26b	6,780,086	10,154,832
Total Income:-		230,241,427	228,896,588
EXPENSES			
Interest Expenses	25d	(70,633,364)	(70,514,966)
Management Expenses	28b	(33,955,453)	(26,934,696)
Amortization Cost of Staff Loan	28b(ii)	(881,536)	(2,259,844)
Depreciation & Amortization	9&10	(2,434,622)	(1,896,857)
Provision against Loans	18c	(27,230,270)	71,312,357
Asset Pending Reserve adjustment	18d(ii)	-	23,477,677
Prior period adjustment	30b	-	(3,010,490)
Total Expense:-		(135,135,245)	(9,826,819)
Operating Profit/(Loss)		95,106,181	219,069,768

The Schedules referred to above form an integral part of this Revenue Account.

This is Finance & Investment Revenue Account referred to in our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants

ICAI Firm Regn. No. 301138E

Sudersan Mukherjee

Sudersan Mukherjee
Partner

ICAI Member No. 059159

Place: Kolkata, India

Date: 15/05/2025



On Behalf of the Board of Directors

[Signature]
CEO

[Signature]
Director

[Signature]
Chairman

[Signature]
Finance Director



BHUTAN INSURANCE LIMITED

Statement of Financial Position for PPF & GFM Department as on 31st. December 2024

		Amount in Nu.	
Particulars	Note No.	2024	2023
ASSETS			
Non current Assets			
Loans & advances	4b	882,981,531	845,568,477
Total Non current Assets		882,981,531	845,568,477
Current Assets			
Cash & Cash Equivalents	3c	134,188,514	90,292,435
Loan & advances	4b	353,570,190	376,432,644
Investment Held Till Maturity	5c	30,000,000	30,000,000
Equity & other Investment	6c	10,098,562	8,677,320
Other Assets	8d	367,238,580	181,246,159
Total Current Assets		895,095,847	686,648,558
TOTAL ASSETS		1,778,077,378	1,532,217,036
EQUITY AND LIABILITIES			
Non current Liabilities			
Member's Contribution Funds	14c	1,739,568,725	1,457,282,739
Reserve-[Debit balance of Revenue Account]	21c(i)	-198,080,755	-142,817,991
Equity Investment Revaluation Reserve	21c(ii)	5,242,745	3,821,502
Total Non Current Liabilities		1,546,730,714	1,318,286,250
Current Liabilities			
Borrowings & Funds	14c	24,410,812	-
Other Liabilities	19d	154,549,182	156,081,329
Provisions	18e	52,386,669	57,849,457
Total Current Liabilities		231,346,664	213,930,785
TOTAL LIABILITIES		1,778,077,378	1,532,217,036

The Schedules referred to above form an integral part of this Statement of Financial Position.

This is the Statement of Financial Position for PPF & GFM Department (New Fund) referred to in our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants

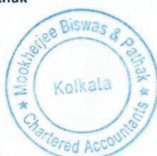
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Partner

ICAI Member No. 059159

Place: Kolkata, India

Date: 15/05/2025



On Behalf of the Board of Directors

CEO Director Chairman

Finance Director



BHUTAN INSURANCE LIMITED
Revenue Account for PPF & GFM Department as of 31st. December 2024

	Note No	2024	2023
INCOME			
Interest Income	25b	119,480,801	108,251,524
Finance Income	23c	1,929,421	1,672,377
Other Income	26c	536,880	6,204,678
Total Income		121,947,102	116,128,578
EXPENSES			
Interest Expense	25g	(116,937,298)	(96,481,767)
Management Expense	28c	(27,317,154)	(22,689,656)
Depreciation & Amortization	9&10	(2,434,622)	(1,896,857)
Provision against Loans	18f	(30,520,791)	-57,395,493
Asset Pending Reserve adjustment	18g(ii)	-	(23,490,974)
Total Expenses		(177,209,866)	(201,954,748)
Operating Profit/(Loss)		(55,262,764)	(85,826,169)

The Schedules referred to above form an integral part of this Revenue Account.

This is PPF & GFM Department (New Fund) Revenue Account referred to in our report of even date.

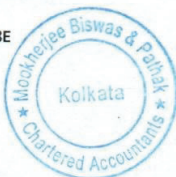
For Mookherjee Biswas & Pathak
Chartered Accountants
ICAI Firm Regn. No. 301138E

Sudersan Mukherjee
Sudersan Mukherjee
Partner

ICAI Member No. 059159

Place: Kolkata, India

Date: 15/05/2025



On Behalf of the Board of Directors

[Signature] CEO
[Signature] Director
[Signature] Chairman
[Signature] Finance Director



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

Notes

1.1 Corporate Information

Bhutan Insurance Limited is a limited liability Company incorporated and domiciled in Bhutan. The registered office of the Company and the principal place of business are located at Chorten Lam, Post Box # 779, Thimphu, Bhutan. The Company was incorporated on 20th August, 2009 and commenced Non-Life Insurance business on same date.

1.2 Principal Activity

The Company is primarily engaged in the business of underwriting Non-Life Insurance and is also authorized by Royal Monetary Authority to provide Financing & Investment Services, Managing Private Provident Fund (PPF) and Gratuity Fund Management (GFM).

2.1 Basis of Preparation

The financial statements have been prepared on historical cost basis, except Equity Investments which is valued on fair Value. The financial statements are presented in Bhutanese Ngultrum (Nu). The following fundamental assumptions are followed in preparation of these financial statements:

- a) Accrual
- b) Going Concern
- c) Consistency

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Bhutanese Accounting Standards (BAS) in line with International Financial Reporting Standards (IFRS).

Presentation of Financial Statements

The Company presents its Statement of Financial Position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) or more than 12 months after the reporting date (non-current) is presented in notes herewith.

Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

Change Impact

Financial Impact emanated out of this first-time adoption is due to the following reasons:



Bhutan Insurance Limited**Notes to Financial Statements-31st December 2024**

- a) Adoption of Effective Interest Rate as stated in BAS-39, which does not have any financial impact currently.
- b) Valuation of Gratuity and Leave Encashment on the basis of Projected Unit Credit Method as stated in BAS-19.
- c) Fair Valuation of Equity Investments as per BFRS-13.
- d) Recognition of Deferred Tax Assets/Liabilities owing temporary timing differences as per BAS-12.

2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The management based its assumptions and estimates on the parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the entity's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of a mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for discount



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

rates, income earning potential etc. The management has used Level-III technique as stated in BFRS-13 in valuation of Equity Investments.

Impairment Losses on Loans and Advances

The management reviews its individually significant loans and advances at each Reporting Date to assess whether an Impairment Loss should be recorded in the Income Statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Loans and Advances that have been assessed individually and found not to be impaired are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes into account of data from the loan portfolio (such as levels of arrears, loan type etc) and judgment on the effect of economic and market conditions. Impairment on Loans and Advances has been done as per incurred loss model of BAS 39 in line with RMA Prudential Norms, 2024. The impairment loss on loans and advances is disclosed in more detail in the notes attached herewith.

2.3 First-Time Adoption of Bhutanese Accounting Standards (in line with IFRS)

The Company has decided to implement Bhutanese Accounting Standard-Phase 1 as per the notification issued by Accounting and Auditing Standards Board of Bhutan with effect from 1st January, 2013 which is referred as the "Transition Date". Phase-2 and Phase-3 of Bhutanese Accounting Standard has been implemented with effect from 01.01.2016.

Statement of Compliance

The Financial Statements of the Company has been prepared and presented in accordance with Bhutanese Accounting Standards as notified by Accounting and Auditing Standards Board with Bhutan and other relevant provisions of the Companies Act of Bhutan, 2016. The remeasurement statement as per BFRS-1 has been presented in Annexure-1A & 1B.

2.4 Summary of Significant Accounting Policies

Foreign Currency Translation

Transactions in Foreign Currency are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary Assets and Liabilities in Foreign currencies are translated into functional currency at the exchange rates prevailing at the end of the reporting period. Exchange gains and losses on foreign currency translation are dealt with in the Income Statement. Non-monetary items are measured at historical cost.



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

Cash & Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise Cash at Bank, in hand and other short-term investment that are expected to be liquidated within next 3 months from the date of investment.

Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from operating, investing & financing activities of the Company are segregated based on the available information.

Loans & Advances to Customers

After initial measurement, Loans & Advances to Customers are subsequently measured at amortized cost using the Effective Interest Rate (EIR), less allowance for impairment. Amortized Cost is calculated by taking into account any discount or premium on acquisition and fees and Costs that are an integral part of the Effective Interest Rate (EIR). The amortization is included in Interest and similar income in the Income Statement. The loss arising from impairment are recognized in the Income Statement.

Financial Instruments-Classifications

The Company has classified Financial Instruments in the following manner as specified in BAS-39 (in line with IAS-39).

Financial Assets

- i) Fair Value through Profit & Loss Account
- ii) Loans & Advances
- iii) Held Till Maturity
- iv) Available for Sale

Presently the Company is having assets in Category (i),(ii) & (iii).

Financial Liabilities

- i) Fair Value through Profit and Loss Account
- ii) Other Liabilities

Presently the Company is having liabilities in category(ii).



De-recognition of Financial Assets & Liabilities

i) Financial Assets

A financial asset is de-recognized in the following cases:

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.
- The Company has transferred substantially all the risks and rewards of the asset.
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii) Financial Liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. Where 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 modifications is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the considerations paid is recognized in Income Statement.

Collateral Valuation

The Company seeks to use collateral, where possible, to mitigate its risks on financial assets. The fair value of collateral is generally assessed, at a minimum, at inception and is appropriate. The Company uses active market data for valuing financial assets, held as collateral.

Offsetting Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position if and only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore the related assets and liabilities are presented gross in the Statement of Financial Position.

Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset. Leases that do not transfer to the Company substantially all the risks and rewards incidental to the ownership of the leased items are operating leases. Operating lease payments are recognized as an expenses in the Income Statement on a straight line basis over the lease term. Contingent Rental Payable



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

is recognized as an expense in the period in which they are incurred. Right of use of the leasehold properties has not been measured as per BFRS-16 as the lease contracts are short term in nature.

Reinsurance

The Company cedes insurance risk in the normal course of business to recognized reinsurers through formal reinsurance arrangements. Reinsurance assets represent balances due from all insurance and reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. Reinsurance receivables are recorded gross in the Statement of Financial Position unless a right to offset exists. Premiums and claims are presented on a gross basis for ceded reinsurance. Reinsurance assets are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance Commissions

Commissions receivable on outward reinsurance contracts are deferred and amortized over the period in which the related written premiums are earned.

Premiums Receivable

Premiums receivable is recognized when due and measured on initial recognition at the fair value of the consideration received or receivable.

Other Receivables

Other Receivables and dues from related parties are recognized at carrying cost.

Non-Life Insurance Contract Liabilities

Non-Life Insurance Contract Liabilities are recognized when contracts are entered into and premiums are charged. These liabilities known are as the policy liability provisions include the premiums and claim liabilities.

The premium liabilities relate to policies for which the premium has been received but the exposure has not fully expired, while the claim liabilities relate to claims that have been incurred but not yet settled. The provision for unearned premiums represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized as premium income. At each reporting date the company reviews its unexpired risk.

The claim liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the Balance Sheet date.

The liabilities are derecognized when the contact expires, is discharged or is it cancelled.

Recognition of Revenue


Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Premiums

Premiums are recognized as income, as and when due on assumption of risk. Reinsurance Premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in-principal arrangement with the re-insurers.

Interest and similar Income and Expense

Interest and similar income and expense has been recognized using the effective interest rate. Effective Interest Rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Commission Income

The Company earns commission income by issuing Bank Guarantee. The Commission income earned is accounted on Cash basis.

Dividend Income

Revenue is recognized when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

Expenditure Recognition

Expenses are recognized in the Income Statement on the basis of a direct association between the cost incurred and earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to the Income Statement in arriving at the profit for the year.

Reinsurance Claims

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

Property, Plant & Equipment



Bhutan Insurance Limited**Notes to Financial Statements-31st December 2024**

After recognition as an asset, an item of property, plant & equipment has been carried at cost less accumulated depreciation and any accumulated impairment losses. Management physically verified the assets and found them to be worthy of use till the absorption of full cost after charging depreciation on the basis of useful life as estimated by the management.

Historical Cost includes expenditure directly attributable to the acquisition of items. Subsequent Costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Income Statement in the financial period in which they are incurred.

Depreciation has been calculated on straight line basis as per the useful life estimated by the management and calculated on pro-rata basis from the date of purchase. The useful life of assets and rates of depreciation are as follows:

Details of Assets	Useful Life (in years)	Rates (%)
Furniture	6.67	15
Office Equipment	6.67	15
Computer Equipment	6.67	15
Vehicle	6.67	15
Building	33	3

Intangible Assets

Intangible Assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible Assets having finite useful lives are amortized on straight line basis over their estimated useful lives. The useful life of the asset and rates of amortization is as follows:

Details of Asset	Useful Life (in years)	Rates (%)
Software	6.67	15

Gains & Losses on Disposal

Gains & Losses on Disposal of an item of property, plant & equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant & equipment, and are recognized net within "Other Income/Other Expenses" in the Statement of Comprehensive Income.

Impairment of Items of Property, Plant & Equipment and Intangible Assets

The entity assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. In assessing whether there is any indication that an asset may be impaired, the entity considers the following indications:



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

- **External Sources of Information**

- a) There are observable indicators that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.
- b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
- c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- d) The carrying amount of the net assets of the entity is more than its market capitalization.

- **Internal Sources of Information**

- a) Evidence is available of obsolescence or physical damage of an asset.
- b) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operations to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- c) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

De-Recognition

The carrying Amount of an item of Property, Plant & Equipment is de-recognized on disposal or when no future economic benefits are expected from it. The gain or loss arising on de-recognition of an item of Property, Plant & Equipment are included in the Statement of Comprehensive Income when the item is de-recognized.



Bhutan Insurance Limited

Notes to Financial Statements-31st December 2024

Non-Current Assets Held for Sale and Discontinued Operations

The entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The following conditions must be met for an asset (or disposal group) to be classified as held for sale:

- Management is committed to a plan to sell.
- The asset is available for immediate sale.
- The active program to locate a buyer is initiated.
- The sale is highly probable, within 12 months of classification as held for sale.
- The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value.
- Actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

Equity Investments

Investments in Equity has been recognized at Fair Value on the basis of Level-III technique as stated in BFRS-13. The value of investments is tested for impairment as and when there is presence of "Objective Evidence" as stated in BAS-39. The Company is having investments in the equity shares of financial institutions and as on the reporting date there is no presence of any objective evidence.

An equity investment is said to be impaired when:

- Its fair value has declined to below cost **and**
- There is objective evidence of impairment.

"Objective Evidence" of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in the which the entity operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

Share Capital

Ordinary Shares are classified as "Share Capital" in Equity.

Dividends

Dividends on ordinary shares are recognized as a liability and deducted from equity when it is approved by the Shareholders of the Company. Interim Dividends are deducted from equity when they are declared. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

Proposed/Declared Dividends

Dividends proposed/declared by the Board of Directors after the reporting date is not recognized as a liability. The 72nd Board meeting held on 8th April 2025 has approved the dividend for the year 2024 at 18.5% of paid-up capital amounting to Nu. 111,000,000 which was endorsed in 16th Annual General Meeting held on the same date. It is also approved by Royal Monetary Authority of Bhutan (RMA) as per Prudential Regulations 2024 vide letter No. RMA/DFRS/22/2024-2025/4722 dated 28th April 2025 which is disclosed as a Note to the Financial statement. The dividend declared in year 2023 was 21% of Paid-up capital amounting to Nu.126,000,000.

Income Taxes

Income Taxes has been provided for in the financial statements in accordance with legislation enacted or substantively enacted by end of the reporting period. The Income Tax charge comprises current tax is recognized in the Statement of Comprehensive Income for the year.

Current Tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for Income Tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognized based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Deferred Tax

The Bank calculates deferred taxation based on temporary timing differences, that is the difference between the carrying amount of assets/liabilities and their tax base.

Staff Costs and related contributions

The Company measures the present value of the Gratuity obligation, which is a defined benefit plan with the advice of an independent professional actuary using the projected unit credit method.

Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an assets or Cash Generating Unit's fair value less costs to sell and its value in use. When the carrying amount of an asset or Cash Generating Unit's exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

Provisions, Contingent Assets & Contingent Liabilities

The Company recognizes provisions only when it has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liability is disclosed unless the possibility of an outflow of resources embodying economic is remote. Contingent Assets are not recognized in the financial statements.

Operating Segments

An Operating Segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Chief Operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the Chief Operating Decision maker and are reported separately.



4a. Finance & Investment Department

in Bhutanese Ngultrum

	<u>31st. December 2024</u>		<u>31st. December 2023</u>	
	Current	Non Current	Current	Non Current
Manufacturing/Industry Sector Loan	57,344,420	397,100,501	12,553,738	226,910,415
Service Sector Loan	12,348,281	31,023,238	24,351,477	29,191,285
Trade/Commerce Sector Loan	49,670,478	281,984,589	56,275,753	337,838,041
Housing Sector Loan	4,540,888	711,255,554	4,516,062	597,739,765
Transport Sector Loan	-	431,644,655	-	437,670,777
Loans to Purchase Securities	-	32,394,871	34,770,155	31,240,622
Personal Loan	-	32,025,827	-	39,800,923
Staff Loan	-	47,018,229	-	49,748,867
Consumer Loan	190,082,774	-	112,995,641	736,102
Late Fees Outstanding	343,652	-	239,331	-
Total Gross Loans & Advances	314,330,493	1,964,447,463	245,702,156	1,750,876,796

Details of Provision for Loan Impairment are as follows:

in Bhutanese Ngultrum

Impairment as per BAS-39-Incurred Loss Model	68,294,976	54,450,659
Total Provision for Loan Impairment as per BAS-39/RMA PR Norms, 2017	68,294,976	54,450,659

Economic sector risk concentrations within the gross loans & advances to customers for FID

<u>in Bhutanese Ngultrum</u>	<u>31st. December 2024</u>		<u>31st. December 2023</u>	
		%		%
Manufacturing/Industry Sector Loan	454,444,920	19.94	239,464,152	11.99
Service Sector Loan	43,371,520	1.90	53,542,762	2.68
Trade/Commerce Sector Loan	331,655,066	14.55	394,113,794	19.74
Housing Sector Loan	715,796,442	31.41	602,255,827	30.16
Transport Sector Loan	431,644,655	18.94	437,670,777	21.92
Loans to Purchase Securities	32,394,871	1.42	66,010,777	3.31
Personal Loan	32,025,827	1.41	39,800,923	1.99
Staff Loan	47,018,229	2.06	49,748,867	2.49
Consumer Loan	190,082,774	8.34	113,731,743	5.70
Late Fees	343,652	0.02	239,331	0.01
Total Gross Loans & Advances to Customers	2,278,777,957	100	1,996,578,952	100

4b. PPF & GFM Department

in Bhutanese Ngultrum

	<u>31st. December 2024</u>		<u>31st. December 2023</u>	
	Current	Non Current	Current	Non Current
Manufacturing/Industry loan	47,121,072	80,142,210	44,570,906	36,147,208
Service Sector Loan	29,300,237	9,281,931	24,003,129	9,922,750
Trade & Commerce loan	81,047,631	185,525,604	103,848,243	211,218,442
Housing Sector Loan	9,929,950	381,367,844	14,781,060	287,999,748
Transport Sector Loan	-	202,481,403	-	231,719,263
Personal Loan	-	14,138,706	-	17,212,681
Loans to Purchase Securities	-	-	-	40,994,408
Consumer Loan (Loan against PPF)	-	10,043,834	-	10,353,977
Consumer Loan (Others)	186,020,312	-	188,717,210	-
Late Fees	150,988	-	512,095	-
Total Loans & Advances	353,570,190	882,981,531	376,432,644	845,568,477

Economic sector risk concentrations within the gross loans & advances to customers of PF/GF Dept.

<u>in Bhutanese Ngultrum</u>	<u>31st. December 2024</u>		<u>31st. December 2023</u>	
		%		%
Manufacturing/Industry loan	127,263,282	10.29	80,718,114	6.61
Service Sector Loan	38,582,168	3.12	33,925,878	2.78
Trade & Commerce loan	266,573,234	21.56	315,066,685	25.78
Housing Sector Loan	391,297,794	31.64	302,780,808	24.78
Transport Sector Loan	202,481,403	16.37	231,719,263	18.96
Personal Loan	14,138,706	1.14	17,212,681	1.41
Loans to Purchase Securities	-	-	40,994,408	3.35
Consumer Loan (Loan against PPF)	10,043,834	0.81	10,353,977	0.85
Consumer Loan (Others)	186,020,312	15.04	188,717,210	15.44
Late Fees	150,988	0.01	512,095	0.04
Total	1,236,551,721	100	1,222,001,121	100

Details of Provision for Loan Impairment are as follows:

in Bhutanese Ngultrum

Impairment as per BAS-39-Incurred Loss Model	52,386,669
Total Provision for Loan Impairment as per BAS-39/RMA PR Norms, 2017	52,386,669



5 Instruments Held Till Maturity

in Bhutanese Ngultrum

Investment in DWAL Bond (5,000 Bonds @ 1000 per bond)

Fixed Deposit (Maturing within 12 Months)

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
-	5,000,000	-	5,000,000
170,000,000	-	235,000,000	-
170,000,000	5,000,000	235,000,000	5,000,000

5a. General Insurance Department

in Bhutanese Ngultrum

Investment in DWAL Bond (5,000 Bonds @ 1000 per bond)

Fixed Deposit (Maturing within 12 Months)

Total

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
-	5,000,000	-	5,000,000
30,000,000	-	30,000,000	-
30,000,000	5,000,000	30,000,000	5,000,000

5b. Finance & Investment Department

in Bhutanese Ngultrum

Fixed Deposit (Maturing within 12 Months)

Total

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
110,000,000	-	175,000,000	-
110,000,000	-	175,000,000	-

5c. PPF & GFM Department

in Bhutanese Ngultrum

Fixed Deposit (Maturing within 12 Months)

Total

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
30,000,000	-	30,000,000	-
30,000,000	-	30,000,000	-

6 Equity & Other Investment

in Bhutanese Ngultrum

Equity Investment with BNBL

Equity Investment with CIB

Equity Investment with FITI

Total

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
-	92,324,688	-	79,331,181
-	5,698,814	-	4,720,023
-	6,000,000	-	6,000,000
-	104,023,501	-	90,051,205

The Equity Investment has valued based on Audited Financial Statements of BNBL, CIB and FITI of the year 2023 as per the Level-III technique as stated in BFRS-13 (in line with IFRS-13). The details of valuation is as follows:

6a. General Insurance Department

in Bhutanese Ngultrum

Equity Investment with BNBL

Equity Investment with CIB

Equity Investment with FITI

Investment fund with PF/GF dept.

Investment fund with FID

Total

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
-	82,226,125	-	70,653,861
-	5,698,814	-	4,720,023
-	6,000,000	-	6,000,000
24,410,812	-	-	-
383,624,259	-	498,545,221	-
408,035,071	93,924,939	498,545,221	81,373,884

6c. PPF & GFM Department

Equity Investment with BNBL

31st. December 2024		31st December 2023	
Current	Non-Current	Current	Non-Current
-	10,098,562	-	8,677,320
-	10,098,562	-	8,677,320.41



Bhutan Insurance Limited

Notes to Financial Statements-31st. December 2024

7 Insurance Receivable

in Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non Current	Current	Non Current
Insurance Premium Receivable	101,411,084	-	16,007,713	-
RI Receivable	-	-	31,237,544	-
Total Insurance Receivable	101,411,084	-	47,245,257	-

7a. General Insurance Department

in Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non Current	Current	Non Current
Insurance Premium Receivable	101,411,084	-	16,007,713	-
RI Receivable	-	-	31,237,544	-
Total Insurance Receivable	101,411,084	-	47,245,257	-

All the insurance assets has not been tested for impairment as on reporting date owing to lack of objective evidences as per BFRS-4.

8 Other Assets

in Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non Current	Current	Non Current
Rental amount Receivable	-	-	120,000	-
Security Deposit for Office Space	634,005	-	506,807	-
RMA Reserve	30,000	-	30,000	-
Advance CIT & TDS	46,899,238	-	46,009,487	-
RMA Penalty Deposit A/c	100,000	-	100,000	-
Other Advance & Receivable	1,581,841	-	2,009,955	-
Interest Receivable on Bonds	139,726	-	139,726	-
BIL Employees Gratuity Fund Investment (RICBL)	14,645,853	-	11,840,546	-
Vehicle Scrap Purchase Advance Payment	-	-	961,815	-
Interest Receivable on Fixed Deposits	3,916,393	-	5,772,784	-
Prepaid Staff loan Cost	12,317,370	-	14,337,467	-
Loan Charge-off advances	1,238,189	-	1,463,522	-
Asset Pending Foreclosure Account	37,961,803	-	38,159,918	-
Total	119,464,418	-	121,452,027	-

8a. General Insurance Department

in Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non Current	Current	Non Current
Rental amount Receivable	-	-	120,000	-
Security Deposit for Office Space	634,005	-	506,807	-
RMA Reserve	30,000	-	30,000	-
Advance CIT & TDS	46,518,496	-	45,704,162	-
RMA Penalty Deposit A/c	100,000	-	100,000	-
Other Advance & Receivable	1,581,841	-	2,009,955	-
Interest Receivable on Bonds	139,726	-	139,726	-
Interest Receivable on Fixed Deposits	904,918	-	1,424,208	-
BIL Employees Gratuity Fund Investment (RICBL)	14,645,853	-	11,840,546	-
Vehicle Scrap Purchase Advance Payment	-	-	961,815	-
Interest receivable on Funds to PPF/GF Department	1,182,421	-	-	-
Interest receivable on Funds to Finance & Investment Department	27,921,470	-	33,452,307	-
Counter Entry of FID Last Year Reserve	728,085,709	-	509,015,940	-
Management Fees Receivable from FID	35,968,769	-	28,536,259	-
Management Fees Receivable from PPF & GFM dept.	29,736,976	-	24,584,283	-
Total	887,450,183	-	658,426,009	-

8b. Finance & Investment Department

in Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non Current	Current	Non Current
Interest Receivable on Fixed Deposits	2,688,525	-	4,029,945	-
Prepaid Staff Loan Cost	12,317,370	-	14,337,467	-
Advance CIT & TDS	270,325	-	220,087	-
Asset Pending Foreclosure Account	14,638,944	-	14,668,944	-
Loan Charge-off advances	318,021	-	543,355	-
GAD control A/c.	1,899,525	-	1,899,525	-
Total	32,132,710	-	35,699,324	-



8d. PPF & GFM Department

in Bhutanese Ngultrum

Interest receivable on investment with FID (New Fund)

Interest receivable on Fixed Deposit

TDS on FD & dividend

Asset Pending Foreclosure Account

Loan Charge-off advances

Interest & Late fee transferred control A/c. (Assets Segregation)

Loan Charge-off transferred control A/c. (Assets Segregation)

Investment Dept. control A/c.

Total

31st. December 2024		31st. December 2023	
Current	Non Current	Current	Non Current
-	-	-	-
322,951	-	318,630	-
110,417	-	85,238	-
23,322,859	-	23,490,974	-
920,168	-	920,168	-
113,924,100	-	113,924,100	-
27,649,414	-	27,649,414	-
200,988,671	-	14,857,635	-
367,238,580	-	181,246,159	-



Bhutan Insurance Limited
Notes to Financial Statements-31st. December 2024

9 Property, Plant & Equipment
in Bhutanese Nautilum

	Cost	Office Equipment	Furniture & Fittings	Computer, Printer & Others	Motor Vehicles	Land	Building	Total
Balance as at 1st January	7,001,372	7,174,273	7,001,372	25,796,297	11,282,578	105,322,125	30,329,965	186,907,210
Additions during the year	844,680	844,680	833,110	4,899,740	-	-	-	6,577,530
Disposals during the year adjusted	-	-	-	-	-	-	-	-
Balance as at 31st. December 2024	8,019,553	7,834,482.00	7,834,482.00	30,696,037.15	11,282,578.00	105,322,125.00	30,329,965.00	193,484,740
Depreciation								
Balance as at 1st January	5,578,859	5,578,859	6,449,924	18,285,025	7,064,978	-	1,899,765	39,278,551
Depreciation charge for the year	1,148,373	1,148,373	1,107,453	4,317,751	1,692,387	-	909,899	9,175,862
Accumulated Depreciation adjusted	-	-	-	-	-	-	-	-
Balance as at 31st. December 2024	6,727,231.62	7,557,376.56	7,557,376.56	22,602,775.74	8,757,364.70	-	2,809,663.95	48,454,413
Fair valuation Gain/(Loss) as at 1st January	-	-	-	-	-	16,445,647	2,391,456	18,837,104
Fair valuation Gain/(Loss) during the year as per BFRS 13	-	-	-	-	-	5,248,611	1,406,571	6,655,182
Book Value as on 31st. December 2024	1,292,321	277,105	277,105	8,093,261	2,525,213	127,016,383	31,318,329	170,522,613
Book Value as on 31st. December 2023	1,596,014	551,448	551,448	7,511,272	4,217,600	121,767,772	30,821,657	166,465,764

All the units of Property, Plant & Equipment has been tested for impairment as on the reporting date as per BAS-36.

10 Intangible Assets
in Bhutanese Nautilum

	31st. December 2024	31st. December 2023
Cost		
Balance as at 1st January	9,999,670	9,999,670
Additions during the year	3,080,382	-
Balance as on 31st. December	13,080,052	9,999,670
Amortization		
Balance as at 1st January	9,329,199	9,210,881
Amortisation charge for the year	562,628	118,318
Balance as on 31st. December	9,891,827	9,329,199
Book Value as on 31st. December	3,188,225	670,471

Intangible assets represent the cost of acquisition (Nu. 7,524 million) of an Insurance Management System from M/s. West Innovative, Kolkata, India in year 2013 and a Loan Management System (Nu.0.5 million) from DPS, Kolkata, India in year 2012. Both the above system softwares got obsolete and replaced by new softwares developed inhouse by our IT staff. During the year ISMS and PIMS for ISO/IEC 27001 certification and cyber security purposes has been developed and implemented by the IT consultant firm M/s. Nuk 3, Kolkata in line with RMA directive letter No. RMA/DT/Cybersecurity/2019-2020/6016 dated 17th March 2020.

	31st. December 2024	31st. December 2023
Segment wise Depreciation		
General Insurance Department	4,587,931	3,734,555
Finance & Investment Department	2,293,965	1,867,278
PF/GF(New) Fund	2,293,965	1,867,278
Total	9,175,862	7,469,111
Segment wise Amortization		
General Insurance Department	281,314	59,159
Finance & Investment Department	140,657	29,580
PF/GF(New) Fund	140,657	29,580
Total	562,628	118,318



11 Insurance Contract Liabilities*in Bhutanese Ngultrum*

Claim Outstanding

Insurance premium refundable

Referral Fees Payable

Total Insurance Contract Liabilities

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
30,333,780	-	35,621,228	-
22,232,165	-	228,596	-
4,016,706	-	3,219,046	-
56,582,652	-	39,068,870	-

12 Reinsurance Contract Liabilities*in Bhutanese Ngultrum*

RI Ceded Payable

Total Reinsurance Liabilities

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
75,633,570	-	-	-
75,633,570	-	-	-

The Company has internally tested the Insurance Liabilities as per BFRS-4 and it is found to adequate.

13 Subordinate Term Debt*in Bhutanese Ngultrum*

ESP Bond

Total Subordinate Term Debt

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
-	-	120,000,000	-
-	-	120,000,000	-

The Company has issued bonds of Nu. 120,000,000 at a coupon rate of 6% under Economic stimulus Plan as formulated by Royal Government of Bhutan which was matured and redeemed during the year.

14 Borrowings & Funds*in Bhutanese Ngultrum*

Borrowings from GIC Bhutan Re

Borrowings from BNBL

Borrowing from T-Bank

Staff Welfare Fund

Private Provident Fund

Gratuity Fund

Borrowing from Druk PNB bank

Total

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
-	700,000,000	-	700,000,000
-	10,040,164	-	5,280,088
-	-	493,465	-
1,807,964	-	1,689,686	-
-	617,698,678	-	465,500,637
-	1,121,870,047	-	991,782,102
-	10,859,828	-	11,086,284
1,807,964	2,460,468,717	2,183,151	2,173,649,111

14a. Finance & Investment*in Bhutanese Ngultrum*

Borrowings from GIC Bhutan Re

Borrowings from BNBL

Borrowing from T-Bank

Staff Welfare Fund

Fund from General Insurance Dept.

Total

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
-	700,000,000	-	700,000,000
-	10,040,164	-	5,280,088
-	-	493,465	-
1,807,964	-	1,689,686	-
383,624,259	-	498,545,222	-
385,432,223	710,040,164	500,728,372	705,280,088

14c. PPF & GFM Department**Member's Contribution Fund****less Refund**

Private Provident Fund

Gratuity Fund

Fund from General Insurance Dept.

Total

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
-	617,698,678	-	465,500,637
-	1,121,870,047	-	991,782,102
24,410,812	-	-	-
24,410,812	1,739,568,725	-	1,457,282,739

14d. General Insurance Dept.*in Bhutanese Ngultrum*

Borrowing from Druk PNB bank

Total

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
-	10,859,828	-	11,086,284
-	10,859,828	-	11,086,284

15 Employees Defined Benefit Obligation*in Bhutanese Ngultrum*

Employees Gratuity obligation

Employees Leave Encashment obligation

Total Employee Benefit Obligation

31st. December 2024		31st. December 2023	
Current	Non current	Current	Non current
15,914,626	-	15,549,645	-
4,640,605	-	3,657,695	-
20,555,231	-	19,207,340	-



15a. Employees Defined Benefit Obligation
in Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non current	Current	Non current
i) Defined benefit obligation (Gratuity) as per last year A/c.	15,549,645	-	13,686,433	-
Add:- Current year obligation	1,930,676	-	3,342,073	-
Add: Interest on Gratuity Fund Investment	155,278	-	681,425	-
Less: Benefits Paid during the year	-1,720,973	-	-2,160,286	-
Total	15,914,626	-	15,549,645	-
ii) Defined benefit obligation (Leave) as per last year A/c.	3,657,695	-	2,873,524	-
Add:- Current year obligation	982,910	-	784,171	-
Total	4,640,605	-	3,657,695	-
iii) Net Remeasurement (Gain) / Loss on Defined Benefit Plan (Shown separately in Comprehensive Income)				
Gratuity liability	-	-	-572,363	-
Leave Liability	982,910	-	784,171	-
Total	982,910	-	211,808	-

The movement in the Net Defined Benefit Obligation of Gratuity Liability is as follows:

Opening Balance	15,549,645	13,686,433
Service Cost	2,900,726	2,609,005
Interest Cost	998,863	863,531
Benefits Paid During the year	-1,720,973	-2,160,286
Net Actural (Gain) / Loss	-1,813,635	550,962
Closing Balance	15,914,626	15,549,645

The Employee Benefit Obligations for Gratuity has valued as per projected unit credit method as stated in BAS-19. The Valuation has been done by external actuaries on the basis of following assumptions:

a) Discount Rate(%)	6.8	6.85
c) Rate of Compensation Increase(%)	6	6
d) Average Expected Future Service	24/10/0	24/12/0
e) Average Duration of Liabilities	6	7
f) Superannuation at Age-Male	56/58/60	56/58/60
g) Superannuation at Age-Female	56/58/60	56/58/60
h) Early Retirement & Disablement	10 per thousand p.a 6 above age 45 3 between 29 and 45 1 below age 29	10 per thousand p.a 6 above age 45 3 between 29 and 45 1 below age 29
i) Voluntary Retirement	Ignored	Ignored
j) Mortality Table	IALM(2012-2014)	IALM(2012-2014)

The Company has specific segment which manages the Gratuity Fund of various corporates

The movement in the Net Defined Benefit Obligation of Leave Liability is as follows:

Opening Balance	3,657,695	2,873,524
Service Cost	897,074	830,494
Interest Cost	248,723	143,971
Benefits Paid During the year	-	-1,543,520
Net Actural (Gain) / Loss	-162,887	1,353,226
Closing Balance	4,640,605	3,657,695

The Employee Benefit Obligations for Leave Encashment has valued as per projected unit credit method as stated in BAS-19. The Valuation has been done by external actuaries on the basis of following assumptions:

a) Discount Rate(%)	6.8	6.85
c) Rate of Compensation Increase(%)	6	6
d) Average Expected Future Service	24/11/0	24/12/0
e) Average Duration of Liabilities	6	7
f) Superannuation at Age-Male	56/58/60	56/58/60
g) Superannuation at Age-Female	56/58/60	56/58/60
h) Early Retirement & Disablement	10 per thousand p.a 6 above age 45 3 between 29 and 45 1 below age 29	10 per thousand p.a 6 above age 45 3 between 29 and 45 1 below age 29
i) Voluntary Retirement	Ignored	Ignored
j) Mortality Table	IALM(2012-2014)	IALM(2012-2014)



16a Deferred Tax Assets*in Bhutanese Ngultrum*

Deferred Tax Assets

Total Deferred Tax Assets**16a(i). Deferred Tax Assets**

Deferred tax assets as per last year accounts

Add:- Deferred tax assets current year

Total**31st. December 2024**

Current

Non Current

9,515,854

-

9,515,854**-****31st. December 2023**

Current

Non Current

9,463,522

-

9,463,522**-**

9,463,522

6,304,121

-

52,332

-

3,159,401

-

9,515,854**-****9,463,522****-****16b Deferred Tax Liabilities***in Bhutanese Ngultrum*

Deferred Tax Liabilities

Total Deferred Tax Liabilities**31st. December 2024**

Current

Non Current

8,236,212

-

8,236,212**-****31st. December 2023**

Current

Non Current

13,061,256

-

13,061,256**-****31st. December 2024**

13,061,256

31st. December 2023

10,759,532

-

Deferred tax liabilities as per last year accounts

Add:- Deferred tax liabilities current year

Total

-4,825,044

-

2,301,724

-

8,236,212**-****13,061,256****-**

The detail Deferred Tax Liabilities are as follows:

Deferred Tax Assets

Deferred Tax Liabilities

Deferred Tax Assets/(Liabilities)**31st. December 2024**

9,515,854

-

8,236,212

-

1,279,642**-****31st. December 2023**

9,463,522

-

13,061,256

-

-3,597,734**-**

Bhutan Insurance Limited

Notes to Financial Statements-31st. December 2024

17 Tax Payable

in Bhutanese Ngultrum

Provision for Tax

Total Tax Payable

31st. December 2024		31st. December 2023	
Current	Non Current	Current	Non Current
68,301,041	-	83,950,887	-
68,301,041	-	83,950,887	-

18 Provisions & Contingencies

in Bhutanese Ngultrum

Unexpired Risk Reserve

Provision for other doubtful debts

Impairment on Loan

Total Provisions & Contingencies

31st. December 2024		31st. December 2023	
Current	Non Current	Current	Non Current
77,597,921	-	75,537,500	-
170,257	-	170,257	-
120,681,645	-	112,300,116	-
198,449,824	-	188,007,873	-

18a. General Insurance Department

i) Provision for Unexpired Risk as per Last Account

Add: Provision for Unexpired Risk Current Year

Total

ii) Provision for Doubtful Debt as per last year Account

Add: Provision for doubtful debt Current Year

Total

Total (i+ii)

31st. December 2024	31st. December 2023
75,537,500	85,758,922
2,060,421	(10,221,422)
77,597,921	75,537,500
170,257	170,257
-	-
170,257	170,257
77,768,178	75,707,757

Provision on Loan has been measured on the basis of Prudential Regulations, 2024 as a matter of conservative approach.

The details has been presented as:

Category	Days	% Rate
1. Standard	Upto 30	1%
2. Watch	31 - 90	1.5%
3. Sub standard	91 - 180	20%
4. Doubtful	181 - 365	50%
5. Loss	> 366	100%
6. Term Expired	-	100%

18b. Financing & Investment Department

i) Provision for Standard Loan as per Last Year A/c.

Add:- Additional Provision for Current Year

Total

ii) Provision for Watch Loan as per Last Year A/c.

Add:- Additional Provision for Current Year

Total

iii) Provision for Sub standard Loan as per Last Year A/c.

Add:- Additional Provision for Current Year

Total

iv) Provision for Doubtful Loan as per Last Year A/c.

Add:- Additional Provision for Current Year

Total

v) Provision for Loss exposure Loan as per Last Year A/c.

Add:- Additional Provision for Current Year

Total

vi) Provision for Term expired Loan as per Last Year A/c.

Add:- Additional Provision for Current Year

Total

vii) Dynamic Provision as per last year A/c.

Add:- Additional Provision for Current Year

Total

viii) Specific provision as per last year A/c.

Add:- Additional Provision for Current Year

Total

Total (i + ii + iii + iv + v + vi+vii+viii)

31st. December 2024	31st. December 2023
12,939,464	19,451,654
1,975,371	(6,512,190)
14,914,835	12,939,464
7,976,547	6,452,866
474,129	1,523,681
8,450,676	7,976,547
2,274,238	2,610,011
(51,221)	(335,773)
2,223,016	2,274,238
(837,017)	8,170,054
15,402,192	(3,927,559)
14,565,175	4,242,495
3,456,841	62,490,927
16,829,932	(52,048,782)
20,286,773	10,442,145
297,139	-
4,055,280	1,618,275
4,352,419	1,618,275
14,957,494	16,521,350
-12,917,485	(1,563,856)
2,040,009	14,957,494
-	10,066,155
1,462,072	(10,066,155)
1,462,072	-
68,294,976	54,450,659



18c. Provision Against Loan Charged for the Year (FID)	31st. December 2024	31st. December 2023
i) Provision for Standard Loan for the Year	1,975,371	(6,512,190)
ii) Provision for Watch Loan for the Last Year	474,129	1,523,681
iii) Provision for Sub-standard Loan for the Year	(51,221)	(335,773)
iv) Provision for Doubtful Loan for the Year	15,402,192	(3,927,559)
v) Provision for Loss Exposure Loan for the Year	16,829,932	(52,048,782)
vi) Provision for Term Expired Loan for the Year	4,055,280	1,618,275
vii) Dynamic Provision for current Year	(12,917,485)	(1,563,856)
viii) Specific Provision for current Year	1,462,072	(10,066,155)
Total	27,230,270	(71,312,357)

18d(i). Asset Pending Foreclosure Reserve (FID)	31st. December 2024	31st. December 2023
i) Principal outstanding opening balance	10,637,523	26,973,054
Add/(Less):- during the year	-	(16,335,531)
Total	10,637,523	10,637,523
ii) Interest Outstanding opening balance	3,931,844	10,990,558
Add/(Less):- during the year	-	(7,058,714)
Total	3,931,844	3,931,844
iii) Late fee outstanding opening balance	99,578	183,010
Add/(Less):- during the year	-	(83,432)
Total	99,578	99,578
Total (i + ii + iii)	14,668,944	14,668,944

18d(ii). Asset Pending Foreclosure Reserve charged for the year(FID)	31st. December 2024	31st. December 2023
i) Principal amount	-	(16,335,531)
ii) Interest amount	-	(7,058,714)
iii) Late fee amount	-	(83,432)
Total	-	-23,477,677

18e. PPF & GFM Department (New Fund Loan)	31st. December 2024	31st. December 2023
i) Provision for Standard Loan as per Last Year A/c.	7,243,595	324,805
Add:- Additional Provision for current Year	106,032	6,918,790
Total	7,349,626	7,243,595
ii) Provision for Watch Loan as per Last Year A/c.	4,984,489	129,158
Add:- Additional Provision for current Year	197,510	4,855,331
Total	5,181,999	4,984,489
iii) Provision for Sub standard Loan as per Last Year A/c.	(1,181,898)	-
Add:- Additional Provision for Current Year	4,784,348	3,854,882
Total	3,602,451	3,854,882
iv) Provision for Doubtful Loan as per Last Year A/c.	(356,139)	-
Add:- Additional Provision for Current Year	585,692	5,419,993
Total	229,554	5,419,993
v) Provision for Loss exposure Loan as per Last Year A/c.	1,604,739	-
Add:- Additional Provision for Current Year	8,161,949	10,084,295
Total	9,766,689	10,084,295
vi) Provision for Term Expired Loan as per Last Year A/c.	6,584,776	-
Add:- Additional Provision for current Year	599,041	23,275,888
Total	7,183,817	23,275,888
vii) Dynamic Provision as per last year A/c.	-	-
Add:- Additional Provision for Current Year	1,736,203	-
Total	1,736,203	-
viii) Specific provision as per last year A/c.	2,986,315	-
Add:- Additional Provision for current Year	14,350,017	2,986,315
Total	17,336,332	2,986,315
Total (i+ii+iii+iv+v+vi+vii+viii)	52,386,669	57,849,457



18f. Provision Against Loan Charged for the Year (PF/GF Dept.)	31st. December 2024	31st. December 2023
i) Provision for Standard Loan for the Year	106,032	6,918,790
ii) Provision for Watch Loan for the Last Year	197,510	4,855,331
iii) Provision for Sub standard for the Year	4,784,348	3,854,882
iv) Provision for Doubtful for the year	585,692	5,419,993
v) Provision for Loss exposure for the year	8,161,949	10,084,295
vi) Provision for Term Expired for the Year	599,041	23,275,888
vii) Dynamic Provision for current Year	1,736,203	-
viii) Specific Provision for current Year	14,350,017	2,986,315
Total	30,520,791	57,395,493

Provision on Loan outstanding Principal amount for the Non-Performing Loans is made as per the guidelines issued by Royal Monetary Authority of Bhutan at the following rate revised with effect from 31st. December 2012 and further amendment as per the Prudential Regulation 2024.

18g(i). Asset Pending Foreclosure Reserve (PF/GF Dept.)	31st. December 2024	31st. December 2023
i) Principal outstanding opening balance	16,348,828	-
Add/(Less):- during the year	-	16,348,828
Total	16,348,828	16,348,828
ii) Interest Outstanding opening balance	7,058,714	-
Add/(Less):- during the year	-	7,058,714
Total	7,058,714	7,058,714
iii) Late fee outstanding opening balance	83,432	-
Add/(Less):- during the year	-	83,432
Total	83,432	83,432
Total (i + ii + iii)	23,490,974	23,490,974

18g(ii). Asset Pending Foreclosure Reserve charged for the year (PF/GF Dept.)	31st. December 2024	31st. December 2023
i) Principal amount	-	16,348,828
ii) Interest amount	-	7,058,714
iii) Late fee amount	-	83,432
Total	-	23,490,974

19 Other Liabilities

In Bhutanese Ngultrum

	31st. December 2024		31st. December 2023	
	Current	Non Current	Current	Non Current
Outstanding Expenses	879,725	-	914,436	-
Stale Cheques	1,042,871	-	928,927	-
Unclaim Dividend	15,398,544	-	9,041,996	-
Unclaim Dividend of the year 2022	-	-	3,251,460	-
Differential Tax Liability	3,363,622	-	3,408,622	-
TDS Payable to RRCO	118,161	-	74,459	-
Interest Payable to ESP Fund	-	-	5,266,849	-
Interest Payable to DPNB	71,496	-	72,249	-
Salvage & procurement (EMD & security deposit)	291,017	-	500,727	-
Unearned Insurance Charges	22,296,285	-	14,132,968	-
Other Payables	2,067,300	-	2,443,819	-
PF/GF Refund payable	549,980	-	886,835	-
Unamortization of staff loan	17,508,184	-	18,646,746	-
Interest Payable to BNBL	-	-	434	-
Interest Payable to GIC Re.	10,670,492	-	-	-
PPF Interest Payable to Member's Contribution	24,260,612	-	28,943,593	-
GFM Interest Payable to Member's Contribution	72,596,192	-	67,487,936	-
Interest Payable to SWF	126,557	-	118,278	-
Interest in Suspense-RMA Provision	7,853,202	-	13,449,064	-
Late Fee Suspense A/c	442,433	-	713,048	-
CRST & CIB Charges Payable	-	-	29,200	-
IPS Plough back payable	-	-	2,090,662	-
Asset Pending Foreclosure Reserve A/c	38,159,918	-	38,159,918	-
Total	217,696,593	-	210,562,226	-



19a. General Insurance Department*in Bhutanese Ngultrum*

Outstanding Expenses	
Stale Cheques	
Unclaim Dividend	
Unclaim Dividend of the year 2022	
Differential Tax Liability	
TDS Payable to RRCO	
Interest Payable to ESP Fund	
Interest Payable to DPNB	
Salvage & procurement (EMD & security deposit)	
Unearned Insurance Charges	
Other Payables	
FID control A/c.	
Counter Entry of PF & GFM Last Year Reserve(New Fund)	
Total	

31st. December 2024		31st. December 2023	
Current	Non Current	Current	Non Current
879,725	-	914,435	-
966,123	-	852,179	-
15,398,544	-	9,041,995	-
-	-	3,251,460	-
3,363,622	-	3,408,622	-
118,161	-	74,459	-
-	-	5,266,849	-
71,496	-	72,249	-
291,017	-	500,727	-
22,296,285	-	14,132,968	-
1,456,961	-	1,535,057	-
1,899,525	-	1,899,525	-
142,817,991	-	56,991,822	-
189,559,451	-	97,942,348	-

19b. Finance & Investment Department*in Bhutanese Ngultrum*

Interest Payable to BNBL	
Interest Payable to GIC Re.	
Interest Payable to SWF	
Interest in Suspense-RMA Provision	
Late Fee Suspense A/c	
CRST & CIB Charges Payable	
Asset Pending Foreclosure Reserve A/c (schedule 18d(ii))	
Other Payables	
Stale Cheques	
Interest & Late fee Control A/c. PFGF(Assets Segregation)	
Loan Charged off Control A/c. PFGF (Assets Segregation)	
PF/GF control A/c. (New Fund)	
Unamortization of staff loan	
Interest Payable to Insurance Department	
IPS Plough back payable	
Management Fees Payable to Insurance Dept.	
Total	

31st. December 2024		31st. December 2023	
Current	Non Current	Current	Non Current
-	-	434	-
10,670,492	-	-	-
126,557	-	118,278	-
5,288,787	-	3,286,870	-
301,354	-	214,068	-
-	-	29,200	-
14,668,944	-	14,668,944	-
610,338	-	908,762	-
50,215	-	50,215	-
113,924,100	-	113,924,100	-
27,649,414	-	27,649,414	-
200,988,671	-	14,857,635	-
17,508,184	-	18,646,746	-
27,921,470	-	33,452,307	-
-	-	2,090,662	-
35,968,769	-	28,536,259	-
455,677,296	-	258,433,896	-

19d. PPF & GFM Department*in Bhutanese Ngultrum*

PPF Interest Payable to Member's Contribution	
GFM Interest Payable to Member's Contribution	
Management Expenses Payable to Insurance Dept.	
Interest Payable to Insurance Department	
Stale cheque	
PF/GF Refund payable	
Asset Pending Foreclosure Reserve A/c (schedule 18g(ii))	
Interest in Suspense A/c	
Late Fee Suspense A/c	

31st. December 2024		31st. December 2023	
Current	Non Current	Current	Non Current
24,260,612	-	28,943,593	-
72,596,192	-	67,487,936	-
29,736,976	-	24,584,283	-
1,182,421	-	-	-
26,533	-	26,533	-
549,980	-	886,835	-
23,490,974	-	23,490,974	-
2,564,415	-	10,162,195	-
141,080	-	498,980	-
154,549,182	-	156,081,329	-

20 Share Capital*in Bhutanese Ngultrum*

Authorized Capital
(500,000,000 Equity Shares of Nu.10 each)

An authorized share capital of the company has been increased to Nu. 5 billion from Nu.500 million in 13th AGM held on 29th April 2022 and same has been amended in the Articles of Incorporation.

Issued, Subscribed and Paid Up - Opening Balance
(60,000,000 Equity Shares of Nu.10 each)

Add:- 1:1 Bonus share issued during the year

Total Paid-up Capital

31st. December 2024	31st. December 2023
5,000,000,000	5,000,000,000
600,000,000	300,000,000
-	300,000,000
600,000,000	600,000,000



21 Reserve & Surplus

In Bhutanese Ngultrum

i) General Reserve as at 1st January

Add:- General Reserve during the year

Total

31st. December
2024

371,812,866

51,969,118

423,781,984

31st. December
2023

310,220,875

61,591,991

371,812,866

ii) Retained Earnings as at 1st January

Less:- Adjusted against bonus share & dividend during the year

Less:- Adjusted against Corporate office construction Reserve during the year

Add:- Retained Earnings during the year

Total

205,550,877

-126,000,000

-50,000,000

155,907,354

185,458,231

380,774,903

-360,000,000

-

184,775,974

205,550,877

31st. December
2024

14,803,938

-

14,803,938

31st. December
2023

13,803,938

1,000,000

14,803,938

iii) CAT Reserve as at 1st January

Add:- CAT Reserve during the year

Total

iv) Equity Investment Revaluation as at 1st January

Add:- Revaluation Reserve during the year

Total

37,907,557

13,972,297

51,879,854

36,431,039

1,476,518

37,907,557

v) Fixed Assets Revaluation as at 1st January

Add:- Revaluation Reserve during the year

Total

18,837,104

6,655,182

25,492,286

-

18,837,104

18,837,104

vi) Corporate office construction Reserve as at 1st January

Add:- Reserve transferred during the year

Total

-

50,000,000

50,000,000

-

-

-

Total Equity

1,351,416,293

1,248,912,342

21a. General Insurance Department

i) Reserve balance as at 1st January

Less:- Adjusted against bonus share & dividend during the year

Less:- Adjusted against Corporate office construction Reserve during the year

Add:- Reserve transferred during the year

Total

592,167,681

-126,000,000

-50,000,000

236,334,096

652,501,777

704,799,715

-360,000,000

-

198,075,253

542,874,968

ii) Equity Investment Revaluation as at 1st January

Add:- Revaluation Reserve during the year

Total

34,086,054

12,551,055

46,637,109

32,734,739

1,351,315

34,086,054

iii) Fixed Assets Revaluation as at 1st January

Add:- Revaluation Reserve during the year

Total

18,837,104

6,655,182

25,492,286

-

18,837,104

18,837,104

iv) Corporate office construction Reserve as at 1st January

Add:- Reserve transferred during the year

Total

-

50,000,000

50,000,000

-

-

-

21b. Finance & Investment Department

Reserve as at 1st January

Add:- Reserve transferred during the year

Total

728,085,709

95,106,181

823,191,890

509,015,940

219,069,768

728,085,709

21c. PF/GF Department

i) Reserve as at 1st January

Add:- Reserve transferred during the year

Total

-142,817,991

-55,262,764

-198,080,755

-56,991,822

-85,826,169

-142,817,991.00

ii) Equity Investment Revaluation as at 1st January

Add:- Investment Revaluation Reserve during the year

Total

3,821,502

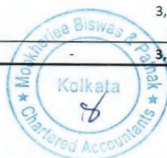
1,421,242

5,242,745

3,696,300

125,202

3,821,502



22 Net Earned Premium*in Bhutanese Ngultrum*

	31st. December 2024	31st. December 2023
Fire	234,485,926	202,205,839
Marine	11,879,469	7,696,685
Motor	124,736,484	107,764,095
Misc.	285,556,402	95,687,913
Gross Written Premium (22a+22b)	656,658,280	413,354,532
Premium Ceded to Reinsurers (22c)	-444,420,423	-211,137,350
Net Written Premium	212,237,858	202,217,182
Change in Unexpired Risk Reserve (22d)	-2,060,421	10,221,422
Net Earned Premium	210,177,436	212,438,604
22a. Premium Direct		
Fire	225,810,574	196,943,405
Marine	11,879,469	7,696,685
Motor	124,736,484	107,764,095
Misc.	285,556,402	95,687,913
Total Premium (Direct)	647,982,928	408,092,098
22b. Premium Accepted		
Fire	8,675,353	5,262,434
Total Premium (Accepted)	8,675,353	5,262,434
22c. Premium Ceded to Reinsurers		
Fire	145,047,255	120,990,520
Marine	3,693,182	2,525,018
Motor	40,946,482	28,739,310
Misc.	254,733,504	58,882,501
Total Premium Ceded to Reinsurers	444,420,423	211,137,350
22d. Net Change in reserve for Unearned Premium		
Opening Balance as per Last Year account	75,537,500	85,758,922
Add/Less: Increase/(Decrease) during the year	2,060,421	-10,221,422
	77,597,921	75,537,500

Reserves for un-expired risks amounting to Nu. 77,597,921 (PY Nu. 75,537,500) has been recognized in respect of General Insurance Business at 1/24th method.

23 Finance Income*in Bhutanese Ngultrum*

	31st. December 2024	31st. December 2023
Interest Income on Bond	375,000	139,726
Interest Income on Fixed Deposits	9,509,265	9,375,729
Dividend Income	2,873,098	2,059,675
Total Finance Income	12,757,363	11,575,130

23a. General Insurance Department*in Bhutanese Ngultrum*

	31st. December 2024	31st. December 2023
Interest Income on Bond	375,000	139,726
Dividend Income	2,589,842	1,856,613
Interest Income on Fixed Deposits	1,284,617	1,594,345
Interest on Funds invested to PF/GF dept.	1,182,421	-
Interest on Funds to Finance & Investment	27,921,470	33,452,307
Total	33,353,349	37,042,992

23b. Finance & Investment Department*in Bhutanese Ngultrum*

	31st. December 2024	31st. December 2023
Interest Income on Fixed Deposits	6,578,484	6,312,069
Total	6,578,484	6,312,069



23c. PF/GF Department

in Bhutanese Ngultrum

Interest Income on Fixed Deposits

Dividend income

Total

31st. December 2023 31st. December 2022

1,646,164 1,469,315

283,256 203,062

1,929,421 1,672,377

24 Commission Income (Resinsurance Ceded)

in Bhutanese Ngultrum

Fire

Marine

Motor

Misc.

Total Commission income

Commission Expenses (24a+24b)

Fire

Marine

Motor

Misc.

Total Commission expenses

Net Commission Income

31st. December 2024 31st. December 2023

38,423,007 33,276,163

1,242,509 848,356

7,792,881 6,527,730

45,213,114 15,113,126

92,671,511 55,765,375

2,475,649 3,886,399

125,421 147,930

1,316,939 2,071,227

3,014,839 1,839,123

6,932,847 7,944,680

85,738,664 47,820,695

24a. Commission Expenses (Referral Fees)

in Bhutanese Ngultrum

Fire

Marine

Motor

Misc.

Total Commission Expenses (Referral Fees)

31st. December 2024 31st. December 2023

2,027,746 3,006,991

102,729 114,457

1,078,674 1,602,553

2,469,384 1,422,969

5,678,533 6,146,970

24b. Brokerage Expenses (Broker)

in Bhutanese Ngultrum

Fire

Marine

Motor

Misc.

31st. December 2024 31st. December 2023

447,903 879,408

22,692 33,473

238,265 468,674

545,455 416,154

1,254,314 1,797,710

25 Net interest income on loan & advances

in Bhutanese Ngultrum

Manufacturing/Industry sector Loan

Services Sector loan

Trade/Commerce Sector Loan

Housing Sector Loan

Transport Sector Loan

Loan to Purchase Securities

Personal Loan

Consumer Loan

Staff Loan

Total

Add/(Less):Interest in Suspense-As per RMA Provision

Total Interest Income

31st. December 2024 31st. December 2023

41,639,323 32,814,536

7,357,951 8,052,820

71,798,675 71,509,190

103,457,824 84,520,459

65,692,084 71,178,191

3,246,089 11,604,606

6,089,737 6,681,117

40,458,093 34,220,867

3,763,868 3,586,642

343,503,644 324,168,427

-7,139,986 -3,487,215

336,363,658 320,681,211



<u>Interest Expense</u>	<u>31st. December 2024</u>	<u>31st. December 2023</u>
Interest on borrowed Funds (GIC Re.)	42,450,000	36,203,082
Interest on PPF Fund (New Fund)	38,098,626	29,098,860
Intetest on Gratuity fund (New Fund)	77,656,251	67,382,908
Interest on Loan from BNBL	119,063	248,934
Interest on loan from T-Bank	16,274	492,365
Interest on SWF	126,557	118,278
Interest paid on ESP bond	2,911,943	8,204,692
Total Interest expense	161,378,715	141,749,118
Total Net Interest Income on loan & advances	174,984,943	178,932,093

25a. Net interest Income on Loan & Advances for FID

<u>in Bhutanese Ngultrum</u>	<u>31st. December 2024</u>	<u>31st. December 2023</u>
Manufacturing/Industry sector Loan	32,755,536	25,516,766
Services Sector loan	4,157,578	5,476,917
Trade/Commerce Sector Loan	39,590,516	39,719,793
Housing Sector Loan	71,672,808	57,873,212
Transport Sector Loan	44,084,275	47,176,834
Loan to Purchase Securities	3,199,214	7,210,843
Personal Loan	4,199,198	4,815,179
Consumer Loan	18,555,979	14,378,521
Staff Loan	3,763,868	3,586,642
Total	221,978,973	205,754,708
Add/(Less): Interest in Suspense-As per RMA Provision	-5,096,116	6,674,979
Total Net Interest Income	216,882,857	212,429,687

25b. Net Interest Income on Loan & Advances for PF/GF Department

<u>in Bhutanese Ngultrum</u>	<u>31st. December 2024</u>	<u>31st. December 2023</u>
Manufacturing/Industries loan	8,883,787	7,297,769
Services Sector loan	3,200,373	2,575,903
Trade & Commerce Loan	32,208,158	31,789,396
Housing Sector Loan	31,785,016	26,647,246
Transport Loan	21,607,808	24,001,357
Loan to Purchase Securities	46,875	4,393,763
Personal Loan	1,890,540	1,865,939
Consumer Loan (Loan against PPF)	1,064,964	1,172,975
Consumer Loan (Others)	20,837,150	18,669,371
Total:-	121,524,671	118,413,719
Add/Less: Interest in suspense provision	-2,043,870	-10,162,195
Net interest Income	119,480,801	108,251,524

25d. Interest Expense of FID

<u>in Bhutanese Ngultrum</u>	<u>31st. December 2024</u>	<u>31st. December 2023</u>
Interest on borrowed Funds (GIC Re.)	42,450,000	36,203,082
Interest on Loan from BNBL	119,063	248,934
Interest on loan from T-Bank	16,274	492,365
Interest on SWF	126,557	118,278
Interest on Funds from General Insurance Department	27,921,470	33,452,307
Total Interest Expense	70,633,364	70,514,966

25e. Interest Expenses of Insurance Department

<u>in Bhutanese Ngultrum</u>	<u>31st. December 2024</u>	<u>31st. December 2023</u>
Interest on ESP Bond	1,933,151	7,200,000
Interest to DPNB Loan	978,792	1,004,692
Total	2,911,943	8,204,692



25g. Interest expense of PF/GF Department

in Bhutanese Ngultrum

PPF Interest to Member's Contribution
GFM Interest to Member's Contribution
Interest on Funds from Insurance Department
Total

31st. December 2024 31st. December 2023

38,098,626	29,098,860
77,656,251	67,382,908
1,182,421	-
116,937,298	96,481,767

26 Other Operating Income

in Bhutanese Ngultrum

Guarantee Commission
Administration & other Charges
Charged off loan Recovery (other income)
Loan Late fee income
Add/(Less) Late fees Suspense provision
Earned Insurance Charges
Sale of Scraps
Gain/(loss) on assets held for sale
Exchange gain/(loss)
Rental income
Misc Income
Total Other Operating Income

31st. December 2024 31st. December 2023

3,481,825	4,458,671
425,650	314,571
545,610	11,129,288
1,582,124	-
-819,658	456,979
52,819,190	38,758,801
643,156	4,401,622
-756,815	-
337,516	549,942
21,000	1,040,000
2,571,765	698,672
60,851,363	61,808,547

26a. General Insurance Department

in Bhutanese Ngultrum

Earned Insurance Charges
Sale of Scraps (Net)
Gain/(loss) on assets held for sale
Exchange Gain/(Loss)
Rental income
Misc Income
Total

31st. December 2024 31st. December 2023

52,819,190	38,758,801
643,156	4,401,622
-756,815	-
337,516	549,942
21,000	1,040,000
470,350	698,672
53,534,397	45,449,037

26b. Finance & Investment Department

in Bhutanese Ngultrum

Guarantee Commission
Administration & other Charges
Charged off loan Recovery (other income)
Other Misc. income
Loan Late fee income
Add/(Less) Late fees Suspense provision
Total

31st. December 2024 31st. December 2023

3,481,825	4,458,671
425,650	314,571
340,161	4,965,788
2,100,830	-
818,221	-
-386,601	415,802
6,780,086	10,154,832

26c. PF/GFM Department

in Bhutanese Ngultrum

Charged off loan Recovery (other income)
Other Misc. income
Loan Late fee income
Add/(Less) Late fees Suspense provision
Total

31st. December 2024 31st. December 2023

205,449	6,163,500
585	-
763,903	-
-433,057	41,177
536,880	6,204,678



27 Claim Expenses

in Bhutanese Ngultrum

Claims Paid (including Advance) (27a)	
Add: Claims outstanding at the end of year (27b)	
Add: IBNR Claims at the end of the year (27c)	
Less: Claims outstanding at the beginning of the year (27d)	
Less: IBNR Claims at the beginning of the year (27e)	
Total Gross Claims Expenses	
Less: Claims Ceded to Reinsurers (27f)	
Net claim paid	

31st. December 2024	31st. December 2023
140,121,673	124,221,636
30,333,780	33,216,869
-	2,404,359
33,216,869	29,902,258
2,404,359	4,680,666
134,834,226	125,259,940
63,875,479	49,630,838
70,958,747	75,629,103

27a. Claims Paid (including advance)

Fire	
Marine	
Motor	
Misc.	
Total Claims Paid	

31st. December 2024	31st. December 2023
16,894,024	17,756,819
865,129	48,134
63,258,095	80,161,594
59,104,425	26,255,089
140,121,673	124,221,636

27b. Outstanding Claims for the Year

Fire	
Marine	
Motor	
Misc.	
Total	

31st. December 2024	31st. December 2023
9,536,035	8,109,579
-	294,300
13,860,117	20,311,395
6,937,629	4,501,595
30,333,780	33,216,869

27c. Outstanding IBNR Claims for the Year

Fire	
Marine	
Motor	
Misc.	
Total	

31st. December 2024	31st. December 2023
-	-
-	-
-	2,404,359
-	-
-	2,404,359

27d. Outstanding Claims at the beginning of the Year

Fire	
Marine	
Motor	
Misc.	
Total	

31st. December 2024	31st. December 2023
8,109,579	2,238,194
294,300	1,178,840
20,311,395	22,863,260
4,501,595	3,621,964
33,216,869	29,902,258

27e. Outstanding IBNR Claims at the beginning of the Year

Fire	
Marine	
Motor	
Misc.	
Total	

31st. December 2024	31st. December 2023
-	400,000
-	-
2,404,359	1,668,500
-	2,612,166
2,404,359	4,680,666

27f. Claims on Reinsurance Ceded

Fire	
Marine	
Motor	
Misc.	
Total on Claims on Reinsurance Ceded	

31st. December 2024	31st. December 2023
16,661,849	3,036,997
2,268,843	2,025,490
16,729,190	31,267,435
28,215,597	13,300,915
63,875,479	49,630,838



28 Other Operating & Administrative Expenses*in Bhutanese Ngultrum*

	31st. December 2024	31st. December 2023
Operating Expenditure-General Insurance Department (28a)	71,584,699	57,834,207
Operating Expenditure-Finance & Investment Department(28b)	33,955,453	26,934,696
Employee Staff loan cost 28b(ii)	881,536	2,259,844
Operating Expenditure-PF/GF(New Fund) (28c)	27,317,154	22,689,656
Total	133,738,842	109,718,403

28a. Operating Expenses- (General Insurance Department)*in Bhutanese Ngultrum*

	31st. December 2024	31st. December 2023
Employees remuneration and welfare benefit (28a(i))	53,728,794	41,988,737
Communication expenses	3,670,021	3,044,739
Training & conference expenses	3,056,881	2,510,617
Rental charges	3,163,781	2,768,345
Repairs & Maintenance	840,828	626,590
Printing and stationary	911,874	683,708
Legal and Professional Charges	2,291,143	2,897,874
Advertisement and business promotion	2,617,383	2,199,569
Other Misc. expenses	1,303,995	1,114,028
Total Operating & Administrative Expenses	71,584,699	57,834,207

Expenses Allocation

	31st. December 2024	31st. December 2023
Fire Insurance	25,562,161	28,291,487
Marine Insurance	1,295,024	1,076,876
Motor Insurance	13,597,976	15,077,737
Miscellaneous Insurance	31,129,538	13,388,107
Total	71,584,699	57,834,207

28a(i) Details of Employee Remuneration & Welfare Benefit

	31st. December 2024	31st. December 2023
Salaries & wages A/c.	24,183,925	18,646,345
PF (BIL Share)	2,711,109	1,723,533
Communication allowance	241,156	329,889
Fuel allowance	453,519	405,546
Cash handling allowance	131,962	78,694
Corporate allowance	6,215,960	4,344,882
Housing allowance	5,160,598	3,453,245
Contract allowance	1,480,116	905,644
HR, Technical, Professional & other allowance	7,555,404	2,779,929
Leave Encashment amount	1,138,125	944,559
Staff Insurance premium	169,506	122,000
Staff Canteen & refreshment expenses	824,013	688,989
LTC	762,568	823,045
Staff Gratuity expenses	597,165	1,957,218
Staff incentive expenses	2,103,669	4,785,218
Total	53,728,794	41,988,737

28b. Operating Expenditure-Finance & Investment Department

	31st. December 2024	31st. December 2023
Employees remuneration and welfare benefit (28b(i))	24,974,642	19,375,188
Communication expenses	1,888,923	1,401,565
Training & conference expenses	1,402,893	1,160,686
Rental charges	1,583,891	1,384,173
Repairs & Maintenance	417,040	281,821
Printing & Stationary expenses	455,937	330,038
Legal and Professional Charges	1,513,833	1,348,529
Advertisement and business promotion	1,209,650	1,088,511
Other Misc. expenses	506,719	426,877
Loan writtenoff expenses	1,925	137,307
Total	33,955,453	26,934,696



28b(i) Details of Employee Remuneration & Welfare Benefit

	31st. December 2024	31st. December 2023
Salaries & wages A/c.	11,541,917	8,463,069
PF (BIL Share)	1,135,678	870,333
Communication allowance	119,992	159,840
Fuel allowance	161,885	158,343
Cash handling allowance	62,981	37,597
Corporate allowance	2,870,905	2,071,904
Housing allowance	2,456,043	1,661,692
Contract allowance	833,237	397,334
HR, Technical, Professional & other allowance	3,301,213	1,442,264
Leave Encashment amount	462,249	404,340
Staff Insurance premium	77,000	61,000
Staff Canteen & refreshment expenses	439,875	342,746
LTC	362,551	400,652
Staff Gratuity expenses	298,582	978,608
Staff incentive expenses	850,535	1,925,469
Total	24,974,642	19,375,188

28b(ii) Employee staff loan cost

	31st. December 2024	31st. December 2023
Amortization Cost of Staff Loan	881,536	2,259,844
Total	881,536	2,259,844

28c. Operating Expenditure-(PPF & GFM Department)

	31st. December 2024	31st. December 2023
Employees remuneration and welfare benefit (28c(i))	19,025,383	15,696,027
Communication expenses	1,599,457	1,298,740
Training expenses	1,320,328	992,548
Rental charges	1,581,891	1,384,173
Repairs & Maintenance	417,040	281,821
Printing and stationery	455,937	330,038
Legal and Professional Charges	1,160,272	1,208,564
Advertisement and publicity	1,209,650	1,023,591
Other Misc. expenses	547,197	474,153
Total	27,317,154	22,689,656

28c(ii) Details of Employee Remuneration & Welfare Benefit

	31st. December 2024	31st. December 2023
Salaries & wages A/c.	8,363,302	6,638,043
PF (BIL Share)	665,665	686,441
Communication allowance	93,579	143,699
Fuel allowance	152,250	160,098
Cash handling allowance	62,981	37,597
Corporate allowance	2,026,182	1,594,988
Housing allowance	1,757,538	1,294,410
Contract allowance	631,453	397,334
HR, Technical, Professional & other allowance	3,037,449	1,034,184
Leave Encashment amount	368,795	337,725
Staff Insurance premium	77,000	61,000
Staff Canteen & refreshment expenses	392,414	337,966
LTC	295,046	298,437
Staff Gratuity expenses	298,582	978,608
Staff incentive expenses	803,147	1,695,498
Total	19,025,383	15,696,027



Bhutan Insurance Limited
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29 Deferred Tax (Comprehensive Income)

<i>in Bhutanese Ngultrum</i>	31st. December 2024	31st. December 2023
Gratuity Obligations	91,245	465,803
Amortization Cost of Staff Loan	220,384	564,961
Leave Encashment	245,728	196,043
Total	557,357	1,226,807

30 Prior Period Adjustment

<i>in Bhutanese Ngultrum</i>	31st. December 2024	31st. December 2023
Differential Tax and Penalty	39,583	215,766
Prior period adjustment of gratuity obligation of previous year	-	-355,537
PF/GF Assets Segregation differential amount	-	3,010,490
Total	39,583	2,870,719

30a. Prior Period adjustment (General Insurance Dept.)

<i>in Bhutanese Ngultrum</i>	31st. December 2024	31st. December 2023
Prior period adjustment of gratuity obligation of previous year	-	-355,537
Differential tax & Penalty	39,583	215,766
Total	39,583	-139,771

30b. Prior Period adjustment (Finance & Investment Dept.)

<i>in Bhutanese Ngultrum</i>	31st. December 2024	31st. December 2023
PF/GF Assets Segregation differential amount	-	3,010,490
Total	-	3,010,490

31 Deferred Tax (Other Comprehensive Income)

<i>in Bhutanese Ngultrum</i>	31st. December 2024	31st. December 2023
Surplus on Investment Revaluation	4,320,019	-369,129
Total	4,320,019	-369,129

32 Earnings Per Share

(i). Comprehensive Income

<i>in Bhutanese Ngultrum</i>	31st. December 2024	31st. December 2023
Earnings Before Tax	272,322,630	333,543,702
Less:- Income Tax	68,301,041	83,950,887
Less:- Prior period adjustment	39,583	2,870,719
Less:- Deferred Tax	557,357	1,226,807
Total Earnings after tax attributable to the Equity Shareholders	204,539,362	247,948,903

Basic Earning Per Share	3.41	4.13
Diluted Earning Per Share	3.41	4.13



(ii). Other Comprehensive Income

in Bhutanese Ngultrum

	31st. December 2024	31st. December 2023
Earnings after Tax	204,539,362	247,948,903
Add:- Remeasurment gain/loss on defined benefit	-982,910	-211,808
Add:- Deferred Tax	4,320,019	-369,129
Total Earnings after tax attributable to the Equity Shareholders	207,876,472	247,367,966
 Basic Earning Per Share	 3.46	 4.12
Diluted Earning Per Share	3.46	4.12



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Bhutan insurance Limited
Notes to Financial Statements-31st December 2024

33) Segment Analysis

The Company's reportable segments are strategic business units that offer the following products and services:

Non-Life Insurance:

The Company deals with fire, marine, motor and misc. insurance.

Finance & Investment:

The Company provides both funds based and non-fund-based financing facilities on long-term and short-term basis. The Company also deals with investment in Corporate Bonds, Equity & Term Deposits.

Gratuity Fund Management:

The Company manages the Gratuity fund of various private corporates domiciled in Bhutan.

Private Provident Fund Management:

The Company manages the Private Provident Fund of various private corporates domiciled in Bhutan.

34) Financial Risk Management

The Company's approach to manage risks is composed of three key elements:

- (i) Risk Governance
- (ii) Risk Identification
- (iii) Risk Assessment, management & control

Risk Governance:

The Board of Directors of the Company has overall responsibility for setting and monitoring the risk management framework.

The Board Audit Committee and Board Risk Committee are responsible for reviewing the internal control framework, assessing the adequacy of risk management and compliance policies and procedures. It convenes regularly and provides recommendations to the Board of Directors on the development of the risk management framework as well as its views on the quality of risk management and compliance.

The Board committees of the Company is responsible for monitoring and implementing risk mitigation measures and assuring that the Company operates within the established risk parameters. The Risk Management Department is responsible for the overall risk management functions, ensuring the implementation of common principles and methods for identifying, measuring, and managing risks. Credit, Market and Liquidity risks at both portfolio and transaction levels are managed and controlled through a system of credit committees and through Asset and Liability Management Committee (ALCO).

To facilitate efficient decision-making, the Company has established a hierarchy of credit committees depending on the type and amount of exposure. The Risk Management Department deals with Credit Risk



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for Corporate Clients, financial institutions, small & medium size enterprises, along with market risk and operational risk. The Credit review deals with all Loans & Advances and associated risks and the associated risks with it regarding non-recovery and other loan compliances.

Risk Identification:

The Company identifies both external & internal risk factors and is managed throughout the Company's organizational structure. The Company gives particular attention to developing risk overviews that are used to identify the full range of risk factors and serve as a basis for determining the level of assurance over the current risk mitigation procedures.

Risk Assessment, management & control:

The Company's risk assessment reporting and control procedures vary by type of risk, but share a common methodology developed and updated by the Company's Management. Compliance with the Company's standards is supported by periodic reviews undertaken by the Internal Audit Department. The results of Internal Audit reviews are discussed with the management of the business unit which they relate and presented to the Audit Committee and senior management of the Company.

Categories of Risk

In the Risk Management process, identification and categorization of risks are two important aspects. The Company classifies the risk in the following manner:

Operational Risk:

This is the possibility of a loss resulting from inadequate or failed internal processes, people and systems or from external events. This is the risk of direct or indirect loss arising from a wide variety of causes associated with the process, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. The Company assesses all foreseeable risk involved in its operation and they develop, and implementation plans to control those identified operational risk. These action plans recommended by the team are to manage operational risk in the following areas:

- (a) Requirements for having appropriate segregation of duties
- (b) Requirements for the reconciliation and monitoring of transactions
- (c) Compliance with regulatory and other legal requirements.
- (d) Documentation of Controls and Procedures
- (e) Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risk identified.



Bhutan Insurance Limited
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Market Risk:

Market Risk is associated with fluctuations of market affecting the customer base of the Company. It is the risk of uncertainty in the future value of a portfolio, either an investment folio or a trading portfolio due to change in rates, movement of equity/commodity prices etc in values of the market risk factors such as interest rates, foreign exchange.

The Company has a system of monitoring the changes in market and framing the policies on the basis of such changes.

Financial Risk:

Risk associated with finance decisions and environment in which business operates. This risk can further be classified in the following manner:

(a) Liquidity Risk:

Risk of not being able to honor its obligations when fall due in full or without resorting to high-cost borrowings. The Company is having a system of monitoring Cash & Cash Equivalents throughout the year and it is considered adequate.

(b) Interest Rate Risk:

The Company is exposed to fixed interest-bearing debt instruments.

(c) Foreign Exchange Risk:

This risk is associated with the fluctuations in Foreign Exchange Rates. The Company has a robust system of monitoring the fluctuations in foreign Exchange Rates.

(d) Credit Risk:

The Company takes an exposure to Credit Risk that a counterparty will be unable to pay amounts in full when due. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or Companies of Borrowers, and to industry sectors etc. Such risks are monitored on a revolving basis and subject to regular review. The Executive Board regularly approves limits on the level of Credit Risk by product, borrower and industry sectors. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits where appropriate. Exposure to Credit Risk is also managed, in part, by obtaining collateral and corporate and personal



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guarantees. The Company defines its risk appetite by approving a lending policy, assigning authority to decide on risk taking issues to committees, and granting specific approval of large transactions. The Lending policy sets forth the framework for monitoring exposure to credit risk, including portfolio concentration limits and definition of responsibilities. The Company has developed a Credit Review Unit and Recovery Cell to constantly monitor the Credit Qualities.

Strategic Risks:

It refers to the strategic decisions/plans/objectives which may go wrong due to actions or inactions by the parties to strategic decision-making process, adversely affecting the shareholder wealth of the Company e.g. incorrect decisions, inadequate information for decision making, delayed remedial actions etc.

Compliance Risks:

Risk when an organization does not comply with legal, regulatory, contractual or internal compliance requirements.

Reputation Risk:

It refers to the potential and complaints, negative/adversely publicity etc, which can arise from the Company's reputation being tarnished due to factors such as unethical practices, regulatory actions, customer dissatisfaction.

35. Statement showing details of Maturity Analysis

Liabilities (in Bhutanese Ngultrum)	Within 12 Months	More than 12 Months	Total
Borrowed Funds	1,807,964	2,460,468,717	2,462,276,681
Insurance Contract Liabilities	56,582,652	-	56,582,652
Reinsurance Contract Liabilities	75,633,570	-	75,633,570
Total Potential future payment for financial obligations	134,024,185	2,460,468,717	2,594,492,903

Assets (in Bhutanese Ngultrum)	Within 12 Months	More than 12 Months	Total
Cash & Cash Equivalents	260,692,723	-	260,692,723
Loan & Advances to customers	667,900,684	2,847,428,994	3,515,329,678
Investment held till Maturity	170,000,000	-	170,000,000
Equity Investment	-	104,023,501	104,023,501
Insurance Receivable	101,411,1084	-	101,411,084
Total Potential future receipts from financial assets	1,200,004,491	2,951,452,495	4,151,456,986



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

36. Determination of Fair Value and Fair Value Hierarchy

The Company follows the methodology for Fair valuation as specificized by BFRS-13 which is in line with IFRS-13 specifies the following techniques for the fair valuation:

Level 1 – Quoted Market Price (Unadjusted): It is applicable for instruments with quoted prices and tradeable in the active market.

Level 2 – Valuation technique using observable inputs: It is applicable for instruments with quoted price for similar instruments in active markets or quoted prices for identical or similar instruments in active markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – Valuation Technique with significant unobservable inputs: It is applicable for instruments valued using valuation techniques where one or more significant inputs are unobservable.

Financial Instrument and Related Disclosure (In Bhutanese Ngultrum)

Fair Value of Financial Assets and Liabilities with Fair Value Hierarchy as at 31st December 2024

Financial Assets & Liabilities at fair value	Level 1	Level 2	Level 3	Amortized Cost	Total
Financial Assets at FVTPL					
✓ Investments	-	-	-	-	-
Financial Assets at OCI					
✓ Investments	-	-	104,023,501	-	104,023,501
Financial assets at Amortized cost					
✓ Cash & Cash equivalents	-	-	-	260,692,723	260,692,723
✓ Loans	-	-	-	3,515,329,678	3,515,329,678
✓ Investments	-	-	-	175,000,000	175,000,000
✓ Other Financial Assets	-	-	-	101,411,084	141,411,084
Total Financial Assets	-	-	104,023,501	4,052,433,485	4,156,456,986
Financial Liabilities at Amortized cost					
✓ Subordinate Term Debts	-	-	-	-	-
✓ Borrowed Fund	-	-	-	2,462,276,681	2,462,276,681
✓ Other Financial liabilities	-	-	-	132,216,222	132,216,222
Total Financial Liabilities	-	-	-	2,594,492,903	2,594,492,903



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

Fair Value of Financial Assets and Liabilities with Fair Value Hierarchy as at 31st December 2023

Financial Assets & Liabilities at fair value	Level 1	Level 2	Level 3	Amortized Cost	Total
Financial Assets at FVTPL					
✓ Investments	-	-	-	-	-
Financial Assets at OCI					
✓ Investments	-	-	90,051,205	-	90,051,205
Financial assets at Amortized cost					
✓ Cash & Cash equivalents	-	-	-	204,674,737	204,674,737
✓ Loans	-	-	-	3,218,580,073	3,218,580,073
✓ Investments	-	-	-	240,000,000	240,000,000
✓ Other Financial Assets	-	-	-	47,245,257	47,245,257
Total Financial Assets	-	-	90,051,205	3,710,500,067	3,800,551,272
Financial Liabilities at Amortized cost					
✓ Subordinate Term Debts	-	-	-	-	-
✓ Borrowed Fund	-	-	-	2,175,832,261	2,175,832,261
✓ Other Financial liabilities	-	-	-	39,068,870	39,068,870
Total Financial Liabilities	-	-	-	2,214,901,132	2,214,901,132

37. Management of Capital

The Company's main objectives at the time of managing capital are:

- (i) to comply with the Capital Requirements set by the Royal Monetary Authority and debt covenants,
- (ii) to safeguard the Company's ability to continue as a going concern, and
- (iii) to maintain a sufficient capital base to achieve a Capital Adequacy Ratio of the Company based on Prudential Regulation 2024 issued by Royal Monetary Authority of Bhutan of at least 10%.

Capital Adequacy Ratio is monitored daily for compliance with the requirements set by the Royal Monetary Authority and monthly for other objectives of Capital Management.

The Company's policy of Capital Management is designated to maintain the capital base sufficiently to keep the confidence of stakeholders and to secure the future development of the Company. The Royal Monetary Authority establishes and monitors capital adequacy limits for the Company. The Company performs medium and long-term planning of growth in the asset side considering sufficiency of capital. When necessary, the Company develops and implements measures to increase its capital base. To ensure compliance with the Capital adequacy ratios in the short run, the Company monitors use of capital by business segments. Responsibility for approval procedures and monitoring of the Capital use is with the management of the Company.



Bhutan Insurance Limited**Notes to Financial Statements-31st December 2024**

The Capital Adequacy Ratio (CAR) shall be computed as the ratio of the entity's capital as defined above to the sum of:

- Its total risk weighted assets for credit risk, including off-balance sheet items calculated in accordance with the requirements of the Prudential Regulations, 2024.
- Its risk weighted assets for operational risk calculated in accordance with the requirements of the Prudential Regulations, 2024.
- The entity at all times shall maintain a Core Capital Ratio of not less than 5% Percent. The Core Capital Ratio shall be computed as the ratio of the entity's total Tier 1 capital to its total risk weighted assets.
- The minimum capital adequacy ratios shall be observed by the entity.

Limit on the use of Different Forms of Capital for Capital Adequacy Ratio purposes:

- Total of subordinated term debts of the entity shall not exceed 50% of the Tier 1 capital.
- Total Tier 2 Capital shall be included in the capital fund, only up to the extent of 100 percent of the total Tier 1 capital.
- All items that are deducted from capital are excluded from total assets in calculating the capital adequacy ratios.
- Impaired Loans of related parties of the entity shall be deducted from its capital fund.

Capital Conservation Buffer:

- The Capital Conservation Buffer is designed to ensure that the entity builds up capital buffers during normal times (i.e. outside periods of stress) which can be drawn down as losses are incurred during a stressing period. The requirement is based on simple capital conservation rules designed to avoid breaches of minimum capital requirements.

The entity shall maintain a Capital Conservation Buffer of 2.5% of total risk weighted assets (RWA) over and above the minimum ratios as set out in the Prudential Regulations, 2024.

The Capital Conservation Buffer must be met by Tier 1 Capital.

The minimum capital requirement ratios including the Capital Conservation Buffer are as follows:

SL No.	Regulatory Capital	As a % to RWA
1	Core Capital Ratio (Tier 1)	5%.
2	Capital Conservation Buffer	2.5%
3	Core Capital Ratio Plus Capital Conservation Buffer (1+2)	7.5%
4	Tier 2 Capital	5%
5	Capital Adequacy Ratio	10%.
6	Capital Adequacy Ratio plus Capital Conservation Buffer	12.5%



Bhutan Insurance Limited
Notes to Financial Statements-31st December 2024

The position of Capital as on 31.12.2024:

in Bhutanese Ngultrum	2024	2023
Tier 1 Capital		
Paid up Share Capital	600,000,000	600,000,000
General Reserve	423,781,984	371,812,866
Retained Earnings	185,458,231	205,550,877
Non-Controlling Interest	-	-
	<u>1,209,240,215</u>	<u>1,177,363,743</u>
Tier 2 Capital		
Foreign Exchange Fluctuation Reserve	-	-
Investment Revaluation Reserve	51,879,854	37,907,557
Fixed Assets Revaluation Reserve	25,492,286	18,837,104
CAT Reserve	14,803,938	14,803,938
Construction Reserve	50,000,000	-
	<u>142,176,078</u>	<u>71,548,599</u>
Total (Tier 1 + Tier 2)	<u>1,351,416,293</u>	<u>1,248,912,342</u>

Management of the Company is of the opinion that the Company complied with all the Capital adequacy requirements during year.

38. Contingencies and Commitments

Credit Related Commitments: The Primary purpose of these instruments is to ensure that funds are available to a customer as required. Financial Guarantees represent irrevocable assurances that the Company will make payments if a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Outstanding credit-related commitments guarantees were as follows:

<u>in Bhutanese Ngultrum</u>	<u>2024</u>	<u>2023</u>
Financial Guarantees	146,207,229	176,248,680
Import Letters of Credit	-	-
Export Letters of Credit	-	-
Total Credit Related Commitments	146,207,229	176,248,680
Charged Off Loan Amount (Off Balance Sheet)	126,818,431	56,693,066
Total Credit Related Commitments and Performance Guarantees	273,025,659	232,941,746



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Notes to Financial Statements-31st December 2024

Assets pledged and restricted:

The Company had the following assets pledged as collateral:

in Bhutanese Ngultrum

Loans and advances to customers pledged to RMA	-
Loans and advances to customers pledged to the Government Deposit	-
Insurance Agency	-
Margin Call Deposits	-
Collateral Value of Security	-
Trading Securities classified as repurchase receivables	-
Restricted Cash	-
Total	-

Charge-Off and transfer of NPLs to Off-Balance Sheet

Charge-Off means it is a removal of Non-Performing Loans with overdue days of 365 days and more from the books of the company by adjusting it off against the provisions (specific provisions) kept. The charge-off of NPLs does not mean forgiveness of loan obligations by the lender and the lender shall continue to recover these loans until the right to recover is decided to be waived-off by the board or as declared by the court.

Details of Charged-Off Loan Amount as on 31.12.2024 is as follows:

Charged-Off Loan Amount is Nu. 126,818,431 (Previous Year is Nu. 56,693,066)

39. Related Party Transactions

For the purpose of these financial statement parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial or operational decisions as defined by BAS-24 "Related Party Disclosure". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.



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Notes to Financial Statements-31st December 2024

The outstanding balance as at end of the year and income and expenses items as well as other transactions for the year with related parties were as follows:

Parties	Nature of Relationship	Nature of Transaction	Outstanding amount as at 31/12/2024	Outstanding amount as at 31/12/2023
Mr. Karma Lotey	Chairman	Commercial establishment loan	398,193.88	572,182.72
Mr. Karma Lotey	Chairman	Housing loan	2,518,208.12	2,856,191.03
Mr. Karma Lotey	Chairman	Housing loan (FEIF Account)	439,402.00	-
Mr. Kalayan Humagai	Director	Personal loan	480,891.76	-
Mr. Tashi Dorji Rinchen	Director	Nil	-	-
Mr. Jigme Ugyen Gyamtsho	Director	Nil	-	-
Kutshab Kinzang Dorji	Director	Nil	-	-
Mr. Damdi Dorji	CEO/Executive Director	Staff personal loan & Personal guarantee	717,747.85	993,822.44
Total			4,554,443.61	4,422,196.19

The Key Management of the Company represents members of the Board of Directors and the Executive Board of the Company.

The Key Management Compensation expenses for the year are as follows:

Compensation paid to CEO	31 st December 2024	31 st December 2023
1. Salary, allowance, LTC & Leave encashment	3,195,000	2,829,024
2. PF contribution	242,666	162,132
3. Performance Based Incentive (PBI)	519,999	-
4. Sitting Fees	105,000	90,000
Total	4,062,665	3,081,156
Compensation paid to other Directors		
1. Sitting Fees	695,000	595,000
Total	4,757,665	3,676,156

40. Premium Deficiency has not been credited since, in the opinion of the management, the expected claim costs along with the related expenses and maintenance cost of the insurance products in force would not exceed the related reserve for unexpired risk.

41. The Company has issued bonds of Nu.120,000,000 at a coupon rate of 6% per annum under stimulus Plan as formulated by Royal Government of Bhutan for the last 10 years and redeemed fully during the year.



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42. The Company has the following Rental Liability payable:

6 months	3,264,926.70
12 months	6,529,853.40
18 months	9,794,780.10
24 months	13,059,706.80

43. As the entire Nation is gearing towards combatting Covid 19, it has not only affected human life but also let to a disruption in the entire chain of business across the country. RMA has issued a monetary measure in response to Covid 19 which are aimed at providing short term monetary relief to sectors facing such financial distress in addition to assisting business and local production.

Following are the three phases of monetary measures issued by RMA:

i) Phase 1 (April 2020-June 2020):

- a) All loans, both performing and non-performing has been deferred for the period of three months excluding loans to Fis, Govt and staff incentive loans.
- b) 100% of interest for all the loans excluding loans to Fis, Govt and staff incentives loans has been shared equally between the Govt. and the Company.
- c) Term based soft working capital facilities for tourism related business has been provided at concessional interest rate of 5% per annum to meet operational expenses.

ii) Phase 2 (July 2020-June 2021):

- a) All loan accounts as on 30th June 2020 has been given the option to defer their loan repayment by one year i.e. till 30th June 2021.
- b) 100% relief of interest payment has been granted as the Druk Gyalpo's relief Kidu from the National resilience fund for a period of three months i.e. 1st July-30th September 2020.
- c) 50% relief on interest payment has been granted as the Druk Gyalpo's relief Kidu from the National resilience fund for a period of six months i.e. 1st October 2020-30th June 2021. The remaining 50% shall be paid by the borrowers.
- d) The Company shall offer 1% interest rate reduction to borrowers who repay their EMIs regularly and fully as per the agreed repayment schedule during the entire deferment period which will be adjusted at the end of deferment period.
- e) Soft term loan to business (Bridging Loans) has been provided at concessional interest rate of 5% per annum for a period of one year which is treated as gestation period. At the end of gestation period the interest accrued shall be capitalized and the amount shall be amortized/repaid over the period of four years.



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f) The Company shall offer 1% interest rate reduction to borrowers who repay their EMI regularly and fully as per the agreed repayment schedule during the entire deferment period which will be adjusted at the end of the deferment period.

iii) Phase 3 (July 2021-June 2022):

a) All loans sanctioned as of June 30, 2020 shall be eligible for the deferment of loan repayment for another one year until June, 2022. Notwithstanding the above provision, the Financial Service Providers (FSPs) may negotiate with the borrowers for revival/rehabilitation or foreclosure of non-performing loans.

b) In order to ease the burden of loan repayment on the borrowers, the FSPs may extend the loan tenure by the deferred period or by up to one year.

c) The FSPs shall not capitalize the interest accrued during the deferment period. The total accumulated interest from April 2020 to June 2022 shall be payable in equal installments after the end of deferment period by creating Fixed Equated Installment facility.

d) The FSPs shall provide gestation for another one year until June 2022 for the Bridging Loans or Soft Term Loans granted to the business entities under the Phase II Monetary measures. The FSPs shall not capitalize the interest accrued during the gestation period. The total accumulated interest from April 2020-June 2022 shall be payable in equal installments after the end of the gestation period.

e) The Company shall continue to offer 1% interest rate reduction to borrowers who repay their EMI regularly and fully as per the agreed repayment schedule during the entire deferment period which will be adjusted at the end of the deferment period.

iv) Phase 4 (July 2022-June 2024):

a) All loans outstanding as of June 30, 2022 whose repayment status is 'Performing' shall be eligible for the targeted support measures. However, following shall not be eligible for the support measures under this targeted support framework:

i) Loans to Government, Loans to Financial Institutions, Staff Incentive Loans & Credit Cards;

ii) Soft Working Capital/ Bridging Loans granted under the previous Monetary Measures;

iii) Fixed Equated Instalment Facility (FIEF) accounts;

iv) Non-Performing Loans, including loans suspended, under litigation or Assets Pending Foreclosure.

b) As per the risk and impact assessment, the sectors and subsectors are classified into three different risk categories viz., High, Moderate and Low. Based on these risk classifications and the affordability of the borrowers, the FSPs may provide one or more loan restructuring measures.

c) The maximum loan term for the construction or setting-up of hotels and restaurants shall be up to 30 years (excluding gestation period). It shall be applicable for both existing loans as well as new loans.



Bhutan Insurance Limited

Notes to Financial Statements-31st December 2024

d) The FSPs shall not capitalize the interest accrued for loans under deferment of repayment of partial repayment (if interest portion is uncovered by partial repayment) provided under this Monetary Measures. At the end of the deferment period, the total accumulated interest for the entire deferment period provided from Phase I to Phase IV Monetary Measures shall be converted into 'Fixed Equated Installment Facility (FIEF)' payable in equal installments for a period up to five years.

e) For those loans, including soft working capital loans whose deferment or gestation period is ended on June 30, 2024, the FSPs shall open FIEF accounts for the transfer of accumulated interest and commencement of repayment.

f) Since FIEF account is created out of the accumulated interest during the deferment period, the FSPs shall not charge interest in this facility.

v) Phase 5 (July 2024-June 2025):

The Loan deferment measures shall come into effect from **1st July 2024**.

FIs are required to comply with the following conditions while extending loan deferment (full or partial):

- a) All loans that are deferred as of 30th June 2024 are eligible to apply for further deferment except for Share Loans and Housing/ Home Loans.
- b) Housing/Home Loans shall be allowed to extend the tenure of their loans by a further period of 10 years, over and above the current maximum tenure of 30 years. This extended tenure shall be exclusive of the deferred period.
- c) Subject to assessment, all currently deferred loans shall be further eligible for deferment for a period between one (1) and twelve (12) months from July 1, 2024. No further deferments shall be allowed after June 30, 2025.
- d) The deferment facility may be extended either by allowing partial payments (partial payment of either interest or principal) to loans, or by splitting of the existing loans based on affordability to repay. Split loans shall have the same general terms as the loan sanctioned previously.
- e) No FEIF facility shall be made available for loans deferred after July 1, 2024. The borrower is expected to either clear all the interest accrued post June 2024, or capitalize the interest portion to the principal, before starting the repayment of EMIs on completion of the deferment period.



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44. The audit fees and expenses are as follows:

Particulars	2024	2023
a. Audit fees	95,000	90,000
b. Audit Expenses	145,000	145,000

45. Previous Figures have been regrouped, rearranged and restated wherever applicable.



Performance Ratio		Formula	31st. Dec. 2024	31st. Dec. 2023						
A. Earnings Ratio										
1	Gross Premium to Shareholder's fund	$\frac{\text{Gross Premium}}{\text{Average Capital Employed}}$	<table><tr><td>656,658,280</td><td>413,354,532</td></tr><tr><td>1,300,164,318</td><td>1,145,071,548</td></tr><tr><td>50.51%</td><td>36.10%</td></tr></table>	656,658,280	413,354,532	1,300,164,318	1,145,071,548	50.51%	36.10%	
656,658,280	413,354,532									
1,300,164,318	1,145,071,548									
50.51%	36.10%									
2	Premium Growth	$\frac{\text{Gross premium current year} - \text{Gross premium previous year}}{\text{Gross premium previous year}}$	<table><tr><td>243,303,748</td><td>13,238,768</td></tr><tr><td>413,354,532</td><td>400,115,765</td></tr><tr><td>58.86%</td><td>3.31%</td></tr></table>	243,303,748	13,238,768	413,354,532	400,115,765	58.86%	3.31%	
243,303,748	13,238,768									
413,354,532	400,115,765									
58.86%	3.31%									
3	Persistency Ratio	$\frac{\text{Total No. of active policies during the year}}{\text{Total No. of Policies issued during the year}}$	<table><tr><td>30,436</td><td>27,707</td></tr><tr><td>30,549</td><td>27,772</td></tr><tr><td>99.63%</td><td>99.77%</td></tr></table>	30,436	27,707	30,549	27,772	99.63%	99.77%	
30,436	27,707									
30,549	27,772									
99.63%	99.77%									
4	Risk Retention	$\frac{\text{Net Premium}}{\text{Gross premium}}$	<table><tr><td>212,237,858</td><td>202,217,182</td></tr><tr><td>656,658,280</td><td>413,354,532</td></tr><tr><td>32.32%</td><td>48.92%</td></tr></table>	212,237,858	202,217,182	656,658,280	413,354,532	32.32%	48.92%	
212,237,858	202,217,182									
656,658,280	413,354,532									
32.32%	48.92%									
5	Commission to Net Premium	$\frac{\text{Net Commission}}{\text{Net Premium}}$	<table><tr><td>85,738,664</td><td>47,820,695</td></tr><tr><td>212,237,858</td><td>202,217,182</td></tr><tr><td>40.40%</td><td>23.65%</td></tr></table>	85,738,664	47,820,695	212,237,858	202,217,182	40.40%	23.65%	
85,738,664	47,820,695									
212,237,858	202,217,182									
40.40%	23.65%									
6	Management Expenses to Gross premium	$\frac{\text{Management Expenses (Insurance)}}{\text{Gross Premium}}$	<table><tr><td>71,584,699</td><td>57,834,207</td></tr><tr><td>656,658,280</td><td>413,354,532</td></tr><tr><td>10.90%</td><td>13.99%</td></tr></table>	71,584,699	57,834,207	656,658,280	413,354,532	10.90%	13.99%	
71,584,699	57,834,207									
656,658,280	413,354,532									
10.90%	13.99%									
7	Claim Settlement Ratio	$\frac{\text{No. of claims settled during the year}}{\text{No. of claim registered during the year}}$	<table><tr><td>248</td><td>374</td></tr><tr><td>322</td><td>387</td></tr><tr><td>77.02%</td><td>96.64%</td></tr></table>	248	374	322	387	77.02%	96.64%	
248	374									
322	387									
77.02%	96.64%									
8	Loss Ratio	$\frac{\text{Net Claim}}{\text{Earned Premium}}$	<table><tr><td>70,958,747</td><td>75,629,103</td></tr><tr><td>210,177,436</td><td>212,438,604</td></tr><tr><td>33.76%</td><td>35.60%</td></tr></table>	70,958,747	75,629,103	210,177,436	212,438,604	33.76%	35.60%	
70,958,747	75,629,103									
210,177,436	212,438,604									
33.76%	35.60%									
9	Expense Ratio	$\frac{\text{Management expenses} + (-) \text{Net commission paid/(Earned)}}{\text{Earned Premium}}$	<table><tr><td>64,651,852</td><td>49,889,528</td></tr><tr><td>210,177,436</td><td>212,438,604</td></tr><tr><td>30.76%</td><td>23.48%</td></tr></table>	64,651,852	49,889,528	210,177,436	212,438,604	30.76%	23.48%	
64,651,852	49,889,528									
210,177,436	212,438,604									
30.76%	23.48%									
10	Combined Ratio	Loss Ratio + Expense Ratio	<table><tr><td>64.52%</td><td>59.08%</td></tr></table>	64.52%	59.08%					
64.52%	59.08%									
11	Technical Reserve	$\frac{\text{Unexpired risk+CAT Reserve+Claims O/s.}}{\text{Net Premium}}$	<table><tr><td>122,735,640</td><td>125,962,666</td></tr><tr><td>212,237,858</td><td>202,217,182</td></tr><tr><td>0.578</td><td>0.623</td></tr></table>	122,735,640	125,962,666	212,237,858	202,217,182	0.578	0.623	
122,735,640	125,962,666									
212,237,858	202,217,182									
0.578	0.623									
12	Operating Profit	$\frac{\text{Profit before Tax}}{\text{Net Premium}}$	<table><tr><td>272,322,630</td><td>333,543,702</td></tr><tr><td>212,237,858</td><td>202,217,182</td></tr><tr><td>128.31%</td><td>164.94%</td></tr></table>	272,322,630	333,543,702	212,237,858	202,217,182	128.31%	164.94%	
272,322,630	333,543,702									
212,237,858	202,217,182									
128.31%	164.94%									
13	Net Earning Ratio	$\frac{\text{Profit after Tax}}{\text{Net Premium}}$	<table><tr><td>204,539,362</td><td>247,948,903</td></tr><tr><td>212,237,858</td><td>202,217,182</td></tr><tr><td>96.37%</td><td>122.62%</td></tr></table>	204,539,362	247,948,903	212,237,858	202,217,182	96.37%	122.62%	
204,539,362	247,948,903									
212,237,858	202,217,182									
96.37%	122.62%									
14	Return on net worth	$\frac{\text{Profit after Tax}}{\text{Average Net worth (Paid-up Capital with free Reserve)}}$	<table><tr><td>204,539,362</td><td>247,948,903</td></tr><tr><td>1,209,240,215</td><td>1,177,363,743</td></tr><tr><td>16.91%</td><td>21.06%</td></tr></table>	204,539,362	247,948,903	1,209,240,215	1,177,363,743	16.91%	21.06%	
204,539,362	247,948,903									
1,209,240,215	1,177,363,743									
16.91%	21.06%									
15	Book value per share	$\frac{\text{Share Capital} + \text{Free Reserve}}{\text{No. of share outstanding}}$	<table><tr><td>1,209,240,215</td><td>1,177,363,743</td></tr><tr><td>60,000,000</td><td>60,000,000</td></tr><tr><td>20.15</td><td>19.62</td></tr></table>	1,209,240,215	1,177,363,743	60,000,000	60,000,000	20.15	19.62	
1,209,240,215	1,177,363,743									
60,000,000	60,000,000									
20.15	19.62									



16	Earning per share	Profit After Tax No. of share outstanding	204,539,362 60,000,000 3.41	247,948,903 60,000,000 4.13
17	Net-Worth of the Company	Paid-up Capital + Free Reserve	1,209,240,215	1,177,363,743
18	Return of Equity	Profit after Tax Average Capital Employed	204,539,362 1,300,164,318 15.73%	247,948,903 1,145,071,548 21.65%
19	Net-worth to Total Liabilities	Net-worth Total Liabilities	1,209,240,215 4,459,148,096 27.12%	1,177,363,743 4,098,603,055 28.73%
20	Gross NPL Ratio	Total NPL Loan O/s. balance Total Loan O/s. balance	107,855,384 3,515,329,613 3.07%	109,110,883 3,218,580,525 3.39%
21	Net NPL Ratio	Total Net NPL Loan o/s. balance Total Net Loan o/s. balance	37,349,856 3,444,824,085 1.08%	32,182,583 3,141,652,225 1.02%
22	Underwriting Balance Ratio	Underwriting profit/Net Premium FIRE MARINE MOTOR MISC.	59.98% 5.78% 35.80% 9.80%	43.02% 4.76% 28.44% 21.73%
B. Liquidity Ratio				
1	Statutory Liquidity Ratio	Liquid Assets Total liabilities excluding capital fund & RMA liabilities	430,692,723 3,111,364,948 13.84%	439,674,737 2,736,477,435 16.07%
2	Quick Ratio	Liquid current Assets Liquid current Liabilities	#REF! #REF! #REF!	#REF! #REF! #REF!
3	Current Ratio	Current Assets Current Liabilities	#REF! #REF! #REF!	#REF! #REF! #REF!
4	Liquid Assets to Technical Reserve Ratio	Liquid Assets Technical Reserve	430,692,723 122,735,640 350.91%	439,674,737 125,962,666 349.05%
C. Solvency Parameters				
1	Capital Adequacy Ratio as per PR	Tier I & Tier II Capital Total Risk weighted Assets	1,366,685,950 4,291,038,998 31.85%	1,320,742,816 3,928,931,590 33.62%
2	Core Capital Ratio	Tier I Capital Total Risk Weighted Assets	1,001,363,743 4,291,038,998 23.34%	990,995,778 3,928,931,590 25.22%
3	Leverage Ratio	Tire I Capital Total Exposure excluding specific provision & margin money	1,001,363,743 3,708,809,047 27.00%	990,995,778 3,386,815,385 29.26%
4	Operating Leverage Ratio	Net Premium written Total Networth	212,237,858 1,209,240,215 17.55%	202,217,182 1,177,363,743 17.18%



5 Solvency Ratio as per Insurance Regulation

Net Financial Resources
Total Risk Requirement

2,799,550,104	2,302,549,480
285,898,827	277,915,692
979.21%	828.51%

6 CAR as per Insurance Regulation

Total Financial Resources
Total Risk Requirement

3,974,669,093	3,258,786,018
446,885,027	418,014,716
889.42%	779.59%



