

ANNUAL REPORT

FY 2081/82





EXCELLENCE
INNOVATION
EMPOWERMENT

ABOUT THE REPORT



This is the 9th Annual Report of I.M.E. Life Insurance Company Limited.

This Annual Report is designed to provide readers and stakeholders with a comprehensive understanding of the Company's operations, financial performance, corporate governance, and business strategies. It reflects the company's overall performance, strategic priorities, and progress towards long-term goals. In addition to financial results, the report emphasizes sustainable practices and stakeholder's value creation.

The report presents a detailed overview of the Company's activities and includes financial statements prepared in full compliance with all applicable statutory and regulatory requirements. This includes adherence to Nepal Financial Reporting Standards (NFRS) issued by Accounting Standards Board (ASB), the Company Act 2063, the Insurance Act 2079, directives issued by Nepal Insurance Authority, and disclosure requirements set by Securities Board of Nepal.

TABLE OF CONTENTS

01

CORPORATE OVERVIEW

Company Profile	14
Journey of IME Life	18
Geographical Presence	20
Mission, Vision and Core Values	23
Overall Corporate Strategy	24
Board of Directors	26
Key Management Persons	32
Province Heads	34
Message from Chairman	36
From the Desk of CEO	38
Organizational Structure	40
Awards and Accolades	42

02

BUSINESS CONTEXT AND STRATEGY

Business Model	47
Key Products	50
Strategic Plan and Development	52
Resource Allocation Plan	54
SWOT Analysis	56
PESTEL Analysis	58

03

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

ESG Disclosure	64
Corporate Social Responsibility	73
Employee Welfare and Human Capital Development	80
Board Level Committees	84
Disclosure u/s 109 of Company Act 2063	90
Annual Compliance Report on Corporate Governance	97
Disclosure as per Security Registration and Issuance Regulation, 2073	103
Code of Conduct	104
Statement of Business Practices	105

04

RISK MANAGEMENT AND CONTROL

Risk Governance	108
Risk Type, Factors and Mitigation Measures	109
Risk Management Process	112
Risk Impact, Risk Likelihood and Risk Score	113
Climate Considerations	115
Risk Based Capital and Own Risk & Solvency Assessment	117
Compliance	118
Internal Control	119
IT System and Control	120
Disclosure on Reinsurance	121

05

ENGAGEMENT WITH STAKEHOLDERS AND RELATIONSHIPS

Our Stakeholders	124
Engagement With Stakeholders and Relationships	125
Grievance Handling Mechanism	127

06

FINANCIAL POSITION AND PERFORMANCE

Financial and Non-Financial Highlights at a Glance	130
Comparative Financial Highlights	132
Economic Value Creation Statement	136

07

FINANCIAL REPORTS

Independent Auditor's Report	140
Financial Statements	143
Significant Accounting Policies and Notes to the Financial Statements	158
Solvency Balance Sheet	280

08

OTHER DISCLOSURES

Statement of Responsibilities of the Chief Financial Officer	298
Certificate of Appointed Actuary	299
Issuer Rating Provided by CARE Ratings Nepal	300
Financial Statement Approval Letter and Reply of Company	304

09

EVENTS AND ACTIVITIES

Million Dollar Round Table 2026	308
Event And Activities	311

नवौं वार्षिक साधारण सभा सम्बन्धी सूचना

(प्रथम पटक सूचना प्रकाशित मिति : २०८२/०९/०१ गते)

आई.एम.ई. लाइफ इन्स्योरेन्स कम्पनी लिमिटेडको सञ्चालक समितिको मिति २०८२ साल मंसिर २९ गते बसेको २३३औं बैठकको निर्णयानुसार यस कम्पनीको नवौं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा निम्न विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ (२) अनुसार सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि अनुरोध छ ।

साधारण सभा बस्ने मिति, स्थान र समय:

मिति : २०८२ साल पौष २४ गते विहिवार, (तदनुसार जनवरी ८, २०२६)
स्थान : दियो महल, धुम्बाराही, काठमाण्डौं ।
समय : बिहानको १०:०० बजे ।

छलफलका विषयहरू :

(क) सामान्य प्रस्तावहरू :

- (१) सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले प्रस्तुत गर्नु हुने आर्थिक वर्ष २०८१/०८२ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने सम्बन्धमा ।
- (२) लेखापरीक्षकको प्रतिवेदन सहितको आर्थिक वर्ष २०८१/०८२ को वासलात, नाफा नोक्सान हिसाब, इक्विटीमा भएको परिवर्तन तथा नगद प्रवाह विवरण र सो संग सम्बन्धीत अनुसुचीहरू सहितको वित्तीय विवरण माथि छलफल गरी पारित गर्ने सम्बन्धमा ।
- (३) कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आर्थिक वर्ष २०८२/०८३ का लागि कम्पनीको लेखापरीक्षण समितिबाट सिफारिस भई आए बमोजिम बाह्य लेखापरीक्षकको नियुक्ति गर्ने तथा निजको पारिश्रमिक निर्धारण गर्ने सम्बन्धमा । (वर्तमान लेखापरीक्षक श्री एस.ए.आर एशोसिएट्स चार्टर्ड एकाउन्टेन्ट्स पुनः नियुक्त हुन योग्य रहेको) ।
- (४) सञ्चालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०८१/०८२ को वितरण योग्य मुनाफाबाट कम्पनीको हाल कायम रहेको चुक्ता पुँजी रु. ५,००,००,००,०००/- (अक्षरेपी पाँच अर्ब रुपैया मात्र) को १०.५२६३२% (अक्षरेपी दश दशमलव पाँच दुई छ तीन दुई प्रतिशत) का दरले हुने रु. ५२,६३,१५,७८९/- (अक्षरेपी वाउन्न् करोड त्रिसठ्ठी लाख पन्ध्र हजार सात सय उनान्नब्बे रुपैया मात्र) नगद लाभांश (कर प्रयोजन समेत) वितरण गर्ने प्रस्ताव पारित गर्ने सम्बन्धमा ।

(ख) विशेष प्रस्तावहरू :

- (१) कम्पनीको प्रबन्ध-पत्र तथा नियमावली अभिलेख गर्ने निकायबाट कुनै फेरबदलको निर्देशन प्राप्त भएमा सोही अनुसार फेरबदल गर्न सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने सम्बन्धमा ।
- (२) कम्पनी ऐन, २०६३ को दफा १०५(१) (ग) बमोजिम आर्थिक वर्ष २०८१/०८२ मा कम्पनीबाट संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत भएका खर्चहरू अनुमोदन गर्ने सम्बन्धमा ।

(ग) विविध ।

सञ्चालक समितिको आज्ञाले,
प्रकाश न्यौपाने
कम्पनी सचिव

द्रष्टव्य

- (१) कम्पनीको नवौं वार्षिक साधारण सभा प्रयोजनका लागि मिति २०८२/०९/११ गते एक (१) दिन कम्पनीको शेयरधनी दर्ता किताब बन्द रहनेछ । साथै नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०८२/०९/०९ गते सम्म कारोबार भई प्रचलित कानून बमोजिम यस कम्पनीको शेयर रजिष्ट्रार श्री ग्लोबल आइएमई क्यापिटल लिमिटेड, नक्साल, काठमाण्डौंबाट प्राप्त शेयर नामसारी लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले मात्र उक्त सभामा भाग लिन पाउनेछन ।
- (२) सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले आफ्नो हितग्राही खाता नम्बर (BOID) वा आफ्नो परिचय खुलेका कागजात तथा साधारण सभा प्रयोजनार्थ जारी प्रवेश-पत्र लिई आउनु हुन अनुरोध गरीन्छ ।
- (३) सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले प्रतिनिधि (प्रोक्सी) फाराम मिति २०८२/०९/२२ गते बिहान १०:०० बजे भित्र कम्पनीको रजिस्टर्ड तथा कर्पोरेट कार्यालयमा दर्ता गराई सक्नुपर्नेछ । एक भन्दा बढी प्रतिनिधि (प्रोक्सी) नियुक्त गर्न सकिने छैन । एक भन्दा बढी प्रतिनिधि (प्रोक्सी) नियुक्त भएको पाइएमा सबै भन्दा पहिला कम्पनीमा दर्ता भएको प्रतिनिधि (प्रोक्सी) मात्र मान्य हुनेछ । सभामा भाग लिन प्रतिनिधि (प्रोक्सी) नियुक्त गरिसकेपछि सम्बन्धीत शेयरधनी स्वयम् सभामा उपस्थित हुन आएमा शेयरधनीले गरीदिएको प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ ।
- (४) नावालक वा विक्षिप्त शेयरधनीहरूको तर्फबाट यस कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा प्रतिनिधि तोक्न पाउनेछन ।
- (५) संयुक्त रूपमा शेयर खरिद गरिएको अवस्थामा शेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन र मतदान गर्न पाउनेछन ।
- (६) कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा कार्यकारी प्रमुखले दस्तखत गरी मनोनित गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन सक्नु हुनेछ ।
- (७) छलफलका विषय मध्ये विविध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा ७ (सात) दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ । त्यस्तो विषय सञ्चालक समितिका अध्यक्षलाई उचित लागेमा मात्र छलफलका लागि समावेश गरीनेछ ।
- (८) कम्पनी ऐन, २०६३ अनुसारको वार्षिक आर्थिक विवरण, सञ्चालक समितिको प्रतिवेदन, लेखापरीक्षण प्रतिवेदन शेयरधनीहरूले निरीक्षण वा प्राप्त गर्न चाहनु भएमा कम्पनीको रजिस्टर्ड तथा कर्पोरेट कार्यालय का.जि.का.म.न.पा. वडा नं. २६, लैनचौर, हाथवे कम्प्लेक्स, तेस्रो तला, काठमाण्डौंबाट उपलब्ध गराउन सकिने व्यहोरा जानकारी गराईन्छ । उल्लेखित विवरण कम्पनीको वेबसाइट ठेगाना www.imelifeinsurance.com मार्फत हेर्न सक्नु हुनेछ ।
- (९) सभाको दिन सभा शुरु हुनु भन्दा अगावै सभा कक्षमा उपस्थित भईदिनुहुन सम्पूर्ण शेयरधनीहरूलाई अनुरोध गरीन्छ ।
- (१०) शेयरधनीहरूले व्यक्त गरेका मन्तव्य वा प्रश्नहरूको सम्बन्धमा सभाका सभापति/सभाध्यक्ष वा सभाका सभापति/सभाध्यक्षबाट आदेश पाएका व्यक्तित्वबाट जवाफ दिईनेछ ।
- (११) सभामा भाग लिने प्रत्येक शेयरधनी महानुभावहरूले सभा हुने स्थानमा उपस्थित भई त्यहाँ रहेको हाजिरी पुस्तिकामा दस्तखत गर्नुपर्नेछ । हाजिरी पुस्तिका बिहान ९:०० बजे देखि खुल्ला रहनेछ ।
- (१२) सुरक्षाको दृष्टिकोणले शेयरधनी महानुभावहरूले यथासक्थ भोला प्याकेट आदि नलिई आउनु हुन अनुरोध छ । आवश्यक देखिएमा सुरक्षाकर्मीले सभाकक्षमा प्रवेश गर्नेको सुरक्षा जाँच गर्न सक्ने हुँदा सो कार्यमा सहयोग गरीदिनु हुन समेत अनुरोध छ ।
- (१३) सभा सम्बन्धी अन्य काम कारवाही कम्पनी ऐन, २०६३ बमोजिम हुनेछ ।
- (१४) अन्य थप जानकारीको लागि कम्पनीको रजिस्टर्ड तथा कर्पोरेट कार्यालय का.जि.का.म.न.पा. वडा नं. २६, लैनचौर, हाथवे कम्प्लेक्स, तेस्रो तला, काठमाण्डौंमा सम्पर्क राख्नु हुन अनुरोध छ ।

सन्ततिको लागि आजै सोचौं आइएमई बालकिरण नै रोजौं

*विशेषताहरु:

१. बच्चाको जन्म भए लगत्तै बीमा गर्न सकिने ।
२. ४ वर्ष पश्चात विद्यालय भर्ना वा उच्च शिक्षाको लागि एकमुष्ठ रकम प्राप्त हुने ।
३. प्रत्येक वर्ष विद्यालय शुल्क वा पठन पाठनका लागि रकम प्राप्त हुने ।
४. आवश्यकता अनुसार बीमा अवधि छान्न सकिने ।
५. दुर्घटना तथा बिरामीको थप जोखिम वहन हुने ।
६. एउटै बीमामा बच्चा तथा प्रस्तावक (बाबु वा आमा) दुई जनाको जीवनको बीमा हुने ।

*शतहत्तु लागू हुनेछन्



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OUR MOBILE APP



आई.एम.ई. लाइफ इन्स्योरेन्स कम्पनी लिमिटेड
का.जि.का.म.न.पा.वडा नं.-२६, लैनचौर, काठमाण्डौ ।

प्रोक्सी फारम (प्रतिनिधि पत्र)

श्री सञ्चालक समिति,
आई.एम.ई. लाइफ इन्स्योरेन्स कम्पनी लिमिटेड
का.जि.का.म.न.पा. वडा नं.-२६, लैनचौर, काठमाण्डौ ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला.....न. पा./गा.पा वडा नं..... बस्ने म/हामीले त्यस कम्पनीको शेयरधनीको हैसियतले २०८२ साल पौष महिनाको २४ गते बिहिवारका दिन हुने नवौं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि जिल्लान.पा./गा.पा. वडा नं.....बस्ने त्यस कम्पनीका शेयरधनी श्री लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/पठाएका छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको
हस्ताक्षरको नमुना :
शेयरधनी नम्बर:
हितग्राहि खाता नं:
मिति :

निवेदक
दस्तखत :
नाम :
ठेगाना :
शेयरधनी नम्बर:
हितग्राहि खाता नं:
मिति :

द्रष्टव्य: यो निवेदन मिति २०८२/०९/२२ गते विहान १०:०० बजे भित्र कम्पनीको रजिष्टर्ड तथा कर्पोरेट कार्यालय का.जि.का.म.न.पा. वडा नं. २६, लैनचौर, हाथवे कम्प्लेक्स, तेस्रो तला, काठमाण्डौमा पेश गरी सक्नु पर्नेछ । कम्पनीको शेयरधनी बाहेक अन्यलाई प्रोक्सी दिन पाइने छैन ।

आई.एम.ई. लाइफ इन्स्योरेन्स कम्पनी लिमिटेड
का.जि.का.म.न.पा.वडा नं.-२६, लैनचौर, काठमाण्डौ ।

प्रवेश-पत्र

१. शेयरधनीको नाम :
 २. ठेगाना :
 ३. शेयरधनी प्रमाणपत्र नम्बर/हितग्राहि खाता नम्बर :
 ४. शेयर संख्या :
 ५. शेयरधनीको दस्तखत :
- श्री आई.एम.ई. लाइफ इन्स्योरेन्स कम्पनी लिमिटेडको मिति २०८२/०९/२४ मा हुने नवौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

प्रकाश न्यौपाने
कम्पनी सचिव

द्रष्टव्य : सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रुपमा लिई आउनुहुन अनुरोध छ । अन्यथा सभाकक्षमा प्रवेश गर्न पाइने छैन ।



CORPORATE OVERVIEW

01

- Company Profile
- Journey of IME Life
- Geographical Presence
- Mission, Vision and Core Values
- Overall Corporate Strategy
- Board of Directors
- Key Management Persons
- Province Heads
- Message from Chairman
- From the Desk of CEO
- Organizational Structure
- Awards and Accolades

COMPANY PROFILE

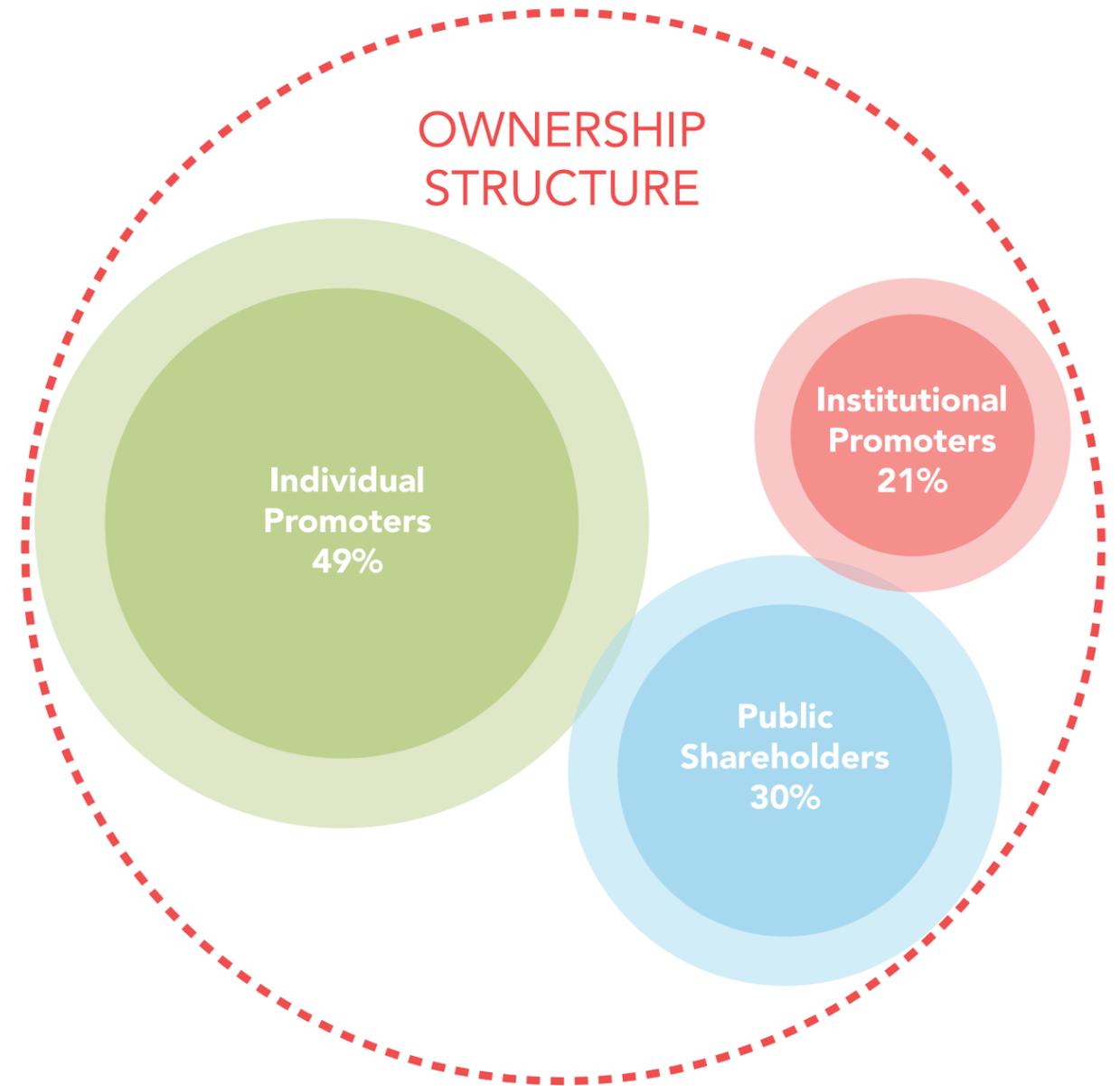
I.M.E. Life Insurance Company Limited was incorporated as a public company under the Company Act 2063 and registered with Office of the Company Registrar of Government of Nepal on 15th Aswin 2065. It obtained an insurance license from Nepal Insurance Authority in accordance with the Insurance Act, 2049, and the Insurance Regulations, 2049, to operate business in the life insurance sector. The license was granted on 20th Ashadh 2074, and the company began its operations on 1st Bhadra 2074.

The company is backed by renowned and large founding/affiliated organizations, including Global IME Bank Limited, IME Limited, IGI Prudential Company Limited, Hathway Investment Nepal Limited, Asian Distributors

Private Limited, and DD Investment Private Limited. The primary goal of the company is to establish itself as a leading and trusted Life insurance provider in Nepal, delivering reliable insurance services while ensuring fair returns for policyholders and investors.

The Company has an authorized capital of NPR 6 billion and a paid-up capital of NPR 5 billion. The promoters contributed 70% of paid-up capital, i.e. NPR 3.5 billion, whereas the general public contributed 30% of paid-up capital, i.e., NPR 1.5 billion.

The Company is engaged in life insurance, carrying on both participating and non-participating business.



We are committed to delivering unmatched products and exceptional customer experiences. With a strong focus on continuous improvement, the Company is actively strengthening its product portfolio. As we operate in a long-term commitment business, we believe that investing in customer satisfaction is essential for sustainable success.

We manage a multi-channel distribution network including Agency Sales, Direct Sales, Corporate Sales, & digital and online platforms to enhance our reach, deliver quality services, providing customers with essential information and a seamless experience. We operate 158 branches across the country providing accessible and affordable services to our customers.



#SparkCon 2025 IMELIFE Ensuring Future

lifeinsurance

Empower To Excel

Empowerment Innovation Excellence

SparkCon



JOURNEY OF IME LIFE

FY 2017/18

17 August 2017
IME Life commenced its commercial operations from its Head Office at **Lainchaur, Kathmandu.**

within **11** months
44 new branches
46,000+ lives insured

Introduced **chatbot** services to enhance customer support for policyholders and agents.

Expanded operations to **52 Districts** through a network of **77 Branches** and sub-branches
14 Life Insurance products offered.

FY 2018 /19

FY 2019/20

53.90%

growth in new business, despite the initial impact of the **COVID-19 pandemic** on the overall economy.

NPR 750,000
Contributed to the **COVID-19 Prevention and Control Fund** as part of its CSR initiative.

99.54%
growth in total business.

Upgraded chatbot services to **IME Life Direct**, providing round-the-clock digital services to customers.

FY 2020/21

FY 2021/22

Launched a new **child endowment product, BALKIRAN**

140

branch network expanded,

134,172

policies in force.

FY 2022/23

100%

right shares issued, increasing the paid-up capital to **NPR 2.8 billion.**

30%

shares issued to the public at a **premium.**

Awarded Best Life Insurance Company runner up by the **Indian Chamber of Commerce (ICC).**

FY 2024 /25

Best Life Insurance Company and **Best Strategies for Insurance Spreading / Women in Insurance Leadership** awarded by the **Indian Chamber of Commerce (ICC).**

Upgraded rating to **BBB+** (**Triple B Plus**) by **CARE Ratings Nepal Limited (CRNL).**

Has been certified in compliance with **ISO@ 9001:2015 standards.**

Recognized under the merit category for **Best Presented Annual Report** by **ICAN.**

FY 2023/24

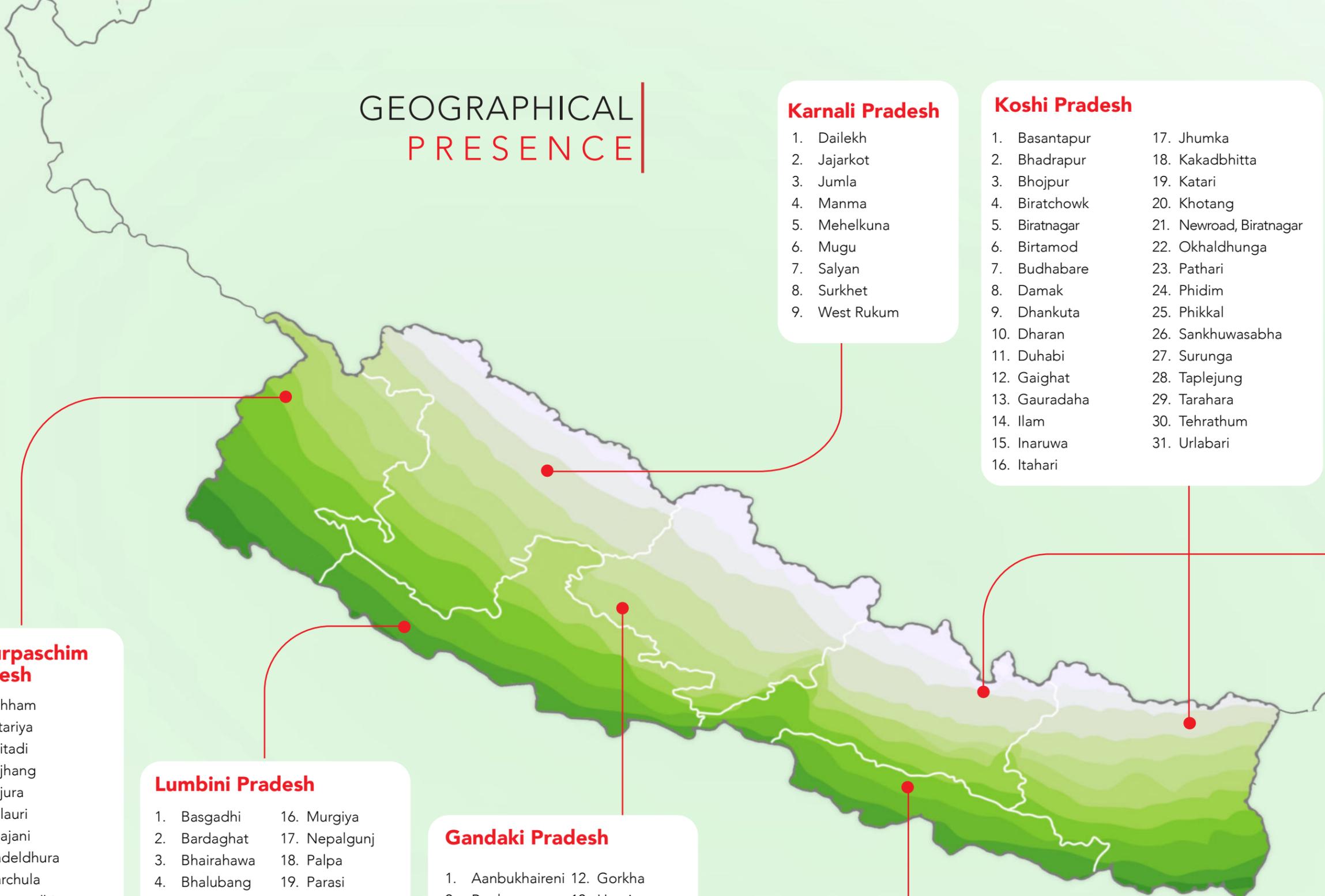
Successfully migrated to the **I-Ensure core insurance software system** to strengthen operational efficiency.

CARE Ratings Nepal Limited (CRNL) has assigned rating of **'CARE-NP BBB (Is)'**

The company complies with the minimum capital requirement of Nepal Insurance Authority by maintaining a paid-up capital of

NPR 5 Billion

GEOGRAPHICAL PRESENCE



Karnali Pradesh

1. Dailekh
2. Jajarkot
3. Jumla
4. Manma
5. Mehelkuna
6. Mugu
7. Salyan
8. Surkhet
9. West Rukum

Koshi Pradesh

- | | |
|---------------|-------------------------|
| 1. Basantapur | 17. Jhumka |
| 2. Bhadrapur | 18. Kakadbhitta |
| 3. Bhojpur | 19. Katari |
| 4. Biratchowk | 20. Khotang |
| 5. Biratnagar | 21. Newroad, Biratnagar |
| 6. Birtamod | 22. Okhaldhunga |
| 7. Budhabare | 23. Pathari |
| 8. Damak | 24. Phidim |
| 9. Dhankuta | 25. Phikkal |
| 10. Dharan | 26. Sankhuwasabha |
| 11. Duhabi | 27. Surunga |
| 12. Gaighat | 28. Taplejung |
| 13. Gauradaha | 29. Tarahara |
| 14. Ilam | 30. Tehrathum |
| 15. Inaruwa | 31. Urlabari |
| 16. Itahari | |

Bagmati Pradesh

1. Banepa
2. Baneshwor
3. Bhaktapur
4. Bhainsepati
5. Chabahil
6. Chapagaun
7. Charikot
8. Dhadingbesi
9. Dhunche
10. Gatthaghar
11. Gausala
12. Gongabu
13. Hakimchowk
14. Hetauda
15. Imadol
16. Kalanki
17. Kirtipur
18. Kumaripati
19. Lainchaur
20. Maharajgunj
21. Manthali
22. Naagpokhari
23. Narayanghat
24. Nepaltar
25. Newroad
26. Nuwakot
27. Panauti
28. Pepsicola
29. Sindhuli
30. Swayambhu
31. Tahachal
32. Tandil
33. Tokha

Sudurpaschim Pradesh

1. Achham
2. Attariya
3. Baitadi
4. Bajhang
5. Bajura
6. Belauri
7. Bhajani
8. Dadeldhura
9. Darchula
10. Dhangadhi
11. Dipayal
12. Jhalari
13. Kolti
14. Lamki
15. Mahendranagar
16. Punarbas
17. Shanfebagar
18. Sukhad
19. Tikapur

Lumbini Pradesh

- | | |
|---------------|--------------------|
| 1. Basgadhi | 16. Murgiya |
| 2. Bardaghat | 17. Nepalgunj |
| 3. Bhairahawa | 18. Palpa |
| 4. Bhalubang | 19. Parasi |
| 5. Bhuriguan | 20. Pyuthan |
| 6. Butwal | 21. Rajapur |
| 7. Chandrauta | 22. Rampur |
| 8. Devdaha | 23. Raptisonari |
| 9. Ghorahi | 24. Rolpa |
| 10. Gulariya | 25. Sandhikharka |
| 11. Gulmi | 26. Sunawal |
| 12. Jitpur | 27. Taulihawa |
| 13. Kohalpur | 28. Traffic Chowk, |
| 14. Lamahi | Butwal |
| 15. Manigram | 29. Tulsipur |

Gandaki Pradesh

- | | |
|------------------|------------------|
| 1. Aanbukhaireni | 12. Gorkha |
| 2. Baglung | 13. Hemja |
| 3. Beni | 14. Kawasoti |
| 4. Beshahar | 15. Kushma |
| 5. Bhimad | 16. Lekhnath |
| 6. Birauta | 17. Palungtar |
| 7. Chauthe | 18. Pokhara |
| 8. Damauli | 19. Sotipasal |
| 9. Dulegauda | 20. Sundarbazaar |
| 10. Gaidakot | 21. Waling |
| 11. Galkot | |

Madhesh Pradesh

- | | | |
|---------------|-------------|------------------------|
| 1. Bardibas | 6. Hariwon | 11. Lalbandi |
| 2. Birgunj | 7. Janakpur | 12. Malangawa |
| 3. Chandrapur | 8. Jeetpur | 13. Mirchaiya |
| 4. Gaur | 9. Kalaiya | 14. Rajbiraj |
| 5. Garuda | 10. Lahan | 15. Thanachowk, Siraha |



VISION

Enhance awareness about life insurance, encourage financial security to the people of Nepal through life insurance products and contribute to the nation's development.



MISSION

Our mission is to provide our clients best coverage, diligent underwriting, hassle-free claims and business friendly solution.



CORE VALUES

Customer-Centric | Integrity | Innovation | Teamwork | Equity

OVERALL CORPORATE STRATEGY

I.M.E. Life Insurance Company Limited is a growth-oriented life insurance provider. Our strategic objective is to expand our market share by offering personalized and innovative products driven by advanced information technology.

We aim to achieve this by strengthening our distribution channels, creating innovative products, fostering profitable growth through employee training, and continually improving customer satisfaction.

STRATEGIC OBJECTIVES

- 1 To provide life insurance services including Endowment, Whole life & Term plans,
- 2 To invest the premium earned from life insurance business in approved sectors,
- 3 To fulfill the life insurance needs arising due to social and financial causes,
- 4 To execute prescribed life insurance and rider insurance contracts,
- 5 To perform activities including promotional and awareness programs on importance and need of life insurance,
- 6 To cede premium of life insurance policies to approved reinsurers,
- 7 To co-ordinate with local and international companies for life insurance and reinsurance business,
- 8 To appoint, and cause to be appointed, insurance agents and brokers,
- 9 To perform any other life insurance related activities.



IME LIFE
सवल
जीवन बीमा योजना



सबैको चहाना, हरेक पुस्तामा सुरक्षाको भावना
आइएमई लाइफको सवल जीवन बीमा योजना

बीमालेखका सुविधाहरू

१. प्रस्तावकको ईच्छा अनुसार एकल, दुई, तीन, चार वा पाँच पटक सम्ममा बीमाशुल्क भुक्तानी गर्न सकिने ।
२. वार्षिक रुपमा अवधिभर किस्ता तिरिरहनुपर्ने बाध्यता नरहने ।
३. योजना अवधिभर बीमितले वित्तीय सुरक्षा पाउने ।
४. बीमालेख धितोमा कर्जा सुविधा प्राप्त गर्न सकिने ।
५. आयकर छुट सम्बन्धी लाभ लिन सकिने ।

BOARD OF DIRECTORS



DR. RAM HARI ARYAL
CHAIRMAN

Re-Appointment Date:
2079/01/14

Dr. Ram Hari Aryal holds a PhD in Demography from the University of Adelaide, Australia. He also completed a Master's in Demography from the Australian National University and a Master's in Economics from Tribhuvan University. He served as a Board Member of Nepal Rastra Bank from 2012 to 2017. His career began as a Section Officer in the Parliamentary Secretariat. He later served as Under Secretary, Joint Secretary, and Secretary in several ministries of the Government of Nepal. He currently represents the promoter shareholders on the Board of I.M.E. Life Insurance Company Limited.



MS. USHA DHAKAL
DIRECTOR

Appointment Date:
2079/01/14

Ms. Usha Dhakal holds a Master's degree in Management from the Australian National University. She earned her Bachelor's degree in Management with a specialization in Marketing from West London University. She began her career at IME Remit, gaining experience in the remittance industry. She later worked at IME Digital Solutions in the field of financial technology marketing. She served in the Marketing Department at I.M.E. Life Insurance Company Limited. She represents Across Holding Private Limited, a promoter shareholder of the company.



MR. BINOD K.C.
INDEPENDENT DIRECTOR

Appointment Date:
2079/11/10

Mr. Binod K.C. holds an MBA and an LLB from Tribhuvan University. He started his career as a Section Officer at the Financial Comptroller General Office, Government of Nepal. He progressed through roles as Under Secretary, Joint Secretary, and Director General in various government bodies. He served as Secretary in key public institutions including the Public Procurement Monitoring Office. His work covered labor, employment, defense, and general administration sectors. Since 2077, he has been engaged in freelancing and advisory roles.



MR. SITARAM THAPA
DIRECTOR

Appointment Date:
2080/09/04

Mr. Sitaram Thapa is a Chartered Accountant qualified from the Institute of Chartered Accountants of Nepal. He also holds a Master's degree in Management. He has over eight years of experience in auditing and consulting. He brings strong financial and strategic expertise to board-level roles. He served as a Board Member of IME General Insurance from 2019 to 2023. He currently represents promoter shareholders on the Board of I.M.E. Life Insurance Company Limited.



MR. SANDEEP AGARWAL
DIRECTOR

Appointment Date:
2080/09/04

Mr. Sandeep Agarwal has more than 35 years of experience in industry and trade. He served as Director of Global Bank Limited from 2006 to 2013. He was a member of the Executive Committee of FNCCI. He served as Co-Chairperson of the FNCCI Tax and Revenue Committee from 2020 to 2023, as well as the former Chairperson of Venture Hire Purchase Limited. He holds a Bachelor's degree in Commerce from Shanker Dev Campus. He is a promoter of I.M.E. Life Insurance Company Limited, Global IME Bank Limited, and Mountain Energy Nepal Limited.



MR. ROBIN KUMAR NEPAL
PUBLIC DIRECTOR

2081/02/28

Mr. Robin Kumar Nepal is a senior banking professional with over 31 years of experience. He holds an MBA from Tribhuvan University and a Bachelor of Commerce from St. Joseph's College, Darjeeling. He served as Deputy General Manager and Chief Operating Officer at Laxmi Sunrise Bank. He led major functions including operations, IT, digital banking, and project financing, playing a key role in strengthening risk management and operational efficiency. He is also the Founding Director and former Chairman of Nepal Electronic Banking System (NEPS).



MR. PRAKASH NEUPANE
COMPANY SECRETARY & HEAD-LEGAL

Prakash Neupane has been with I.M.E. Life Insurance Company Limited since its inception and currently serves as Company Secretary and Head of the Legal Department, overseeing legal, compliance, and corporate governance matters. He holds LL.B. from Kathmandu School of Law and LL.M. from Tribhuvan University, and is a licensed Advocate of the Nepal Bar Council with diverse professional experience. Mr. Neupane continues to contribute to strengthening legal and governance standards in Nepal's insurance sector.

BOARD OF
DIRECTORS



MR. SANDEEP
AGARWAL

DR. RAM HARI
ARYAL



MR. ROBIN
KUMAR NEPAL



MR. SITARAM
THAPA



MS. USHA
DHAKAL



MR. BINOD K.C.



MANAGEMENT TEAM WITH DEPARTMENT HEADS



GOKARNA KARKI
ADMINISTRATION

NARAYAN PRASAD
PAUDEL
AGENCY SERVICE

INDRA RAJ SUBEDI
CMO - EAST

TARA BAHADUR
KHATRI
BRANDING &
COMMUNICATION

PRAKASH
NEUPANE
COMPANY
SECRETARY /
LEGAL

BINITA
KHANAL
CUSTOMER
SERVICE

ANUJA RANA
CLAIM

ARCHANA K.C
CORPORATE
SALES

SUSIL CHAPAGAI
CMO - WEST

MAMATA JAISWAL
AML / CFT

TRILOCHAN RAWAT
RISK &
COMPLIANCE

SUNIL KUMAR
ACHARYA
TRAINING

NIRAJ SHAHI
HUMAN
RESOURCE

SANDEEP SUBEDI
INFORMATION
TECHNOLOGY

JAGAT BOHARA
CFO

KHILENDRA
PAUDEL
DCEO

PAWAN KUMAR
KHADKA
CEO

DENESH AMATYA
DCEO

SUDEEP RANA
UNDERWRITING

RIWAJ GHIMIRE
ACTUARIAL

KEY MANAGEMENT PERSONS

PAWAN KUMAR KHADKA

Pawan Kumar Khadka serves as the **Chief Executive Officer of IME Life Insurance** with more than 22 years of managerial experience and more than a decade of strategic leadership in the life insurance sector. He has served as CEO of Surya Life Insurance, CEO of Bishal Cement Industries, and Senior Deputy CEO of SuryaJyoti Life Insurance, leading major strategic, operational, and governance reforms. His expertise spans corporate governance, strategic planning, finance, IFRS, HR, marketing, internal control, and business analysis. A Chartered Accountant with a Master's Degree in Business from Tribhuvan University, his professional development includes specialized trainings in underwriting, product pricing, reserving & taxation.



DENESH AMATYA

Denesh Amatya serves as the **Deputy Chief Executive Officer of IME Life Insurance** and is a distinguished professional with over 33 years of experience in Nepal's life insurance sector, including more than 18 years in executive leadership. He possesses strong expertise in strategic management, corporate governance, institutional development, and operational excellence. Mr. Amatya holds an MBA in Finance from Tribhuvan University. His professional competence is further reinforced through participation in numerous national and international training programs conducted by FALIA (Japan), the Insurance Institute of India, Scor Global Life Reinsurance, the Nepal Insurance Authority, and other esteemed institutions.



KHILENDRA PAUDEL

Khilendra Paudel serves as the **Deputy Chief Executive Officer of IME Life Insurance**, bringing over 23 years of experience across remittance, fintech, and life insurance sectors. He has expertise in digital transformation, corporate and group sales, remittance-linked financial services, and strategic business planning. Mr. Paudel holds a Master's degree in Business Studies and has completed advanced leadership and management programs in Nepal and abroad. His professional training spans digital finance, life insurance operations, risk management, business development, strategic planning, and organizational leadership.



SUDEEP RANA

Sudeep Rana serves as the **Head of Underwriting & Policy Servicing and Information Officer of IME Life Insurance**, bringing strong expertise in underwriting, claims management, policy servicing, compliance, and customer service. With over 22 years of life insurance industry experience, including 18 years in leadership roles, he is recognized for his disciplined approach, operational efficiency, and strategic decision-making. He holds an MBS and LLB, complemented by advanced trainings in underwriting, claims evaluation, compliance management, process improvement, and leadership development.



JAGAT BOHARA

Jagat Bohara serves as the **Chief Financial Officer of IME Life Insurance**, bringing over 15 years of progressive experience across the life insurance, banking, and financial sectors in Nepal and the East Africa region. A qualified Chartered Accountant, he possesses strong expertise in financial reporting and management, taxation, regulatory compliance, risk management, and internal controls. He has completed extensive national and international training, including programs on IFRS, risk management, internal audit, stress testing, and regulatory compliance.



SUSIL CHAPAGAI

Susil Chapagai serves as **Chief Marketing Officer (Western Region) of IME Life Insurance**, bringing over 17 years of professional experience in the life insurance industry and more than a decade in the education sector as a lecturer, principal, and campus chief. He possesses strong expertise in marketing leadership, strategic planning, customer engagement, and organizational development. Academically, he holds a Master's degree in English and an LLB, providing a solid foundation in communication, analytical thinking, and legal understanding.



INDRA RAJ SUBEDI

Indra Raj Subedi serves as the **Chief Marketing Officer (Eastern Region) of IME Life Insurance**, bringing over 15 years of professional experience across Nepal's banking and insurance sectors. Mr. Subedi holds an MBA in Marketing and a Postgraduate Diploma in Insurance Business Management from Symbiosis University, and is currently a PhD scholar at Mangalayatan University, India. He has participated in several prestigious international conferences on insurance and risk management organized by institutions such as IIM India, BIMTECH, XIM, FORE School of Management, and the Digital Insurance Alliance Dubai.



PROVINCE HEADS



Suman Prasad Timilsena
Sudurpaschim Province



Jivan Kumar Dhama
Karnali Province



Ravi Shankar Sarraf
Lumbini Province



Min G.C.
Gandaki Province



Chandra Prasad Bhattarai
Bagmati Province



Om Prakash Rai
Madhesh Province



Milan Dahal
Koshi Province



e-Loan by IMELIFE Ensuring Future

केवल 3 स्टेपमा

*शर्तहरू लागू हुनेछन् ।

स्टेप १ केवाईसी प्रमाणिकरण

स्टेप २ मोबाइल एप वा वेबसाइट माफत आवेदन

स्टेप ३ तुरुन्तै ऋण बैंक खातामा

SCAN ME



MESSAGE FROM THE CHAIRMAN



Respected Shareholders,

On the occasion of the Ninth Annual General Meeting of I.M.E. Life Insurance Company Limited, I extend, on behalf of the Board of Directors and personally, my heartfelt welcome and greetings to all respected shareholders present here and to the representatives from regulatory bodies.

The financial statements of Fiscal Year 2081/082, including the Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and related schedules along with the Auditor's Report, have been presented before you for discussion and approval in this Ninth Annual General Meeting. The presented financial statements were approved by the 232nd meeting of the Board of Directors held on 2082/08/25 and submitted to Nepal Insurance Authority and the same were approved on 2082/08/28.

Respected Shareholders,

According to the Statistics of Nepal Insurance Authority, the Total Premium of the life insurance industry in Fiscal Year 2080/081 was approximately NPR 1 Kharba 58 Arba 11 Crore, which increased by 15.28% in Fiscal Year 2081/082 to NPR 1 Kharba 82 Arba 27 Crore. In Fiscal Year 2080/081, the Company's Total Premium was NPR 4 Arba 74 Crore 11 Lakh. During the review year, this increased by 20.70% to

NPR 5 Arba 72 Crore 24 Lakh. Similarly, according to the unaudited figures up to the end of Ashoj of the current fiscal year, the Company has collected Total Premiums of NPR 1 Arba 59 Crore 5 Lakh, which represents a 30.99% increase compared to the corresponding period of the previous year. Likewise, during the review period, Renewal Premium of company increased by 18.03% to NPR 3 Arba 68 Crore 28 Lakh.

During the review period, Reserve and Fund stood at NPR 1 Arba 73 Crore 89 Lakh, and as per unaudited figures up to the end of Ashoj of the current fiscal year, the fund increased by 7.59% to NPR 1 Arba 87 Crore 3 Lakh. Similarly, in the Fiscal Year 2080/081, the Company's Life Fund stood at NPR 9 Arba 16 Crore 88 Lakh, which increased by 43.10% during the review year to NPR 13 Arba 12 Crore 10 Lakh. As per unaudited figures up to the end of Ashoj of the current fiscal year, the fund has further increased by 8.12% to NPR 14 Arba 18 Crore 62 Lakh. Detailed information regarding the Company's investment and loan income, net claims payment, management expenses and other indicators is mentioned in Clause (A) of the Annual Report prepared by the Board of Directors.

Respected Shareholders,

Although the Company has completed 17 years since its registration and entered its 18th year, its business operations have completed 8 years and entered the 9th year. During this period, maintaining its identity and distinctiveness, without engaging in mergers, acquisitions or similar activities with other companies, the founding shareholders infused 100% additional paid-up capital of NPR 1 Arba 40 Crore, thereby maintaining paid-up capital of NPR 2 Arba 80 Crore. Subsequently, 30% shares of the then issued capital of NPR 4 Arba were issued to the public at a premium. Thereafter, 25% bonus shares of the then paid-up capital of NPR 4 Arba were issued, thereby maintaining the paid-up capital of NPR 5 Arba as prescribed by Nepal Insurance Authority. The Company's distinctiveness is not only limited to maintaining paid-up capital and issuing shares at premium to the public, but also lies in its commitment to business expansion, technology-friendly service delivery, productive employees and agents, compliance with institutional governance, and establishing itself as a leading company issuing innovative life insurance policies.

During the review year, the Company's financial indicators have been encouraging, as clearly reflected in the financial statements presented for approval in this meeting. In that year, due to improvements in key financial indicators such as Solvency Ratio, Price Earnings Ratio, First Premium and Renewal Premium collection, the Company's total assets and profits have increased. Accordingly, from the distributable profit of the review year, the Company has proposed to distribute cash dividend

(including tax) at the rate of 10.52632% of the existing paid-up capital of NPR 5 Arba, amounting to NPR 52,63,15,789 (Rupees Fifty-Two Crore Sixty-Three Lakh Fifteen Thousand Seven Hundred Eighty-Nine only), for approval in this Annual General Meeting. The Company remains committed to providing higher returns to shareholders in the future as well.

Respected Shareholders

The Company has not confined itself only to business objectives but has given equal importance to Environmental, Social and Governance (ESG). Special focus has been given to environment friendly service expansion, financial literacy, community development, transparency, accountability, and ethical business practices. In the future, internalizing its environmental responsibility, the Company expresses commitment to continuously reducing environmental impact by increasing use of digital mediums, making energy consumption efficient, and promoting careful utilization of resources. Similarly, to further strengthen customer service, to make claim settlements faster, prompt and effective, to further increase digital access, to enhance understanding of life insurance through customer education programs, to develop technology-friendly systems in a timely manner, to develop innovative insurance products according to customer and market demand, to produce efficient and dedicated employees and agents, to conduct Corporate Social Responsibility activities as required, to obtain appropriate returns through investment diversification and to maintain a leading position in the life insurance market, the Company remains committed to formulating and implementing necessary strategies.

Acknowledgment

While presenting the Annual Report of the Board of Directors prepared pursuant to the Company Act, 2063 along with the financial statements of Fiscal Year 2081/082, I would like to express heartfelt gratitude to respected shareholders for their invaluable suggestions and support in the Company's progress, to the members of the Board of Directors, to all policyholders who have shown trust and confidence in the Company, to Nepal Insurance Authority, Office of the Company Registrar, Securities Board of Nepal, Nepal Stock Exchange and all regulatory bodies, to Re-Insurance companies, employees of the Company, agents as the backbone of the Company, banks and financial institutions, and all well-wishers. We expect continued suggestions and cooperation in the future as well.

Thank you.

Dr. Ram Hari Aryal

Chairman

Date: 2082/09/24



MESSAGE FROM
THE DESK OF CEO

Respected Chairperson of the Board of Directors, Honorable Board Members, Esteemed Shareholders, Representatives from Regulatory Bodies, Internal and External Auditors and all Employees Present, I extend my heartfelt welcome to all of you who have graciously accepted the company's invitation and are present at this Ninth Annual General Meeting.

During the review year, compared to the fiscal year 2080/081, the Company successfully achieved a 20.70% growth in Total Premium. Due to a 25.84% increase in First Premium collection, an 18.30% increase in Renewal Premium collection, and a 43.10% growth in Life Fund, the Company has been able to propose a 10.52632% cash dividend at this Ninth Annual General Meeting. In the future, the Company will continue to invest its capital prudently and securely in areas that provide appropriate returns, further strengthen key financial indicators such as the Life Fund, Reserve Fund, and Solvency Margin, ensure long-term financial stability and implement necessary policies and programs to provide higher returns to investors.

Respected Shareholders,

The overall financial indicators of the Company during the review year appear encouraging. Along with the increase in First Premium and Renewal Premium collections, there has also been an increase in the number of claims paid. This clearly reflects the Company's responsibility and service effectiveness toward its policyholders. During the review year, arrangements have been made through the Company's mobile app enabling insured people to avail loan facilities against their policy up to NPR 100,000. The Company aims to further expand customer-friendly technologies in the future.

Likewise, recognizing employees as assets and agents as the backbone of the Company, we have been providing national and international level training as required to enhance their knowledge, skills, and leadership capacity. This practice will be continued as necessary in the future. During the review year, the Company conducted 47 internal and external training programs on various subjects including human resource management, good governance, financial discipline, claims settlement, risk management, and sales.

During the review year, in the field of information technology development, the Company completed works relating to cyber security, data management, paperless systems, automated payment systems, and software integration. Additionally, new features have been updated in the Company's mobile app including online KYC, loan against policy, policy renewal, and policy purchase. The Company has also conducted IT audits to make information technology-related functions systematic and disciplined. Going forward,

the Company aims to expand more technology-friendly services related to customer service.

Under Corporate Social Responsibility (CSR), the Company has conducted nationwide programs such as financial literacy enhancement, blood donation, health camps, tree plantation and relief material distribution, fulfilling its responsibility towards society and the nation. To further systematize CSR activities, the Company has implemented a separate Corporate Social Responsibility (CSR) Policy, 2024.

Likewise, the Company has incorporated the principles of Environment, Social, and Governance (ESG) into its internal policies and programs. Expansion of digital services, online policy issuance, and significant progress in premium collection have played an important role in reducing environmental impact and mitigating climate risks. In the future, the Company expresses its commitment to internalizing its environmental responsibilities by increasing the use of digital mediums, making energy consumption more efficient and promoting thoughtful utilization of resources to continuously reduce environmental impact. Furthermore, since insurance awareness, financial literacy and community support are key areas of our social responsibility we remain committed to continuing these practices in the future.

In addition, to maintain transparency, accountability and trust in the life insurance business the Company has given high priority to institutional governance. By strengthening corporate governance, customer-centric services, agent-friendly motivational programs, development and use of information technology, robust internal control systems and cost efficiency, we have continuously improved our internal systems and aim to further refine them in the coming days. Furthermore, the Company has implemented the Risk Based Capital (RBC) system from the review year and is in the process of implementing NFRS 17.

Lastly,

By internalizing institutional governance and professional values, the Company remains committed to expanding its market presence in the coming years, strengthening customer service, prioritizing maximum utilization of technology and implementing necessary strategies and action plans to safeguard the interests of shareholders, policyholders, employees, agents, and all stakeholders. We expect your continued support, cooperation, and encouragement in this endeavor.

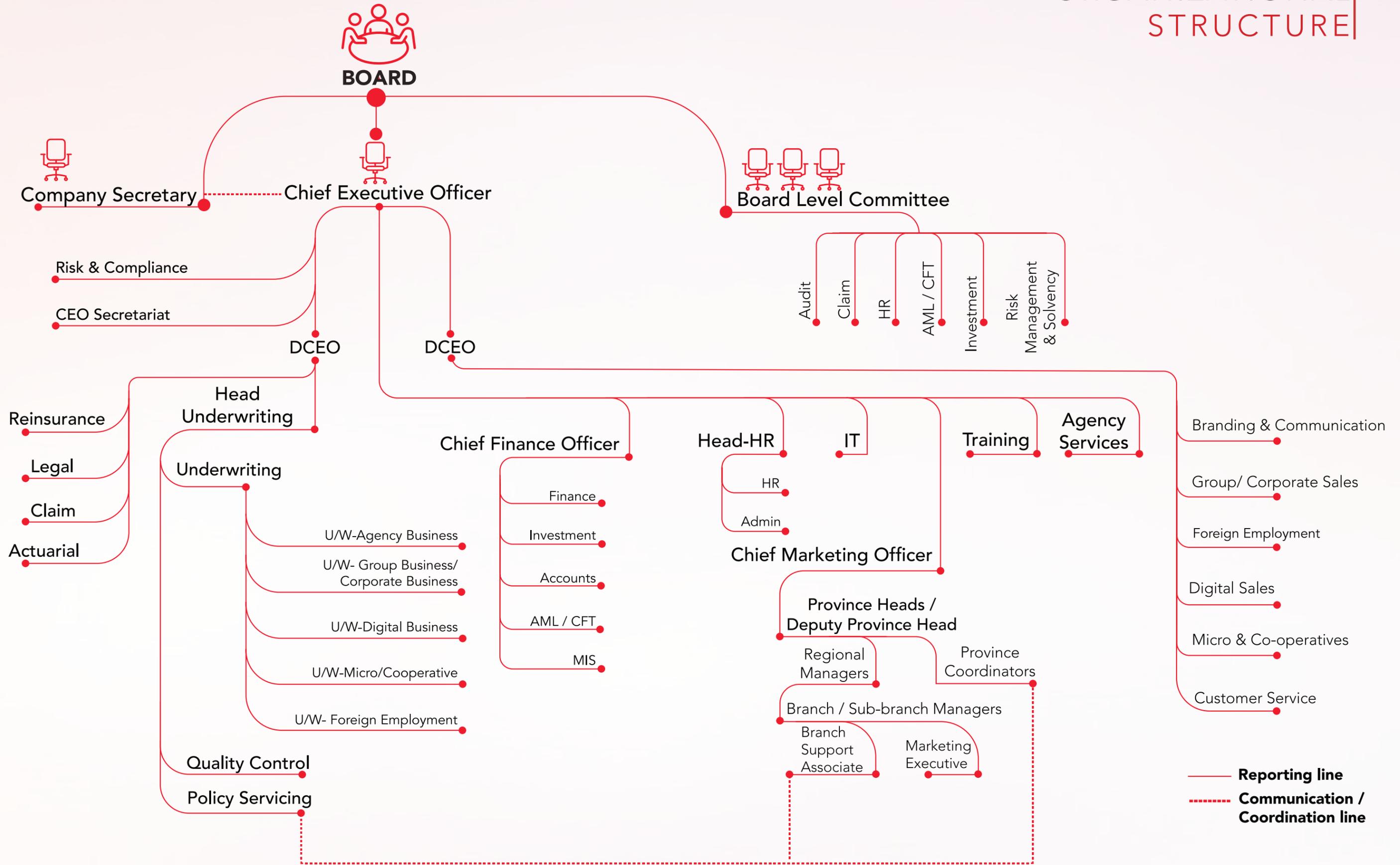
Thank you.

Pawan Kumar Khadka

Chief Executive Officer

Date: 2082/09/24

ORGANIZATIONAL STRUCTURE



— Reporting line
 - - - - - Communication / Coordination line

AWARDS AND ACCOLADES



Best Strategies for Insurance Spreading

Women in Insurance Leadership

Best Life Insurance Company



Certificate of Merit



ISO Certificate



Issuer Rating



BUSINESS
CONTEXT
& STRATEGY

02

- Business Model
- Key Products
- Strategic Plan and Development
- Resource Allocation Plan
- SWOT Analysis
- PESTEL Analysis



BUSINESS

BUSINESS MODEL

IME Life Insurance's business model provides a comprehensive view of the interactions, interdependences, and dependencies between the variables that affect an organization's capacity to build value over time. We categorize our value development processes with respect to short, medium & long-term which assists stakeholders in comprehending the business operation and aids them in making informed investment decisions.

Additionally, the value chain approach helps employ all our capitals, including human, financial, social and relational, intellectual, physical, and natural resources, with a comprehensive perspective and understanding of all organizational operations. Moreover, by constant identification of risks, seizing opportunities, developing plans, and guaranteeing governance, we effectively manage our operations resulting as optimized benefits for stakeholders, governing bodies, and management.

BUSINESS MODEL

INPUTS

Human Capital

- Human resource management system
- Highly qualified, competent, and experienced professionals
- Employee's Strength -335

Financial Capital

- Paid-up capital NPR 5,000 million
- Equity NPR 6,739 million
- Gross Insurance Contract Liabilities: NPR 13,768 million
- Investments NPR 17,666 million
- Cash & Bank Balance NPR 625 million

Intellectual Capital

- With more than 9 years of industry experience
- Structured digital data Industry-specific knowledge among staffs
- Automation and digitalized analytics solutions
- AI enabled digital services

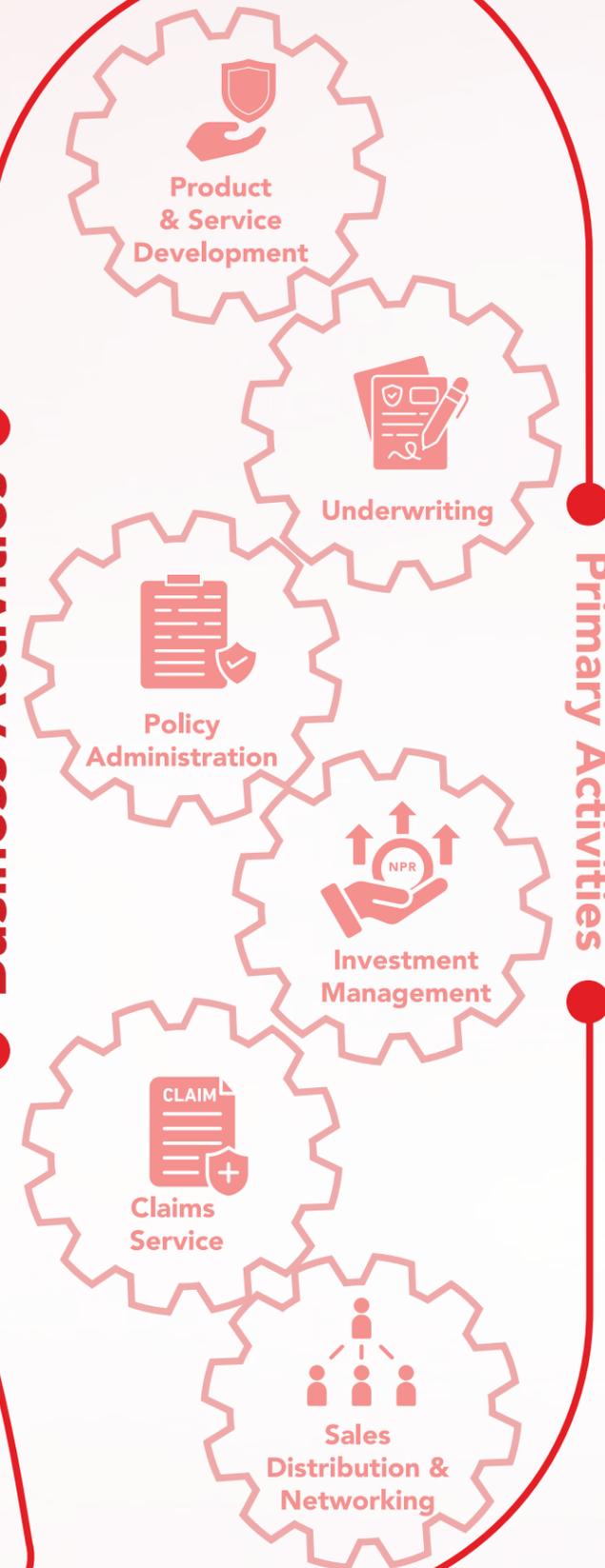
Social & Relationship Capital

- Build a strong relationship with our stakeholders & strategic business partners
- CSR initiatives to strengthen local communities
- Brand loyalty & market reputation
- Distribution channels focusing on various market segments

Tangible Capital

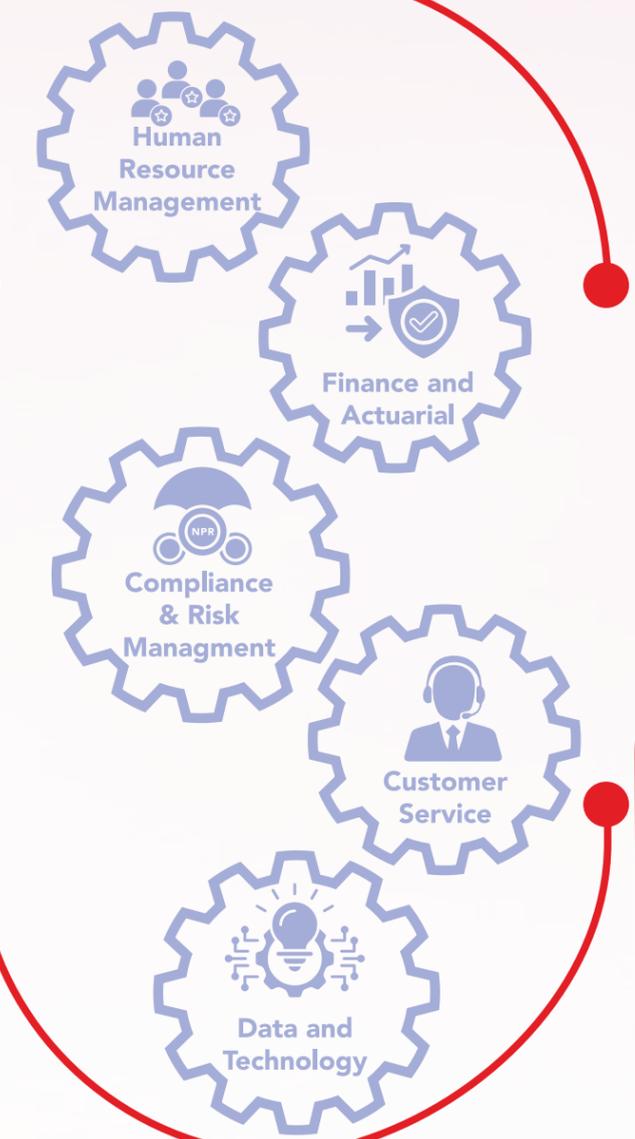
- Continuous investment in advanced technological infrastructure
- Property plants & equipment
- Branch network

Business Activities



Primary Activities

Supporting Activities



Human Capital

- Strong culture with high employee retention rate
- Improved employee productivity
- Diversified workforce including differently-abled individuals

Financial Capital

- Sustainable and persistent growth
- CARE-NP BBB+ (Is) [Triple B Plus (Issuer rating)]
- Consistent increase in shareholder's equity
- Net Profit : NPR 393 million
- EPS NPR 7.86
- Net Worth Per share: NPR 134.78

Intellectual Capital

- Qualified and trained staff that improve the quality of services
- Improved reliability and credibility of the Company
- Personalized and innovative products through data analytics solutions
- Good hands-on stakeholders experience

Social & Relationship Capital

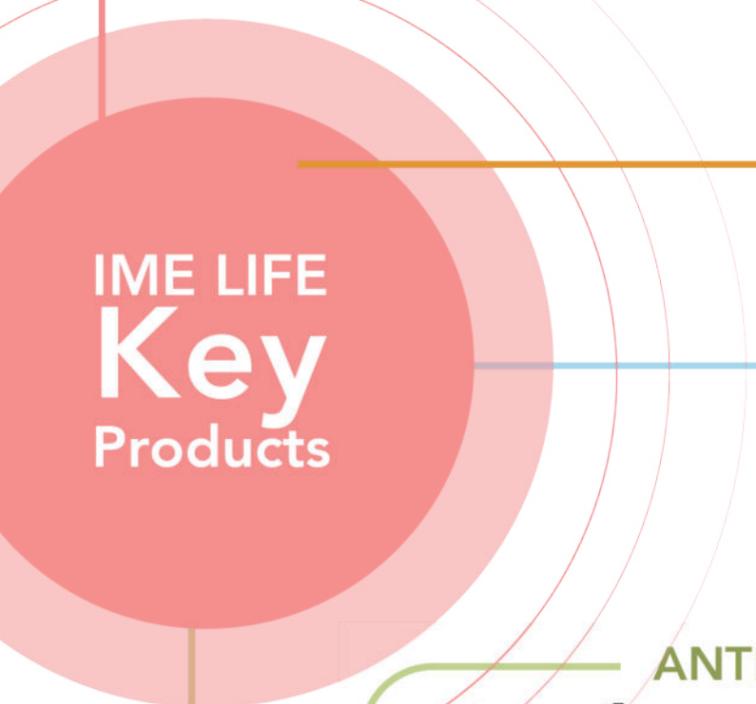
- Recognized CSR activities including Financial awareness programs, health camps, blood donation, and donation for Natural Disaster Recovery

Tangible Capital

- Technological infrastructure bring efficiency and effectiveness to the business process
- Sizeable Branch network across country.

OUTPUTS

KEY PRODUCTS



ENDOWMENT PLAN

IME Endowment Plan

IME Limited Payment Endowment Plan

IME Group Endowment Plan

IME Child Endowment Plan

TERM PLAN

IME Individual Term Insurance (Best Term)

IME Protection Term Insurance (Surakshya Myadi)

IME One Year's Micro Term Insurance

IME Credit Term Insurance

Foreign Employment Term Insurance

WHOLE LIFE PLAN

IME Endowment cum Whole Life Plan

IME Money Back cum Whole Life Plan

ANTICIPATED PLAN

IME Limited Payment Money Back Plan

IME Money Back Plan

IME Annual Money Back Plan

IME Child Annual Money Back Plan

IME Child Money Back Plan

RIDER



STRATEGIC PLAN AND DEVELOPMENT

I.M.E. Life Insurance Company Limited is a versatile life insurance company offering a wide range of products and channels, with a strong emphasis on choice, convenience, and simple delivery mechanisms for our policyholders and participants. Our primary goal is to build a forward-thinking organization that keeps the customer at the heart of everything we do.

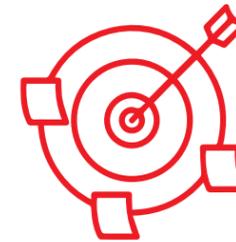
We are committed to launching innovative products with optional rider benefits such as Accidental Death, Permanent Total Disability, Monthly Income Benefits, Critical Illness and so on. For our shareholders, we focus on maximizing net profit, & market share and net worth.

Our customer-centric approach is reflected in our adoption of sustainable business practices & the use of digital solutions to empower customers, agents, and business partners at every stage of the policy life cycle.

Our mission is to deliver the best possible experience to our customers while achieving our business objectives. By continually innovating and leveraging digital technologies, we aim to create a sustainable future for our company, customers, and stakeholders.

To further our goals, we plan to excel in two key areas:

1. Personalizing the customer experience by integrating advanced digital technologies and adopting artificial intelligence tailored for the life insurance industry.
2. Empowering policyholders to make informed choices and design solutions that align with their individual needs and long-term financial goals.



Short Term Strategies

- Adopt a strategy focused on continuous product innovation, expanding our business by diversifying market segments and raising awareness of insurance products among the general public.
- Minimize the operational cost to further strengthen insurance product features to benefit the policyholders and increase return.
- Implementing NFRS 17 "Insurance Contracts" which would be a revolutionary change with respect to reporting of insurance industry.

Mid Term Strategies

- Maintain our unmatched business and strategic alliances with best pricing and customer service strategies.
- Empower and train our employees with advanced technology for sustainable business growth.
- Provide quality customer services through instant policy payments including claim, loan and maturity.
- More adaptive to technology to reduce cost and increase efficiency.
- Continuous drive to create more awareness and value proposition of insurance products



Long Term Strategies

- Contribute and lead the life insurance industry with best practices.
- To thrive as the company of first choice for all stakeholders offering sustainable returns and workplace excellence.

RESOURCE ALLOCATION PLAN

IME Life Insurance believes that our environment and society are equally significant stakeholders of the resources and assets acquired, consumed and maintained by the Company. Thus, while focused on our goal of maximization of shareholders's return, we are just as committed in our efforts for maintenance of environmental and social balance through optimum, conscious and sustainable utilization of assets and resources for profitability and sustainability. This section sheds a light on our resources and assets and their use for optimum value creation.

Financial Capital

Financial resources are used to finance the activities and operations of the Company and Company has adequate protocols to utilize them efficiently.

Cash and Liquidity Management

- IME Life has very strong controls over fund management. The fund position is prepared on daily basis and reviewed by the CFO.
- Company ensures that there are adequate funds to pay-off all the policyholders' payments (like surrenders, maturities, claims, refunds etc.) and other payments (including salaries, commission, vendor related payment, etc.).

Fund and Investment Management:

- Deploying fund in best available investment avenues at competitive rates yielding good returns.
- Investment Committee regularly review the performance of investments.

Human capital

- Focus on optimal talent acquisition, job enrichment, job rotation and job enlargement which results employees' productivity in terms of work ethics and talent retention.
- Introduction of training and development programs for the employees. Promote high-tech professionals within organization.

Tangible Capital

Physical or manufactured capital refers to fixed assets of the Company like: -

- Land and building
- Furniture and fixtures
- Motor vehicle
- Computer and equipment

All of the physical assets of the Company are efficiently utilized for the purpose of business and adequately covered against potential threats through insurance coverage.

Physical assets are managed through Fixed Assets Register with each asset assigned an identification tag. Further, these assets are subject to both planned and surprise physical verification as well, which is conducted from time-to-time basis.

Improving our business operations and positioning in the market through expansion and renovation of branches.

Natural capital refers to the world's stock of natural resources, including geology, soils, air, water, and all living organisms. Many of these assets provide valuable ecosystem services, free goods and services that support human life and sustain our economy and society.

IME Life is dedicated to conserving natural resources and has taken the following steps to contribute to their preservation:

- Use of energy efficient resources for optimum consumption.
- Initiatives for responsible paper consumption and recycle.
- Prioritization of digital platforms for carbon footprint reduction.

Natural Capital

Intellectual Capital

Intellectual capital refers to the intangible assets and knowledge within an organization that contribute to its value and competitive advantage. It includes the skills, expertise, and intellectual property that employees, systems, and processes bring to the organization that can create value when aligned with its mission, vision, and goals.

IME Life has managed this capital in following ways:

- Ensuring and analyzing all critical processes and creating a standard operating procedure to handle it. A well-defined set of processes that are applied consistently helps improve the cost and efficiency of the operations.
- Investing in process automation and adapting new advanced technologies.

Social and Relationship Capital

Social capital refers to the shared values, norms, trust, and sense of belonging that enable social interactions. Our society, economy, institutions, and political systems rely on social capital to function effectively.

Our vision to become the most trusted brand over the years to come. In order to achieve that, we have a very clear policy to maintain its reputation and attitude to dealing with customers and other stakeholders and we believe in value creation and bonding with our customers.

SWOT ANALYSIS

IME Life believes in self reflection and deep diving on its surrounding while making calls in operations and strategies. We have carried out screening for those aspect affecting our operations and strategies in the chart below:



PESTEL ANALYSIS

PESTEL Analysis is a strategic tool used to evaluate external macro-environmental factors that may impact the company at a broader level. It is applied on an ongoing basis to assess the business's sustainability and growth.

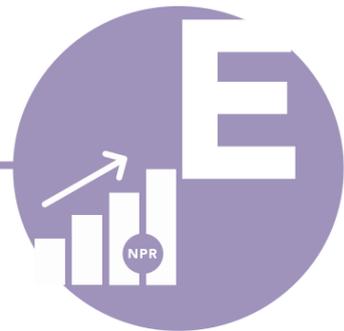
Political

The country has faced prolonged political instability, characterized by frequent changes in leadership and government structures. This has hampered long-term economic planning and created uncertainty in business operations. Such instability affects overall economic growth, making businesses more cautious in their decision-making processes, including life insurance companies in planning for sustainable growth.



Economic

Fluctuations in interest rates and stock market performance directly influence investment returns and premium levels in the insurance industry. Economic conditions, including inflation and interest rate movements, significantly affect demand for life insurance products. During economic downturns, demand tends to decline, whereas economic growth generally leads to increased uptake of insurance products. Rising prices of essential goods and services further strain household budgets, often pushing life insurance purchases lower on the priority list for average customers. For the life insurance sector, lower interest rates reduce investment yields, putting pressure on profitability and adversely affecting customer value.



Social

The life insurance industry is strongly influenced by social factors. Understanding the environment, including elements such as demographics and culture, is crucial. A widespread lack of financial literacy remains a major barrier to the adoption of insurance products in Nepal. Many individuals are unaware of the benefits of life insurance and other financial tools. This highlights the importance of awareness campaigns and educational initiatives to bridge the knowledge gap, enabling people to make informed financial decisions.

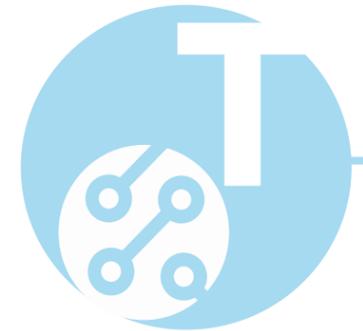
IME Life Insurance has made it its mission to educate the public about the advantages of purchasing insurance. Our products are designed to provide peace of mind by mitigating various risks and uncertainties in people's lives. Additionally, we actively participate in diverse CSR activities, reflecting our commitment to social responsibility and community welfare.



Technology

Innovation and technological development play a vital role in creating and automating infrastructure and systems. The financial sector has experienced significant transformation through technological advancements, resulting in substantial efficiency gains.

Digital platforms have revolutionized the distribution of insurance products, providing customers with unparalleled convenience and accessibility. The ability to respond in real-time to customer demand gives insurers a competitive advantage over their rivals and serves as a growth engine. Today, policyholders increasingly prefer purchasing insurance online after comparing different options available in the market. Our company provides digital platforms that allow customers to easily purchase and renew their policies.



Environment

The increasing vulnerability to climate change is a critical concern for business, especially in sectors like insurance that are directly impacted by environmental risk. Natural disasters, epidemics, and pollution-related challenges can lead to a rise in claims. This growing climate vulnerability requires companies to adapt their models to address the evolving risk landscape, ensuring both financial sustainability and customer protection.

Simultaneously, Environmental, Social and Governance (ESG) Consideration are emerging as a top priority for business worldwide. For the insurance sector, this includes integrating ESG principles into underwriting decision, investment strategies, and operational process. The Company over the last few years has been taking many important initiatives to reduce pollution, conserve energy and manage paper wastage. Additional efforts, such as the use of digital applications helps to minimize paper usage, conserve trees, and protect the environment.

Legal

Regulatory compliance continues to be a cornerstone of operations within the financial and insurance sectors, driven by stringent global and local standards set by FATF, AML / CFT and KYC requirement. Adherence to these regulations is crucial for mitigating risk related to financial crimes, ensuring market integrity and maintaining international credibility. However, the associated compliance costs, including the implementation of sophisticated monitoring systems and periodic audits, present significant challenges for business, requiring a balance between regulatory adherence and operational efficiency.





ENVIRONMENTAL,
SOCIAL &
GOVERNANCE
(ESG)

03

- ESG Disclosure
- Corporate Social Responsibility
- Employee Welfare and Human Capital Development
- Board Level Committees
- Disclosure u/s 109 of Company Act 2063
- Annual Compliance Report on Corporate Governance
- Disclosure as per Security Registration and Issuance Regulation, 2073
- Code of Conduct
- Statement of Business Practices

ESG DISCLOSURE

I.M.E. Life Insurance Company Limited recognizes the need for integration of Environmental, Social and Governance (ESG) targets for sustainable growth of the organization, industry and economy. We have undertaken initiatives to ensure ethical governance, protection of environment, equality, equity and inclusiveness.

The Company considers ESG as integral to its long-term sustainability, risk management, and value creation.



BOARD'S STATEMENT ON ESG

Our Company acknowledges the enhanced need for inclusion of Environmental, Social and Governance (ESG) principles in overall business and operation strategy. We are determined to contribute toward protection of environment while executing social duties and maintaining strong governance standards. Our digital initiatives, installation of energy efficient resources and responsible paper

usage and disposal practices aim for a clean environment with reduced carbon footprints. Maintaining corporate governance and ethical standards for financial inclusion, and employee health and safety are our key social goals. Our sustainability-focused practices to uphold ESG principles provide the backbone for risk assessment, regulatory compliance and value creation for our stakeholders.

ENVIRONMENTAL

1. Energy consumption and efficiency

Energy efficiency: The Company has made best efforts to curtail consumption of non-renewable natural resources. Energy-efficient LED lighting and induction stoves are used exclusively in all the premises of corporate office and all branches.

Energy and water consumption: Electricity consumption has been reduced in 60 branches in the FY 2081/82 compared to FY 2080/81, whereas water consumption has been reduced in 27 branches.

Paper consumption and digitization

Paper usage: Ink-jet printers with double-side printing has been installed in major workstations for optimum utilization of electricity and paper; revised printing is done for optimum utilization of papers.

Digitization: To reduce carbon footprints and paper usage during documentation, we have developed a platform for online insurance purchase, policy loan. Customers can also use digital payment platforms for loan repayment and policy renewals.

2. Responsible paper disposal and recycling

We are committed to sustainability, including environmental conservation and responsible waste management. In collaboration with Khalisisi Management Company, an entity engaged in recyclable waste collection and management, we have committed to sustainability and efficient waste disposal.

With the collaboration being in early stages, the impact report with detail of waste diversion, recycling statistics and environmental benefits shall form part of our future disclosures.

3. Climate pricing

Climate risk is duly factored in during the development cycle of products introduced from Shrawan 1, 2082 by the Company. Premium rates will be reviewed through annual experience analysis. Upon review, the renewals maybe be re-underwritten, repriced or declined based on experience and demographic mix to address impact of climate change on the target customers.

Online Policies sold
60,483

Digital policy renewals | E-loan disbursed
1,785 | 379

Digital loan repayments
21,101



MOU between IME Life Insurance and Khaalिसि Management for office waste recycling

SOCIAL

1. Employee information

a. Gender representation

Particulars	Total	Female	%	Male	%
Employees	415	170	41%	245	59%
Head of Department	15	4	27%	11	73%
Branch Manager	144	39	27%	105	73%

b. Regional representation

Province	Female	%	Male	%	Total	% of Total
Koshi	23	33%	47	67%	70	17%
Madhesh	8	26%	23	74%	31	7%
Bagmati	63	43%	82	57%	145	35%
Gandaki	27	54%	23	46%	50	12%
Lumbini	25	45%	31	55%	56	13%
Karnali	9	45%	11	55%	20	5%
Sudurpaschim	15	35%	28	65%	43	10%

c. Retention, turnover and succession

Turnover: Turnover rate for the fiscal year 2024/25: 21.63%; 19.74% in corporate office and 22.03% in branch and sub-branch offices. This includes appointment of new Chief Executive Officer and Deputy Chief Executive Officers.

Succession policy: Succession planning policy is in place at the Company which identifies potential successors for key roles (Heads of departments and provinces), their capacity development for swift transition in roles.

Decentralization: To empower employee workforce and facilitate swift customer service, authority for underwriting and claim responsibilities has been delegated to province and branch level.

d. Equality, workplace safety

Equality policy/ statement: The Company confirms fair and equal treatment of all employees. Employees are eligible for paid maternity leave of 98 days and paid paternity leave of 15 days. Employee benefits include allowance to celebrate a major festival of respective religion, culture or rituals.

Stance against sexual harassment: Any sort of workplace sexual harassment or sexual activity is intolerable and completely prohibited by our employee service by-laws. We declare that there have been no sexual harassment incidents in the fiscal year 2024/25.

Prohibition of child labour: In compliance with the Labour Act, we confirm that there are no minors employed in our organization.

Employee health and safety: Our "Employee Health and Safety Policy" ensures safe and healthy working environment and negate any possible human or physical harm. Employees are eligible for medical insurance coverage of NPR 300,000 and accidental insurance

coverage equivalent to 36 months' salary. We declare that there have not been any workplace safety incidents during the fiscal year 2024/25.

e. Training and development: Employee Service by laws directs equal development opportunities for all employees.

i. Training day per staff: 3.60 days

ii. Training programs in FY 2024/25

Training Type	Training Count	Participant Count
In-house	4	125
External	43	290
Total	47	415



iii. Key training programs

Training Program	Training Count	Participant Count
A Safe Space for All : Navigating Workplace Respect	1	1
Limitless -A High-Performance Team Building and Motivation Program	3	122
Neuro-Linguistic Programming Training Program	8	5
Great Customer Service with Emotional Intelligence	1	1
KFA's Management Development Program - The right mindset and communication	3	1
Prithvima Taraharu : A workshop for building star leaders on the ground	3	1
Exclusive Training in Reflections on Management Skills	3	5
Ignite Potential: Mentoring Skills for Dynamic Leaders	1	1
Customer-Centric Claim Management	2	2
Digital Transformation & Cybersecurity in Nepal's Insurance Sector	1	1
Mastering the art of sales	9	87
Training and Industrial Visit Risk Based Capital, International Financial Reporting System 17	5	1
Bootcamp on IFRS 17 and 9	3	2
Legal Contracts	2	1
Corporate Secretarial Responsibilities and Governance	1	1

iv. Support for professional qualification

During the fiscal year, the Company reimbursed its employees for examination fee of NPR 86,569 incurred for actuarial studies.

f. Labour Audit

We completed the annual labour audit for FY 2081/82 within prescribed due date confirming that no acts and actions were performed in violation of Labour Act, related regulation and prevailing laws by the Company.

2. Corporate Social Responsibility

a. CSR strategy and guidelines

Guided by Corporate Governance Directives circulated by Nepal Insurance Authority, the Company has implemented its own Corporate Social Responsibility (CSR) Policy with a firm commitment to fostering social and environmental progress. CSR initiatives have been undertaken in areas including environmental protection, education, health, culture promotion, disaster recovery, financial and insurance literacy.

b. CSR initiatives

Detail of CSR initiatives has been provided in "Corporate Social Responsibility" section of this report.

3. Customer and stakeholders

a. Insurance outreach: The Company has province offices in all seven provinces and 23 branch offices operating in metropolitan cities, 14 in sub-metropolitan cities, 114 in municipalities and 6 branches in rural municipalities. Insurance outreach is expanded to 136 local bodies and 70 districts.

b. Insurance products

Life insurance products of the Company specific to the requirements of children, foreign employees, corporate employees and microfinance members have been in vogue; the Company is in the process of developing more customer-centric products.

c. Grievance handling and resolution mechanism

A nodal officer has been appointed at the Company who is responsible for handling and swift resolution of grievances received to the official e-mail gunaso@imelifeinsurance.com. There are no unaddressed grievances from the reporting period.

d. Claims turnaround time

The Company has optimized its claim dissemination process through digitization of documentation; the average turnaround time for claims settlement for the year is 3.28 days, which stood at 6.01 days and 10.85 days in previous years.

GOVERNANCE

1. Board of Directors and Board Oversight

a. Composition and representation of Board

S.N.	Name of Director	Representation	Qualification	Expertise and previous experience
1	Dr. Ram Hari Aryal	Promoter	Ph D in Demography from University of Adelaide, Australia	Member of Office of the President, Secretary for Secretary for various Ministries of Government OF Nepal, Director at Nepal Rastra Bank
2	Usha Dhakal	Female, institutional	Master's degree in marketing from Australian National University, Canberra	Specialization in marketing, remittance, financial technology and brand innovation
3	Binod K.C.	Independent	MBA and LLB from Tribhuvan University, Kathmandu	Member of Central Level Revenue Sharing Committee, Secretary for various Ministries of Government OF Nepal
4	Sitaram Thapa	Promoter	Chartered Accountancy from Institute of Chartered Accountants of Nepal, MBA	Director at IME General Insurance, Auditing, accounting consultancy
5	Sandeep Agarwal	Promoter	Bachelor's degree in commerce from Tribhuvan University, Kathmandu	Director at Global Bank Limited, Member of executive committee in Federation of Nepalese Chambers of Commerce and Industry (FNCCI)
6	Robin Kumar Nepal	Public	MBA from Tribhuvan University, Kathmandu	Founder of Nepal Electronic Payment System (NEPS), Deputy General Manager at Laxmi Sunrise Bank

b. Fit and Proper Test Declaration

The members of the Board have submitted a fit and proper test declaration on August 16, 2024, required by Insurance Act, 2079 confirming the qualification and absence of the prescribed disqualification. Digital archival of documents and declarations of directors is maintained by the Company Secretary.

c. Code of Conduct

Code of Conduct for the Board of Directors, prepared in accordance with Corporate Governance Directives, warrants ethical conduct and confidentiality from the directors and prohibits any conflict of interest, misuse of directorship or any activities against the interest of the Company.

d. Board Oversight

Six Board-level committees have been constituted in the Company for oversight of major operational, AML/CFT and risk functions.

2. Corporate governance: A dedicated corporate governance unit has been established to monitor corporate governance in the Company. Annual Corporate Governance Compliance Report as per Directives on Good Corporate Governance of a Body Corporate, 2074 forms part of this annual report.

3. Disclosure on related party transaction and policy: Code of Conduct for Board of Directors prohibits the director from engaging in any transactions with related party. Any transaction made with related parties has been disclosed in Schedule 53 of our financial statements.

4. Information Technology (IT) and Information Security (IS): Our annual information security (IS) audit along with Vulnerability Assessment Penetrating Testing (VAPT) targets for maintenance of strong information technology & data security.

5. Whistle-blowing mechanism: The Company has implemented whistleblowing policy and mechanism to address the early detection of any actual, or suspected illegal, unethical or inappropriate events, behaviours and practices associated with the employees of the Company.

6. Regulatory Compliance: We declare that there have not been any material non-compliance with laws, regulations and directives observed during the year. The Company has not faced any sanctions, penalties or remedial actions from the regulatory bodies.



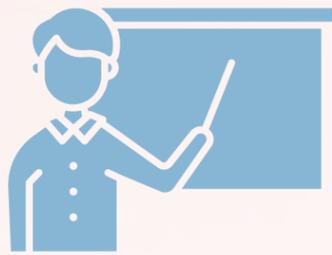
CORPORATE SOCIAL RESPONSIBILITY (CSR)

At IME Life insurance, the core objective of Corporate Social Responsibility (CSR) mirrors the principles of Environment, Social, and Governance (ESG). Our CSR initiatives target an equitable and resilient society, sustainable environment and upliftment and well-being of underserved communities for long-term economic development.

CSR initiatives range across environment preservation, disaster relief, women empowerment, public health, educational support for underprivileged children, financial literacy and insurance awareness. Bottom-up approach for CSR programs enables us to focus across all provinces and areas equally to execute impactful programs.

IME LIFE | IMPACT AT CSR | A GLANCE

Insurance awareness to
1702
students



Educational materials support to

375
children

Braille Educational materials support to

59
children with
visual disability

Education
fee support
to

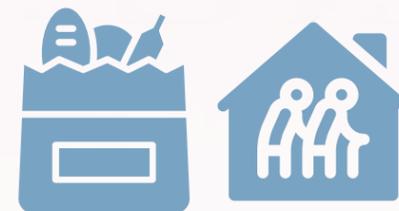
11
under-
privileged
students



Sanitary Pad Vending
Machines Installed in
5
Schools

Support to **3** flood and
landslide affected communities

236
Blood
Donors



Food and clothing to
2 old age homes



876
Health camp
beneficiaries

Health camp for
67
Children with
neurodevelopment
disorder

Financial aid to
"100 RUPEES SCHOOL"
operated by
SAMATA FOUNDATION

Financial aid to
Gargi Kanya School
for free education to
**100 female
students**

550
Walkathon
participants



270
Trees planted

NPR. 1,500,000
Donation to Prime Minister
Disaster Relief Fund

188,000
Views in insurance
awareness video



Environmental Preservation

Beyond the in-house efforts to protect and preserve environment including energy efficient resources, reduced paper consumption and minimum use of plastic for promotional materials by resorting to digital branding campaign, our regular tree plantation drive invigorated by active participation and support of communities and local bodies across the country continued during the year.



Insurance Awareness

Our insurance awareness campaigns include walkathons and interaction sessions focused on students from schools and universities, and local communities, rural and urban alike, to inculcate understanding on life insurance, financial literacy and empower the developing minds for solid financial planning for a secure future. Our donation toward development of awareness video expanded the literacy outreach through social media platforms.



Health and Education

To further the educational and developmental prospects, we actively provide financial and material support to schools and students. Our initiatives this year included classroom resources, educational and sport material support to schools and flood-affected children, and braille educational material

support to children with visual disability. Scholarship support was provided to ensure access to quality education and physical fitness for underprivileged children. Financial aid was extended to Samata Foundation which operates "100 rupees school" across districts of Nepal, schools providing free education from basic to postgraduation level in nominal fees.



To enrich the greatest human wealth, we conducted health checkups including dental camps, gynecology support and eye check-up camps. 236 of our employees across the country participated in our annual blood donation campaign supported by Red Cross Society. We also supported health camp

focused on children with neurodevelopmental disorder to provide necessary medical and psychological support. These initiatives aim to enhance awareness to self-care of health and accessibility to medical services across Nepal.

Women Empowerment

We installed sanitary pad vending machines in five schools and one local level office across six provinces of Nepal during the year. Quick and round-the-clock access to menstrual emergencies in public spaces are vital to enhance social dignity, public health and quality of education among female students. Statistics showed that 55.6% of female students in Nepal occasionally missed

school during their periods while attendance increased from 37% to 85% after installation of sanitary pad vending machines as there was no need to leave school to manage their periods.

Financial aid was extended by the Company during the year to Gargi Kanya School which houses 100 female students and provides free fooding and education.



Disaster Relief

Flood and landslides cause regular challenges to livelihoods in majority of districts in Nepal. We extended donation of 15 million rupees toward Prime Minister's Disaster Relief Fund to consolidate efforts for recovery from flood and landslides in late September 2024.

Education material, clothing and financial support was extended to people, communities and local bodies of Badigad Rural Municipality, Tikapur Municipality and Tokha Municipality.



Employee Welfare and Human Capital Development

Human Resource Department continued to play a strategic role in strengthening organizational capabilities, enhancing employee productivity, and supporting the Company's long-term vision. The company focused on building a high-performing workforce, improving employee engagement, and promoting a culture of excellence, ethics, and customer-centricity across all levels of the organization.

Workforce Overview

By the end of the fiscal year, the Company maintained a diverse and dynamic workforce across its head office, regional offices, and branch networks.

Key highlights include:

- Strengthening of the human resource force with expanded nationwide presence
- Improved gender diversity across various functional departments. The Company continues to promote women empowerment through strong gender diversity across the organization. Out of 335 total employees, 115 are women, representing 34.3% of the workforce.
- Notably, 48 women serve in leadership and supervisory roles, reflecting our commitment to nurturing an inclusive, progressive, and opportunity-driven workplace.
- Increased representation of young and energetic professionals
- Enhanced recruitment for sales leadership positions to support business growth

Talent Acquisition & Manpower Expansion

To align with the Company's expansion strategy, We have implemented structured and demand-driven recruitment initiatives for both sales and operational roles.

Major achievements:

- Adoption of competency-based hiring practices
- Recruitment of high-potential sales leaders and agency development managers
- Onboarding of skilled professionals in actuarial, underwriting, finance, and technology

Onboarding & Integration

The refined onboarding program ensured seamless transition of new employees into the organizational culture.

Key components:

- Structured employee induction sessions
- Clear communication of job roles and performance expectations
- Mandatory regulatory and compliance training
- Continuous support and monitoring for new hires

Learning & Development (L&D)

We have continued our commitment to capability building through focused training programs that addressed technical, leadership, and sales competencies.

Key initiatives:

- Sales training on product knowledge, customer engagement, and agency development
- Leadership development programs for mid-level managers
- Technical training in underwriting, claims management, actuarial practices, and compliance
- Annual training calendar aligned with business priorities
- Digital learning modules via the LMS to support continuous up-skilling

Performance Management

The Company strengthened its performance-driven culture through a transparent and structured Performance Management System.

Key Highlights:

- Annual KPI based goal setting
- Annual performance reviews
- Competency-based evaluation framework
- Merit-based promotions and career progression pathways

Compensation, Benefits & Employee Welfare

We ensured that compensation practices remained competitive and aligned with industry standards.

Key benefits:

- Structured salary and incentive programs
- Attractive performance-based rewards for sales teams
- Provident fund, gratuity, medical and accidental insurance
- Leave, travel, and welfare benefits
- Enhanced field support for employees working in remote areas
- Employee welfare remained a core focus, with initiatives promoting health, safety, and work-life balance.



Employee Engagement & Culture Building

Multiple initiatives were introduced to strengthen engagement and foster a values-driven culture.

Highlights:

- Regular meetings and leadership communication forums
- Festive celebrations and cultural events
- HR interaction forums and structured feedback mechanisms
- Employee recognition awards for high performance (Business Excellence Awards Night, Branch Manager's Conference)
- Team-building workshops and group activities
- Strengthened grievance-handling and open communication practices
- These initiatives played a significant role in enhancing teamwork, collaboration, and organizational pride.

Digital HR Transformation

The Company advanced its digital HR agenda through system upgrades and automation.

Key achievements:

- Enhanced HRIS for streamlined attendance, payroll, and leave management
- Employee Self-Service (ESS) modules for transparency and accessibility
- Digitalization of performance appraisal processes
- Online training platforms and virtual meeting solutions
- These digital initiatives contributed to faster decision-making and improved operational efficiency.

Compliance & Employee Relations

We have ensured strict adherence to labor laws, Nepal Insurance Authority (NIA) regulations, and internal governance standards.

Key focus areas:

- Periodic compliance audits
- Updated HR policies and Code of Conduct
- Fair and transparent disciplinary procedures
- Awareness programs on ethics, professional conduct, and workplace safety

Future HR Priorities

To support the Company's growth aspirations, we will focus on the following areas:

- Developing a stronger leadership pipeline
- Enhancing productivity through digital HR tools and automation
- Strengthening sales and operational training frameworks
- Improving employee wellbeing, retention, and engagement
- Building a performance-oriented, innovative, and inclusive culture

The Human Resource Department remains committed to empowering employees, strengthening organizational capabilities, and enabling sustainable growth. HR will continue aligning its initiatives with the Company's mission of delivering superior customer value and driving long-term success.

Initiatives for Staff Welfare

- Introduction of enhanced medical and wellness benefits, including mental health support programs
- Launch of employee engagement activities, team-building programs, and wellbeing campaigns
- Flexible work arrangements during crisis and unseen events
- Career development pathways and leadership development programs
- Strengthening grievance-handling mechanisms and improving employee communication channels
- Implementation of recognition programs to reward outstanding performance and service
- Workplace safety improvements and compliance with health and safety regulations
- Diversity, equity, and inclusion initiatives to ensure equal opportunities



BOARD LEVEL COMMITTEES

The Board of directors have established specialized sub committee to ensure effective governance, oversight and strategic decision-making. These committees support the company's commitment to transparency,

regulatory compliance, and operational excellence. Below is an overview of the composition, meeting details, and major activities.

AUDIT COMMITTEE

Member Name	Designation
Mr. Robin Kumar Nepal	Coordinator
Mr. Sitaram Thapa	Member
Mr. Khilendra Paudel	Member Secretary

No. of meeting Held during Fiscal year 2081/82 : 11

Major responsibilities of the committee :

- Monitor and evaluate the effectiveness of books of accounts, budget, internal control system and management implementation of audit recommendations.
- Reviewing the financial statements, ensuring its accuracy and the required level of compliance in relation to financial reporting standards.
- Recommend to the Board for the appointment of independent internal auditor and statutory auditor.
- Engage regularly with internal auditors to assess compliance with audit findings and regulatory requirements.
- Ensure compliance with applicable laws, regulations and corporate governance standards.

Major Activities and Achievements:

- Reviewed the company's quarterly financial statements and verified the accuracy of the information presented in the report.
- Reviewed the quarterly budget vs actual of Fiscal Year 2081/82 and presented to the Board of Directors.
- Discussed the quarterly internal audit reports addressing the comments and recommendations made by auditor and provided management with necessary direction.
- Discuss the preliminary audit report of FY 2080/81 and directed the management to implement the auditor's recommendations.
- Recommended the appointment of SAR & Associates as statutory auditor for FY 2081/82.
- Recommended the appointment of PYC& Associates as internal auditor for FY 2081/82.

CLAIM COMMITTEE

Member Name	Designation
Ms. Usha Dhakal	Coordinator
Mr. Binod K. C	Member
Mr. Pawan Kumar Khadka	Member
Ms. Anuja Rana	Member Secretary

No. of meeting Held during Fiscal year 2081/82 : 5

Major responsibilities of the committee :

- Provide strategic guidance to strengthen the company's claim handling capabilities.
- Ensure claims decisions are consistent, evidence-based and compliant with policy terms and legal requirements.
- Review and approve claim files as per approval limit and recommend claims above the limit to the Board for final approval.
- Identifying fraud, risks and recommending further verification where necessary.
- Provide recommendations for improving claims settlement process and identify the potential gaps in policy framework.
- Provide strategic guidance to strengthen the company's claim handling capabilities and customer satisfaction.

Major Activities and Achievements:

- Made decisions regarding claims settlements under the claims settlement authority of the committee.
- Reviewed the details of the claims filed, claims settled and pending claims within the company.
- Directed the management to update claim forms to ensure all necessary incident information is captured.

HUMAN RESOURCES COMMITTEE

Member Name	Designation
Dr. Ram Hari Aryal	Coordinator
Mr. Binod K.C.	Member
Mr. Pawan Kumar Khadka	Member
Mr. Niraj Shahi	Member Secretary

No. of meeting Held during Fiscal year 2081/82 : 13

Major responsibilities of the committee :

- Reviews and propose updates on Human Resources policies and procedures, organizational structure and workforce strategies.
- Develop and recommend frameworks for selection process, staff remuneration and performance evaluation.
- Ensure compliance with labor laws, company policies and best practices in human resources management.
- Evaluate annual staff performance appraisal to foster culture of accountability and professional growth.

Major Activities and Achievements:

- Reviewed and approved employee performance appraisal presented by management.
- Reviewed proposed amendments to the Company's Employee Service Regulations and recommended them for Board approval.
- Reviewed the existing organizational structure, along with proposals for new appointments, promotions, and creation of new positions.
- Reviewed the status of employees and branches for FY 2081/82.
- Reviewed employee performance evaluation results for FY 2081/82.
- Reviewed the requirement for the appointment of the Company's Chief Executive Officer and recommended the same for Board approval.
- Reviewed matters related to the implementation and amendment of the Employee Succession Planning Policy.

INVESTMENT COMMITTEE

Member Name	Designation
Mr. Sitaram Thapa	Coordinator
Mr. Sandeep Agarwal	Member
Mr. Pawan Kumar Khadka	Member
Mr. Jagat Bohara	Member Secretary

No. of meeting Held during Fiscal year 2081/82 : 11

Major responsibilities of the committee :

- Develop investment policies in accordance with the directives issued by Nepal Insurance Authority.
- Review and approve investment proposal, ensuring alignment with regulatory guidelines and strategic objectives.

Major Activities and Achievements:

- Made decision and recommended investment in shares, mutual funds and debentures of various companies above the prescribed limit to the Board of directors.
- Reviewed the detailed investment portfolio of the Company, including returns by investment sector and overall investment performance.
- Reviewed and recommended on new investments such as real estate, promoter shares of productive companies, mutual funds, and other investment instruments.

ANTI MONEY LAUNDERING /COMBATING THE FINANCING OF TERRORISM (AML/CFT) COMMITTEE

Member Name	Designation
Mr. Binod K.C	Coordinator
Ms. Usha Dhakal	Member
Mr. Pawan Kumar Khadka	Member
Mr. Trilochan Rawat	Member
Ms. Mamata Jaiswal	Member Secretary

No. of meeting Held during Fiscal year 2081/82 : 5

Major responsibilities of the committee :

- Review and recommend AML/CFT policy for the purpose of approval from Board of Directors.
- Review the AML/CFT Status of the company on quarterly basis and recommend Board of Directors for necessary action.
- Periodically review AML/CFT risk assessment to identify vulnerabilities and strengthen internal controls.
- Ensure strict compliance with anti-money laundering laws, regulations and company policies.

Major Activities and Achievements:

- Reviewed the quarterly report as per the Directive on Prevention of money laundering and Terrorist Financing Activities 2081.
- Reviewed the status on compliance with anti-money laundering laws, regulations and company policies on quarterly basis.
- Discussed the internal audit observation on AML/CFT of every quarter of Fiscal Year 2081/82, addressing the comments and recommendations made by auditor and provided management with necessary direction.

RISK MANAGEMENT AND SOLVENCY COMMITTEE

Member Name	Designation
Mr. Sandeep Agarwal	Coordinator
Mr. Robin Kumar Nepal	Member
Mr. Trilochan Rawat	Member Secretary

No. of meeting Held during Fiscal year 2081/82 : 3

Major responsibilities of the committee :

- Reviews, recommends, and supervises effective implementation of the Company's risk management policy and framework in line with changes in the Company's risk profile and regulatory requirements.
- Reviews risk policies and risk reports and recommends appropriate amendments in policies and risk mitigation measures to the Board for approval.

Major Activities and Achievements:

- Reviewed the Risk Management Policy and recommend it to the Board of Directors for approval.
- Reviewed the risk related reports.
- Discussion of drafts of internal by-laws and policies.



BOARD OF DIRECTORS' REPORT PREPARED PURSUANT TO SECTION 109(4) OF THE COMPANIES ACT, 2063 AND SUBMITTED BY THE CHAIRMAN REPRESENTING THE BOARD.

(a) Review of the transactions of the previous year:

The financial performance of the company in the review period is as follows:

(Amount in NPR '000)				
S.N.	Description	FY 2080/81	FY 2081/82	Increase/(Decrease)
1	Total Premium	4,741,132	5,722,416	20.70%
2	Income from Investment and Loan	1,321,030	1,333,644	0.95%
3	Net Claim Paid	1,162,428	1,149,189	(1.14%)
4	Agent Commission	460,019	527,397	14.65%
5	Management Expenses	833,696	938,390	12.56%
6	Net Profit	617,489	393,246	(36.32%)
7	Life Fund	9,168,882	13,121,089	43.10%
8	Investment and Loans	15,914,399	18,675,011	17.35%
9	Reserves and Surplus	2,397,630	1,738,987	(27.47%)

(b) Impacts, if any, caused on the transactions of the company from national and international situation:

The operation and business of life insurance companies are directly and indirectly affected by various national and international circumstances. These situations create both opportunities and challenges for the company. At the national level, government policies and regulations promoting the insurance sector, economic fluctuations, low insurance awareness among citizens, natural disasters, pandemics and unexpected events at national and international levels significantly affect

daily operations. Similarly, global economic recession, financial crises, changes in international interest rate policies, increases in reinsurance premium rates, international risk rating systems, international labor policies related to foreign employment, fluctuations in remittance inflow, implementation of NFRS 17, impact of international AML/CFT regulations, climate change, global risk trends, technological advancements, global health crises, and unstable inflation rates also impact life insurance business. Despite these challenges, the company remains committed to advancing forward in line with its objectives while focusing on customer-centric services.

(c) Achievements in the current year as at the date of report and opinions of the Board of Directors on the matters to be done in future:

The key financial indicators of a company from FY 2080/81 to the end of Ashoj of FY 2082/83 are as below:

(Amount in NPR '000)				
S.N.	Description	FY 2080/81	FY 2081/82	FY 2082/83 (Upto Ashoj End –Unaudited)
1	Total Premium	4,741,132	5,722,416	1,590,571
2	Income from Investment and Loans	1,321,030	1,333,644	380,992
3	Net Claim Paid	1,162,428	1,149,189	236,186
4	Management Expenses	833,696	938,390	224,887
5	Net Profit	617,489	393,246	158,314
6	Life Fund	9,168,882	13,121,089	14,186,242
7	Investment and Loans	15,914,399	18,675,011	20,144,484

Although Nepal's life insurance sector remains expansion-oriented, competition has intensified in recent years. Economic instability, rapid technological development, climate-related risks and uneven insurance awareness have increased challenges. To enhance long-term sustainability, credibility and competitiveness the Board has adopted the following strategic objectives:

1. Digital Transformation and Technological Strengthening:

With the objective of making life insurance-related services modern and customer-friendly, we have set a goal to gradually transform proposal forms, premium payments, claim processes, and customer services into more advanced digital systems. The Company has also aimed to further expand the use of its mobile applications, digital payment systems and online platforms in order to enhance service accessibility and operational efficiency.

2. Risk Management:

As the life insurance business is based on long-term commitments, risk management is considered its fundamental pillar. Since life insurance companies undertake the responsibility of claim payments to insured for many years, it is necessary to timely identify and manage risks such as mortality rates, investment fluctuations, expense management, and liquidity. Effective risk management ensures appropriate pricing of insurance policies, compliance with regulatory standards and security of investments. It strengthens the Company financially and reinforces the confidence of policyholders. Ultimately, in a life insurance business founded on trust, sound risk management is the key foundation for the Company's long-term sustainability, reputation,

and enduring success. Therefore, we express our commitment to strictly adhering to the Company's risk management policies.

3. Human Resource Development:

Priority will be given to training, capacity enhancement, and professional skill development programs to develop skilled, capable, and technology-friendly human resources. Institutional efficiency will be strengthened by attracting the younger generation to the insurance sector.

4. Insurance Literacy and Market Expansion:

Various awareness programs will be conducted to enhance public awareness toward insurance. In particular, life insurance programs will be expanded targeting rural areas, women, farmers, and low-income groups.

5. Development of Innovative Insurance Policies:

As people's lifestyles, economic needs, and priorities are dynamic rather than constant, it is the primary responsibility of a life insurance company to design appropriate and useful life insurance policies by taking such changes into consideration. New products help the Company establish a distinct identity in the market, reach new customers, provide additional options for existing customers and maintain their trust. It is hereby informed that the Company is conducting a detailed study of the current life insurance market and customer needs and remains committed to issuing customer-friendly and innovative insurance policies in the future.

6. Good Governance and Regulatory Compliance:

Internal control systems will be strengthened

to ensure good governance, transparency, and accountability. Institutional credibility will be maintained by complying with the Nepal Insurance Authority directives and regulatory standards.

7. Investment Strategy and Financial Stability:

Priority will be given to maintaining financial stability by investing the collected first premiums and renewal premiums in secure sectors that provide sustainable returns. The long-term investment policy and Reserve Fund will be further strengthened.

8. Regional and International Cooperation:

It is informed that the Company is currently obtaining actuarial valuation services from an internationally renowned company and is in the process of entering into an agreement regarding the implementation of NFRS 17. In the future, cooperation will be promoted with various national and international companies and research institutions, as required, to encourage the transfer of knowledge, experience, and technology.

9. Sustainability and Social Responsibility:

The life insurance business will be made not only profit-oriented but also socially responsible by contributing to sustainable development through green investments, climate-friendly insurance policies and programs linked with social security. Furthermore, it is informed that the Company remains committed to expanding its branch network as required, providing training and career development for insurance agents and further strengthening the internal control system.

(d) Industrial or professional relations of the Company:

As industrial and professional relations in the life insurance industry determine a company's stability, investment diversification, risk management and long-term success, the Company has been maintaining cordial and professional relationships with its associated insured, shareholders, agents, concerned regulatory bodies, as well as various banks, financial institutions, and organizations. The Company is not limited to the central level only; through its provincial, branch, and sub-branch offices located at the local and provincial levels, it has been maintaining relationships with governmental, non-governmental, various banks, financial institutions, and other organizations operating in those respective areas. In line with the above, the Company has been carrying out activities under Corporate social responsibility, such as health camps, tree plantation programs, distribution of relief materials, and similar initiatives, in coordination with the concerned stakeholders and hereby requests to note the same.

With the objective of further expanding the Company's reputation, agents who are directly associated with the Company and who achieve outstanding business performance are being appointed as "Brand Ambassadors" under various insurance policy schemes to expand insurance awareness. It is hereby informed that such initiatives have facilitated the strengthening of the Company's industrial and professional relations at the grassroots level through them. In the future, the Company remains committed to further strengthening its industrial and professional relations not only through direct means but also by adopting various alternative approaches.

(e) Alterations in the Board of Directors and the reasons therefore:

No changes occurred in the Board during FY 2081/82.

(f) Key Factors affecting the transactions:

The major factors affecting life insurance business operations are as follows:

1. Economic problems and challenges arising in the national economy due to unexpected events occurring from time to time at the national and international levels.
2. Problems arising from the lack of public awareness and financial literacy among customers.
3. Rapidly changing market environment and the absence of timely and need-based insurance products in line with customer demand.
4. Failure of customers' purchasing power to grow as projected.
5. Risks and challenges arising from fluctuations in interest rates.
6. Inability to identify high-return sectors for investment diversification and the absence of liberal legal provisions.
7. Challenges created by natural disasters and periodic political changes.
8. Possible impacts resulting from volatility in the capital market.
9. Risks and challenges arising from the lack of a healthy competitive environment.
10. Increasing migration of skilled human resources.
11. Issues arising due to growing dependency on digital transactions and technology-enabled services.

(g) Any remarks in the audit report, the comments of the Board of Directors on such remarks:

No material qualifications were noted in the preliminary audit report, but suggested improvements have been implemented.

(h) Amount recommended for payment by way of dividend:

From the distributable profit of FY 2081/82, the Board proposes a cash dividend of 10.52632% (including tax), amounting to NPR 52,63,15,789, based on the paid-up capital of NPR 5,00,00,00,000 for approval by this Annual General Meeting.

(i) In the event of forfeiture of shares, details regarding the number of forfeited shares, face value of such shares, total amount received by the company for such shares prior to the forfeiture thereof, proceeds of sale of such shares after the forfeiture thereof, and refund of amount, if any, made for such forfeited shares:

It is hereby stated that no shares were forfeited during the fiscal year 2081/082.

(j) Progress of transactions of the company and of its subsidiary company in the previous financial year and review of the situation existing at the end of that financial year:

During the fiscal year 2081/082, the Company did not have any subsidiary company, and accordingly, no business was conducted by any subsidiary.

(k) Major transactions completed by the company and its subsidiary company in the financial year and any material changes taken place in the transactions of the company during that period: During the fiscal year 2081/082, the Company did not have any subsidiary company.

(l) Disclosures made by the substantial shareholders of the company to the company in the previous financial year:

In Fiscal Year 2081/082, no information of any kind was received by the company from its substantial shareholders.

(m) Details of shareholding taken by the directors and officers of the company in the previous financial year and, in the event of their involvement in share transaction of the company, details of information received by the company from them in that respect:

As of the end of Ashadh, Fiscal Year 2081/082, the share ownership details of the company's directors are as follows and no information has been received indicating their involvement in share transactions:

S.N.	Name and Address of Directors	Position	Shares
1.	Dr. Ram Hari Aryal, Kathmandu District, Kathmandu Metropolitan City Ward No. 14, Kalanki, Kathmandu. (Re-elected from the Fourth Annual General Meeting held on 2079/01/14.)	Chairman (Promoter Shareholder Group)	62,500 Unit
2.	Ms. Usha Dhakal (Representative of Across Holding Pvt. Ltd.), Lalitpur District, Lalitpur Metropolitan City Ward No. 02, Sanepa. (Elected from the Fourth Annual General Meeting held on 2079/01/14.)	Director (Promoter Shareholder Group)	No personal holding; however, the company she represents holds 721,875 Unit
3.	Mr. Binod K.C., Lalitpur District, Lalitpur Metropolitan City Ward No. 23, Dhapakhel. (Appointed as Independent Director from the 152nd Board Meeting held on 2079/11/10.)	Director (Independent)	None
4.	Mr. Sitaram Thapa, Kathmandu District, Kathmandu Metropolitan City Ward No. 10, New Baneshwor. (Appointed from the 180th Board Meeting held on 2080/09/04 and the appointment approved by the Seventh Annual General Meeting.)	Director (Promoter Shareholder Group)	18,652 Unit Under Promoters and 375 Unit under Public.
5.	Mr. Sandeep Agarwal, Kathmandu District, Kathmandu Metropolitan City Ward No. 11, Thapathali. (Appointed from the 180th Board Meeting held on 2080/09/04 and the appointment approved by the Seventh Annual General Meeting.)	Director (Promoter Shareholder Group)	625,000 Unit
6.	Mr. Robin Kumar Nepal, Budhanilkantha Municipality Ward No. 08, Golfutar. (Elected from the Seventh Annual General Meeting held on 2081/02/28.)	Director (Public Shareholder Group)	625 Unit

(n) Details of disclosures made about the personal interest of any director and his/her close relative in any agreements related with the company during the previous financial year:

No information regarding such transactions was received.

(o) In the event that the company has bought its own shares (buy-back), the reasons for such buy-back, number and face value of such shares, and amount paid by the company for such buy-back:

No such transaction occurred.

1. Claims Committee:

S.N.	Name	Position
1	Ms. Usha Dhakal	Coordinator
2	Mr. Binod K.C.	Member
3	Chief Executive Officer	Member
4	Head, Claims Department	Member Secretary

2. Investment Committee:

S.N.	Name	Position
1	Mr. Sitaram Thapa	Coordinator
2	Mr. Sandeep Agarwal	Member
3	Chief Executive Officer	Member
4	Head, Finance Department	Member Secretary

3. Risk Management and Financial Solvency Committee:

S.N.	Name	Position
1	Mr. Sandeep Agarwal	Coordinator
2	Mr. Robin Kumar Nepal	Member
3	Head, Risk and Compliance Department	Member Secretary

4. Human Resources Committee:

S.N.	Name	Position
1	Dr. Ram Hari Aryal	Coordinator
2	Mr. Binod K.C.	Member
3	Chief Executive Officer	Member
4	Head, Human Resources Department	Member Secretary

5. Anti-Money Laundering Prevention Committee:

S.N.	Name	Position
1	Mr. Binod K.C.	Coordinator
2	Ms. Usha Dhakal	Member
3	Chief Executive Officer	Member
4	Head of Compliance Department / Head of Risk Management and Financial Solvency Department	Member
5	Anti-Money Laundering Execution Officer	Member Secretary

(p) Whether there is an internal control system in place or not; and details of such system, if it is in place:

The internal control system is essential for any organization to ensure financial transparency, operational efficiency, risk mitigation, and legal compliance. To make internal controls more effective and systematic, in accordance with the Insurance Act, 2079 B.S. and Corporate Governance, 2080 B.S. the following committees have been formed:

6. Audit Committee:

S.N.	Name	Position
1	Mr. Robin Kumar Nepal	Coordinator
2	Mr. Sitaram Thapa	Member
3	Deputy Chief Executive Officer, Mr. Khilendra Paudel	Member Secretary

Similarly, the company forms additional committees and sub-committees as required to maintain internal control and corporate governance, and these committees carry out their functions accordingly. The actions and decisions of the committees and sub-committees are regularly discussed in the company's Board of Directors meeting. The Board has formulated and implemented the Internal Monitoring and Supervision Procedure, 2078 to monitor compliance with the Act, regulations, prevailing laws, directives issued by authorities, and policies, rules, decisions, instructions, manuals, circulars, or procedures issued by the Board itself. Reports prepared under this procedure are discussed quarterly in the Board of Directors meetings.

Additionally, to ensure greater financial prudence, the company has developed a practice of regular monitoring by the Audit Committee. In the review year, the company has strengthened its information technology systems, including cybersecurity, data management, paperless systems, automated payments, and core software integration. Online services such as KYC, insurance loans, policy renewal and purchase are provided through the website and mobile app. Regular IT audits ensure the information technology system remains secure and organized. In the future, the company aims to expand further technology-driven services.

(q) Details of total management expenses during the previous financial year:

The total management expenses for the Fiscal Year 2081/082 are as follows:

S.N.	Description	Amount (NPR)
1	Staff Expenses	41,81,24,127
2	Other Management Expenses	52,02,65,917
3	Total	93,83,90,044

(r) Name-list of the members of audit committee, remuneration, allowances and facilities received by them, details of the functions performed by that committee, and details of suggestions, if any, made by that committee:

In the fiscal year 2081/082, the three-member Audit Committee was constituted with the following composition:

- Chairperson: Mr. Robin Kumar Nepal, representing the Public shareholder group
- Member: Mr. Sitaram Thapa, Director
- Member Secretary: Mr. Khilendra Paudel, Deputy Chief Executive Officer of the Company.

Board members were provided meeting allowances equivalent to their attendance at Board meetings for participating in the Audit Committee meetings. The Committee's responsibilities included:

1. Recommending the appointment of the company's internal and external auditors in accordance with prevailing laws.
2. Reviewing quarterly internal audit reports and presenting them to the Board of Directors.
3. Providing advice, recommendations, and directions to management.
4. Reviewing the company's operational and financial performance.
5. Examining audit reports received from external

auditors and presenting them to the Board, while issuing necessary instructions for improvements.

(s) Amount, if any, outstanding and payable to the company by any director, managing director, chief executive, substantial shareholder or his/her close relative or by any firm company, corporate body in which he/she is involved:

None.

(t) Amount of remuneration, allowances and facilities paid to the director, managing director, Chief Executive Officer:

In the fiscal year 2081/082, the following payments were made:

- Directors:
 - o Meeting Allowances: NPR 3,860,000 (Three million eight hundred sixty thousand only)
 - o Fuel, Communication, and Newspapers Magazines Expenses: NPR 2,093,905 (Two million ninety-three thousand nine hundred five only)
- Chief Executive Officer (CEO):
 - o Total Salary, allowances, Dashain bonus, and Other benefits: NPR 6,364,890 (Six million three hundred sixty-four thousand eight hundred ninety only)

- Other Management Officers:
 - oTotal Remuneration: NPR 32,342,269 (Thirty-two million three hundred forty-two thousand two hundred sixty-nine only)

(u) Amount of dividends remaining unclaimed by the shareholders:

As of the end of Ashad 2082 B.S., shareholders have NPR 18,900,000 (Eighteen million nine hundred thousand only) in unpaid dividends.

(v) Details of sale and purchase of properties pursuant to Section 141:

None.

(w) Details of transactions carried on between the associated companies pursuant to Section 175:

None.

(x) Any other matters required to be set out in the report of Board of Directors under this Act and the prevailing law:

(a) Appointment of Auditors:

In accordance with Section 111 of the Companies Act, 2063 B.S., the external auditor for the company was first appointed by the 7th Annual General Meeting for the fiscal year 2080/081, S.A.R. Associates Chartered Accountants Firm. The same firm was reappointed for the second time by the 8th Annual General Meeting for the fiscal year 2081/082. As per the recommendation of the 65th Audit Committee meeting held on 2082/08/29 B.S., the firm is considered eligible for reappointment for the fiscal year 2082/083. Accordingly, the firm is presented for appointment as the company's

Thank you.
On behalf of the Board of Directors

Mr. Sandeep Agarwal
Director

external auditor for fiscal year 2082/083 (B.S.), with remuneration fixed at NPR 565,000 (Five lakh sixty-five thousand only), inclusive of VAT, for approval at this Annual General Meeting.

(b) Anti-Money Laundering (AML) Measures:

The company has continuously complied with the Anti-Money Laundering Prevention Act, 2064 B.S., related Rules, 2081 B.S., the AML (Freeze of Assets or Funds of Listed Persons or Organizations) Rules, 2070 B.S., the AML and Combating the Financing of Terrorism Directive, 2082 B.S., and the Regulations and Directives of the Financial Information Unit of Nepal Rastra Bank. To further strengthen compliance with AML laws, the company has issued and implemented the AML and Combating the Financing of Terrorism Directive, 2079 B.S. and the AML/CFT Internal Procedure, 2079 B.S., which are periodically amended by the Board of Directors as necessary.

The company regularly discusses AML/CFT compliance with the Board, Promoter shareholders, employees, and stakeholders and reports/statements submitted to regulatory authorities regarding AML/CFT matters are discussed in the Board through the relevant committees. Likewise, required information is continuously provided to concerned authorities on a timely basis.

(c) Compliance with Acts, Rules, and Directives:

The company confirms compliance with the Companies Act, 2063 B.S., Insurance Act, 2079 B.S., Securities Act, 2063 B.S., the related rules and regulations, the Corporate Governance Directive for Insurers, 2080 B.S. issued by the Nepal Insurance Authority and other circulars and directives received from time to time.

2082/09/24

Dr. Ram Hari Aryal
Chairman

I.M.E. LIFE INSURANCE COMPANY LIMITED

ANNUAL CORPORATE GOVERNANCE COMPLIANCE REPORT

(AS PER DIRECTIVES ON GOOD CORPORATE GOVERNANCE OF A BODY CORPORATE, 2074)

Name of the Listed Company	I.M.E. Life Insurance Company Limited
Address, E-mail and Website	Hathway Complex, 3rd Floor, Lainchaur, Kathmandu www.imelifeinsurance.com, info@imelifeinsurance.com
Phone Number	01-4024071
Report for the fiscal year	2081/82 (FY 2024-25) Period from 16/07/2024 to 16/07/2025

1. Information related to Board of Directors

i) Chairperson of Board of Directors:

Dr. Ram Hari Aryal (Appointed on 10/01/2018 by 4th Annual General Meeting and reappointed on 27/04/2022)

ii) Information related to share ownership

Promoter ownership 70%
Public ownership 30%

iii) Information related to Board of Directors

S.N.	Name of Director	Representation	Shares Held (As on 16/07/2025)	Recent Date of Appointment	Date of taking oath of office and confidentiality	Mode of appointment
1	Dr. Ram Hari Aryal	Promoter	62,500 promoter shares	27/04/2022	27/04/2022	Election
2	Ms. Usha Dhakal (Representative of promoter company Across Holding Pvt. Ltd.)	Promoter and Female	721,875 promoter shares held by the promoter company	27/04/2022	27/04/2022	Election
3	Mr. Binod K.C.	Independent	No shares held	22/02/2023	26/02/2023	Appointment by BOD
4	Mr. Sitaram Thapa	Promoter	18,652 promoter shares and 375 public shares	20/12/2023	21/12/2023	Appointment by BOD; approved by 7th AGM
5	Mr. Sandeep Agarwal	Promoter	625,000 promoter shares	20/12/2023	21/12/2023	Elected by 7th AGM
6	Mr. Robin Kumar Nepal	Public	625 public shares	10/06/2024	13/06/2024	

iv) Information about meeting of Board of Directors

A total of 24 meetings of Board of Directors were conducted in FY 2081/82 with required quorum as per regulatory requirement. There were no instances of dissenting opinion in any decisions of the meetings during the year.

v) Other information related to meeting of Board of Directors

Whether director/ alternate director was present or not in the board meeting (In case of absence, date of meeting along with reason to be disclosed)	No arrangement of alternate director in the Board of Directors
Whether separate record related to Board meeting such as name of directors present in the meeting, agenda of the meeting and decision is maintained	Separate record is maintained
Whether maximum gap between two consecutive meetings of Board of Directors exceeds 60 days	No gap exceeding 60 days between two consecutive meetings
Date of Annual General Meeting where allowance of Board of Directors was determined	7th AGM dated 10/06/2024
Meeting allowance of Board of Directors (per meeting)	Chairperson: NRs 20,000/- Director: NRs 16,000/-
Total meeting expenses of Board of Directors for the fiscal year	NRs 22,40,000/-

2. Information related to code of conduct of Board of Directors and other information

Code of conduct pertaining to Board of Directors in place	Yes
Detail, if more than one member of the same family are directors in the company	No
Detail of annual training and refresher training of Board of Directors	13/07/2025 in Kathmandu
Whether below mentioned information submitted or not by Directors within 15 days of their appointment or nomination: <ul style="list-style-type: none"> Details of any contract executed or likely to be executed with the bank by the Director or family members Detail of shares and debenture of the bank or its subsidiary held by the Director or family members If the Director is primary shareholder of any other organization or holds the position of director in any other organization, details thereof If any family members of Director who works as an employee or holds a position in the management team 	Information received with no such detail
Detail of listed organization of similar nature where the director has served as a salaried employee or held the position of Director, management team or CEO	No such information received
Whether any action taken against the Director by any regulatory body or other authorities	No such information received

3. Information about risk management and internal control system of the Company

i) If any Committee has been formed for risk management, reason if not formed:

Risk Management and Solvency Committee formed.

ii) Information related to Risk Management and Solvency Committee

a) Structure of Risk Management and Solvency Committee

Mr. Sandeep Agarwal (Director) – Co-ordinator
Mr. Robin Kumar Nepal (Director) – Member
Mr. Trilochan Rawat (Head-Risk and Compliance) – Member Secretary

b) Number of meetings conducted during the fiscal year: 3 (Three)

c) Summary of Activities of Risk Management and Solvency Committee

- The Committee reviews, recommends, and supervises effective implementation of the Company's risk management policy and framework in line with changes in the Company's risk profile and regulatory requirements.
- The Committee reviews risk policies and risk reports and recommends appropriate amendments in policies and risk mitigation measures to the Board for approval.

iii) Information related to internal control procedures in the Company

Internal control procedure commensurate with the nature of business have been prepared and implemented in the Company, including Underwriting Manual, Claim Payment Manual, Risk Management Policy, AML/CFT Policy, AML/ CFT Guidelines, Investment Policy, Re-Insurance Policy, Staff Service Bylaws, Financial Administrative Bylaws, Procurement By-Laws, Information Technology and Information Security Policy, Marketing Policy, Business Promotion Policy, Corporate Social Responsibility (CSR) Policy, Customer Service Guidelines, Customer Service Policy, for performance, management and internal control of departmental functions and operational

Name and Structure of the Committee

Human Resource Committee

Dr. Ram Hari Aryal, Chairman – Co-ordinator
Mr. Binod K.C., Director – Member
Mr. Pawan Kumar Khadka, CEO – Member
Mr. Niraj Shahi, Head-HR – Member Secretary

Claim Committee

Ms. Usha Dhakal, Director – Co-ordinator
Mr. Binod K.C., Director – Member
Mr. Pawan Kumar Khadka, CEO – Member
Ms. Anuja Rana, Head- Claim – Member Secretary

AML/ CFT Committee

Mr. Binod K.C., Director – Co-ordinator
Ms. Usha Dhakal, Director – Member
Mr. Pawan Kumar Khadka, CEO – Member
Mr. Trilochan Rawat, Head-Risk & Compliance – Member
Ms. Mamata Jaiswal, Head-AML/CFT –Member Secretary

Investment Committee

Mr. Sitaram Thapa, Director – Co-ordinator
Mr. Sandeep Agarwal, Director – Member
Mr. Pawan Kumar Khadka, CEO – Member
Mr. Jagat Bahadur Bohara, CFO – Member Secretary

areas of the Company. Review and amendment of the policies, by-laws and procedures is done by the Company as required on regular basis.

iv) Committee formed for internal control system or not, reason if not formed

With Board member(s) as Co-ordinator, Human Resource Committee, Claim Committee, AML/ CFT Committee, Investment Committee, Risk Management and Solvency Committee and Audit Committee have been formed where discussions are done, decisions made, and recommendations submitted to the Board and directions given to the management on matters related to internal control of scope of such Committees. Risk reports are distributed in the meeting of Risk Management and Solvency Committee where directions are given to the management for proper risk mitigation and control. The Board reviews the activities of the Committees every quarter. Similarly, the Board reviews and discusses on the quarterly report prepared by the Compliance Officer on the status of compliance of Insurance Act, Regulation, Directives from Nepal Insurance Authority, policies, circulars and other Acts as well as internal policies, regulations, and gives direction to the management to achieve "zero non-compliance" through strengthening the internal control system of the Company.

a) Information about the Committees of the Company

Key activities during FY 2081/82

Discussion on status, recruitment, promotion of employees, status of branches; review of employee performance appraisal, discussion on amendment of Staff Service By-Laws and recommendation to the Board for approval; discussion on review and adoption of succession planning policy.

Discussion on status of claim disbursement related activities; review of outstanding claims of the Company.

Review and discussion of risk assessment and compliance reports prepared in accordance with AML/ CFT Directives; discussion on AML/ CFT concerns raised in the internal audit reports.

Review of investment portfolio, sectoral return and overall return of the Company; discussion on new broker account, purchase of shares through bidding process, purchase of shares and debentures through secondary market; discussion on new investment in land and building, mutual funds and shares of productive companies.

Name and Structure of the Committee	Key activities during FY 2081/82
Risk Management and Solvency Committee Mr. Sandeep Agarwal, Director – Co-ordinator Mr. Robin Kumar Nepal, Director – Member Mr. Trilochan Rawat, Head-Risk & Compliance – Member Secretary	Discussion on Risk Management Policy of the Company and recommendation to the Board for approval; review of risk reports of the Company; discussion of drafts of internal by-laws and policies.
Audit Committee Mr. Robin Kumar Nepal, Director – Co-ordinator Mr. Sitaram Thapa, Director – Member Mr. Khilendra Paudel, DCEO – Member Secretary	Review of annual budget of FY 2080/81; review of preliminary report and annual report of FY 2080/81; discussion on appointment of internal auditors for FY 2081/82; discussion on recommendation for appointment of statutory auditors for FY 2081/82; review and discussion of internal audit reports.

v) Financial Administrative By-Laws in place or not: Yes.

vi) Procurement By-Laws in place or not: Yes.

4. Information related to notices to general public

i) Notices to general public

Particulars	Date of publication
Notice of Annual General Meeting (AGM)	Notice for 9th AGM to be held on 08/01/2026 was published on 16/12/2025 in Naya Patrika, national daily newspaper
Notice of Extraordinary General Meeting (EGM)	–
Annual report	Published on official website and distributed during AGM.
Quarterly report	Published within one month from the end of each quarter in national daily newspaper.
Notice related to Price sensitive matters	Correspondence to regulatory bodies including Nepal Stock Exchange and Stock Exchange Board of Nepal (SEBON).
Others	–

ii) Whether any action taken by SEBON or other authority for not publishing notice or for other reasons: None

iii) Date of last Annual General Meeting (AGM) and Extraordinary General Meeting (EGM): 8th AGM held on 09/03/2025

5. Information related to organization structure and employees

i) Whether Staff Service Bylaws covering structure, recruitment, employee development, training, salary, allowance and other facilities, attendance and leave, code of conduct in place: Yes.

ii) Organization structure to be attached: Attached.

iii) Information related to name, educational qualification and experience of management team

S.N.	Name	Designation	Qualification	Experience
1	Mr. Pawan Kumar Khadka	Chief Executive Officer (CEO)	ACCA, Post Graduation	More than 22 years
2	Mr. Denesh Amatya	Deputy Chief Executive Officer (DCEO)	Post Graduation	More than 33 years
3	Mr. Khilendra Paudel	Deputy Chief Executive Officer (DCEO)	Post Graduation	More than 23 years
4	Mr. Sudeep Rana	Head-Underwriting	Post Graduation	More than 22 years
5	Mr. Jagat Bahadur Bohara	Chief Finance Officer (CFO)	Chartered Accountancy	More than 15 years
6	Mr. Indra Raj Subedi	Chief Marketing Officer (Eastern Region)	Post Graduation	More than 15 years
7	Mr. Susil Chapagai	Chief Marketing Officer (Western Region)	Post Graduation	More than 17 years

iv) Other information related to employees

Whether vacant position is filled as per organization structure	Yes
Procedure followed for recruitment of new employee	Staff Service By-Laws, 2074 (Amendment-2082)
Number of employees in management level	Management Level: 7
Number of employees	Manager Level: 16
Succession plan in place	415 (including 80 outsourced)
Number of trainings during fiscal year	Yes
No. of employees involved in trainings	External trainings: 43
Employee training expense during fiscal year	Internal Trainings: 4
Percentage of employee expense (including employee bonus) to total administrative expense	Participants in external trainings: 290
Percentage of employee training expense to total employee expense (including employee bonus)	Participants in internal trainings: 125

6. Information related to accounts and audit of the Company

i) Information related to accounts

Whether financial statements of previous fiscal year prepared as per NFRS; if not, reason	Yes
Date of approval by Board of Directors of financial statements	11/12/2025 for FY 2081/82
Date of publication of quarterly financial statements	Quarter 1: 14/11/2024 Quarter 2: 29/01/2025 Quarter 3: 04/05/2025 Quarter 4: 15/08/2025
Date of completion of Statutory Audit	11/12/2025 for FY 2081/82
Date of approval of financial statements by AGM	09/03/2025 for FY 2080/81
Details on internal audit: a) Internal audit performed by in-house Internal Audit Team or by external expertise b) Details of external expertise appointed for audit (if any)	Conducted through external expert B.K. Agrawal & Co., Chartered Accountants for FY 2082/83
Frequency of Internal Audit	Quarterly basis
Number of meetings of Audit Committee during the FY	11 (Eleven)

7. Other information

Whether the Company has been involved on any loan/borrowings from individual, banks and financial institutions having financial interest of director and his/her family members	No
According to prevailing law, person, firm, company, employee, consultant who has any financial interest in the listed organization except for the benefits received as the director, shareholder, employee, consultant of the company used any property of the organization in any way	No such information received
Compliance with conditions prescribed by regulatory body while issuing license and instructions given to the organization by regulatory body during regulatory inspection/supervision of the organization	Complied
Details of any pending court cases against director/organization	No such information received

Name of Compliance Officer:	Mr. Trilochan Rawat
Position:	Assistant Manager
Educational qualification:	Chartered Accountant, Post-Graduation
Date of approval of report by Board of Directors:	31/12/2025

ANNUAL REPORT FOR FISCAL YEAR 2081/082 AS PER RULE 26 SUB-RULE (2) OF THE SECURITIES REGISTRATION AND ISSUE REGULATIONS, 2073

1. Report of the Board of Directors:

Attached in the Annual Report.

2. Auditor's Report:

Attached in the Annual Report.

3. Audited Financial Statements:

Attached in the Annual Report.

4. Details Regarding Legal Proceedings:

During the review period, the Company filed a cheque dishonor case against its former employee Mr. Chaman Baidya at the Honorable Kavrepalanchok District Court, and the said case is currently under consideration. Similarly, except for complaints filed at Nepal Insurance Authority regarding claim payments, no information has been received regarding any other case filed against the Company.

If any case has been filed against any founder or director for violation of law or commission of criminal offense:

No such information has been received by the Company.

If any case has been filed against any founder or director relating to financial crime:

No such information has been received by the Company.

5. Company's Share Transactions and Progress Analysis:

(a) Management's view regarding the Company's share transactions in the securities market:

The Company's shares have been traded in accordance with market principles.

(b) In each quarter of the previous fiscal year, the maximum, minimum and closing prices of the Company's shares along with total traded number of shares and total trading days:

Quarter	Maximum Price (Rs.)	Minimum Price (Rs.)	Closing Price (Rs.)	Total Shares Traded	Total Trading Days
First	606	450	516.50	5,287,276	57
Second	528	459	466	1,493,627	55
Third	530	447.10	462.40	2,510,034	56
Fourth	480	430	462.02	1,286,574	63

6. Problems and Challenges:

In the life insurance business, national and international economic, social, and political events have an impact. Inflation and frequent fluctuations in interest rates create difficulty for companies in making investments and determining product pricing. Political instability and social changes also affect the life insurance business, making it challenging to formulate long-term plans and maintain customer confidence. Similarly, unhealthy competition in the market, lack of suitable long-term investment avenues, geographical structure of the country creating difficulties in service

expansion, increasing unemployment, reducing people's capacity to purchase life insurance policies and new challenges brought by rapid technological development are problems observed not only in the Company but across the life insurance sector. Despite these challenges, the Company has been moving forward cautiously by formulating appropriate plans, managing risks, and providing customer-centric services.

7. Corporate Governance:

Attached in the Annual Report.

CODE OF CONDUCT

Company has developed a proper code of conduct which requires to be followed by each employee. The employees abide by the Code of Conduct to keep his/her integrity intact while dealing with colleagues,

potential customers, policyholders, suppliers and peer group. The principles that form the foundation of our company's code of conduct are outlined below:

- 1 Comply with all applicable laws, regulations, and company policies, adhering to industry standards and organizational guidelines.
- 2 Maintain proper behavior at workplace at all times by using appropriate language and manners with courtesy and respect in dealing with visitors, clients and fellow employees.
- 3 Work towards providing utmost client satisfaction through commitment and honest dealings. Act with utmost good faith in all their dealings.
- 4 Provide correct and accurate information to employees and clients without withholding any crucial information. Official communication must be put in writing.
- 5 Strictly adhere to every core accounting principles and present information in the clearest and most accurate way as possible. Falsification and tampering of records shall not be tolerated.
- 6 Maintain confidence in the affairs of any client, colleague or organization and shall not to disclose confidential information obtained in the course of professional activities.
- 7 Not be engaged in multiple interest with other organizations during their tenure. Directly or indirectly acquiring or turning any business opportunity which ought to be available to IME Life Insurance to their own or someone else's personal advantage is prohibited.
- 8 Exercise due care in handling properties belonging to the company. Employees are not allowed to use the company's property for personal use.
- 9 IME Life Insurance has zero tolerance for sexual harassment, racism, disobedience and unruly behaviors and conducts.

STATEMENT OF BUSINESS PRACTICES

The Company is dedicated to conducting business with a strong commitment to integrity and professionalism. We prioritize transparency, fairness, and accountability in all our operations and interactions with clients,

employees, partners, and the community. Our business practices are built on the foundation of ethical principles that guide our decision-making and actions at every level.

- 1 We focus on meeting the needs and interests of our customers by offering customized insurance products and services with transparency, fairness, and care.
- 2 We aim to build long-term relationships by ensuring prompt responses and exceptional service quality.
- 3 We adhere to all applicable laws, regulations, and industry standards, ensuring full compliance in every transaction and operation.
- 4 Our employees and management are accountable for upholding ethical practices and making responsible decisions.
- 5 We promote a safe, inclusive, and respectful workplace where employees are encouraged to grow professionally and contribute meaningfully.
- 6 Continuous learning and development opportunities are provided to empower our workforce to excel in their roles.
- 7 Our corporate social responsibility initiatives are focused on education, health, and community wellbeing.
- 8 We are committed to maintaining confidentiality, building trust, and protecting sensitive information.
- 9 We strictly comply with all prevailing laws, industry regulations, and corporate governance policies.
- 10 We ensure financial soundness by maintaining strong capital reserves and responsible risk management practices.
- 11 We prioritize innovation and customer-focused solutions to enhance financial security, leveraging digital transformation, process efficiency, and personalized services to meet evolving market needs.
- 12 We continuously evaluate and refine our business practices to enhance operational excellence and customer satisfaction.
- 13 We conduct regular audits, adhere to solvency requirements, and implement prudent underwriting policies to safeguard the interests of our policyholders and shareholders.

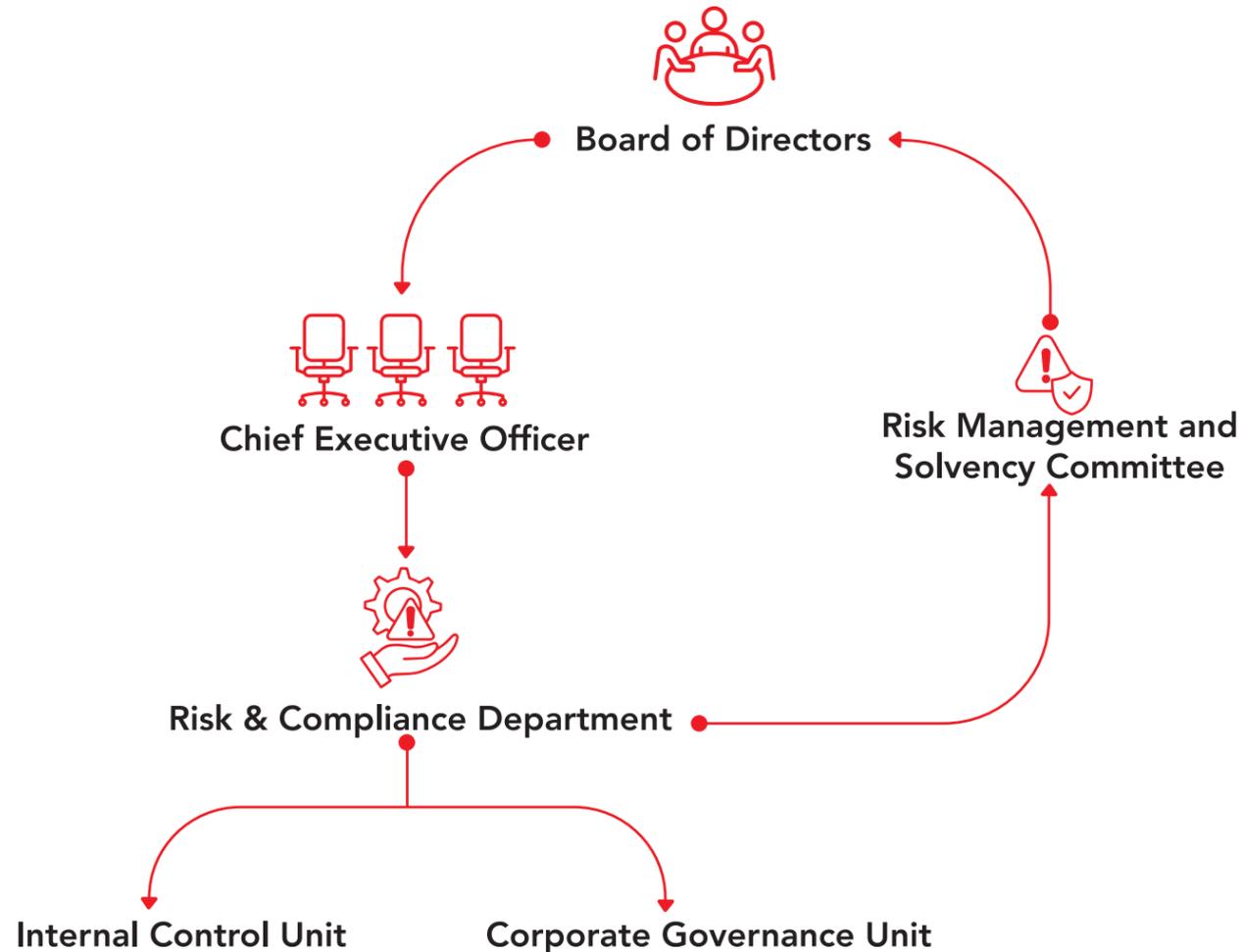


RISK MANAGEMENT,
COMPLIANCE AND
INTERNAL CONTROL

04

- Risk Governance
- Risk Type, Factors and Mitigation Measures
- Risk Management Process
- Risk Impact, Risk Likelihood and Risk Score
- Climate Considerations
- Risk Based Capital and Own Risk & Solvency Assessment
- Compliance
- Internal Control
- IT System and Control
- Disclosure on Reinsurance

RISK GOVERNANCE



Risk and Compliance Department, with direct reporting to the Chief Executive Officer, oversees the risk management, compliance and internal control mechanism of the Company. The Head of the Department serves as the Member Secretary of the Board-level Risk Management and Solvency Committee. An internal control unit has been established within the Risk and Compliance Department to monitor the operational effectiveness and efficiency across the Company. Corporate

governance unit, established in line with Corporate Governance Directives, reviews, monitors and reports the status of corporate governance in the Company.

Risk management mechanism of the Company is guided by the Risk Management Policy devised in compliance with Risk Management Directives circulated by Nepal Insurance Authority.

RISK TYPE, FACTORS AND MITIGATION MEASURES

The risk management policy prepared in line with the risk strategy delineates different risks, respective risk factors and measures for their management. The Company reviews and updates the recorded categories of risks to address the changes in internal factors like business concentration, products, internal risks, respective risk factors and measures for policies and operating procedures, as well as external factors like regulatory environment and industry landscapes.



Risk Type

Product Risk
Loss due to poor performance or faulty design/assumptions of insurance products

Underwriting Risk
Loss from insufficient assessment of policyholders

Claim Risk
Loss due to mishandling or irregular claim processes

Reinsurance Risk
Loss from reinsurer default or adverse treaty arrangements



Risk Factors

Lack of market study; inaccurate assumptions; non-compliance; lack of internal policies; no regular review.

Lack of UW policies; regulatory non-compliance; inadequate verification; poor KYC; breach of DoA.

Lack of claim policies; insufficient documents; inaccurate calculations; delays.

Weak reinsurer; adverse terms; non-compliance; poor selection; inaccurate expenses; concentration risk.



Risk Mitigation Measures

Market assessment; validate assumptions; comparative study; regular review; product restructuring.

Update UW policies; strengthen verification; automate workflows; staff training; monitoring.

Update claim policies; define workflows; improve documentation; training; monitoring.

Retention limits; reinsurer rating checks; treaty review; diversification; amend adverse treaties.

Risk Type	Risk Factors	Risk Mitigation Measures
Demographic Risk Loss due to changes factors specific to different demographics	Aging population; higher mortality; unhealthy trends; birth rate changes; unemployment; migration.	Actuarial models; experience studies; premium adjustments; stronger underwriting; stress testing.
Market Risk Loss due to interest rate, stock market or regulatory changes	Investment concentration; NRR rate changes; declining rates; market fluctuations; economic downturn.	Monitor regulations; monitor markets; comparative investment analysis; ensure investment compliance.
Credit Risk Loss when counterparties fail to meet obligations	Premium non-payment; reinsurer default; loan default; bank default.	Stronger underwriting; loan limits; recovery mechanism; review reinsurers.
Liquidity Risk Inability to meet cash obligations on time	Sudden claims/surrenders; delayed reinsurance; inconsistent expenses; maturity mismatch.	Diversify cash inflow; reconcile reinsurance; monitor cash flows; contingency planning.
Currency Risk Loss due to FX fluctuations	FX concentration; price changes; declining foreign assets.	Square positions; adjust cash flows; forward contracts; hedging.
Mismatch Risk Loss from mismatched maturities of inflows/outflows	Uneven interest structures; maturity gaps.	Forecast cash flows; scenario analysis; contingency planning.
Market Competition Risk Loss due to competitive disadvantages	Abrupt strategies; weak risk assessment; poor performance; weak product/branch performance.	Clear roadmaps; risk assessment; industry review; performance analysis.
Innovation Risk Loss from failed or poorly implemented new technologies/ideas	Unplanned system implementation; resistance to change; lack of migration planning; poor system performance.	Tech analysis; invest in skills; parallel implementation; fallback plans.

Risk Type	Risk Factors	Risk Mitigation Measures
Technology & Cyber Risk Loss from system failures or cyber-attacks	Outdated IT policies; IT hygiene issues; outages; slow vendor response; data breaches.	Security audits; vulnerability assessments; update policies; firewalls; encryption; IT training.
Human Resource & Talent Risk Loss due to HR gaps	Difficulty hiring; turnover; skill gaps; low morale; disciplinary issues.	Salary review; performance monitoring; training needs assessment; improve culture.
Climate & Catastrophic Risk Loss due to climate change and disasters	Changes in mortality/morbidity; climate variation; extreme events; claim surges.	Climate modeling; portfolio diversification; monitor rates; integrate ESG.
Legal Risk Loss due to violation of existing laws	Penalties; repeated non-compliance; ambiguous regulations; internal policy non-adherence.	Management intervention; compliance plans; legal opinions; hire legal staff.
Regulatory Risk Loss from new regulatory requirements	Frequent regulatory changes; unclear frameworks; impractical regulations.	Liaison with regulator; legal expertise; staff training.
Reputation Risk Loss due to negative market perception	Negative media; complaints; high turnover; shareholder concerns; investigations.	Customer & shareholder platforms; employee feedback; compliance; branding.
Capital Adequacy & Solvency Risk Risk due to insufficient capital buffer	High claims/lapses; adverse market; product deviations; reinsurance delays; unforeseen events.	ORSA; capital buffers; impact analysis; triggers & limits; solvency tracking; capital plan.

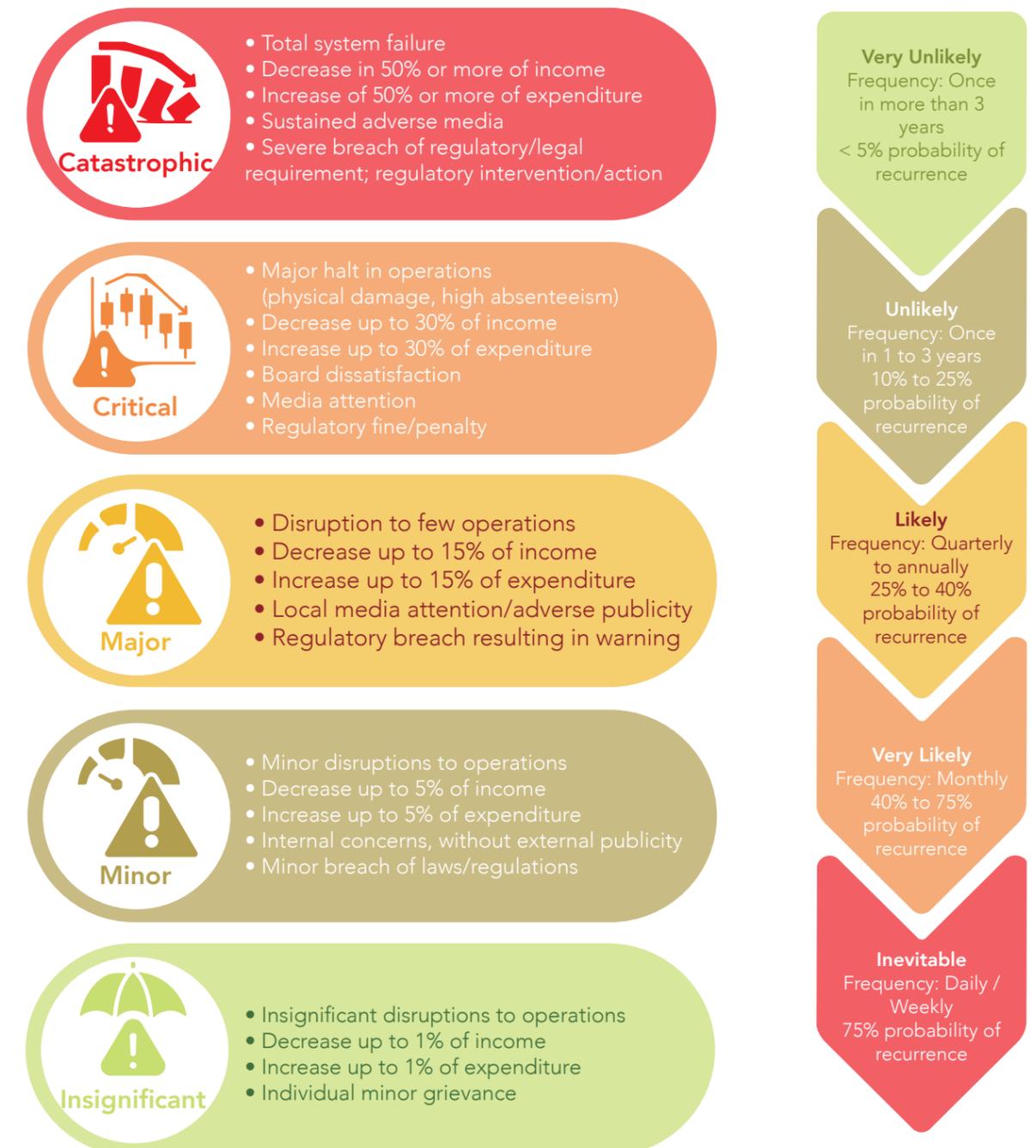
RISK MANAGEMENT PROCESS

The process of risk management and responsibilities of stakeholders are clearly defined in the risk management policy. Branches, departments and management act as the first line of defense, while the Risk and Compliance Department and internal audit constitute the second and third line of defense respectively.

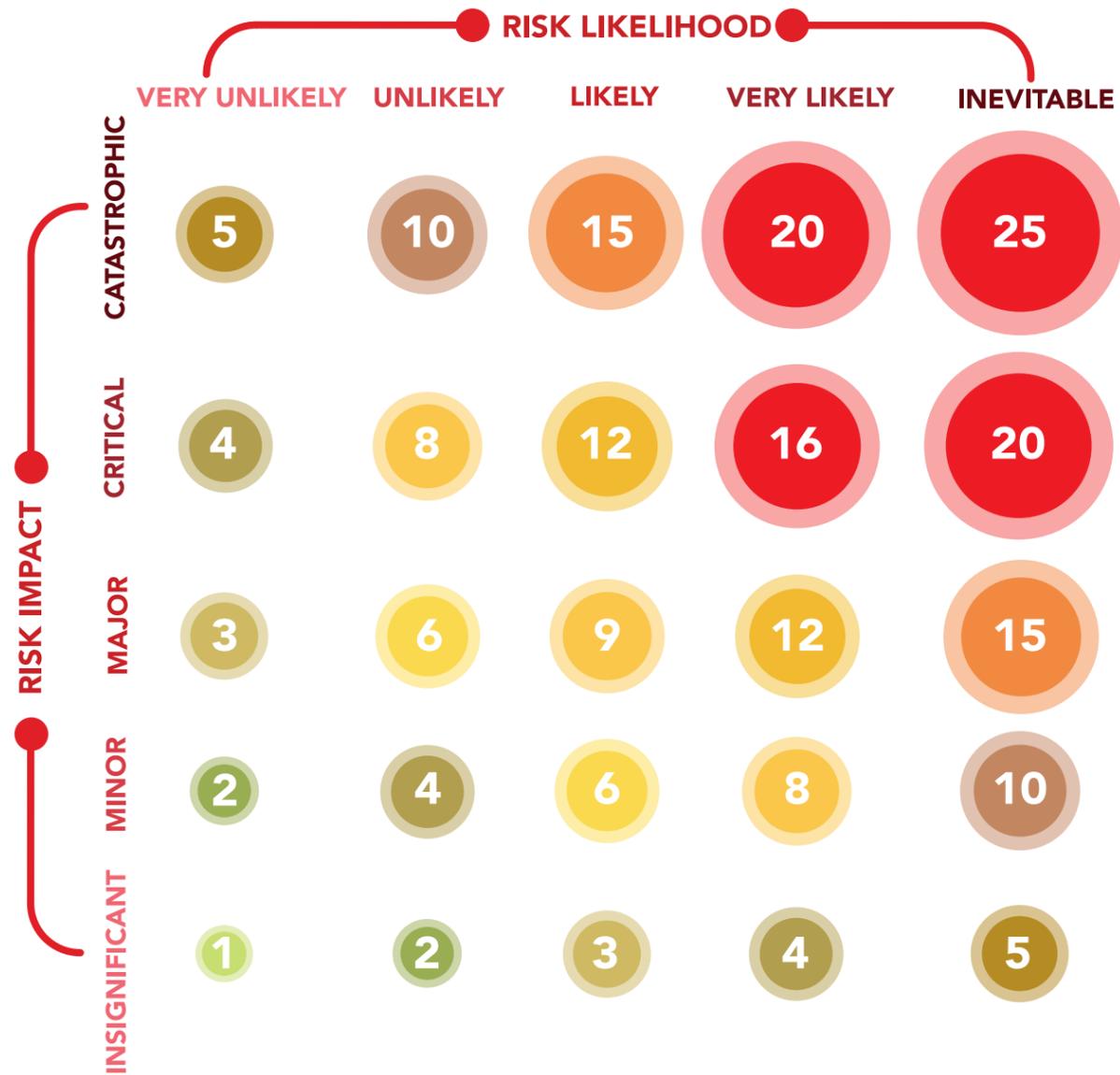


RISK IMPACT, RISK LIKELIHOOD AND RISK SCORE

The likelihood and impact of the risk events are measured and analyzed before a risk score is allocated to each event. The Company identifies five levels of risk likelihood and five levels of risk impact for risk assessment, with scores allocated to each level. Score for risk impact is allocated based on the respective impact of the risk event as illustrated whereas the score for risk likelihood is allocated based on the respective frequency of such risk event.



The risk score of the risk event is based on risk matrix which shows the eventual risk score of the event based on its impact and likelihood.

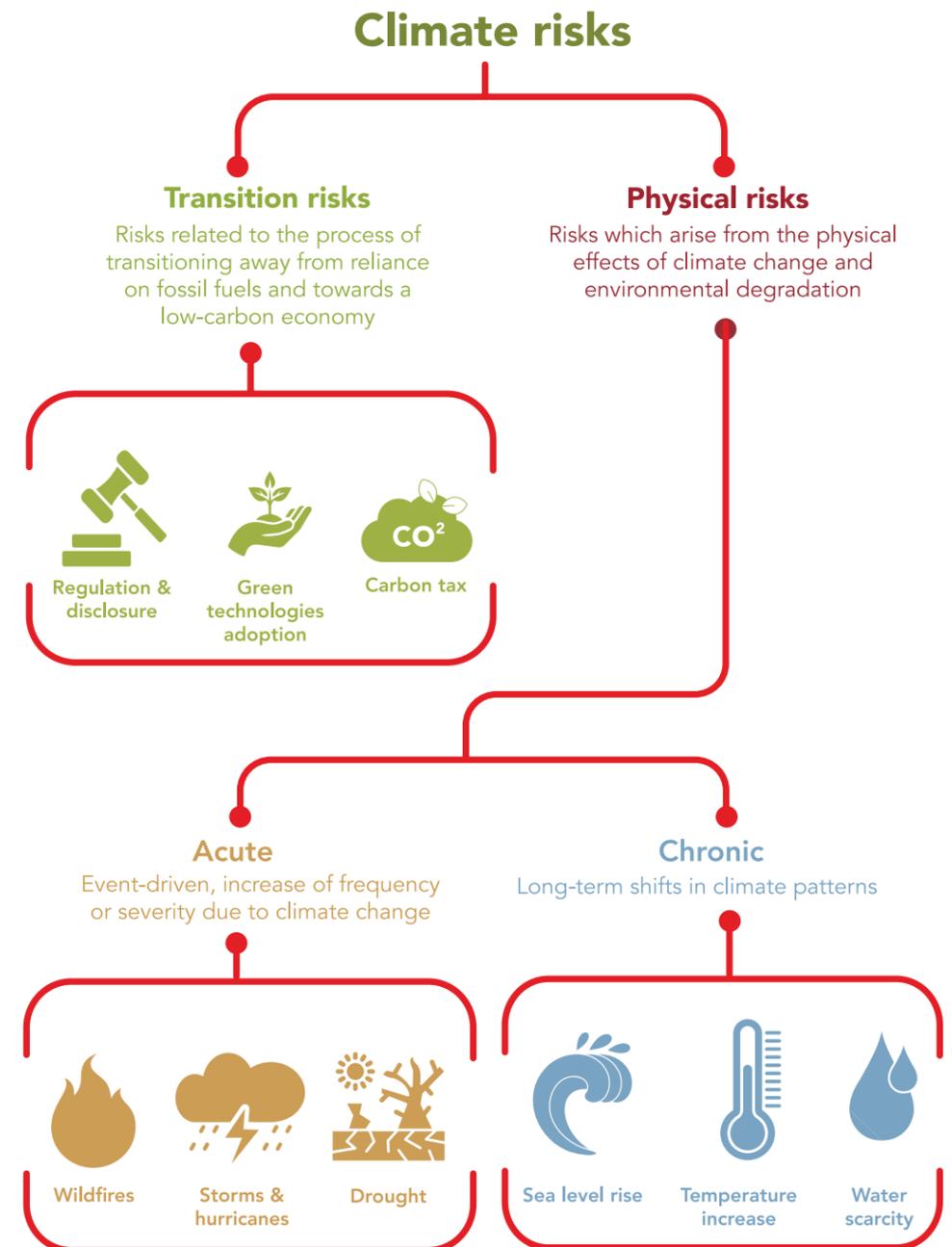


Special emphasis/ follow-up is given to risk incidents high impact and low likelihood, e.g. occurrence of pandemic, and risk events with high likelihood and low impact, e.g. error in documentation. The reporting of risk events, supported by risk registers and followed by the risk assessment procedure, is done in the risk report.

CLIMATE CONSIDERATIONS

Climate change-related risk or climate risk is the risk posed by the exposure of the company to transition, physical and/or liability risks caused by or related to climate change. The Company is in conformity with the requirements of

Climate Risk Related Directive, 2078 circulated by the Nepal Insurance Authority; climate and catastrophic risk is a major area of risk address in the Risk Management Policy as well.



To address the risks posed by climate change, the Company has taken the following initiatives.

Product Development

Climate risk is duly addressed in development cycle of products introduced from Shrawan 1, 2082. Premium rates are reviewed through annual experience analysis; renewals maybe re-underwritten, repriced or declined based on experience and demographic mix.

Digital Customer Service

The Company offers its policies, policy loans and privilege cards to its customers through digital platforms thus cutting off the requirement of paper-based documentation. Customers are encouraged to contribute towards reduction of carbon footprint by utilizing digital payment services for purchase and renewal of life insurance policies.

Tree Plantation Drive

As part of its regular CSR initiative towards protection of environment, tree plantation programs were conducted, with active

public participation, across areas of Gandaki, Lumbini, Karnali and Sudurpaschim province by the Company.

Customer Awareness

To aid towards customers' understanding on impact and control of climate change, awareness materials are published through the Company website on regular basis.

Green Working Space

Several slight but impactful initiatives are applied in office spaces to encourage energy efficient and environment friendly working culture. Recycling and reuse of printing papers as well as multiple use of branding materials is done to curb any wastage.

Disaster Recovery

Donation was made to Prime Minister Natural Disaster Relief Fund for recovery from flood and landslide in various parts of the country while regular aids are also delivered to landslide and flood victims.

RISK BASED CAPITAL AND OWN RISK & SOLVENCY ASSESSMENT

Changing regulatory environment has required a shift from financial and strategic planning from compliance-based to risk-based approach. Nepal Insurance Authority (NIA) has circulated directives on risk-based capital as well as own risk and solvency assessment which outline provisions for evaluation of solvency margin and capital requirements based on risk appetite and activities of the Company. The Company implemented directives on risk-based capital from FY 2080-81, the results of which are published in its annual report.

While directives on own risk and solvency assessment are not mandatory for application, the Company has appointed a member of the Board as with specific responsibility for the follow up of the ORSA by the Board. Head of Risk and Compliance has been appointed as the ORSA operational owner, who acts as the member secretary of a management-level ORSA Committee, chaired by the CEO.

The ORSA Committee is responsible for:

- Formulation and review of ORSA policy as well as Risk Management policy and recommendation to the Board, through Risk Management and Solvency Committee,
- Co-ordination for procurement and upkeep of necessary resources, including training and development for effective and efficient implementation and regular operation of ORSA,
- Recommendation to the Board, through Risk Management and Solvency Committee, on the interlink of its potential agendas/ decisions on ORSA,
- Preparation of annual work plan of ORSA, including regular actions and Board actions, for submission to Board via Risk Management and Solvency Committee,
- Execution of ORSA assessment, at least annually, and present the ORSA internal report and ORSA supervisory report to the Board, through Risk Management and Solvency Committee, and
- Assurance of impeccable documentation of ORSA policies, procedures and operations.



COMPLIANCE

Head of Risk and Compliance Department serves as the Compliance Officer of the Company responsible for regulatory reporting to the NIA on periodic basis. Reports required under section 11 and 19 of Corporate Governance Directives are prepared for review and discussion by the Board. These reports include the monitoring of compliance of regulatory directives, circulars as well as internal policies and guidelines. To achieve its target of "zero non-compliance", directions received from the Board are executed by the Compliance Officer in active co-ordination with the related departments. Frequent follow-ups are done with branches and departments to confirm compliances within deadlines prescribed in the regulations.

Representative from Finance and Human Resource Department along with Head of Risk and Compliance Department form the Corporate Governance Unit. The unit is responsible for regular monitoring of adherence to regulations on corporate governance. Compliance status is documented and signed off on a quarterly basis by the Chief Executive Officer.

A report prepared in compliance with section 20 of Directives on Good Corporate Governance of a Body Corporate, 2074 circulated by the Securities Exchange Board of Nepal (SEBON) forms part of this annual report.

INTERNAL CONTROL

Internal control system is central to the overall operational structure of the Company. Guided by myriads of regulations and mandated internal bottom line to maintain a risk-free and compliant entity, clear provisions are made in internal policies, by-laws, guidelines

and standard operating procedures (SOPs) to inculcate strong control measures. Regular circulars, training and development programs are conducted to further strengthen and reinforce the control environment.

The Company has implemented the following internal policy documents:

Memorandum of Association	Article of Association
Directors' Code of Conduct	Whistleblower Protection Policy
Financial Administrative By-Laws	Procurement By-Laws
Staff Service By-Laws	Succession Planning Policy
Investment Policy	Information Technology and IS Policy
AML/ CFT Policy	AML/ CFT Guidelines
Corporate Social Responsibility (CSR) Policy	Customer Service Guidelines
Underwriting Guidelines	Claim Guidelines
Reinsurance Guidelines	Micro Insurance Guidelines
Marketing Guidelines	Business Promotion Guidelines
Employee Education Policy	Employee Health and Safety Policy
Internal Inspection and Supervision Policy	Branch Inspection Guidelines

With Risk and Compliance Department serving as the second line of defense in the internal control framework, a dedicated Internal Control Unit has been established within the department to reinforce the control measures across the branches and departments. As mandated by the regulatory body, a registered firm has been appointed as internal auditor of

the Company. Reports submitted on quarterly basis are presented by the auditors to the Audit Committee and the Board for necessary directions to the management for resolution of audit concerns. The internal control unit liaises with the responsible units for execution of audit recommendations.



IT SYSTEM AND CONTROL

In compliance with the Information Technology Guideline–2076 and the Digital Insurance Policy Guideline–2081, and guided by its internal IT/IS policies, the company operates a secure, resilient, and well-governed technology ecosystem. Oversight by the IT Steering Committee ensures updated policies covering cyber security, access control, data protection, incident management, and Business Continuity Planning (BCP).

The company prioritizes data security through robust Disaster Recovery (DR) and BCP frameworks, maintaining applications and databases across on-premises and cloud environments. A secure intranet network, licensed firewalls, operating systems, network devices, and accredited antivirus solutions safeguard systems against cyber threats.

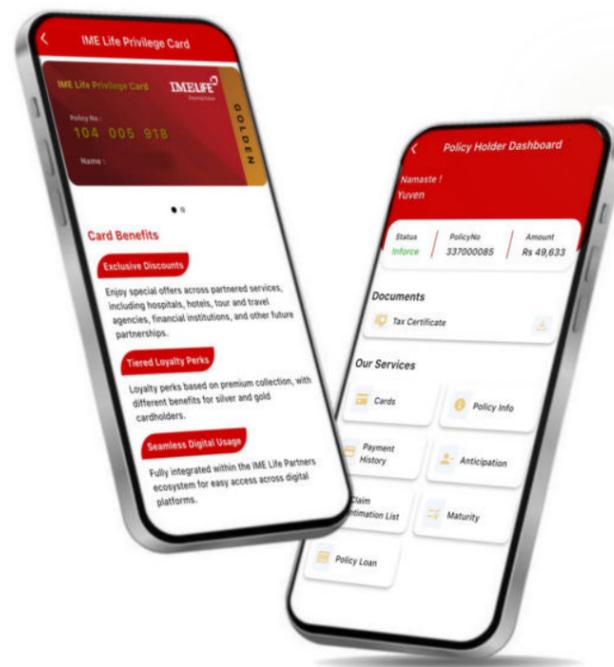
Its fully integrated core insurance system has enabled end-to-end automation, reduced manual processes, improved accounting accuracy, and strengthened data integrity. Integration with digital payment platforms such as ConnectIPS, Khalti by IME, eSewa,

and Fonepay supports seamless and efficient transactions.

Digital services offered through the company's website and mobile application include online KYC, AI-enabled customer support, branchless policy issuance, online policy loans, policy revival, and comprehensive online profiles for policyholders, agents, and staff. These services enhance transparency, convenience, and accessibility, including for Nepali migration abroad.

Annual IT/IS audits and Vulnerability Assessment and Penetration Testing (VAPT) are conducted in accordance with regulatory requirements, with positive results in the current fiscal year.

Looking ahead, the company plans to further enhance cyber security infrastructure, expand online insurance offerings, introduce AI-assisted KYC and document verification, and implement automated digital claims processing; reinforcing its commitment to innovation, security, and customer-centric digital insurance services.



DISCLOSURE ON REINSURANCE

The Company's reinsurance policy is structured to ensure prudent risk management in alignment with its risk appetite, risk-carrying capacity, and risk tolerance levels. The policy fully adheres to the Nepal Insurance Authority's (NIA) directives on reinsurance arrangements, reinsurer selection criteria, and reporting standards.

As a life insurer, the Company structures its reinsurance program to provide protection against mortality, morbidity, concentration, and catastrophic risks. The program consists of quota share, surplus, facultative, and catastrophic excess of loss (CAT XL) reinsurance arrangements, tailored to the Company's product mix and portfolio characteristics. The Company has established reinsurance partnerships with Nepal Reinsurance Company Limited (Nepal Re) and Himalayan Reinsurance Limited (Himalayan Re).

To maintain the adequacy of its reinsurance coverage, the Company:

- Conducts annual reviews of treaty structures in line with business growth, changes in risk exposure, and emerging trends.
- Complies with NIA directives on mandatory domestic cessions and adhering to all regulatory guidelines for reinsurance

arrangements, thereby maintaining appropriate protection levels and reducing counterparty and concentration risks.

- Sets retention limits based on underwriting capability, historical claims experience, and capital strength, ensuring optimal risk transfer and capital efficiency.

The Company also maintains a dedicated Catastrophic Reinsurance (CAT XL) arrangement to safeguard against low-frequency, high-severity events affecting multiple policyholders simultaneously. This ensures continued financial resilience and the ability to meet all policyholder obligations even under extreme conditions.

Strong and transparent partnerships with reinsurers are a key component of the Company's risk management framework. Regular communication and data sharing with reinsurers support improved technical understanding, efficient claims settlement, and continuous enhancement of treaty arrangements.

The Company's reinsurance strategy provides a robust framework for risk transfer, capital protection, and long-term financial stability, ensuring the Company remains well-positioned to honor its commitments to policyholders.



ENGAGEMENT WITH
STAKEHOLDERS AND
RELATIONSHIPS

05

- Our Stakeholders
- Engagement With Stakeholders
And Relationships
- Grievance Redressal Mechanism

OUR STAKEHOLDERS



Policyholders: Customers who purchase and hold an insurance policy issued by the Company



Employees: Backbone of organization, ensuring operational excellence and innovation



Regulators: Partners in compliance and governance, shaping the legal and regulatory framework



Investors: Providers of financial support needed for the company to grow and operate



Sales Agents, Vendors and Reinsurers: Providers of essential services that support our operations



Communities: Beneficiaries of our social responsibility efforts and sustainability initiatives

ENGAGEMENT WITH STAKEHOLDERS AND RELATIONSHIPS

In today's changing business environment, strong relationships with stakeholders are essential for long-term success. At IME Life, we focus on open communication and meaningful engagement to make sure our actions create value for everyone connected to us.

We identify our key stakeholders through regular discussions with senior leaders, partners, and experts to ensure our priorities stay aligned with our strategy. We consistently engage with customers, employees, and communities, keeping their needs at the center of our decisions.

The feedback we receive helps us improve our products, strengthen our community programs, and enhance our risk management and governance, ultimately building long-term trust among all our stakeholders.

POLICYHOLDERS

We have built our strength over the years on customer trust and satisfaction. Given the long-term nature of individual life products, the Company places a strong emphasis on the entire customer journey, from the pre-acquisition stage to claims. We maintain regular communication with customers through Branch Managers, Sales Staff, email, SMS, phone calls, and social media. These interactions enable us to better understand and meet customer needs, enhance customer retention, generate sales leads, and support upselling and repeat sales.

EMPLOYEES

To ensure effective communication with employees, Company uses a comprehensive approach that includes internal circulars for company updates, an intranet or employee portal for accessing important documents, and regular team meetings for discussing goals

and progress. Immediate communication is facilitated through email. Employee feedback is gathered via surveys, and regular training programs keep employees updated on new policies and trends.

REGULATORS

IME Life Insurance ensures regulatory compliance through the regular submission of required documents like financial statements, compliance reports, and actuarial assessments. A dedicated team manages regulatory requirements, responds to inquiries, and provides necessary documentation. The company maintains scheduled and ad-hoc meetings with regulators to discuss developments, regulatory changes, and compliance matters. Clear internal processes, with coordination between legal, compliance, and finance teams, ensure timely and accurate reporting. Continuous monitoring of regulatory changes helps the company adjust policies and operations as needed.

INVESTORS

IME Life Insurance holds Annual General Meeting to review performance, discuss future strategies, and engage directly with shareholders. The Company's financial reports are published every quarter and are also placed on the Company's website for the shareholders and potential investors. To encourage shareholder participation in the Annual General Meeting, we send out the notice to all shareholders and published it in a national daily at least 21 days prior to the event. Additionally, the notice and Annual Report are made available on the Company's website to ensure all shareholders have access. The company also organizes question-and-answer session during the Annual General Meeting to ensure that all shareholder inquiries are thoroughly addressed.

SALES AGENTS, VENDORS AND REINSURERS

Sales agents are the driving forces for our life insurance business. The Company is empowered by our 44,415 licensed agents who act as our bridge with our policyholders. One (1) Court of the Table (COT) and seventy four (74) Million Dollar Round Table (MDRT) have been honoured for 2026 by MDRT, a global institution recognizing standards of excellence for top insurance and financial advisors, details of which form part of this annual report.

Vendors are critical for providing goods and services that support daily operations. Channels such as emails, calls, and in-person meetings are used to address operational issues, update vendors on changes in company policies or regulatory requirements, and ensure timely delivery of quality goods and services.

Reinsurers play a key role in risk management, helping the company manage large claims and maintain financial stability. We maintain ongoing dialogue through structured reporting, regular review meetings, and formal communications regarding underwriting policies, claims experience, and risk-sharing arrangements.

COMMUNITIES

IME Life has established conveniently located branch offices across key areas to provide direct information and support to the community, ensuring accessibility and ease of interaction. Regular awareness campaigns are conducted to educate local communities about our offerings, the importance of financial literacy, and the benefits of life insurance. These efforts help empower individuals with the knowledge needed to make informed financial decisions. Company engages with local influencers, community leaders, and groups to expand the reach and impact of its initiatives, ensuring that the company's messages are well understood and trusted within the community. To understand the needs and concerns of the community, suggestion boxes are placed at branch offices, allowing for easy collection of feedback and ideas for improvement. In times of natural disasters or emergencies, IME Life provides timely assistance and clear communication to ensure that the community receives the help and information it needs, aligning closely with their immediate needs and concerns. We organize free health check-up camps to build goodwill and demonstrate our commitment to the well-being of the communities.

GRIEVANCE REDRESSAL MECHANISM

A strong and proactive grievance redressal mechanism is integral for survival and growth of a life insurance company with long-term commitment business, more so in the current competitive era. Grievance redressal system in IME Life comprises both physical and

digital channels spread across branch offices and Corporate Office. We receive queries, complaints and grievances of customers through suggestion boxes, e-mails, chatbot messengers in Facebook and official websites and gunaso@imelifeinsurance.com.

Digital Grievance Channels

15,484

Queries Handled via Website Chatbot
An automated chatbot on the official website managed customer queries in FY 2081/82.

7 min 55 sec

Average Response Time
The Facebook chatbot resolved 294 queries with prompt, personalized support.

Dedicated Nodal Officer for Email Grievances
An appointed officer ensures email complaints receive direct CEO-level attention for resolution.

Direct Channels & System Effectiveness



In-Person Feedback via Suggestion Boxes
Suggestion boxes are installed in all branch and province offices for physical feedback.



Direct Line to the CEO
The nodal officer communicates grievances directly to the CEO for immediate action.

100%

Grievance Resolution Performance
100% Grievance Resolution Rate
There were zero unresolved grievances from customers and stakeholders in FY 2081/82.

Suggestion boxes are installed in branch, sub-branch and province offices of the Company to augment in-person concerns. Customer Service Guidelines provide the framework for handling of concerns received through suggestion boxes in guardianship of the CEO.

An automated chatbot integrated into official website of the Company handled a total of 15,484 queries during the FY 2081/82.

Chatbot integrated into official Facebook page of the Company is handled by Branding Department to ensure amicable resolution of grievances through manual intervention, if required. A total of 294 customer queries were handled through Facebook chatbot in FY 2081/82 at average response time of 7 minutes and 55 seconds.

A designated nodal officer has been appointed by the Company in accordance with regulatory requirement, who is responsible for resolution of grievances received through our official e-mail: gunaso@imelifeinsurance.com. We have also published the name, photograph, contact number and contact e-mail of the nodal officer in our website. The nodal officer communicates the grievances directly to the Chief Executive Officer for necessary instruction and direction to respective departments for prompt resolution. There are no unresolved grievances from customers and stakeholders for FY 2081/82.

Our grievance redressal framework with technological integration is regularly updated and upgraded to optimize customer satisfaction and constantly enhance corporate brand.



FINANCIAL
POSITION AND
PERFORMANCE

06

- Financial and Non-Financial Highlights at Glance
- Comparative Financial Highlights
- Economic Value Creation Statement

AT GLANCE

FINANCIAL YEAR
ENDED 32ND ASHAD 2082

FINANCIAL HIGHLIGHTS

*FIG. IN MILLION (NPR)

Total Assets
21,234

Total Investment
17,666

Gross Insurance
Contract Liabilities
13,768

Shareholder Equity
6,739

Net Profit
393

Gross Earned Premium
5,722

7.86
Earning Per Share (NPR)

5.85%
Return on Equity

9.39%
Yield on investment

58.75
PE ratio

134.78
Net worth per share (NPR)

2.59
Solvency Ratio

NON FINANCIAL HIGHLIGHTS

Number of Agents
44,415

Number of Employees
335

Total Number of
Inforce Policies
446,600

Claims settlement Ratio
93.54%

Customer Retention Ratio
99.01%

No. of Claims settled
775

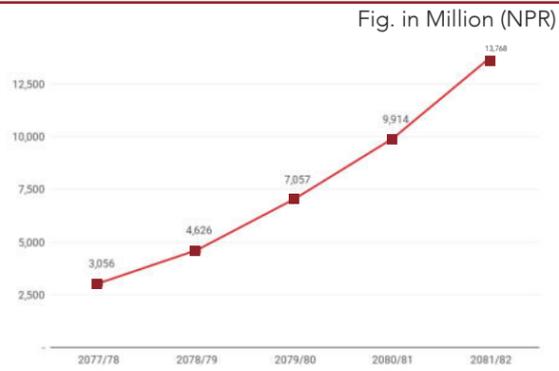
Mobile Application
user count
18,658

Credit Rating
BBB+

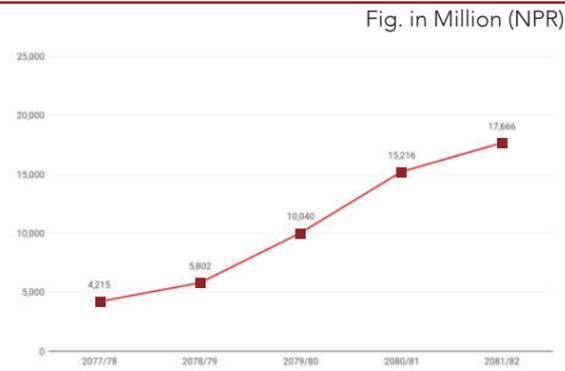
COMPARATIVE FINANCIAL HIGHLIGHTS

Financial Position

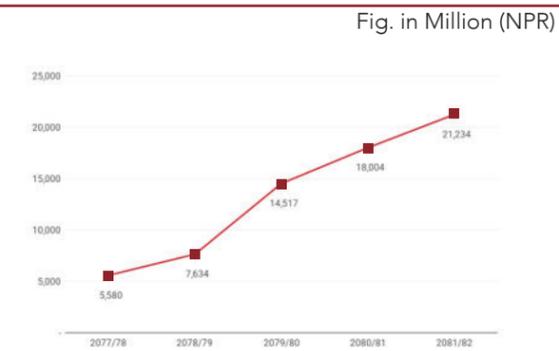
Gross Insurance Contract Liabilities



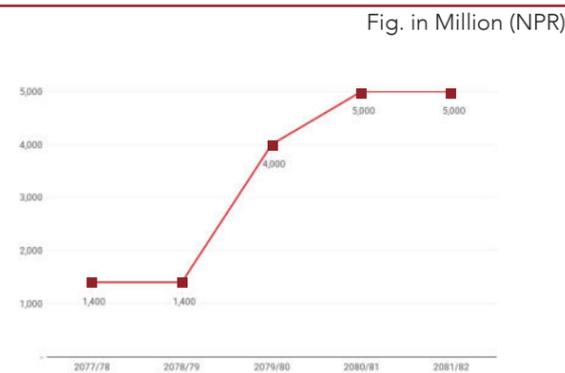
Investment



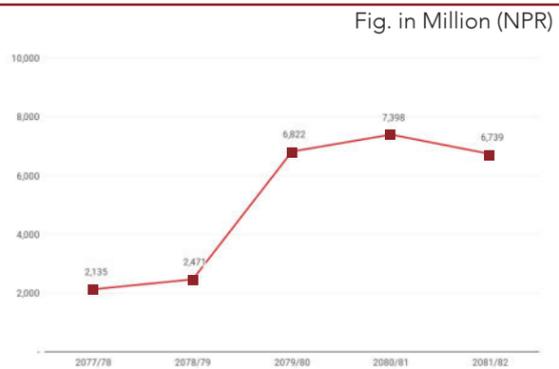
Total Assets



Share Capital

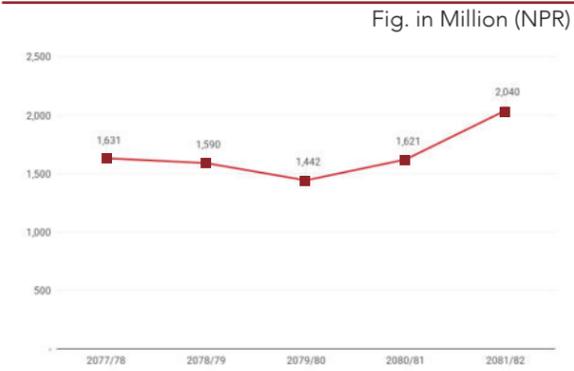


Shareholders Fund

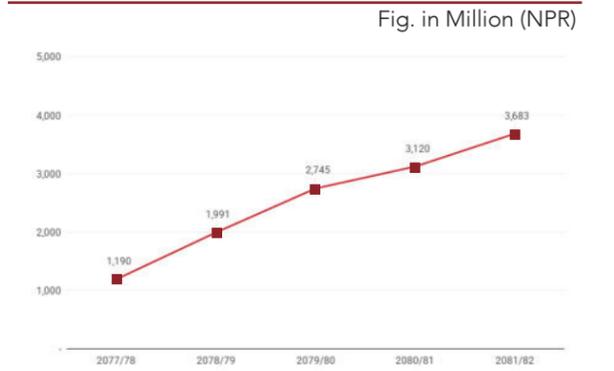


Financial Performance

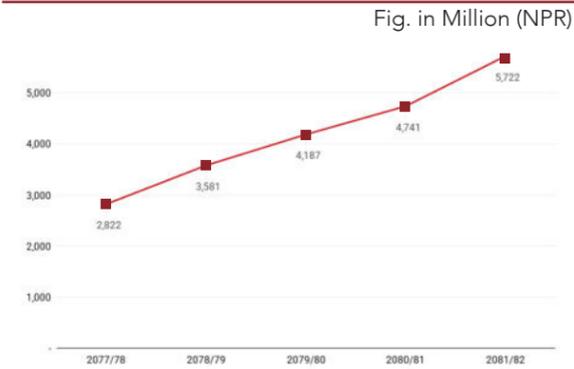
First Premium



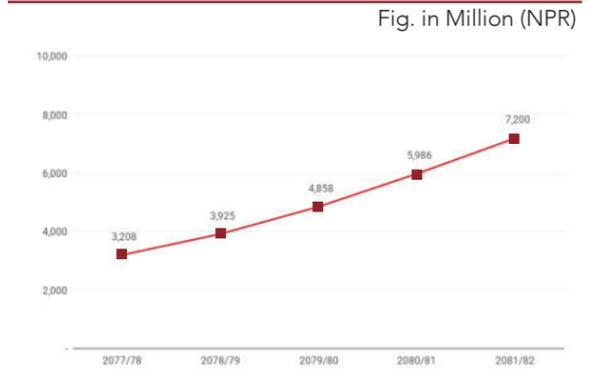
Renewal Premium



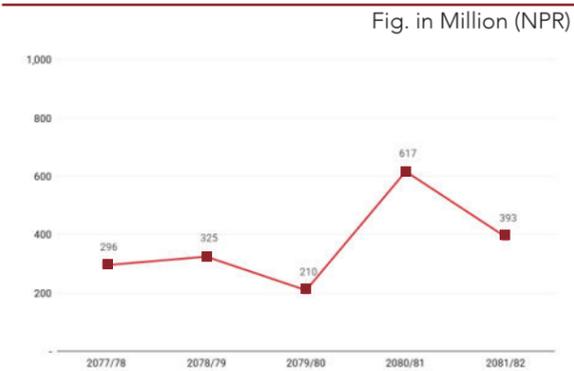
Total Premium



Total Income



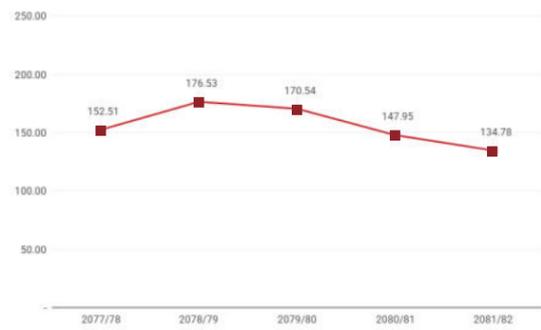
Net Profit



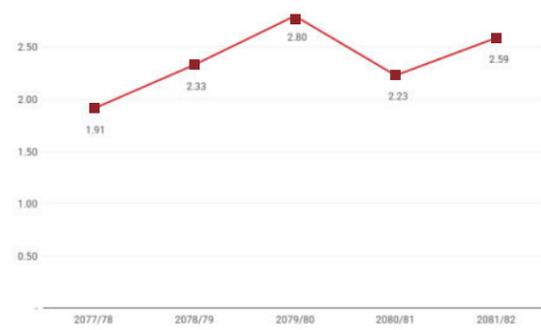
Other Ratios

Net Worth per Share

Fig. in NPR

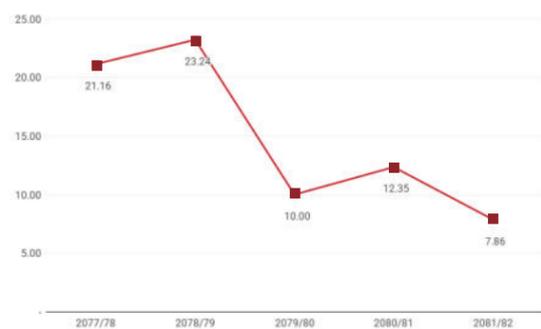


Solvency Margin



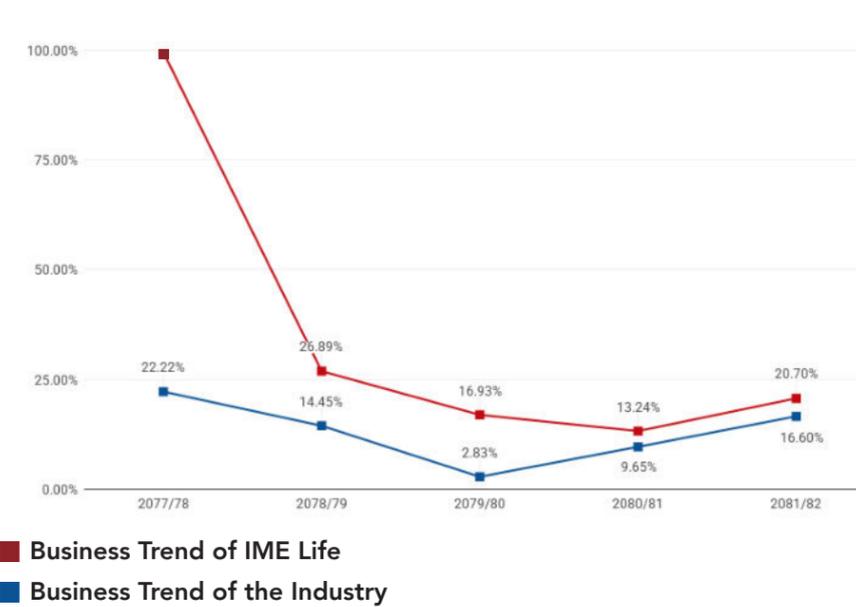
Earning Per Share

Fig. in NPR



Other Ratios

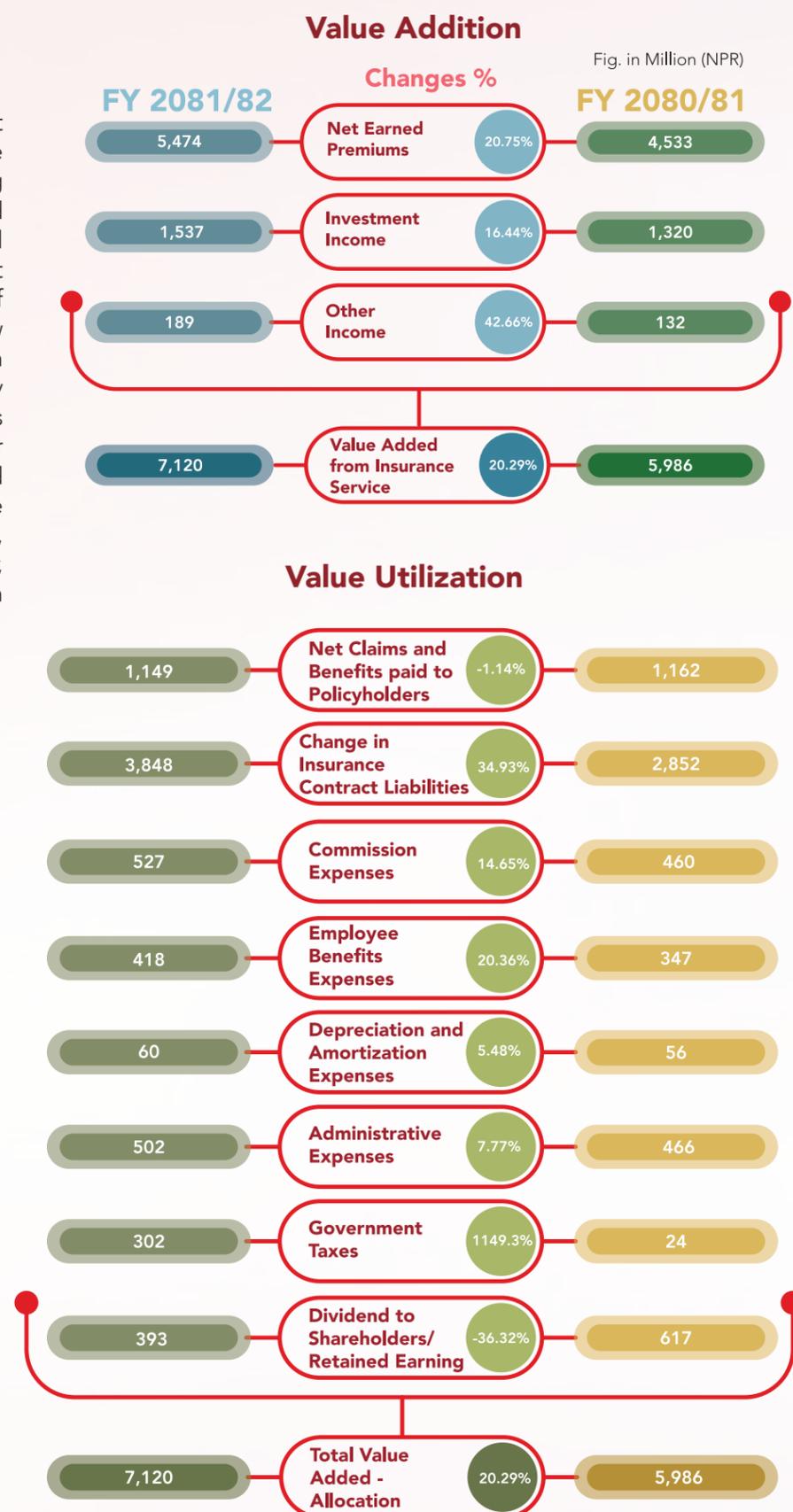
Business Trend of the Industry vs IME Life



ECONOMIC VALUE CREATION STATEMENT

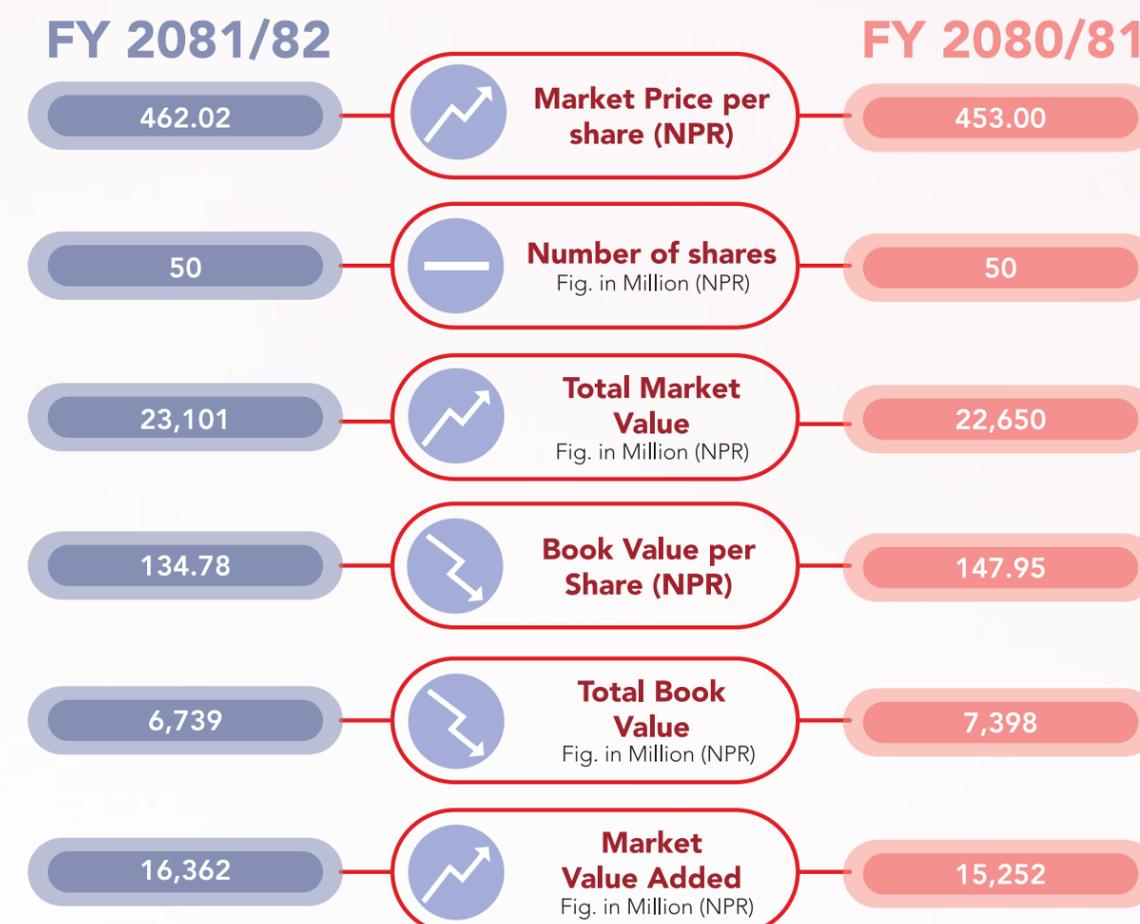
Value Added Statement

Value added statement represents a comprehensive disclosure regarding creating organization's value and contribution to national economy through different measures and areas of operations. It shows how much value (wealth) has been created by the company through the utilization of its capacity, capital, manpower and other resources and allocated the same to the stakeholders, employees, government, community, shareholder and expansion and growth of the company.



Market Value Added

Market value is the difference between the market value and total book value of the company. It shows the difference between the current market value of the company and capital contributed by investors. Positive market value indicates that the company has successfully created wealth for its shareholders and increased its overall business value through strong performance, effective management, and growth prospects.





FINANCIAL REPORTS

07

Independent Auditor's Report
Financial Statements
Significant Accounting Policies and
Notes to the Financial Statements
Solvency Balance Sheet

Independent Auditor's Report

To the Shareholders of IME Life Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the IME Life Insurance Company Limited which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, 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 presents fairly, in all material respects, the financial position of the Company as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our Report. We are independent of the Company in accordance with the *ICAN's Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. N	Key Audit Matters	Auditor's Response
1.	<p>Investment Valuation, Identification, and Impairment NRFS - Investment of the company comprises of investment in quoted, unquoted equity instruments, bonds, debentures, mutual funds, and fixed deposits of financial institutions. The valuation of the aforesaid securities has been done in compliance with NFRS 9. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income.</p> <p>Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <p>a. Review of the investment of company and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal.</p> <p>b. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment.</p> <p>c. For the investment valuation that is done at amortized cost, we checked the EIR and amortization schedule on test basis.</p> <p>d. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 16.07.2025.</p>
2.	<p>Information Technology General Controls IT controls with respect to recording of transactions, generating various reports in compliance with Nepal Insurance Authority guidelines and other compliances to regulators is an important part of the process. Such reporting is</p>	<p>Our audit approach regarding Information technology of company is based upon the Information Technology Guidelines 2076 issued by Nepal Insurance Authority and it included:</p> <p>a. Understanding the coding system adopted by company for various categories of products.</p>



<p>highly dependent on the effective working of Software and other allied systems.</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders and regulators</p>	<p>b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in company</p> <p>c. Checking of the user requirements for any changes in the regulations/ policy of the company</p> <p>d. Reviewed the reports generated by the system on sample basis. We verified the premium income/expense and claim payment in regard to policies issued and claim intimated on test basis</p>
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Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report and Management Report but does not include the financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards and for such internal control as 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 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 NSAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 the management,



- Conclude on the appropriateness of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the requirements of Companies Act 2063, Prevailing Insurance Act and Directives of Nepal Insurance Authority

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the company, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements have been prepared in accordance with the provisions of the Companies Act 2063, and they are in agreement with the books of accounts of the company; and the accounts and records of the company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that adequate amount have been set aside for insurance fund and other statutory reserves as per Nepal Insurance Authority Directives; the business of the company was conducted satisfactorily in line with the Nepal Insurance Authority Directives, the company has not conducted any business other than insurance business and has not issued any unauthorized policies and its transactions were found to be within the scope of its authority. We did not come across cases where the company has acted against the interest of insured and investors. Further, company's internal control system is reasonably adequate, and we did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law, caused loss or damage to the company, or committed any misappropriation of the funds of company. Also, the company has provided the required financial and other information to its shareholders and company appears to be able to serve its long-term liabilities out of its assets.


Aman Uprety
Partner

Date: December 12, 2025
Place: Kathmandu

UDIN No: 251212CA00451dPxvX

I.M.E. Life Insurance Company Limited

STATEMENT OF FINANCIAL POSITION

As At 16th July, 2025 (Ashad End 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	7,331,689	8,277,035
Property and Equipment	5	203,896,626	191,285,027
Investment Properties	6	-	-
Deferred Tax Assets	7	212,219,867	516,986,259
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	17,666,487,402	15,215,537,004
Loans	11	1,008,523,818	698,861,598
Reinsurance Assets	12	-	-
Current Tax Assets	21	478,388,690	348,174,540
Insurance Receivables	13	4,283,559	-
Other Assets	14	21,271,208	229,512,307
Other Financial Assets	15	1,006,566,537	178,970,081
Cash and Cash Equivalent	16	625,011,396	616,878,023
Total Assets		21,233,980,792	18,004,481,874
Equity & Liabilities			
Equity			
Share Capital	17 (a)	5,000,000,000	5,000,000,000
Share Application Money Pending Allotment	17(b)	-	-
Share Premium	17 (c)	523,816,613	523,816,613
Catastrophe Reserves	17 (d)	262,803,979	193,250,309
Retained Earnings	17 (e)	719,721,630	1,152,212,056
Other Equity	17 (f)	232,645,141	528,351,220
Total Equity		6,738,987,363	7,397,630,198
Liabilities			
Provisions	18	43,227,594	42,334,443
Gross Insurance Contract Liabilities	19	13,768,430,855	9,914,085,599
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	-	59,113,578

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	212,003,149	243,519,610
Other Financial Liabilities	24	471,331,833	347,798,446
Total Liabilities		14,494,993,429	10,606,851,676
Total Equity and Liabilities		21,233,980,792	18,004,481,874

The accompanying notes form an Integral Part of Financial Statements.

As per Our Attached Report of Even Date

.....
Pawan Kumar Khadka
Chief Executive Officer

.....
Dr. Ram Hari Aryal
Chairman

.....
Aman Uprety
Partner
S.A.R Associates
Chartered Accountants

.....
Jagat Bohara
Chief Financial Officer

.....
Binod K.C
Director

.....
Sandeep Agarwal
Director

.....
Usha Dhakal
Director

.....
Sitaram Thapa
Director

Date: 2082.08.25
Kathmandu, Nepal

STATEMENT OF PROFIT OR LOSS

For Period 16th July, 2024 to 16th July, 2025

(For the Year Ended Ashad, 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	5,722,415,882	4,741,131,579
Premiums Ceded	26	(248,449,884)	(207,871,650)
Net Earned Premiums		5,473,965,997	4,533,259,929
Commission Income	27	58,956,874	38,993,506
Other Direct Income	28	21,647,891	10,919,188
Interest Income on Loan to Policyholders	11	86,939,519	62,469,318
Income from Investments and Loans	29	1,333,644,240	1,321,029,800
Net Gain/(Loss) on Fair Value Changes	30	-	-
Net Realised Gains/(Losses)	31	203,377,573	(1,051,025)
Other Income	32	21,150,250	19,888,099
Total Income		7,199,682,344	5,985,508,814
Expenses:			
Gross Benefits and Claims Paid	33	1,286,684,254	1,247,637,546
Claims Ceded	33	(137,494,898)	(85,209,782)
Change in Insurance Contract Liabilities	34	3,847,659,933	2,851,511,772
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Benefits and Claims Paid		4,996,849,290	4,013,939,536
Commission Expenses	35	527,397,157	460,019,247
Service Fees	36	41,054,745	33,999,450
Other Direct expenses	37	454,410	2,167,990
Employee Benefits Expenses	38	418,124,127	347,394,235
Depreciation and Amortization Expenses	39	59,541,154	56,446,036
Impairment Losses	40	-	3,337,429
Other Operating Expenses	41	449,501,888	413,408,274
Finance Cost	42	11,222,874	13,110,447
Total Expenses		6,504,145,646	5,343,822,643

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		695,536,699	641,686,171
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		695,536,699	641,686,171
Income Tax Expense/Income	43	302,290,347	24,196,687
Net Profit/(Loss) For The Year		393,246,352	617,489,484
Earning Per Share	50		
Basic EPS		7.86	12.35
Diluted EPS		7.86	12.35
Basic EPS(Restated)		7.86	12.35

The accompanying notes form an Integral Part of Financial Statements.
As per Our Attached Report of Even Date

.....
Pawan Kumar Khadka
Chief Executive Officer

.....
Dr. Ram Hari Aryal
Chairman

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Aman Uprety
Partner
S.A.R Associates
Chartered Accountants

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Jagat Bohara
Chief Financial Officer

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Binod K.C
Director

.....
Sandeep Agarwal
Director

.....
Usha Dhakal
Director

.....
Sitaram Thapa
Director

Date: 2082.08.25
Kathmandu, Nepal

I.M.E Life Insurance Company Limited STATEMENT OF CASH FLOWS

As At 16th July, 2025 (Ashad End 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	5,722,415,882	4,741,131,579
Commission Received	58,956,874	38,993,506
Claim Recovery Received from Reinsurers	137,494,898	85,209,782
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income	21,647,891	10,919,188
Others income	16,329,191	24,682,183
Cash Paid		
Gross Benefits and Claims Paid	(1,286,684,254)	(1,247,637,546)
Reinsurance Premium Paid	(311,847,021)	(252,049,821)
Commission Paid	(475,993,541)	(448,585,363)
Service Fees Paid	(76,614,426)	(32,373,883)
Employee Benefits Expenses Paid	(400,667,892)	(262,096,356)
Other Expenses Paid	(401,569,268)	(451,627,059)
Others	(727,041,352)	2,128,356,848
Income Tax Paid	(130,214,150)	(101,401,575)
Net Cash Flow From Operating Activities [1]	2,146,212,832	4,233,521,482
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets	(1,178,000)	(5,697,750)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Rental Income Received	-	-
Acquisitions of Property and Equipment	(74,293,438)	(15,975,608)
Proceeds From Sale of Property and Equipment	6,084,214	5,080,879
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(775,907,490)	(605,800,602)

Statement of Cash Flows (Contd...)

Particulars	Fig. in NPR	
	Current Year	Previous Year
Proceeds from Sale of Equity Instruments	-	-
Purchase of Mutual Funds	(271,733,827)	(82,267,727)
Proceeds from Sale of Mutual Funds	-	34,919,682
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(485,407,628)	(1,630,479,606)
Proceeds from Sale of Debentures	-	254,651,000
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	(4,990,000,000)	(5,428,500,000)
Maturity of Deposits	4,411,000,000	2,298,000,000
Loans Paid	-	(299,756,928)
Proceeds from Loans	(306,661,344)	225,110,949
Rental Income Received	-	-
Proceeds from Finance Lease	-	-
Interest Income Received	1,389,780,753	1,322,013,631
Dividend Received	12,869,302	-
Others	-	-
Total Cash Flow From Investing Activities [2]	(1,085,447,458)	(3,928,702,081)
Cash Flow From Financing Activities		
Interest Paid	-	-
Proceeds From Borrowings	-	-
Repayment of Borrowings	-	-
Payment of Finance Lease	-	-
Proceeds From Issue of Share Capital	-	1,000,000,000
Share Issuance Cost Paid	-	(11,992,804)
Dividend Paid	(1,000,000,000)	(1,000,000,000)
Dividend Distribution Tax Paid	(52,632,000)	(52,631,579)
Others (to be specified)	-	-
Total Cash Flow From Financing Activities [3]	(1,052,632,000)	(64,624,382)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	8,133,374	240,195,019
Cash & Cash Equivalents At Beginning of The Year/Period	616,878,023	376,683,004

Particulars	Fig. in NPR	
	Current Year	Previous Year
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash & Cash Equivalents At End of The Year/Period	625,011,396	616,878,023
Components of Cash & Cash Equivalents		
Cash In Hand	3,706,758	2,408,842
Cheque in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	621,304,639	614,469,181

The accompanying notes form an Integral Part of Financial Statements.

As per Our Attached Report of Even Date

.....
Pawan Kumar Khadka
Chief Executive Officer

.....
Dr. Ram Hari Aryal
Chairman

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Aman Uprety
Partner
S.A.R Associates
Chartered Accountants

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Jagat Bohara
Chief Financial Officer

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Binod K.C
Director

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Sandeep Agarwal
Director

.....
Usha Dhakal
Director

.....
Sitaram Thapa
Director

Date: 2082.08.25
Kathmandu, Nepal

STATEMENT OF OTHER COMPREHENSIVE INCOME

For Period 16th July, 2024 to 16th July, 2025

(For the Year Ended Ashad, 2082)

As per Our Attached Report of Even Date

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		393,246,352	617,489,484
Other Comprehensive Income			
a) Items that are or may be Reclassified to Profit or Loss			
Changes in Fair Value of FVOCI Debt Instruments		-	-
Cash Flow Hedge - Effective Portion of Changes in Fair Value		-	-
Exchange differences on translation of Foreign Operation		-	-
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items		-	-
Reclassified to Profit or Loss		-	-
b) Items that will not be Reclassified to Profit or Loss			
Changes in fair value of FVOCI Equity Instruments		9,904,181	17,594,444
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		-	-
Remeasurement of Post-Employment Benefit Obligations		-	-
Share of other comprehensive income of associates accounted for using the equity method		-	-
Income Tax Relating to Above Items		(2,476,045)	(4,398,611)
Total Other Comprehensive Income For the Year, Net of Tax		7,428,136	13,195,833
Total Comprehensive Income For the Year, Net of Tax		400,674,488	630,685,317

The accompanying notes form an Integral Part of Financial Statements.

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Usha Dhakal
Director

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Sitaram Thapa
Director

Date: 2082.08.25
Kathmandu, Nepal

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For Period 16th July, 2024 to 16th July, 2025

Particulars	Fig. in NPR	
	Current Year	Previous Year
Opening Balance in Retained Earnings	1,152,212,057	617,086,323
Prior period adjustment	-	15,213,970
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	393,246,352	617,489,484
Appropriations:		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Catastrophe Reserve	(69,553,670)	(67,298,782)
iii) Transfer to Capital Reserve	-	-
iv) Transfer to CSR reserve	(2,805,469)	(4,433,095)
v) Transfer to/from Regulatory Reserve	-	-
vi) Transfer to/from Fair Value Reserve	-	-
vii) Transfer of Deferred Tax Reserve	302,290,347	26,585,736
viii) Transfer to OCI reserves due to change in classification	-	-
ix) Transfer to Reserve/Fund	(3,035,986)	200,000
x) Others (to be Specified)	-	-
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL	-	-
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others (if any)	-	-
ii) Accumulated Fair Value gain on Investment Properties	-	-
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	-	-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	-	-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	-	-
vi) Goodwill Recognised	-	-
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	-	-

Particulars	Fig. in NPR	
	Current Year	Previous Year
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares as per sec 16 of Financial Directive	-	-
xii) Delisted share investment or mutual fund investment	-	-
xiii) Bonus share/dividend paid	(1,052,632,000)	(52,631,579)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Others (to be specified)	-	-
Adjusted Retained Earning	719,721,630	1,152,212,057
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 15(1) Of Financial directive	(35,653,634)	(34,216,276)
Add/Less: Others (to be specified)	-	-
Total Distributable Profit/(loss)	684,067,996	1,117,995,780

The accompanying notes form an Integral Part of Financial Statements.

As per Our Attached Report of Even Date

.....
Pawan Kumar Khadka
Chief Executive Officer

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Dr. Ram Hari Aryal
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Aman Uprety
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Usha Dhakal
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Sitaram Thapa
Director

Date: 2082.08.25
Kathmandu, Nepal

I.M.E. Life Insurance Company Limited

STATEMENT OF CHANGES IN EQUITY

As At 16th July, 2025 (Ashad End 2082)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Regulatory Reserve	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Ashadh end, 2080	4,000,000,000	-	-	1,535,809,416	617,086,323	-	-	-	125,951,527	4,449,196	-	(7,466,596)	-	545,481,741	200,000	6,821,511,607
Prior period adjustment	-	-	-	-	15,213,970	-	-	-	-	-	-	-	-	-	-	15,213,970
Restated Balance as at Shrawan 1, 2080	4,000,000,000	-	-	1,535,809,416	632,300,293	-	-	-	125,951,527	4,449,196	-	(7,466,596)	-	545,481,741	200,000	6,836,725,577
Profit/(Loss) For the Year					617,489,484											617,489,484
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Changes in Fair Value of FVOCI Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Gains/ (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Exchange differences on translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	13,195,833	-	-	-	13,195,833
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	200,000	-	-	-	-	-	-	-	-	-	(200,000)	-
Transfer to/from Deferred Tax Reserves	-	-	-	-	26,585,736	-	-	-	-	-	-	-	-	(26,585,736)	-	-
Transfer to Catastrophic Reserve	-	-	-	-	(67,298,782)	-	-	-	67,298,782	-	-	-	-	-	-	-
Transfer to CSR Reserves	-	-	-	-	(4,433,095)	-	-	-	-	4,433,095	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Fair Value Reserve	-	-	-	-	-	-	-	-	-	-	-	(5,156,313)	-	-	-	(5,156,313)
Share Issuance Costs	-	-	-	(11,992,804)	-	-	-	-	-	-	-	-	-	-	-	(11,992,804)
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	(1,000,000,000)	-	-	-	-	-	-	-	-	-	-	-	(1,000,000,000)
ii) Share Issue	1,000,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000,000
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Statement of change in Equity (contd...)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Regulatory Reserve	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
iv) Dividend Distribution Tax	-	-	-	-	(52,631,579)	-	-	-	-	-	-	-	-	-	-	(52,631,579)
v) Others (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end, 2081	5,000,000,000	-	-	523,816,613	1,152,212,057	-	-	-	193,250,309	8,882,291	-	572,924	-	518,896,005	-	7,397,630,198
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2081	5,000,000,000	-	-	523,816,613	1,152,212,057	-	-	-	193,250,309	8,882,291	-	572,924	-	518,896,005	-	7,397,630,198
Profit/(Loss) For the Year	-	-	-	-	393,246,352	-	-	-	-	-	-	-	-	-	-	393,246,352
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Changes in Fair Value of FVOCI Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Gains/ (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Exchange differences on translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	7,428,136	-	-	-	7,428,136
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(3,035,986)	-	-	-	-	-	-	-	-	-	3,035,986	-
Transfer to Deferred Tax Reserves	-	-	-	-	302,290,347	-	-	-	-	-	-	-	-	(302,290,347)	-	-
Transfer to Catastrophic Reserve	-	-	-	-	(69,553,670)	-	-	-	69,553,670	-	-	-	-	-	-	-
Transfer to CSR Reserves	-	-	-	-	(2,805,469)	-	-	-	-	2,805,469	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Fair Value Reserve	-	-	-	-	-	-	-	-	-	-	-	(6,685,322)	-	-	-	(6,685,322)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(1,000,000,000)	-	-	-	-	-	-	-	-	-	-	(1,000,000,000)
iv) Dividend Distribution Tax	-	-	-	-	(52,632,000)	-	-	-	-	-	-	-	-	-	-	(52,632,000)
v) Others (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashad end, 2082	5,000,000,000	-	-	523,816,613	719,721,630	-	-	-	262,803,979	11,687,760	-	1,315,737	-	216,605,658	3,035,986	6,738,987,363

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended Ashadh 32, 2082 (July 16, 2025)

1. General Information

I.M.E Life Insurance Limited (herein after referred to as the 'Company') was incorporated on 15 Ashwin 2065 and operated as life insurance company after obtaining license from Nepal Insurance Authority (the then Insurance Board) on 20 Ashad 2074 under the Insurance Act 2079 (the then Insurance Act 2049).

The registered office of the Company is located at Kathmandu Metropolitan City (KMC)-26, Lainchaur, Nepal.

The Company's shares are listed on the Nepal Stock Exchange (NEPSE) on 18th Shrawan 2080.

2. Basis of Preparation

a. Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income (shown as two separate statements), Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) & promulgated by ICAN and in compliance with the requirements of the Companies Act, 2063, Insurance Act, 2079 & Directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats

prescribed in the directives of Nepal Insurance Authority.

b. Reporting Period and approval of financial statements

The company's reporting period is from 1st Shrawan 2081 to 32nd Ashadh 2082 with the corresponding previous year from 1st Shrawan 2080 to 31st Ashad 2081. *These financial statements have been approved by the Board of Directors on 2082/08/25(11th December 2025).*

c. Basis of Measurement

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

- i. Certain Financial Assets & Liabilities which are required to be measured at fair value
- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

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

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

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

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

d. Use of Estimates

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

e. Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

f. Going Concern

The Financial Statements are prepared on a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

g. Changes in Accounting Policies

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

h. Recent Accounting Pronouncements

Accounting standards issued and effective All the accounting standard applicable to the company made effective by the ASB are applied while preparing Financial Statement of the Company.

Accounting standards issued and non-effective
NFRS 17: Insurance Contract

i. Carve-outs

The Company has not applied any carve outs provided by the ASB.

j. Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial

Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

The company's reporting period is from 1st Shrawan 2081 to 32nd Ashadh 2082 with the corresponding previous year from to 1st Shrawan 2080 to 31st Ashad 2081 . These financial statements have been approved by the Board of Directors on 2082/08/25 (11th December 2025).

k. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company

l. Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Significant Accounting Policies

This note provides a list of the significant policies adopted in the preparation of these Financial Statements.

a. Goodwill and Intangible Assets

i) Recognition

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

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below :

(a) The aggregate of :

i. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value

ii. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and

iii. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii) Amortization

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

Amortisation is recognised in Statement of Profit or Loss on straight line method (SLM) over the estimated useful life of the intangible assets from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM is categorised as stated below:

List of Asset Categories	Useful Life (In Years) for SLM
Softwares	5 Years

iii) Derecognition

An Intangible Asset is derecognised when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv) Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

b. Property, Plant and Equipment (PPE)

i) Recognition

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

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

ii) Revaluation

After recognition as an asset, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent

accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers. An increase in the carrying amount as a result of revaluation, is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognised in profit and loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

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

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

Rate of Depreciation on Property, Plant and Equipment based on DBM is categorised as stated below:

List of Asset Categories	Rate of Depreciation (In %) for DBM
Land	Not Applicable
Leasehold Improvement	Lease Period
Furniture & Fixtures	25%
Computers and IT Equipments	25%
Office Equipment	25%
Vehicles	20%
Other Assets	15%

iv) Derecognition

An item of Property, Plant and Equipment is derecognized upon disposal or when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future

cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

c. Investment Properties

Cost Model:

The Company has policy of classifying property that is held for rental income or for capital appreciation or both, as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from

its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to PPE, the deemed cost for subsequent accounting is the fair value at the date of change in use. If PPE becomes an investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

The Company does not have any property held as investment property as at the end of the financial year.

d. Deferred Tax Assets and Liabilities

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

e. Financial Assets

i) Initial Recognition & Measurement

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

At initial recognition, the company measures financial asset at its fair value plus transaction costs that are directly attributable to acquisition of the financial asset except financial asset measured at FVTPL. Transaction cost of financial asset measured at FVTPL are expenses in Statement of Profit and Loss.

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. These financial assets are measured at fair value and changes are taken to statement of profit or loss.

iii) De-Recognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Asset. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset.

In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv) Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected Credit Loss for Impairment of Financial Assets is applicable after implementation of NFRS 9

In accordance with NFRS 9 "Financial Instrument", the Company uses 'Expected Credit Loss' (ECL) Model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit or Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

The 12-months Expected Credit Losses (Expected Credit Losses that result from those default events on the Financial Instrument that are possible within 12 months after the reporting date); or

Full Lifetime Expected Credit Losses (Expected Credit Losses that result from all possible default events over the life of the Financial Instrument)

For other assets, the Company uses 12 months Expected Credit Losses to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk Full Lifetime ECL is used.

f. Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurers. These assets are created for the Reinsurer's share of Insurance Contract Liabilities.

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

g. Current Tax Assets

Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset.

h. Cash & Cash Equivalent

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

i. Financial Liabilities

ii) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition. All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii) Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method. For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair value due to short maturity of these instruments.

iii) De-Recognition

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

j. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

k. Equity

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

l. Reserves and Funds

i) Share Application Money Pending Allotment :

The Company does not have any share application money pending for allotment.

ii) Share Premium: If the Company issues share capital at premium it receives extra amount other than share capital, such amount is transferred to share premium. The amount in share premium is allowed for distribution of bonus shares.

iii) Catastrophe Reserves: The Company has allocated catastrophe reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directive.

iv) Fair Value Reserves: The Company has policy of creating fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income as per Regulator's directive.

v) Regulatory Reserves: Reserve

created out of net profit in line with different circulars issued by Nepal Insurance Authority are classified as Regulatory Reserves.

vi) Actuarial Reserves: Actuarial Reserves represent actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.

vii) Revaluation Reserves: Reserve created against revaluation gain on property, plant & equipments & intangible assets, other than the reversal of earlier revaluation losses charged to profit or loss.

viii) Corporate Social Responsibility

Reserves: The Corporate Social Responsibility Reserve is created for the purpose of corporate social responsibility by allocating 1% of Net profit as per Sec 11(Ga) of Financial Statement Related Directive, 2080 and is utilized towards corporate social responsibility expenditure in subsequent year.

ix) Other Reserves: Reserve other than above reserves are categorized under other reserves.

m. Insurance Contract Liabilities

i) Provision for unearned premiums Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Unapportioned surplus

Unapportioned surplus where the amount are yet to be allocated or distributed to either policyholders or shareholders by the end of the financial period, and held within the insurance contract liabilities.

iv) Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability."

n. Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

ii) Post - Employment Benefits

- Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expense when they are due.

- Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year

using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognises termination benefits at the earlier of the following dates:

- a) when the Company can no longer withdraw the offer of those benefits; and
- b) when the entity recognises costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.

The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

o. Revenue Recognition

i) Gross Premium

Gross premiums are recognised as soon as the amount of the premiums can be reliably measured. First premium is recognised from inception date. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

ii) Unearned Premium Reserves

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premium on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

iv) Commission income

Commission Income is recognised on accrual basis. If the income is for future periods, then they are deferred and recognised over those future periods.

v) Investment income

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the Effective Interest Rate(EIR) method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognised as an adjustment to the EIR of the instrument.

Investment income also includes dividends when the right to receive payment is established.

vi) Net realised gains and losses

Net realised gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

p. Benefit, Claims and Expenses

i) Gross Benefits and Claims

Benefits and claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlements of claims. Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer is notified. Death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

ii) Reinsurance Claims

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

iii) Commission Expenses:

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

iv) Service Fees:

Service fees are recognized on accrual basis as per the rates mentioned in Insurance Act, 2019

v) Finance Cost :

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

q. Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has

significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

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

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

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

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

iv) Whole Life - This plan is a combination of Endowment Assurance and Whole Life with profit plan. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment

of a lump sum at the maturity of the policy to the assured in case of his survival.

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

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

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

viii) Others to be Specified- Life insurance policies other than above mentioned products are classified as others.

r. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in

statement of profit or loss in the period in which they are incurred.

s. Cash Flow Statement

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

t. Leases

From 1st Shrawan 2078, the company has effectively adopted NFRS 16- "Leases", which requires any lease arrangement to be recognised in the Statement of Financial Position of the lessee as a 'right-of-use' asset with a corresponding lease liability. Accordingly, depreciation has been charged on such ROU assets and interest expense has been recognised on lease liabilities under Interest Expenses. Lease is a contract in which one party provides an asset to the other party for some consideration usually a periodic payment. The Company assesses whether a contract is or contains a lease, at inception of the contract. In accordance with NFRS-16 "Leases"; the company recognises a right-of-use asset and a corresponding lease liability, except for shortterm leases (defined as leases with a lease term of 12 months or less) and leases of low value assets as the group is lessee in all lease arrangements. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. Since the company apply NFRS-16; "Leases" to its leases in accordance with Para C5(b), retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application, it uses incremental borrowing rate.

Value of right to use asset has been presented under sub group named

building under heading of Property, Plant and Equipment.

u. Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

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

ii) Deferred Tax

Deferred Tax is recognized on temporary differences between the carrying amounts of Assets & Liabilities in the Statement of Financial Position and their tax bases. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liabilities and their carrying amount in Financial Statements, except when the Deferred Tax arises from the initial recognition of goodwill, an Asset or Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profits or Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary differences. The carrying amount of Deferred Tax Assets is reviewed at each reporting

date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

v. Provisions, Contingent Liabilities & Contingent Assets

(i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions for Contingent Liability are recognized in the books as a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

(ii) Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable

estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

(iii) Contingent Assets

Contingent assets, where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

w. Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

x. Earnings Per Share

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

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

y. Operating Segment

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

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

any business.

z. Leased Assets

The Company has made the use of leasing arrangements principally for the provision of the office spaces. The rental contracts for the offices are typically negotiated for terms of between 5 to 10 years and some of these have extension terms. The Company has not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis. The Company has assessed whether a contract is or contains a lease at inception of the company. The lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified assets for a period of time in exchange for consideration. At lease commencement date, the company has recognized a right-of-use lease asset and a lease liability in its Statement of Financial Position. The right of use assets is measured at cost. Which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company has depreciated the right of use asset on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The company has also assessed the right of use asset for impairment when such indicator exist. At the commencement date, the company has measured the lease liability at the present value of the lease payments unpaid at that date, discounted using the company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

I.M.E. Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS

4. Goodwill & Intangible Assets

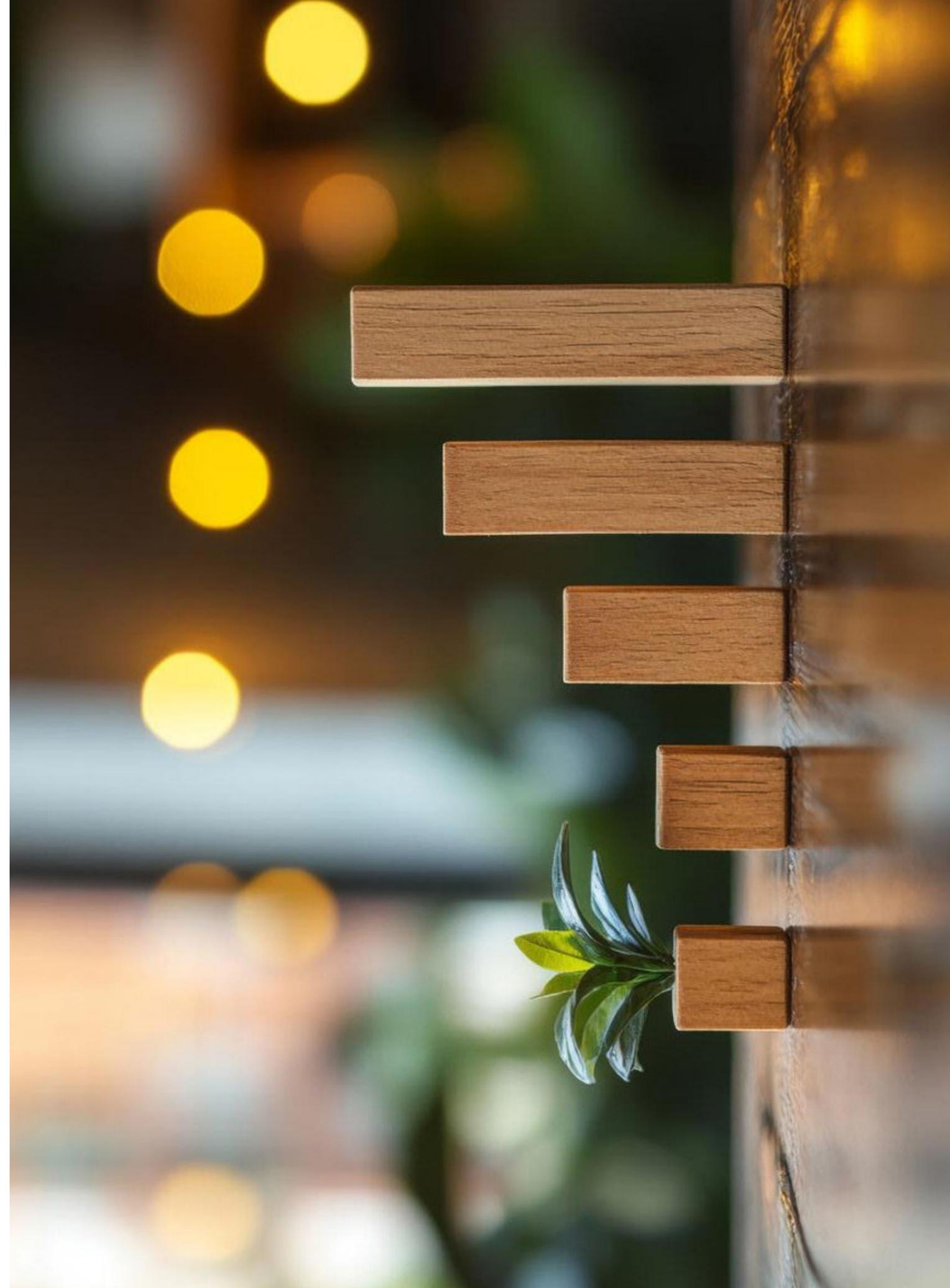
Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be specified)	Total
Gross carrying amount				
As at Shrawan 1, 2080	6,103,327	-	-	6,103,327
Additions during the year				
Acquisition	9,697,750	-	-	9,697,750
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	(4,370,133)	-	-	(4,370,133)
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 31, 2081	11,430,945	-	-	11,430,945
Additions during the year				
Acquisition	1,178,000	-	-	1,178,000
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 32, 2082	12,608,945	-	-	12,608,945
Accumulated amortization and impairment				
As at Shrawan 1, 2080	3,171,940	-	-	3,171,940
Additions during the year	2,084,650	-	-	2,084,650
Disposals during the year	(2,102,681)	-	-	(2,102,681)
Impairment during the year	-	-	-	-
Balance as at Ashadh 31, 2081	3,153,909	-	-	3,153,909
Additions during the year	2,123,346	-	-	2,123,346
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 32, 2082	5,277,255	-	-	5,277,255
As on Shrawan 1, 2080	4,000,000	-	-	4,000,000

Goodwill & Intangible Assets (Contd...)

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be specified)	Total
Additions during the year	3,000,000	-	-	3,000,000
Capitalisation during the year	-	-	-	-
Disposals during the year	(7,000,000)	-	-	(7,000,000)
Impairment during the year	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	-	-
Net Carrying Amount	-	-	-	-
As on Ashadh 31, 2081	8,277,035	-	-	8,277,035
As on Ashadh 32, 2082	7,331,689	-	-	7,331,689



NOTES TO THE FINANCIAL STATEMENTS

5. Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2080	-	-	50,159,160.20	34,059,234.97	32,398,028.75	24,166,344.33	38,721,610.00	-	179,504,378.25
Additions during the year									
Acquisition	-	-	3,213,139.58	4,946,064.87	5,013,325.50	2,803,078.24	-	-	15,975,608.19
Capitalization	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	(29,945.00)	(17,280,000.00)	-	(17,309,945.00)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	53,372,299.78	39,005,299.84	37,411,354.25	26,939,477.57	21,441,610.00	-	178,170,041.44
Additions during the year									
Acquisition	-	-	7,409,160.63	7,145,042.78	7,033,395.08	2,735,681.73	23,740,848.00	-	48,064,128.22
Capitalization	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	(156,120.00)	(12,550,000.00)	-	(12,706,120.00)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashad 32, 2082	-	-	60,781,460.41	46,150,342.62	44,444,749.33	29,519,039.30	32,632,458.00	-	213,528,049.66
Accumulated depreciation and impairment									
As on Shrawan 1, 2080	-	-	16,960,902.00	18,169,444.20	18,187,261.58	11,983,500.50	24,787,494.63	-	90,088,602.92
Depreciation during the year	-	-	8,642,587.91	4,408,753.89	4,160,980.31	3,372,542.28	3,204,382.03	-	23,789,246.42
Disposals during the year	-	-	-	-	-	(109,887.75)	(13,331,593.82)	-	(13,441,481.57)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashad 31, 2081	-	-	25,603,489.91	22,578,198.09	22,348,241.89	15,246,155.03	14,660,282.84	-	100,436,367.77
Depreciation during the year	-	-	14,162,628.59	4,989,010.91	4,619,153.24	3,282,349.00	3,823,122.74	-	30,876,264.48
Disposals during the year	-	-	-	-	-	(115,942.90)	(8,326,146.18)	-	(8,442,089.08)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashad 32, 2082	-	-	39,766,119	27,567,209	26,967,395	18,412,561	10,157,259	-	122,870,543
Capital Work-In-Progress									
As on Shrawan 1, 2080	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	-	-	-	-	-	-	-
Net Carrying Amount									
As on Ashadh 31,2081	-	-	27,768,810	16,427,102	15,063,112	11,693,323	6,781,327	-	77,733,674
As on Ashadh 32, 2082	-	-	21,015,342	18,583,134	17,477,354	11,106,478	22,475,199	-	90,657,506
Right-of-Use Assets (After Implemenation of NFRS 16)									
Gross carrying amount									
As on Shrawan 1, 2080	-	-	151,652,851	-	-	-	-	-	151,652,851
Additions during the year	-	-	41,169,569	-	-	-	-	-	41,169,569
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	192,822,420	-	-	-	-	-	192,822,420
Additions during the year	-	-	26,229,310	-	-	-	-	-	26,229,310
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	219,051,730	-	-	-	-	-	219,051,730
Accumulated depreciation									

Property and Equipment (Contd...)

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
As on Shrawan 1, 2080	-	-	47,662,109	-	-	-	-	-	47,662,109
Depreciation	-	-	31,608,958	-	-	-	-	-	31,608,958
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	79,271,067	-	-	-	-	-	79,271,067
Depreciation	-	-	26,541,543	-	-	-	-	-	26,541,543
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	105,812,610	-	-	-	-	-	105,812,610
Net Carrying Amount									
As on Ashadh 31,2081	-	-	113,551,353	-	-	-	-	-	113,551,353
As on Ashadh 32, 2082	-	-	113,239,120	-	-	-	-	-	113,239,120
Grand Total									
As on Ashadh 31,2081	-	-	141,320,163	16,427,102	15,063,112	11,693,323	6,781,327	-	191,285,027
As on Ashadh 32, 2082	-	-	134,254,461	18,583,134	17,477,354	11,106,478	22,475,199	-	203,896,626

6. Investment Properties

Investment Properties at Cost

Fig. in NPR

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2080	-	-	-
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
Balance as at Ashadh 31, 2081	-	-	-
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
Balance as at Ashadh 32, 2082	-	-	-
Accumulated depreciation and impairment			
As at Shrawan 1, 2080	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
Balance as at Ashadh 31, 2081	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
Balance as at Ashadh 32, 2082	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2080	-	-	-

Fig. in NPR

Particulars	Land	Building	Total
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Balance as on Ashadh 31, 2081	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Balance as on Ashadh 32, 2082	-	-	-
Net Carrying Amount			
Net Balance As At Ashadh 31, 2081	-	-	-
Net Balance As At Ashadh 32, 2082	-	-	-

(i) Amounts recognised in statement of profit or loss

Particulars	Current Year	Previous Year
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that didn't generated rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation charge	-	-
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land	-	-
Building	-	-
Total	-	-

(iii) Disclosure on restriction on the realisability of investment properties: Not Applicable

(iv) Contractual obligations: Not Applicable

7. Deferred Tax Assets/(Liabilities)

Fig. in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Deferred Tax on Temporary Difference						
Intangible Assets	106,702	-	106,702	401,933	-	401,933
Property and Equipment	2,391,678	-	2,391,678	(1,402,794)	-	(1,402,794)
Financial Assets at FVPTL	-	-	-	-	-	-
Financial Assets at FVTOCI	-	(4,385,791)	(4,385,791)	-	(1,909,746)	(1,909,746)
Provision for Leave	10,806,898	-	10,806,898	10,583,611	-	10,583,611
Provision for Gratuity	2,333,556	-	2,333,556	2,141,324	-	2,141,324
Impairment Loss on Financial Assets	1,682,288	-	1,682,288	2,432,507	-	2,432,507
Impairment Loss on Other Assets	-	-	-	-	-	-
Carry forward of unused tax losses	197,489,051	-	197,489,051	502,650,982	-	502,650,982
Changes in tax rate	-	-	-	-	-	-
Others (specify if any)	-	-	-	-	-	-
Rent Equilization	1,795,484	-	1,795,484	2,088,442	-	2,088,442
Total	216,605,658	(4,385,791)	212,219,867	518,896,005	(1,909,746)	516,986,259
Deferred Tax Asstes	216,605,658	(4,385,791)	212,219,867	518,896,005	(1,909,746)	516,986,259
Deferred Tax Liabilities	-	-	-	-	-	-

Movements in deferred tax assets/ (liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2081	518,896,005	(1,909,746)	516,986,259	499,651,001	(1,909,746)	497,741,255
Charged/(Credited) to Statement of Profit or Loss	(302,290,347)	-	(302,290,347)	19,245,004	-	19,245,004
Charged/(Credited) to Other Comprehensive Income	-	(2,476,045)	(2,476,045)	-	-	-
As at Ashadh 32, 2082	216,605,658	(4,385,791)	212,219,867	18,896,005	(1,909,746)	516,986,259

8. Investment in Subsidiaries

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Susidiaries	-	-
Investment in Unquoted Susidiaries	-	-
Less: Impairment Losses	-	-
Total	-	-

Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Limited	-	-	-	-
..... Shares of Rs. Each of Limited	-	-	-	-
Total	-	-	-	-

Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Limited	-	-	-	-
..... Shares of Rs. Each of Limited	-	-	-	-
Total	-	-	-	-

Information Relating to Subsidiaries

Particulars	Percentage of Ownership	
	Current Year	Previous Year
..... Shares of Rs. Each of Limited	-	-
..... Shares of Rs. Each of Limited	-	-
..... Shares of Rs. Each of Limited	-	-
..... Shares of Rs. Each of Limited	-	-

9. Investment in Associates

Particulars	Current Year	Previous Year
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	-	-
Less: Impairment Losses	-	-
Total	-	-

Investment in Quoted Associates

Fig. in NPR

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Limited	-	-	-	-	-	-
..... Shares of Rs. Each of Limited	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
Total	-	-	-	-	-	-

Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Limited	-	-	-	-	-	-
..... Shares of Rs. Each of Limited	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
Total	-	-	-	-	-	-

Information Relating to Associates

Fig. in NPR

Particulars	Current Year	Previous Year
Name	-	-
Place of Business	-	-
Accounting Method	-	-
% of Ownership	-	-
Current Assets	-	-
Non-Current Assets	-	-
Current Liabilities	-	-
Non-Current Liabilities	-	-
Income		
Net Profit or Loss	-	-
Other Comprehensive Income	-	-
Total Comprehensive Income	-	-
Company's share of profits		
Net Profit or Loss	-	-
Other Comprehensive Income	-	-

10. Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	15,554,804,946	14,364,777,619
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	3,920,304,946	3,309,277,619
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
iv) Fixed Deposits in "A" Class Financial Institutions	9,353,000,000	8,774,000,000
v) Fixed Deposits in Infrastructure Banks	-	-
vi) Fixed Deposits in "B" Class Financial Institutions	1,651,500,000	1,766,500,000
vii) Fixed Deposits in "C" Class Financial Institutions	630,000,000	515,000,000
viii) Others	-	-
Less: Impairment Losses	-	-
Investments measured at FVTOCI	2,111,682,456	850,759,385
i) Investment in Equity Instruments (Quoted)	1,365,903,892	753,218,155
ii) Investment in Equity Instruments (Unquoted)	4,780,000	4,780,000
iii) Investment in Mutual Funds	380,998,565	92,761,230
v) Investment in Debentures	-	-
v) Others	360,000,000	-
Investments measured at FVTPL		
i) Investment in Equity Instruments (Quoted)	-	-
ii) Investment in Equity Instruments (Unquoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Others (to be specified)	-	-
Total	17,666,487,402	15,215,537,004

a) Details of Impairment Losses

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions	-	-
Investment in Debentures	-	-
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	-	-
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with "B" Class Financial Institutions	-	-
Fixed Deposit with "C" Class Financial Institutions	-	-
Others (to be Specified)	-	-
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)	-	-
Investment in Equity Instruments (Unquoted)	-	-
Investment in Mutual Funds	-	-
Investment in Preference Shares of Bank and Financial Institutions	-	-
Investment in Debentures	-	-
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	3,215,000,000	3,936,000,000
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with "B" Class Financial Institutions	-	115,000,000
Fixed Deposit with "C" Class Financial Institutions	570,000,000	355,000,000
Others (to be Specified)	-	-
Total	3,785,000,000	4,406,000,000

c) Information relating to investment in equity instruments

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
Forward Community Microfinance Bittiya Sanstha Ltd Promoter share 22,943 Shares of NPR 100 each	10,599,308	15,142,380	10,599,308	6,075,000
Nepal Investment Mega Bank Ltd Promoter share 63,215 Shares of NPR 100 each	14,500,711	10,620,120	7,938,947	3,623,207
Ankhu Khola Jalvidhyut Company Limited 20,000 Shares of NPR 100 each	4,261,909	4,164,000	703,724	440,000
Nepal Investment Mega Bank Limited 208,145 Shares of NPR 100 each	46,566,338	48,085,658	3,295,661	1,776,390
Himalayan Bank Limited 43,731 Shares of NPR 100 each	10,574,015	10,377,366	1,847,344	1,333,222
NMB Bank Limited 166,782 Shares of NPR 100 each	44,089,190	44,984,441	4,630,463	2,452,500
Siddhartha Bank Limited 24,000 Shares of NPR 100 each	9,168,915	9,210,480	45,359,946	50,087,321
United Ajod Insurance Limited 2,940 Shares of NPR 100 each	1,843,029	1,680,386	1,843,029	1,759,590
NIC Asia Bank Limited 267,184 Shares of NPR 100 each	111,417,934	112,230,639	53,832,297	53,067,438
Nepal Infrastructure Bank Ltd Promoter Share 540,000 Shares of NPR 100 each	50,000,000	59,940,000	50,000,000	59,940,000
Nepal SBI Bank Limited 70,000 Shares of NPR 100 each	29,458,429	30,798,600	26,995,766	28,591,104
Nabil Bank Limited 262,010 Shares of NPR 100 each	143,843,942	141,844,354	20,771,674	22,280,480
Everest Bank Limited 90,719 Shares of NPR 100 each	57,029,850	63,644,822	6,056,449	6,451,760
Sahas Urja Limited 46,878 Shares of NPR 100 each	25,064,903	30,003,795	34,658	31,140
Arun Kabeli Power Limited 406,422 Shares of NPR 100 each	105,482,394	106,876,793	-	-
CEDB Holdings Limited 13,792 Shares of NPR 100 each	36,402,324	36,438,326	-	-

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Garima Bikas Bank Limited 246,798 Shares of NPR 100 each	108,916,207	105,718,391	-	-
Muktinath Krishi Company Limited 8,844 Shares of NPR 100 each	13,881,635	13,225,406	-	-
Sanima Bank Limited 24,816 Shares of NPR 100 each	8,429,416	9,300,292	-	-
Samriddhi Finance Company Limited 89,560 Shares of NPR 100 each	52,686,823	48,314,933	-	-
Sanima Mai Hydropower Limited 55,633 Shares of NPR 100 each	33,809,150	34,876,884	-	-
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited 42,843 Shares of NPR 100 each	36,100,134	37,890,778	-	-
United Modi Hydropower Limited 32,000 Shares of NPR 100 each	17,437,315	18,027,840	-	-
Radhi Bidhyut company Ltd 26,000 Shares of NPR 100 each	20,884,097	21,066,240	-	-
Kamana Sewa Bikas Bank Limited 10,636 Shares of NPR 100 each	4,862,950	5,325,339	-	-
NRN Infrastructure and Development Limited 6,000 Shares of NPR 100 each	13,818,183	13,675,140	-	-
Chhimek Laghubitta Bittiya Sanstha Limited 9,189 Shares of NPR 100 each	8,845,909	9,519,620	-	-
Ghalemdi Hydro Limited 20,000 Shares of NPR 100 each	5,357,480	4,976,200	-	-
Mahila Lagubitta Bittiya Sanstha Limited 5,090 Shares of NPR 100 each	11,662,020	11,987,714	-	-
Singati Hydro Energy Limited 38,437 Shares of NPR 100 each	11,280,371	11,084,078	-	-
Mai Khola Hydropower Limited 3,000 Shares of NPR 100 each	2,247,412	2,747,850	-	-
Oriental Hotels Limited 14,000 Shares of NPR 100 each	13,102,164	12,326,300	-	-

Information relating to investment in equity instruments (Contd...)

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Chilime Hydropower Company Limited 75,172 Shares of NPR 100 each	42,949,496	40,100,503	-	-
Pure Energy Limited 15,276 Shares of NPR 100 each	13,934,833	13,316,242	-	-
Nyadi Hydropower Limited 15,000 Shares of NPR 100 each	7,162,320	6,825,900	-	-
Sarbotam Cement Limited 17,010 Shares of NPR 100 each	14,840,248	14,727,428	-	-
Unnati Sahakarya Laghubitta Bittiya Sanstha Limited 3,149 Shares of NPR 100 each	5,854,977	5,765,913	-	-
Prime Commercial Bank Promoter Share 500,000 Shares of NPR 100 each	53,636,450	51,500,000	-	-
Arun Valley Hydropower Development Company Limited 58,812 Shares of NPR 100 each	17,720,099	17,154,872	-	-
First Micro Finance Laghubitta Bittiya Sanstha Limited 11,137 Shares of NPR 100 each	8,550,813	8,899,354	-	-
Kalika Power Company Limited 20,000 Shares of NPR 100 each	11,779,272	10,852,400	-	-
Soaltee Hotel Limited Limited 41,097 Shares of NPR 100 each	23,541,833	23,736,805	-	-
Api Power Company Limited 44,000 Shares of NPR 100 each	13,700,273	13,020,480	-	-
Hydroelectricity Investment and Development Company Limited 80,000 Shares of NPR 100 each	25,296,297	23,408,800	-	-
Ngadi Group Power Limited 75,994 Shares of NPR 100 each	29,403,506	30,296,528	-	-
Universal Power Company Limited 50,000 Shares of NPR 100 each	20,444,706	20,193,500	-	-
Laxmi Sunrise Bank Limited 409,779 Shares of NPR 100 each	-	-	71,234,641	71,711,325
Kumari Bank Limited 332,657 Shares of NPR 100 each	-	-	52,356,668	51,129,381

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Prabhu Bank Limited 227,652 Shares of NPR 100 each	-	-	38,102,606	37,266,632
Prime Commercial Bank Limited.190,308 Shares of NPR 100 each	-	-	40,549,793	42,210,314
Nepal Bank Limited 306,631 Shares of NPR 100 each	-	-	74,986,285	70,371,815
Butwal Power Company Limited 452 Shares of NPR 100 each	-	-	193,407	140,120
Shine Resunga Development Bank Limited 64,768 Shares of NPR 100 each	-	-	25,325,679	26,237,517
Himalayan Everest Insurance Limited 2,917 Shares of NPR 100 each	-	-	2,076,423	1,843,544
Prabhu Insurance Limited 7,693 Shares of NPR 100 each	-	-	5,531,387	6,354,418
Siddhartha Premier Insurance Limited 6,267 Shares of NPR 100 each	-	-	4,714,830	5,388,993
Neco Insurance Limited 812 Shares of NPR 100 each	-	-	185,868	678,832
Citizen Investment Trust. 5,313 Shares of NPR 100 each	-	-	10,995,000	10,333,785
Agriculture Development Bank Limited 231,766 Shares of NPR 100 each	-	-	57,088,845	68,139,204
Citizen Bank International Limited 148,545 Shares of NPR 100 each	-	-	26,453,865	28,743,458
Machhapuchhre Bank Limited 266,108 Shares of NPR 100 each	-	-	51,737,975	53,221,600
Mountain Energy Nepal Limited 69,578 Shares of NPR 100 each	-	-	37,712,416	41,538,066
Investment in Equity Instruments (Unquoted)				
Insurance Institute of Nepal 47,800 Shares of NPR 100 each	4,780,000	4,780,000	4,780,000	4,780,000
Total	1,357,219,581	1,370,683,892	737,934,954	757,998,155

d) The company has earmarked investments amounting to NPR 11,634,500,000 To Nepal Insurance Authority.

11. Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees	42,969,043	49,779,099
Loan to Agents	6,911,206	11,730,513
Loan to Policyholders	965,372,722	647,082,016
Others (to be Specified)	-	-
Less: Impairment Losses	6,729,154	9,730,029
Total	1,008,523,818	698,861,598

a) Loans to Policyholders

Particulars	Loan amount		Interest Income	
	Current Year	Previous Year	Current Year	Previous Year
Endowment	660,588,984	435,751,875	58,777,266	41,496,377
Anticipated Endowment	182,076,142	124,906,684	16,929,335	12,882,781
Endowment cum Whole Life	122,707,596	86,423,457	11,232,918	8,090,160
Whole Life	-	-	-	-
Foreign Employment Term	-	-	-	-
Micro Term	-	-	-	-
Special Term	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	965,372,722	647,082,016	86,939,519	62,469,318

b) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loans to Associates	-	-
Loan to Employees	25,781,426	24,889,549
Loan to Agents	4,146,724	4,692,205
Loan to Policyholders	386,149,089	323,541,008
Others (to be Specified)	-	-
Total	416,077,238	353,122,762

12. Reinsurance Assets

Fig. in NPR

Description	Technical Provision excluding Claim Payment Reserve		Claim Payment Reserve including IBNR and IBNER		Impairment Losses		Net Reinsurance Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

13. Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer	4,283,559	-
Receivable from other Insurance Companies	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	4,283,558.67	-

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer	-	-
Receivable from Other Insurance Companies	-	-
Others (to be Specified)	-	-
Total	-	-

14. Other Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	3,737,748	5,300,643
Claim Advances	-	-
Advance To Suppliers	150,000	-
Staff Advances	12,950,616	10,216,463
Printing and Stationery Stocks	2,625,821	3,097,803
Stamp Stocks	-	-
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	-
Deferred Agent Commission Expenses	-	-
Lease Receivables	-	-
Others (to be specified)	-	-
Agent Advance	-	-
House Rent Advance	1,000	1,000
Others	1,806,022	210,896,398
Less: Impairment Losses	-	-
Total	21,271,208	229,512,307

a) Expected to be recovered/ settled within 12 months:

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	3,737,748	5,300,643
Claim Advances	-	-
Advance To Suppliers	-	-
Staff Advances	12,950,616	10,216,463
Printing and Stationery Stocks	2,625,821	3,097,803
Stamp Stocks	-	-
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	-
Deferred Agent Commission Expenses	-	-
Lease Receivables	-	-
Others (to be specified)	-	-
Agent Advance	-	-
House Rent Advance	1,000	1,000
Stocks	1,806,022	210,896,398
Total	21,121,208	229,512,307

15. Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	400,494,701	413,200
Accrued Interest	21,916,936	140,829,363
Interest Receivable from Loan to Policyholders	44,282,344	33,055,911
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	539,872,556	4,318,101
Others	-	-
Interest Receivable from Agent Loan	-	353,505
Advance for Investment	-	-
Less: Impairment Losses	-	-
Total	1,006,566,537	178,970,081

a) Expected maturities within 12 months:

Particulars	Fig. in NPR	
	Current Year	Previous Year
Security Deposits	-	-
Accrued Interest	21,916,936	140,829,363
Interest Receivable from Loan to Policyholders	44,282,344	33,055,911
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	539,872,556	4,318,101
Others	-	1
Interest Receivable from Agent Loan	-	353,505
Total	606,071,836	178,556,882

16. Cash and Cash Equivalent

Particulars	Fig. in NPR	
	Current Year	Previous Year
Cash in Hand	3,706,758	2,408,842
Cheque in Hand	-	-
Bank Balances	-	-
i) Balance With "A" Class Financial Institutions	560,879,694	290,974,745
ii) Balance With Infrastructure Banks	-	-
iii) Balance With "B" Class Financial Institutions	57,604,678	57,418,500
iv) Balance With "C" Class Financial Institutions	2,820,267	266,075,936
Less: Impairment Losses	-	-
Deposit with initial maturity upto 3 months	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	625,011,396	616,878,023

17 (a) Share Capital

Particulars	Fig. in NPR	
	Current Year	Previous Year
Ordinary Shares	-	-
As at Shrawan 1, 2081	5,000,000,000	4,000,000,000
Additions during the year	-	-
i) Bonus Share Issue	-	1,000,000,000
ii) Share Issue	-	-
As at Ashadh 32, 2082	5,000,000,000	5,000,000,000
Convertible Preference Shares (Equity Component only)	-	-
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
As at Ashadh 32, 2082	-	-
Irredeemable Preference Shares (Equity Component only)	-	-
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
As at Ashadh 32, 2082	-	-
Total	5,000,000,000	5,000,000,000

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
60,000,000 Ordinary Shares of Rs. 100 Each	6,000,000,000	6,000,000,000
Issued Capital:		
50,000,000 Ordinary Shares of Rs. 100 Each.	5,000,000,000	5,000,000,000
Subscribed and Paid Up Capital:		
50,000,000 Ordinary Shares of Rs. 100 Each.	5,000,000,000	5,000,000,000
Total	5,000,000,000	5,000,000,000

(ii) Preference Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each	-	-
.....Irredeemable Preference Shares of Rs. XXX Each	-	-
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each	-	-
.....Irredeemable Preference Shares of Rs. XXX Each	-	-
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. XXX Each	-	-
.....Irredeemable Preference Shares of Rs. XXX Each	-	-
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal	-	-	-	-
Nepali Organized Institutions	10,394,850	10,394,850	20.79%	20.79%
Nepali Citizens	24,605,150	24,605,150	49.21%	49.21%
Foreigners	-	-	-	-
Others (to be Specified)	-	-	-	-
Total (A)	35,000,000	35,000,000	70.00%	70.00%
Other than Promoters				
General Public	15,000,000	15,000,000	30.00%	30.00%
Others (to be Specified)	-	-	-	-
Total (B)	15,000,000	15,000,000	30.00%	30.00%
Total (A+B)	50,000,000	50,000,000	100.00%	100.00%

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Fig. in NPR

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Chandra Prasad Dhakal	5,656,250	5,656,250	11.31%	11.31%
Hem Raj Dhakal	5,656,250	5,656,250	11.31%	11.31%
Global IME Bank	5,000,000	5,000,000	10.00%	10.00%
IME Limited	1,500,000	1,500,000	3.00%	3.00%
Min Bahadur Gurung	1,162,500	1,162,500	2.33%	2.33%
Nawa Raj Nepal	875,000	875,000	1.75%	1.75%
Asian Distributors Private Ltd	875,000	875,000	1.75%	1.75%
Vishnu Kumar Agrawal	750,000	750,000	1.50%	1.50%
D D Investment Private Ltd	723,125	723,125	1.45%	1.45%
Across Money Transfer	721,875	721,875	1.44%	1.44%
Kalyan Gurung	668,750	668,750	1.34%	1.34%
Sabitri Gurung	668,750	668,750	1.34%	1.34%
Sandeep Agarwal	625,000	625,000	1.25%	1.25%
Hathway Investment Nepal Limited	620,550	620,550	1.24%	1.24%
Jiban Kumari Aryal Paudel	614,949	614,949	1.23%	1.23%
Nimisha Investment Private Ltd	610,550	610,550	1.22%	1.22%
Suraj Kumar Shrestha	500,000	500,000	1.00%	1.00%
Kamal Poudel	500,000	500,000	1.00%	1.00%

17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment	-	-
Total	-	-

17 (c) Share Premium

Particulars	Fig. in NPR	
	Current Year	Previous Year
As on Shrawan 1, 2081	523,816,613	1,535,809,416
Increase due to issue of shares at premium	-	-
Decrease due to issue of bonus shares	-	(1,000,000,000)
Transaction costs on issue of share	-	(11,992,804)
Others (to be Specified)	-	-
As on Ashadh 32, 2082	523,816,613	523,816,613

17 (d) Catastrophe Reserves

Particulars	Fig. in NPR	
	Current Year	Previous Year
As on Shrawan 1, 2081	193,250,309	125,951,527
Additions	69,553,670	67,298,782
Utilizations	-	-
As on Ashadh 32, 2082	262,803,979	193,250,309

17 (e) Retained Earnings

Particulars	Fig. in NPR	
	Current Year	Previous Year
As on Shrawan 1, 2081	1,152,212,056	617,086,323
Prior period adjustment	-	15,213,970
Net Profit or Loss	393,246,352	617,489,484
Items of OCI recognised directly in retained earnings	-	-
Remeasurement of Post-Employment Benefit Obligations	-	-
Changes in Fair Value of FVOCI Equity Instrument	-	-
Transfer to/from reserves	-	-
Capital Reserves	-	-
Catastrophe Reserves	(69,553,670)	(67,298,782)
Corporate Social Responsibility (CSR) Reserves	(2,805,469)	(4,433,095)
Regulatory Reserves	-	-
Fair Value Reserves	-	-
Insurance Contract Liabilities	-	-
Actuarial Reserves	-	-
Revaluation Reserves	-	-
Insurance Fund	-	-

Particulars	Fig. in NPR	
	Current Year	Previous Year
Deferred Tax Reserves	302,290,347	26,585,736
Other Reserve(to be specified)	(3,035,986)	200,000
Transfer of Depreciation on Revaluation of Property and Equipment	-	-
Transfer of Disposal of Revalued Property and Equipment	-	-
Transfer of Disposal of Equity Instruments Measured at FVTOCI	-	-
Issue of Bonus Shares	-	-
Transaction costs on issue of Shares	-	-
Dividend Paid	(1,000,000,000)	-
Dividend Distribution Tax	(52,632,000)	(52,631,579)
Transfer to Insurance Contract Liability	-	-
Others (to be Specified)	-	-
As on Ashadh 32, 2082	719,721,630	1,152,212,056

17 (f) Other Equity

Particulars	Fig. in NPR	
	Current Year	Previous Year
Revaluation Reserves	-	-
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	11,687,760	8,882,291
Insurance Fund	-	-
Fair Value Reserves	1,315,737	572,924
Actuarial Reserves	-	-
Deferred Tax Reserve	216,605,658	518,896,005
Regulatory Reserves	-	-
Other Reserve(to be specified)	-	-
Staff Training Fund	3,035,986	-
Total	232,645,141	528,351,220

18. Provisions

Particulars	Fig. in NPR	
	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	43,227,593	42,334,443
ii) Provision for Gratuity	-	-
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations (to be Specified)	-	-
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others (to be Specified)	-	-
Total	43,227,594	42,334,443

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave	-	-	-	-	-	-
ii) Provision for Gratuity	-	-	-	-	-	-
iii) Termination Benefits	-	-	-	-	-	-
iv) Other Employee Benefit obligations (to be Specified)	-	-	-	-	-	-
Provision for tax related legal cases	-	-	-	-	-	-
Provision for non-tax legal cases	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-

(b) Provision with expected payouts within 12 months

Particulars	Fig. in NPR	
	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	12,968,278	7,596,519
ii) Provision for Gratuity	-	-
iii) Termination Benefits	-	-
iv) Other employee benefit obligations(to be Specified)	-	-
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others (to be Specified)	-	-
Total	12,968,278	7,596,519

19. Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Life Insurance Fund as per Actuary Report (19.1)	13,447,128,389	9,590,102,927
Claim Payment Reserve including IBNR (19.2)	321,302,465	323,982,672
Transfer from:		
Fair Value Reserve	-	-
Actuarial Reserve	-	-
Revaluation Reserve	-	-
Other Reserve	-	-
Net gain on fair value changes on FVTPL instruments	-	-
Fair Value Gain on Investment Properties	-	-
Share of Profit of Associates accounted as per Equity Method	-	-
Share of Other Comprehensive Income of Associates Accounted for using the Equity Method	-	-
Total	13,768,430,855	9,914,085,599

i) Notes on the cash-flows considered for valuation of liabilities

Dr. Chih-Ching, Chan has been appointed as a professional actuary to carry out the Actuary Valuation as per existing valuation framework under Insurance Act 2079. The Valuation is based on the provisions of the Insurance Act and Risk Based Capital and Solvency Directive, 2025 (2082) issued by Nepal Insurance Authority. Future cash flows are taken into account by deducting the outflows related to death claims, surrenders, maturities, increases in liabilities, and management costs from the Expected Fund and investment income for Valuation of Liabilities.

ii) Notes on valuation methods and assumptions

The long-term liabilities for all the individual base products of Participating business and Expat policies has been determined by using a Gross Premium Valuation Method

as required by Nepal Insurance Authority's Regulation. For Microinsurance business, URR approach is adopted to estimate the reserve. URR is calculated as 50% of the total Premium for Microinsurance Business.

iii) Notes on the discounting policy

Valuation rate is used as the discount rate for computation of liabilities which is prescribed by the Nepal Insurance Authority Guidelines.

iv) Notes on aggregation practises

Reserves are computed separately for each policy. The results are then presented by product, policy status etc.

v) Any other disclosures as required

Reserves are adequate to meet the policyholder liabilities with adequate prudence, and the Company is sufficiently solvent on the statutory basis as on the date of valuation viz. July 16, 2025 with Solvency Ratio of 2.59.



Annexure 19.1: Life Insurance Fund

Fig. in NPR

Particulars	Endowment	Anticipated Endowment	Endowment cum Whole Life	Whole Life	Foreign Employment Term	Micro Term	Special Term	Others (to be Specified)	Total
Opening Life Insurance Fund	6,702,316,764	1,616,871,831	849,693,898	-	373,486,153	47,734,281	-	-	9,590,102,927
Surplus transfer to Life Insurance fund as per Sec 21 of the directive	3,239,686,263	576,285,410	237,904,192	-	58,334,169	62,685,405	-	-	4,174,895,439
Gross Life Insurance Fund for valuation (A)	9,942,003,026	2,193,157,241	1,087,598,090	-	431,820,322	110,419,686	-	-	13,764,998,365
Net policyholder's liability	5,550,335,012	1,845,808,660	844,049,832	-	255,948,898	70,090,107	-	-	8,566,232,509
Surplus/(Deficit) before shareholder transfer	4,391,668,014	347,348,581	243,548,257	-	175,871,424	40,329,579	-	-	5,198,765,856
Transfer to shareholder fund (B)	96,079,390	2,086	5,598,727	-	175,871,424	40,329,579	-	-	317,881,206
Transfer from shareholder fund to cover deficit as per actuary report (C)	(8,306)	(2,086)	(838)	-	-	-	-	-	(11,230)
Closing life insurance Fund as per actuarial valuation (D=A-B+C)	9,845,931,942	2,193,157,241	1,082,000,201	-	255,948,898	70,090,107	-	-	13,447,128,389
i) Best Estimate Liabilities excluding FDB	4,459,545,811	1,573,559,102	777,471,068	-	252,768,449	70,090,107	-	-	7,133,434,536
ii) Future Discretionary Benefits (FDB)	4,300,541,530	348,590,365	238,449,307	-	-	-	-	-	4,887,581,202
iii) Margin over Best Estimate (MOBE)	221,204,843	52,741,728	15,698,829	-	3,180,449	-	-	-	292,825,849
iv) Cost of Bonus	864,639,759	218,266,046	50,380,997	-	-	-	-	-	1,133,286,802
v) Other liability (if any)	-	-	-	-	-	-	-	-	-
vi) Unallocated Surplus	-	-	-	-	-	-	-	-	-

19.2 Gross claim payment Reserve including IBNR/IBNER

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Outstanding "Surrender Claim"		Outstanding "Other Claim"		IBNR/IBNER Claim		Gross Outstanding Claim Reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
	Endowment	2,760,500	5,375,550	-	-	-	-	-	-	-	2,227,086	414,075	1,140,395	3,174,575
Anticipated Endowment	2,212,500	6,168,180	-	-	271,785,448	263,710,047	-	-	900,000	200,000	41,234,692	40,511,734	316,132,640	310,589,961
Endowment cum Whole Life	825,000	865,200	-	-	-	-	-	-	-	-	123,750	129,780	948,750	994,980
Whole Life	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Employment Term	910,000	2,800,000	-	-	-	-	-	-	-	-	136,500	420,000	1,046,500	3,220,000
Micro Term	-	378,000	-	-	-	-	-	-	-	-	-	56,700	-	434,700
Special Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6,708,000	15,586,930	-	-	271,785,448	263,710,047	-	-	900,000	2,427,086	41,909,017	42,258,609	321,302,465	323,982,672

Description	Gross Outstanding Claim Reserve		Claim Outstanding upto One Year		Unclaimed Fund as per sec. 123(2) of Insurance Act		Transfer to Policyholder's Protection Fund		Gross Claim Payment Reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment	3,174,575	8,743,031	3,174,575	8,743,031	-	-	-	-	3,174,575	3,056,236
Anticipated Endowment	316,132,640	310,589,961	316,132,640	310,589,961	-	-	-	-	316,132,640	24,275,000
Endowment cum Whole Life	948,750	994,980	948,750	994,980	-	-	-	-	948,750	460,000
Whole Life	-	-	-	-	-	-	-	-	-	-
Foreign Employment Term	1,046,500	3,220,000	1,046,500	3,220,000	-	-	-	-	1,046,500	3,083,868
Micro Term	-	434,700	-	434,700	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-	-
Total	321,302,465	323,982,672	321,302,465	323,982,672	-	-	-	-	321,302,465	30,875,104

Note: Claim outstanding upto one year includes all outstanding claim which have not been settled for more than one year from the date of intimation.

20. Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	-	59,113,578
Payable to other Insurance Companies	-	-
Others (to be Specified)	-	-
Total	-	59,113,578

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	-	59,113,578
Payable to other Insurance Companies	-	-
Others (to be Specified)	-	-
Total	-	59,113,578

21. Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	-	-
Income Tax Assets	478,388,690	348,174,540
Total	478,388,690	348,174,540

22. Borrowings

Particulars	Current Year	Previous Year
Bonds	-	-
Debentures	-	-
Term Loans-Bank and Financial Institution	-	-
Bank Overdrafts	-	-
Others (to be Specified)	-	-
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds	-	-
Debentures	-	-
Term Loans-Bank and Financial Institution	-	-
Bank Overdrafts	-	-
Others (to be Specified)	-	-
Total	-	-

23. Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	46,886,369	22,948,556
Unidentified deposits	5,392,167	3,557,763
Advance Premium	38,824,711	58,914,138
Insurance Service Fee Payable	9,950	35,569,631
Lease Liability	120,421,057	121,905,122
Deferred Reinsurance Commission Income	-	-
Deferred Income	-	-
Others	-	-
Payable Under OYVS	468,895	624,401
Others Payable	-	-
Total	212,003,149	243,519,610

Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable	46,886,369	22,948,556
Unidentified deposits	5,392,167	3,557,763
Advance Premiums	38,824,711	58,914,138
Insurance Service Fee Payable	9,950	35,569,631
Lease Liability	120,421,057	121,905,122
Deferred Reinsurance Commission Income	-	-
Deferred Income	-	-
Others	-	-
Payable Under OYVS	468,895	624,401
Others Payable	-	-
Total	212,003,149	243,519,610

24. Other Financial Liabilities

Particulars	Fig. in NPR	
	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Agent	232,457,484	181,053,869
Sundry Creditors	21,376,882	10,063,796
Retention and deposits	566,358	-
Short-term employee benefits payable	-	-
i) Salary Payable	14,568,000	8,820,877
ii) Bonus Payable	77,281,856	71,298,463
iii) Provident Fund Payable	6,250,453	2,186,813
iv) Gratuity Payable	9,334,225	8,565,296
Audit Fees Payable	802,300	738,300
Actuarial Fees Payable	5,500,000	5,350,000
Dividend Payable	18,901,754	-
Others	-	-
House Rent Payable	1,461,579	434,243
Expense Payable	82,830,940	59,286,789
Service charge payables	-	-
Total	471,331,832	347,798,446

Payable within 12 months

Particulars	Fig. in NPR	
	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Agents	232,457,484	181,053,869
Sundry Creditors	21,376,882	10,063,796
Retention and deposits	566,358	-
Short-term employee benefits payable	-	-
i) Salary Payables	14,568,000	8,820,877
ii) Bonus Payables	77,281,856	71,298,463
iii) Provident Fund Payable	6,250,453	2,186,813
iv) Gratuity Payable	9,334,225	8,565,296
Audit Fees Payable	802,300	738,300
Actuarial Fees Payable	5,500,000	5,350,000
Dividend Payable	18,901,754	-
Others	-	-
House Rent Payable	1,461,579	434,243
Expense Payable	82,830,940	59,286,789
Service charge payables	-	-
Total	471,331,832	347,798,446

25. Gross Earned Premiums

Fig. in NPR

Particulars	Direct Premium		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	3,686,989,127	2,673,125,160	-	-	-	-	3,686,989,127	2,673,125,160
Anticipated Endowment	1,352,003,301	1,375,011,340	-	-	-	-	1,352,003,301	1,375,011,340
Endowment Cum Whole Life	250,108,498	233,753,275	-	-	-	-	250,108,498	233,753,275
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	319,676,172	353,324,705	-	-	-	-	319,676,172	353,324,705
Micro Term	113,638,783	105,917,099	-	-	-	-	113,638,783	105,917,099
Special Term	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-
Total	5,722,415,882	4,741,131,579	-	-	-	-	5,722,415,882	4,741,131,579

25.1 Gross Written Premiums

Particulars	First Year Premium		Renewal Premium		Single Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	1,320,636,508	906,533,463	2,249,099,254	1,699,565,963	117,253,365	67,025,734	3,686,989,127	2,673,125,160
Anticipated Endowment	116,390,688	139,337,402	1,219,782,108	1,222,134,702	15,830,505	13,539,236	1,352,003,301	1,375,011,340
Endowment Cum Whole Life	35,613,951	34,798,685	213,938,542	198,692,167	556,005	262,423	250,108,498	233,753,275
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	319,676,172	353,324,705	-	-	-	-	319,676,172	353,324,705
Micro Term	113,605,478	105,917,099	33,305	-	-	-	113,638,783	105,917,099
Special Term	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-
Total	1,905,922,797	1,539,911,354	3,682,853,210	3,120,392,832	133,639,875	80,827,393	5,722,415,882	4,741,131,579

26. Premiums Ceded

Fig. in NPR

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premium		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	91,906,730	74,675,769	-	-	91,906,730	74,675,769
Anticipated Endowment	41,271,333	48,980,627	-	-	41,271,333	48,980,627
Endowment cum Whole Life	7,543,929	7,995,696	-	-	7,543,929	7,995,696
Whole Life	-	-	-	-	-	-
Foreign Employment Term	91,686,598	63,333,312	-	-	91,686,598	63,333,312
Micro Term	16,041,295	12,886,245	-	-	16,041,295	12,886,245
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	248,449,884	207,871,650	-	-	248,449,884	207,871,650

26.1 Portfolio-wise detail of Net Earned Premium

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	3,686,989,127	2,673,125,160	91,906,730	74,675,769	3,595,082,398	2,598,449,391
Anticipated Endowment	1,352,003,301	1,375,011,340	41,271,333	48,980,627	1,310,731,969	1,326,030,713
Endowment cum Whole Life	250,108,498	233,753,275	7,543,929	7,995,696	242,564,569	225,757,579
Whole Life	-	-	-	-	-	-
Foreign Employment Term	319,676,172	353,324,705	91,686,598	63,333,312	227,989,574	289,991,393
Micro Term	113,638,783	105,917,099	16,041,295	12,886,245	97,597,488	93,030,854
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	5,722,415,882	4,741,131,579	248,449,884	207,871,650	5,473,965,997	4,533,259,929

27. Commission Income

Fig. in NPR

Particulars	Reinsurance Commission		Profit Commission		Total Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	43,020,388	28,019,189	43,020,388	28,019,189
Anticipated Endowment	-	-	7,999,248	5,127,242	7,999,248	5,127,242
Endowment Cum Whole Life	-	-	2,608,061	1,880,367	2,608,061	1,880,367
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	4,381,048	2,958,566	4,381,048	2,958,566
Micro Term	-	-	948,128	1,008,142	948,128	1,008,142
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	58,956,874	38,993,506	58,956,874	38,993,506

28. Other Direct Income

Particulars	Other Direct Income		Late Fee		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	12,305,356	5,556,693	-	-	12,305,356	5,556,693
Anticipated Endowment	7,895,012	4,572,877	-	-	7,895,012	4,572,877
Endowment Cum Whole Life	1,447,494	789,618	-	-	1,447,494	789,618
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	29	-	-	-	29	-
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	21,647,891	10,919,188	-	-	21,647,891	10,919,188

29. Income from Investments and Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions	733,981,588	786,553,924
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	182,332,140	189,093,315
iv) Fixed Deposit with "C" Class Financial Institutions	52,837,453	46,044,814
v) Debentures	341,614,915	284,533,048
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
vii) Bank Deposits other than Fixed Deposit	6,252,570	4,604,442
viii) Agent Loans	1,693	1,171,674
ix) Employee Loans	3,754,580	4,058,902
xi) Policyholder Loan	-	-
x) Other Interest Income (to be Specified)	-	-
Financial Assets Measured at FVTOCI	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	12,869,302	4,969,681
iii) Other Interest Income (to be specified)	-	-
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Rental Income	-	-
Others (to be Specified)	-	-
Total	1,333,644,240	1,321,029,800

30. Net Gain/(Loss) on Fair Value Changes

Fig. in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Changes in Fair Value on Investment Properties	-	-
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-
Changes in Fair Value on Hedging Instruments in Fair Value Hedges	-	-
Gains/(Losses) of Ineffective Portion on Cash Flow Hedges	-	-
Other (to be Specified)	-	-
Total	-	-

31. Net Realised Gains/(Losses)

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments	203,377,137	-
ii) Mutual Fund	436	(1,051,025)
iii) Others (to be specified)	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be specified)	-	-
Total	203,377,573	(1,051,025)

32. Other Income

Fig. in NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan	-	-
ii) Bonds	-	-
iii) Others (to be Specified)	-	-
Foreign Exchange Income	-	-
Interest Income from Finance Lease	-	-
Amortization of Deferred Income	-	-
Profit from disposal of Property and Equipment	1,820,183	175,597
Amortization of Deferred Income	-	-
Stamp Income	-	-
Others	19,330,067	19,712,502
Total	21,150,250	19,888,099

33. Gross Benefits, Claims Paid and Claims Ceded

	Gross Benefits and Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	244,876,152	142,085,812	34,126,852	19,705,041	210,749,300	122,380,770
Anticipated Endowment	711,973,814	838,477,254	16,439,574	16,546,100	695,534,240	821,931,154
Endowment cum Whole Life	41,434,373	78,123,309	1,968,800	2,256,900	39,465,573	75,866,409
Whole Life	-	-	-	-	-	-
Foreign Employment Term	250,622,024	164,827,963	73,676,304	39,464,778	176,945,720	125,363,184
Micro Term	37,777,891	24,123,208	11,283,367	7,236,962	26,494,523	16,886,246
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	1,286,684,254	1,247,637,546	137,494,898	85,209,782	1,149,189,356	1,162,427,764



33.1 Details of Gross Benefits and Claim Paid

Fig. in NPR

Particulars	Death Claims		Maturity Benefits		Partial Maturity Benefits		Surrender Claim		Other Claims and Benefits		Total Gross Benefits and Claims	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	69,036,648	38,717,581	12,184,425	16,712,800	-	-	150,641,265	82,455,431	13,013,813	4,200,000	244,876,152	142,085,812
Anticipated Endowment	27,986,040	23,990,180	326,000	447,500	619,452,999	771,240,603	58,708,775	40,468,971	5,500,000	2,330,000	711,973,814	838,477,254
Endowment Cum Whole Life	6,829,800	5,582,271	-	-	11,791,000	24,978,000	21,889,077	47,563,038	924,496	-	41,434,373	78,123,309
Whole Life	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Employment Term	230,536,744	160,578,701	-	-	-	-	-	-	20,085,280	4,249,261	250,622,024	164,827,963
Micro Term	37,777,891	24,123,208	-	-	-	-	-	-	-	-	37,777,891	24,123,208
Special Term	-	-	-	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total	372,167,124	252,991,942	12,510,425	17,160,300	631,243,999	796,218,603	231,239,117	170,487,440	39,523,589	10,779,261	1,286,684,254	1,247,637,546

34. Change in Insurance Contract Liabilities

Particulars	Change in Life Insurance Fund (A)		Change in Gross Claim Payment Reserve including IBNR and IBNER (B)		Change in Other Liability (if any) (C)		Total (D)= (A+B+C)		Change in Reinsurance Assets (E)		Net Change in Insurance Contract Liabilities (D-E)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	3,138,670,579	2,242,085,542	(5,568,456)	5,686,795	-	-	3,133,102,122	2,247,772,338	-	-	3,133,102,122	2,247,772,338
Anticipated Endowment	575,043,626	84,996,984	5,542,679	286,314,961	-	-	580,586,306	371,311,945	-	-	580,586,306	371,311,945
Endowment cum Whole Life	231,807,365	164,154,104	(46,230)	534,980	-	-	231,761,135	164,689,084	-	-	231,761,135	164,689,084
Whole Life	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Employment Term	(117,537,255)	43,267,580	(2,173,500)	136,132	-	-	(119,710,755)	43,403,712	-	-	(119,710,755)	43,403,712
Micro Term	22,355,826	23,899,993	(434,700)	434,700	-	-	21,921,126	24,334,693	-	-	21,921,126	24,334,693
Special Term	-	-	-	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,850,340,140	2,558,404,204	(2,680,207)	293,107,569	-	-	3,847,659,933	2,851,511,772	-	-	3,847,659,933	2,851,511,772

35. Commission Expenses

Fig. in NPR

Particulars	Commission Expenses on First Year Premium		Commission Expenses on Renewal Premium		Commission Expenses on Single Premium		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	224,465,294	173,644,612	172,693,159	139,102,005	6,893,895	3,978,509	404,052,349	316,725,126
Anticipated Endowment	19,213,713	27,448,140	72,279,553	84,750,997	935,900	758,688	92,429,166	112,957,825
Endowment Cum Whole Life	8,669,149	8,412,541	14,812,742	15,527,268	33,360	15,745	23,515,251	23,955,554
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-	-	-
Micro Term	7,399,929	6,380,743	463	-	-	-	7,400,392	6,380,743
Special Term	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-
Total	259,748,085	215,886,035	259,785,917	239,380,270	7,863,155	4,752,942	527,397,157	460,019,247

36. Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	27,652,418	20,048,439	689,300	536,802	26,963,118	19,511,636
Anticipated Endowment	10,140,025	10,312,585	309,535	367,353	9,830,490	9,945,232
Endowment Cum Whole Life	1,875,814	1,753,150	56,579	59,969	1,819,234	1,693,180
Whole Life	-	-	-	-	-	-
Foreign Employment Term	2,397,571	2,649,935	687,649	498,266	1,709,922	2,151,670
Micro Term	852,291	794,378	120,310	96,647	731,981	697,731
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	42,918,119	35,558,487	1,863,374	1,559,037	41,054,745	33,999,450

37. Other Direct Expenses

Fig. in NPR

Particulars	Reinsurance Commission Expenses		Other Direct Expenses		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	401,920	358,860	401,920	358,860
Anticipated Endowment	-	-	24,360	35,410	24,360	35,410
Endowment Cum Whole Life	-	-	13,640	13,960	13,640	13,960
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	1,753,260	-	1,753,260
Micro Term	-	-	14,490	6,500	14,490	6,500
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	454,410	2,167,990	454,410	2,167,990

38. Employee Benefits Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Salaries	112,140,746	93,057,203
Allowances	101,410,589	77,744,453
Festival Allowances	12,950,789	10,956,953
Defined Benefit Plans		
i) Gratuity	-	-
ii) Others (to be Specified)	-	-
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund	11,214,075	9,304,600
ii) Others (Gratuity)	9,343,270	7,751,665
Leave Encashments	29,743,690	30,526,953
Termination Benefits	-	-
Training Expenses	3,911,899	4,649,795
Uniform Expenses	2,478,437	2,333,536
Staff Medical Expenses	11,500,649	11,159,095
Staff Insurance Expenses	3,699,213	439,787
Staff Welfare	-	-
Others (to be Specified)		
Staff Incentives	7,853,239	1,587,514
Outsourced Staffs	34,595,676	26,584,216.03
Sub-Total	340,842,272	276,095,771
Employees Bonus	77,281,855	71,298,463
Total	418,124,127	347,394,235

39. Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	2,123,346	2,084,650
Depreciation on Property and Equipment (Refer Note.5)	57,417,808	54,361,386
Depreciation on Investment Properties (Refer Note. 6)	-	-
Total	59,541,154	56,446,036

40. Impairment Losses

Fig. in NPR

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties, Goodwill & Intangible Assets		
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Assets	-	-
Impairment Losses on Financial Assets		
i) Investments	-	-
ii) Loans	-	3,337,429
iii) Other Financial Assets	-	-
iv) Cash and Cash Equivalents	-	-
v) Others (to be Specified)	-	-
Impairment Losses on Other Assets		
i) Reinsurance Assets	-	-
ii) Insurance Receivables	-	-
iii) Lease Receivables	-	-
iv) Others (to be Specified)	-	-
Total	-	3,337,429

41. Other Operating Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Rent Expenses	23,492,496	15,199,501
Electricity and Water	4,216,416	3,020,893
Repair & Maintenance		
i) Building	228,339	505,186
ii) Vehicle	300,475	651,138
iii) Office Equipments	1,871,237	1,411,716
iv) Others	467,808	419,635
Telephone & Communication	12,557,423	12,304,970
Printing & Stationary	7,309,993	5,642,399
Office Consumable Expenses	1,884,736	1,092,897
Travelling Expenses		
i) Domestic	20,059,739	13,587,701
ii) Foreign	3,200,178	276,156
Transportation Expenses	-	-
Agents Training	5,210,162	10,266,087
Agents Others	257,384,571	193,773,841
Insurance Premium	1,399,453	621,298
Security and Outsourcing Expenses	2,318,665	3,229,088
Legal and Consulting Expenses	1,501,377	41,959,422
Newspapers, Books and Periodicals	-	-
Advertisement & Promotion Expenses	16,698,457	31,239,021
Business Promotion	24,031,380	9,296,612
Guest Entertainment	-	-
Gift and Donations	190,000	120,294
Board Meeting Fees and Expenses	-	-
i) Meeting Allowances	2,240,000	1,348,000
ii) Other Allowances	4,159,551	1,988,569
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances	1,620,000	872,000
ii) Other Allowances	97,810	107,278
General Meeting Expenses	1,224,086	1,107,086
Actuarial Service Fee	5,500,000	5,407,000
Other Actuarial Expenses	-	1,092,463

Other Operating Expenses (Contd...)

Fig. in NPR

Audit Related Expenses		
i) Statutory Audit	565,000	565,000
ii) Tax Audit	56,500	56,500
iii) Long Form Audit Report	45,200	45,200
iv) Other Fees	79,100	79,100
v) Internal Audit	1,055,063	565,000
vi) Others		
Information Security Audit	250,000	339,000
Others	199,113	1,205,738
Bank Charges	4,452,671	1,475,449
Fee and Charges	3,347,686	4,761,499
Postage Charges	-	-
Foreign Exchange Losses	-	-
Others (to be Specified)	-	-
FE Pool Management Expense	698,421	-
CSR Expenses	4,191,816	2,319,983
Staff Conference and Seminar Expenses	4,854,725	5,428,157
Utility & Janitorial	1,250,914	872,247
Annual Maintenance Charge	5,716,850	16,734,180
Wages	6,232,725	6,785,930
RTS Expenses	1,250,000	250,000
Other Office Expenses	12,408,524	12,871,076
Sub-Total	445,818,663	410,894,312
Medical examination fee	2,648,487	2,277,853
Fines, interest, Late Fees and Penalties	1,034,739	236,108
Total	449,501,888	413,408,274

42. Finance Cost

Fig. in NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions	-	-
Unwinding of discount on Financial Liabilities at Amortised Costs	-	-
Interest Expenses - Bonds	-	-
Interest Expenses - Debentures	-	-
Interest Expenses - Term Loans	-	-
Interest Expenses - Leases	11,222,874	13,110,447
Interest Expenses - Overdraft Loans	-	-
Others (to be Specified)	-	-
Total	11,222,874	13,110,447

43. Income Tax Expense/Income

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	-	-
ii) Income Tax Relating to Prior Periods	-	-
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	302,290,347	24,196,687
ii) Changes in tax rate	-	-
iii) Recognition of previously unrecognised tax losses	-	-
iv) Write-down or reversal	-	-
v) Others (to be Specified)	-	-
Income Tax Expense	302,290,347	24,196,687

(b) Reconciliation of Taxable Profit & Accounting Profit

Fig. in NPR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	695,536,699	641,686,171
Applicable Tax Rate	25%	25%
Tax at the applicable rate on Accounting Profit	173,884,175	160,421,543
Add: Tax effect of expenses that are not deductible for tax purpose	1,246,376,053	1,003,605,946
Less: Tax effect on exempt income and additional deduction	(1,370,865,981)	(1,133,605,690)
Less: Adjustments to Current Tax for Prior Periods	-	-
Add/ (Less): Others (to be Specified)	252,896,101	(6,225,111)
Income Tax Expense	302,290,347	24,196,687
Effective Tax Rate	43.46%	3.77%

44. Employee Retirement Benefits

Employee Retirement Benefits are as follows:

i) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which company pays fixed contribution into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

Provident Fund :

Company deducts 10% of the basic Salary of each employee and contributes cent percent to that amount and deposit the total amount in Employee Provident Fund. For the year ended Ashadh 32, 2082 (July 16, 2025) Company has deposited NPR 11,214,075 (Previous Year- NPR 9,304,600) for Provident fund expense .

Gratuity:

Company has provided gratuity amount at 8.33% of basic salary of each month for all employees and deposit the amount in CIT. For the year ended Ashadh 32, 2082 (July 16, 2025) Company has deposited NPR 9,343,270 (Previous Year- NPR 7,751,665) for Gratuity expense .

ii) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company's obligation in respect of defined benefit obligation is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets to determine the net amount to be shown in the Statement of Financial Position. The value of a defined benefit asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reduction on the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that apply to any plan in Company. An economic benefit is available to Bank if it is realizable during the life of the plan, or on settlement of the plan liabilities.

iii) Unutilized Accumulated Leave

Company's liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee

benefits. Company's net obligation towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity

dates approximating to the terms of Bank's obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Employee Benefits Expenses' in the period in which they arise.

Liability for unutilized accumulated leave are mentioned below:**a) Total Expenses Recognised in the Statement of Profit or Loss**

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	310,442	6,959,737	-	-
Past service cost	-	-	-	-
Net interest cost (a-b)	3,556,011	2,577,970	-	-
a. Interest expense on defined benefit obligation (DBO)	3,556,011	2,577,970	-	-
b. Interest (income) on plan assets	-	-	-	-
Actuarial (gain)/ loss	26,122,414	918,175	-	-
Defined benefit cost included in Statement of Profit or Loss	29,988,867	10,455,882	-	-

b) Remeasurement effects recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	-	-	-
b. Actuarial (gain)/ loss due to experience on DBO	-	-	-	-
c. Return on plan assets (greater)/ less than discount rate	-	-	-	-
Total actuarial (gain)/ loss included in OCI	-	-	-	-

c) Total cost recognised in Comprehensive Income

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	-	-	-	-
Remeasurements effects recognised in OCI	-	-	-	-
Total cost recognised in Comprehensive Income	-	-	-	-

d) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	38,021,747	27,565,865	-	-
Service cost	310,442	6,959,737	-	-
Interest cost	3,556,011	2,577,970	-	-
Benefit payments by company	(24,783,021)	-	-	-
Actuarial (gain)/ loss - financial assumptions	-	-	-	-
Actuarial (gain)/ loss - experience	26,122,414	918,175	-	-
Defined Benefit Obligation as at Year End	43,227,593	38,021,747	-	-

e) Change in Fair Value Of Plan Assets

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-	-	-
Interest Income	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Transfer in/ transfer out	-	-	-	-
Actuarial (gain)/ loss on plan assets	-	-	-	-
Fair value of Plan Assets as at Year End	-	-	-	-

f) Net Defined Benefit Asset/(Liability)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	43,227,593	38,021,747	-	-
Fair Value of Plan Assets	-	-	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	43,227,593	38,021,747	-	-

g) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	-	-	-	-

h) Reconciliation of amounts in Statement of Financial Position

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/ (asset) at prior year end	38,021,747	27,565,865	-	-
Defined benefit cost included in Statement of Profit or Loss	29,988,867	10,455,882	-	-
Total remeasurements included in OCI	-	-	-	-
Acquisition/ divestment	-	-	-	-
Benefit payments by company	(24,783,021)	-	-	-
Net defined benefit liability/ (asset)	43,227,593	38,021,747	-	-

i) Reconciliation of Statement of Other Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	-	-	-	-
Total remeasurements included in OCI	-	-	-	-
Cumulative OCI - (Income)/ Loss	-	-	-	-

j) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	-	-	-	-
Non - Current Liability	-	-	-	-
Total	-	-	-	-

k) Expected Future Benefit Payments

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	4,896,362	4,923,282	-	-
Between 1-2 years	4,711,031	4,738,385	-	-
Between 2-5 years	14,518,540	14,199,281	-	-
From 6 to 10	19,178,848	19,737,824	-	-
Total	43,304,781	43,598,772	-	-

l) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Previous Year	Current Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Others (to be Specified)	-	-	-	-
Total	-	-	-	-

m) Sensitivity Analysis

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	40,391,357	35,765,248	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	46,467,446	40,572,032	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	46,280,914	40,453,805	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	40,508,178	35,837,542	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	-	-	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	-	-	-	-

n) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	8%	-
Escalation Rate (Rate of Increase in Compensation Levels)	7%	-
Attrition Rate (Employee Turnover)	10%	-
Mortality Rate During Employment	NALMT2009	-

45. Insurance Risk

Insurance risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims, frequency and severity and the risk of change in the legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

The Company seeks to minimise insurance risk through a formalised reinsurance arrangement with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing formalised risk management policies.

The Company considers insurance risk to be a combination of the following components of risks:

- Product development
- Pricing
- Underwriting and
- Claims Handling
- Reinsurance
- Reserving

a. Product development:

The Company principally issues the following types of Life Insurance contracts:

- Endowment
- Anticipated Endowment
- Endowment Cum Whole Life
- Whole Life
- Foreign Employment Term
- Other Term
- Special Term
- Others (to be Specified)

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting

strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

b. Pricing:

The pricing of an insurance product involves the estimation of claims, operational and financing costs and the income arising from investing the premium received. The pricing process typically comprises collecting data on the underlying risks to be covered, determining the pricing assumptions and the base rate, setting the final premium rate, and monitoring the review of the appropriateness of pricing.

The Company collects adequate data to validate the reasonableness of the underlying assumptions used for pricing. The base rate represents the amount required to meet the value of anticipated benefits, expenses, and margins for risks and profit. Data primarily relates to the company's own historical experience and that of the industry where relevant. These may be supplemented by other internal and external data, and could include trends observed in claims costs and expenses.

Pricing is done by modelling all identified risks, using appropriate methodologies depending on the complexity of the risks and available data. Adequate buffers are kept in the premiums to cushion against the risk that actual experience may turn out to be worse than expected.

c. Underwriting:

The Company's underwriting process is governed by the by the internal underwriting procedures. Some of the actions undertaken to mitigate underwriting risks are detailed below:

- Investments are made on the training and development of underwriting and claims management staff, including those attached to the distribution network.
- Application of Four-Eye principle on underwriting process.
- Pre-underwriting inspections are made on new business over a predetermined threshold to evaluate risk prior to acceptance.
- Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

d. Claims handling:

The Company considers insurance claim risk to be a combination of the following components of risks:

- Mortality Risk – risk of loss arising due to policyholder death experience being different than expected
- Longevity Risk – risk of loss arising due to the annuitant living longer than expected
- Investment Return Risk – risk of loss arising from actual returns being different than expected
- Expense Risk – risk of loss arising from expense experience being different than expected
- Policyholder Decision Risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

Assumptions

The assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the Company are listed below:

Particulars	Current Year				Previous Year			
	Mortality Rates	Investment Return	Lapse and Surrender Rate	Discount Rate	Mortality Rates	Investment Return	Lapse and Surrender Rate	Discount Rate
Life Insurance	Table below	8.68%	Table below	RFR	Table below	9.98%	Table below	RFR

Product Assumption Table

Policy Year Wise Lapse Assumption (Current Year & Previous year)

Lapse Rate by Policy Year	Regular Payment	Single Payment
1	1%	0%
2	20%	1%
3	10%	1%
4	10%	5%
5	10%	10%
6	10%	10%
7	10%	10%
8	10%	10%
9	10%	10%
10	10%	10%
11	10%	10%
12	10%	10%
13	10%	10%
14	10%	10%
15	10%	10%
16	10%	10%
17	10%	10%
18	10%	10%
19	10%	10%
20+	10%	10%

Product Wise Mortality Assumption

S No	Name of Product	Mortality Rates	
		Current Year	Previous Year
1	IME Child Endowment Plan (Bal Ujjwal)		
2	IME Child Money Back Plan (Bal Umang)		
3	IME Endowment Plan (Saral)		
4	IME Endowment cum Whole Life Plan (Ajivan)		
5	IME Limited Payment Endowment Plan (Sabal)		
6	IME Money Back Plan (Dhanbardhan)	77% of NALM (2009)	77% of NALM (2009)
7	IME Limited Payment Money Back Plan (Dhanbrikchya)		
8	IME Money Back cum Whole Life Plan (Kalpadhan)		
9	IME Annual Money Back Plan (Dhan Sarita)		
10	One Year's Micro Term Assurance Plan (Laghu Maydi Beema)		
11	Credit Term		
12	Expat Policies	35% of NALM (2009)	35% of NALM (2009)

Sensitivities

The life insurance claim liabilities are sensitive to the key assumptions as mentioned in the table below.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held

constant, showing the impact on gross and net liabilities, profit before tax and profit after tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

Fig. in NPR

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) on Profit Before Tax	Increase/ (Decrease) on Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) on Profit Before Tax	Increase/ (Decrease) on Profit After Tax
Mortality Rate	+10%	38,600,141	64,430,178	(6,443,018)	(4,832,263)	65,306,087	53,947,525	(5,394,753)	(4,046,064)
Longevity	+10%	(290,863,230)	(274,680,800)	27,468,080	20,601,060	(166,585,164)	(148,761,068)	14,876,107	11,157,080
Investment Return	+1%	NA	NA	NA	NA	NA	NA	NA	NA
Expense	+ 10%	36,095,630	36,095,630	(3,609,563)	(2,707,172)	84,823,747	84,823,747	(8,482,375)	(6,361,781)
Lapse and Surrender Rate	+ 10%	(128,636,668)	(126,064,261)	12,606,426	9,454,820	(92,501,168)	(90,378,933)	9,037,893	6,778,420
Discount Rate	+ 1%	1,609,701,336	1,265,147,551	(126,514,755)	(94,886,066)	436,994,026	755,128,627	(75,512,863)	(56,634,647)
Mortality Rate	-10%	(290,863,230)	(274,680,800)	27,468,080	20,601,060	(166,585,164)	(148,761,068)	14,876,107	11,157,080
Longevity	-10%	38,600,141	64,430,178	(6,443,018)	(4,832,263)	65,306,087	53,947,525	(5,394,753)	(4,046,064)
Investment Return	-1%	NA	NA	NA	NA	NA	NA	NA	NA
Expense	-10%	(36,095,630)	(36,095,630)	3,609,563	2,707,172	(84,823,747)	(84,823,747)	8,482,375	6,361,781
Lapse and Surrender Rate	- 10%	198,390,586	194,694,432	(19,469,443)	(14,602,082)	131,758,952	129,362,385	(12,936,239)	(9,702,179)
Discount Rate	-1%	(1,505,291,721)	(1,104,919,933)	110,491,993	82,868,995	(1,730,162,174)	(2,113,989,394)	211,398,939	158,549,205

e. Reinsurance

The Company purchases reinsurance as part of its risks mitigation programme. Premium ceded to the reinsurers is in accordance with the terms of the programmes already agreed based on the risks written by the insurance companies. Recoveries from reinsurers on claims are based on the cession made in respect of each risk and is estimated in a manner consistent with the outstanding claims provisions made for the loss. Although we mitigate our exposures through prudent reinsurance arrangements, the obligation to meet claims emanating from policy holders rests with the Company. Default of reinsurers

does not negate this obligation and in that respect the Company carries a credit risk up to the extent ceded to each reinsurer.

f. Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as insurance contract liabilities and disclosed as below:

Fig. in NPR

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Endowment	9,845,931,942	-	9,845,931,942	6,702,316,764	-	6,702,316,764
Anticipated Endowment	2,193,157,241	-	2,193,157,241	1,616,871,831	-	1,616,871,831
Endowment Cum Whole Life	1,082,000,201	-	1,082,000,201	849,693,898	-	849,693,898
Whole Life	-	-	-	-	-	-
Foreign Employment Term	255,948,898	-	255,948,898	373,486,153	-	373,486,153
Other Term	70,090,107	-	70,090,107	47,734,281	-	47,734,281
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	13,447,128,389	-	13,447,128,389	9,590,102,927	-	9,590,102,927

46. Fair Value Measurements

i. Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value

and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS.

Fig. in NPR

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments	-	-	-	-	-	-	-
Investment in Equity (Quoted)	1	-	1,365,903,892	-	-	753,218,155	-
Investment in Equity (Unquoted)	3	-	4,780,000	-	-	4,780,000	-
ii) Investment in Mutual Funds	1	-	380,998,565	-	-	92,761,230	-
iii) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	3,920,304,946	-	-	3,309,277,619
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	11,634,500,000	-	-	11,055,500,000
vii) Others (to be specified)	3	-	360,000,000	-	-	-	-
Loan	3	-	-	1,008,523,818	-	-	698,861,598
Other Financial Assets	3	-	-	1,006,566,537	-	-	178,970,081
Cash and Equivalent	3	-	-	625,011,396	-	-	616,878,023
Total Financial Assets	-	-	2,111,682,456	18,194,906,697	-	850,759,385	15,859,487,320
Borrowings	-	-	-	-	-	-	-
Other Financial Liabilities	3	-	-	471,331,832	-	-	347,798,446
Total Financial Liabilities	-	-	-	471,331,832	-	-	347,798,446

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

ii. Valuation Technique Used to Determine Fair Value

- Use of quoted market prices or dealer quotes for similar instruments.
- Fair Value of remaining financial instruments is determined using discounted cash flow analysis

iii. Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year.

The main level 3 inputs are derived and evaluated as follows:

- Discount rate is arrived at considering the internal and external factors.
- Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material.

iv. Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

Fig. in NPR

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investment	-	-	-	-
i. Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii. Investment in Debentures	3,920,304,946	3,920,304,946	3,309,277,619	3,309,277,619
iii. Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv. Fixed Deposit	11,634,500,000	11,634,500,000	11,055,500,000	11,055,500,000
v. Others (to be Specified)	-	-	-	-
Loans	-	-	-	-
i. Loan to Associates	-	-	-	-
ii. Loan to Employees	42,969,043	42,969,043	49,779,099	49,779,099
iii. Loan to Agent	182,052	182,052	2,000,484	2,000,484
iv. Loan to Policyholders	965,372,722	965,372,722	647,082,016	647,082,016
v. Others (to be Specified)	-	-	-	-
Other Financial Assets	1,006,566,537	1,006,566,537	178,970,081	178,970,081
Total Financial Assets at Amortised Cost	17,569,895,301	17,569,895,301	15,242,609,297	15,242,609,297
Borrowing	-	-	-	-
i. Bonds	-	-	-	-
ii. Debentures	-	-	-	-
iii. Term Loans - Bank and Financial Institution	-	-	-	-
iv. Bank Overdrafts	-	-	-	-
v. Others (to be Specified)	-	-	-	-
Other Financial Liabilities	471,331,832	471,331,832	347,798,446	347,798,446
Total Financial Liabilities at Amortised Cost	471,331,832	471,331,832	347,798,446	347,798,446

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate.

The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

47. Financial Risk Management

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. Thus, for an insurance contract, credit risk includes the risk that an insurer incurs a financial loss because a reinsurer defaults on its obligations under the reinsurance contract.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with

the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 32, 2082

Fig. in NPR

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loan to employee	42,969,043	-	-	42,969,043
	Loan to Agent	6,911,206	97.366%	6,729,154	182,052
	Loan to Policyholder	965,372,722	-	-	965,372,722
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 31,2081

Fig. in NPR

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loan to Employees	49,779,099	-	-	49,779,099
	Loan to Agents	11,730,513	82.95%	9,730,029	2,000,484
	Loan to Policy Holder	647,082,016	-	-	647,082,016
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-

Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Shrawan 1, 2081	9,730,029	-	-
Changes in loss allowances	(3,000,876)	-	-
Write-offs	-	-	-
Recoveries	-	-	-
Loss Allowance on Ashadh 32, 2082	6,729,154	-	-

2. Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Fig. in NPR

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings	-	-	-	-	-	-
Other Financial Liabilities	471,331,832	-	-	347,798,446	-	-
Total Financial Liabilities	471,331,832	-	-	347,798,446	-	-

3. Market Risk

a1. Foreign Currency Risk Exposure

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments.

The Company has no significant concentration of currency risk. The amount with reinsurer is settled in Nepalese Rupee.

b1. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

b2. Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*	-	-
Interest Rate - Decrease By 1%*	-	-

* Holding all other Variable Constant

c1. Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company has invested in equity securities and the exposure is equity securities price risk from investments held by

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*	-	-
Interest Rate - Decrease By 1%*	-	-

* Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through other comprehensive income.

48. Operational Risk

Operational Risk is the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

49. Climate Risk

Climate risk means the risks posed by the exposure of an insurer to physical, transition and/or liability risks caused by or related to climate change.

Climate change, one of the most critical threats faced by the world today, can disrupt

the Company and classified in the statement of financial position as fair value through OCI.

c2. Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

an organisation's operations and its entire value chain. Therefore, it has become essential for responsible businesses like I.M.E Life to lead with a well-defined sustainability roadmap to reduce the impact of our operations on the environment and contribute to addressing the looming issue of climate change.

We are in the process of developing a formal governance and risk management systems framework include the process for identifying, assessing, and managing climate change risks including the effect of climate change risk on reputation, liability, credit, market, strategic, and operational risks. Our organization's performance with regard to environmental, social, and governance risks, including climate change, is currently overseen by our senior leadership. The designated leadership group makes sure that all the risk are incorporated into overall risk management framework and business strategy.

Climate change has a significant impact on the life insurance business. Thus, while measuring the business implications of climate change, the manner in which climate-related risks and opportunities are likely to affect current and future financial performance in terms of major impact categories (e.g. Revenues, Expenditure, Assets etc.) shall be assessed. During the evaluation of the climate change

related risk, following impacts of the climate change related risk shall be taken into consideration.

- Increase in mortality rates due to seasonal events like earthquakes and floods
- Increase in morbidity rate resulting in increase in claims on policies with coverage of Critical Illness (CI)
- Hamper on the premium payment capacity of insured due to the impact of climate change in the business environment.
- Potential changes in valuation assumptions of policies that may lead to material impact on current reserving assumptions.

Company is committed to implement proactive measures to mitigate climate risks, promote sustainability, and to contribute more resilient and low-carbon future. While the frameworks are in the early stages of implementation, the Company plans to extensively integrate climate risk management into its underwriting processes, investment practices, and business continuity plans. In line with the Orderly Scenario defined by Network for Greening Financial System (NGFS), the Company shall implement innovative plans and increase stringency of its policies for climate risk management.

The targets set by the Company for management of climate change risks are:

- Digitization of Operations: To reduce paper usage while increasing effectiveness of operations, the Company has invested towards digitization of workflows in its branches as well as departments. Eco-friendly Office

Dividend

Particulars	Fig. in NPR	
	Current Year	Previous Year
(i) Dividends recognised	1,052,632,000	1,052,631,579
(ii) Dividends not recognised at the end of the reporting period	-	-
Company have declared cash dividend (including tax) of 10.52632% on share capital of Rs. 5 billion. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	526,315,789	1,052,632,000
Total	1,578,947,789	2,105,263,579

- Environment: The Company targets to be eco-friendly in its daily activities. The office equipments with carbon emissions are replaced with electronic ones, whereas usage of electricity is limited through power use protocols.
- Climate Awareness: The Company has gradually included the aspect of risks due to climate change into its awareness programs amongst the employees. Discussions are made at management level on policy implementation for risk mitigation and control.
- Organize Tree Plantation Events: We are planning to organize tree plantation events with collaboration with local bodies and clubs.

50. Capital Management

The Company's objectives when managing Capital are to:

- Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

The Nepal Insurance Authority has prescribed minimum paid up capital of Rs. 5 billion by Ashad 2080. As on the reporting date, the company's paid up capital is NPR 5 billion.

51. Earnings Per Share

Particulars	Fig. in NPR	
	Current Year	Previous Year
Profit For the Year used for Calculating Basic Earning per Share	393,246,352	617,489,484
Add: Interest saving on Convertible Bonds	-	-
Profit For the Year used for Calculating Diluted Earning per Share	393,246,352	617,489,484
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	50,000,000	50,000,000
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares	-	-
ii) Options	-	-
iii) Convertible Bonds	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	50,000,000	50,000,000
Nominal Value of Equity Shares	100	100
Basic Earnings Per Share	7.86	12.35
Diluted Earnings Per Share	7.86	12.35
Proposed Bonus Share	-	-
Restated Basic Earning Per Share	7.86	12.35
Restated Diluted Earning Per Share	7.86	12.35

52. Operating Segment

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

Segment asset is disclosed below based on total of all asset for each business segment.

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

Business Segments of the Company's are:

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

a. Segmental Information for the year ended Ashadh 32 2082 (July 16, 2025)

Fig. in NPR

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Whole Life	Foreign Employment Term	Micro Term	Special Term	Others (to be Specified)	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	3,686,989,127	1,352,003,301	250,108,498	-	319,676,172	113,638,783	-	-	-	5,722,415,882
Premiums Ceded	(91,906,730)	(41,271,333)	(7,543,929)	-	(91,686,598)	(16,041,295)	-	-	-	(248,449,884)
Inter-Segment Revenue										
Net Earned Premiums	3,595,082,398	1,310,731,969	242,564,569	-	227,989,574	97,597,488	-	-	-	5,473,965,997
Commission Income	43,020,388	7,999,248	2,608,061	-	4,381,048	948,128	-	-	-	58,956,874
Other Direct Income	12,305,356	7,895,012	1,447,494	-	-	29	-	-	-	21,647,891
Interest Income on Loan to Policyholders	58,777,266	16,929,335	11,232,918	-	-	-	-	-	-	86,939,519
Income from Investments and Loans	720,024,372	180,826,459	72,654,600	-	34,078,348	8,862,471	-	-	-	1,016,446,249
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	4,429,209,779	1,524,382,023	330,507,642	-	266,448,970	107,408,116	-	-	-	6,657,956,531
Expenses:										
Gross Benefits and Claims Paid	244,876,152	711,973,814	41,434,373	-	250,622,024	37,777,891	-	-	-	1,286,684,254
Claims Ceded	(34,126,852)	(16,439,574)	(1,968,800)	-	(73,676,304)	(11,283,367)	-	-	-	(137,494,898)
Change in Insurance Contract Liabilities	3,133,102,122	580,586,306	231,761,135	-	(119,710,755)	21,921,126	-	-	-	3,847,659,933
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	3,343,851,422	1,276,120,546	271,226,708	-	57,234,965	48,415,649	-	-	-	4,996,849,290
Commission Expenses	404,052,349	92,429,166	23,515,251	-	-	7,400,392	-	-	-	527,397,157
Service Fees	26,963,118	9,830,490	1,819,234	-	1,709,922	731,981	-	-	-	41,054,745
Employee Benefits Expenses	193,810,745	74,405,744	13,379,759	-	18,885,713	6,276,083	-	-	-	306,758,044
Depreciation and Amortization Expenses	33,856,468	12,997,812	2,337,287	-	3,299,113	1,096,358	-	-	-	53,587,039
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	90,520,541	34,751,676	6,249,101	-	8,820,692	2,931,285	-	-	-	143,273,295
Finance Cost	6,381,584	2,449,949	440,554	-	621,848	206,652	-	-	-	10,100,587
Total Segmental Expenses	4,099,436,227	1,502,985,383	318,967,895	-	90,572,252	67,058,400	-	-	-	6,079,020,157
Total Segmental Results	329,773,552	21,396,640	11,539,747	-	175,876,718	40,349,716	-	-	-	578,936,374
Segment Assets	-	-	-	-	-	-	-	-	-	-
Segment Liabilities	9,849,106,517	2,509,289,881	1,082,948,951	-	256,995,398	70,090,107	-	-	-	13,768,430,855

b. Segmental Information for the year ended Ashadh 31, 2081 (July 15, 2024)

Fig. in NPR

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Whole Life	Foreign Employment Term	Micro Term	Special Term	Others (to be Specified)	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	2,673,125,160	1,375,011,340	233,753,275	-	353,324,705	105,917,099	-	-	-	4,741,131,579
Premiums Ceded	(74,675,769)	(48,980,627)	(7,995,696)	-	(63,333,312)	(12,886,245)	-	-	-	(207,871,650)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	2,598,449,391	1,326,030,713	225,757,579	-	289,991,393	93,030,854	-	-	-	4,533,259,929
Commission Income	26,292,512	7,128,893	2,280,076	-	2,958,566	333,459	-	-	-	38,993,506
Other Direct Income	5,556,693	4,572,877	789,618	-	-	-	-	-	-	10,919,188
Interest Income on Loan to Policy-holders	41,496,377	12,882,781	8,090,160	-	-	-	-	-	-	62,469,318
Income from Investments and Loans	532,824,623	156,970,857	62,700,615	-	42,707,098	8,008,953	-	-	-	803,212,147
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	3,204,619,596	1,507,586,121	299,618,048	-	335,657,057	101,373,266	-	-	-	5,448,854,088
Expenses:										
Gross Benefits and Claims Paid	142,085,812	838,477,254	78,123,309	-	164,827,963	24,123,208	-	-	-	1,247,637,546
Claims Ceded	(19,705,041)	(16,546,100)	(2,256,900)	-	(39,464,778)	(7,236,962)	-	-	-	(85,209,782)
Change in Insurance Contract Liabilities	2,247,772,338	371,311,945	164,689,084	-	43,403,712	24,334,693	-	-	-	2,851,511,772
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	2,370,153,108	1,193,243,100	240,555,494	-	168,766,896	41,220,939	-	-	-	4,013,939,536
Commission Expenses	316,725,126	112,957,825	23,955,554	-	-	6,380,743	-	-	-	460,019,247
Service Fees	19,511,636	9,945,232	1,693,180	-	2,151,670	697,731	-	-	-	33,999,450
Employee Benefits Expenses	123,569,345	66,218,115	11,006,372	-	18,542,733	5,223,835	-	-	-	224,560,400
Depreciation and Amortization Expenses	27,954,616	14,980,269	2,489,929	-	4,194,851	1,181,768	-	-	-	50,801,432
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	111,005,195	59,485,261	9,887,278	-	16,657,365	4,692,691	-	-	-	201,727,789
Finance Cost	6,492,883	3,479,394	578,324	-	974,318	274,484	-	-	-	11,799,403
Total Segmental Expenses	2,975,411,909	1,460,309,195	290,166,131	-	211,287,832	59,672,190	-	-	-	4,996,847,257
Total Segmental Results	229,207,687	47,276,926	9,451,917	-	124,369,225	41,701,076	-	-	-	452,006,831
Segment Assets	-	-	-	-	-	-	-	-	-	-
Segment Liabilities	6,711,059,795	1,927,461,792	850,688,878	-	376,706,153	48,168,981	-	-	-	9,914,085,599

c. Reconciliation of Segmental Profit with Statement of Profit or Loss

Fig. in NPR

Particulars	Current Year	Previous Year
Segmental Profit	578,936,374	452,006,831
Less: Employee Benefits expenses	(111,366,083)	(96,249,619)
Less: Depreciation and Amortization	(5,954,115)	(5,644,604)
Less: Other operating expenses	(306,683,003)	(240,432,690)
Less: Impairment losses	-	(3,337,429)
Less: Finance Cost	(1,122,287)	(1,311,045)
Add: Unallocable Other Income	541,725,813	536,654,727
Profit Before Tax	695,536,699	641,686,171

d. Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	-	-
Goodwill & Intangible Assets	7,331,689	8,277,035
Property and Equipment	203,896,626	191,285,027
Investment Properties	-	-
Deferred Tax Assets	212,219,867	516,986,259
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	17,666,487,402	15,215,537,004
Loans	1,008,523,818	698,861,598
Current Tax Assets	478,388,690	348,174,540
Insurance Receivables	4,283,559	-
Other Assets	21,271,208	229,512,307
Other Financial Assets	1,006,566,537	178,970,081
Cash and Cash Equivalents	625,011,396	616,878,023
Total Assets	21,233,980,792	18,004,481,874

e. Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	13,768,430,855	9,914,085,599
Provisions	43,227,593	42,334,443
Deferred Tax Liabilities	-	-
Current Tax Liabilities	-	-
Other Financial Liabilities	471,331,833	406,912,024
Other Liabilities	212,003,149	243,519,610
Total Liabilities	14,494,993,429	10,606,851,676

53. Related Party Disclosure

a. Identify Related Parties

Holding Company: There are no holding company for this fiscal year.

Subsidiaries: There are no Subsidiaries company for this fiscal year.

Associates: There are no Associate company for this fiscal year.

Fellow Subsidiaries: There are no Fellow Subsidiaries company for this fiscal year.

Key Management Personnel: The company has identified its Board Of Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Underwriting Officer as the key management personnel.

Board of Directors	Position
Dr. Ram Hari Aryal (Appointment Date: 2074/09/26 Re-Appointment Date: 2079/01/14)	Chairman
Ms. Usha Dhakal (Appointment Date: 2079/01/14)	Director
Mr. Binod K.C (Appointed From 2079/11/10)	Independent Director
Mr. Sitaram Thapa (Appointed From 2080/09/04)	Director
Mr. Sandeep Agrawal (Appointed From 2080/09/04)	Director
Mr. Robin Kumar Nepal (Appointed From 2081/02/28)	Director-Public Representative

Management Team	Postion
Mr. Pawan Kumar Khadka	Chief Executive Officer
Mr. Denesh Amatya	Deputy Chief Executive Officer
Mr. Khilendra Paudel	Deputy Chief Executive Officer
Mr. Jagat Bohara	Chief Finance Officer
Mr. Sudeep Rana	Chief Underwriting Officer
Mr. Indra Raj Subedi	Chief Marketing Officer - Eastern Region
Mr. Susil Chapagai	Chief Marketing Officer - Western Region

b. Key Management Personnel Compensation

Fig. in NPR

Particulars	Current Year	Previous Year
Short-term employee benefits	36,227,770	22,588,624
Post-employment benefits	2,479,389	722,701
Other long-term benefits	-	-
Termination benefits	-	-
Total	38,707,159	23,311,325

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	6,364,890	8,731,856
Performance based allowances		
i) Employee Bonus	-	1,148,667
ii) Benefits as per prevailing provisions	-	-
iii) Incentives	-	-
Insurance related benefits		
i) Life Insurance	-	-
ii) Accident Insurance	-	-
iii) Health Insurance (including family members)	-	600,000
Total	6,364,890	10,480,523

c. Related Party Transactions

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Others	Total
Premium Earned							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Commission Income							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Rental Income							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Interest Income							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Sale of Property & Equipment							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Others	Total
Purchase of Property & Equipment							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Premium Paid							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Commission Expenses							
Current Year							
Global IME Bank Limited	-	-	-	-	-	444,226	444,226
Global IME Laghubitta Bittiya Sanstha Limited	-	-	-	-	-	4,324,820	4,324,820
Previous Year							
Global IME Bank Limited	-	-	-	-	-	444,620	444,620
Global IME Laghubitta Bittiya Sanstha Limited	-	-	-	-	-	4,623,995	4,623,995
Dividend							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Meeting Fees							
Current Year	-	-	-	-	-	2,240,000	2,240,000
Previous Year	-	-	-	-	-	1,348,000	1,348,000
Allowances to Directors							
Current Year	-	-	-	-	-	2,061,905	2,061,905
Previous Year	-	-	-	-	-	1,628,734	1,628,734
Others (to be specified)							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-

d. Related Party Balances

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	others	Total
Receivables including Reinsurance Receivables							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Other Receivables (to be Specified)							
Current Year	-	-	-	-	-	-	-
Global IME Bank Limited- Current Account	-	-	-	-	-	5,998,317	5,998,317
Previous Year	-	-	-	-	-	-	-
Global IME Bank Limited- Current Account	-	-	-	-	-	53,023,875	53,023,875
Payables including Reinsurance Payables							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-
Other Payables (to be Specified)							
Current Year	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-

54. Leases

Leases as Lessee
Company has assess whether the contract is, or contains, a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Company have implemented NFRS 16 and recognises Right of use Asset (presented under heading of Building in property plant and equipment) and a Lease Liability as given below:-

Previous Year

Particulars	Right To use Asset	Lease Laibility
Lease identify on 1st Shrawan 2080	103,990,742	119,204,712
Add: Addition	41,169,569	25,955,599
Less: Depreciation	(31,608,958)	-
Add: Interest Expenses	-	13,110,447
Less : Payment against lease	-	(36,365,636)
Closing Balance on 31 Ashadh 2081	113,551,353	121,905,122

Current Year

Fig. in NPR

Lease identify on 1st Shrawan 2081	113,551,353	121,905,122
Add: Addition	26,229,310	17,875,541
Less: Depreciation	(26,541,543)	-
Add: Interest Expenses	-	11,222,874
Less : Payment against lease	-	(30,582,480)
Closing Balance on 32 Ashadh 2082	113,239,120	120,421,057

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	32,452,139	25,148,088
ii) Later than 1 year and not later than 5 years	64,863,035	70,312,603
iii) Later than 5 years	23,105,884	26,444,432
Total Future Minimum Lease Payments	120,421,057	121,905,122
Less: Effect of Discounting	-	-
Finance lease liability recognised	120,421,057	121,905,122

55. Capital Commitments

Estimated amount of contracts remaining to be executed in capital accounts and not provided for

Particulars	Current Year	Previous Year
Property and Equipment	-	-
Investment Properties	-	-
Goodwill & Intangible Assets	-	-
Total	-	-

56. Contingent Liabilities

Estimated amount of contracts remaining to be executed in capital accounts and not provided for (net of advances)

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts	-	-
a) Income Tax	-	-
b) Indirect Taxes	-	-
c) Others (to be Specified)	-	-
Total	-	-

57. Events occuring after Balance Sheet

Our Accounting software have been changed from Siddhi to Iensure dated from 1st Bhadra 2080.

58. Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Fig. in NPR

Particulars	Current Year	Previous Year
Reinsurance Receivables	-	-
Investments in equity	-	-
Fixed Deposits	-	-
Property and Equipment	-	-
Others (to be Specified)	-	-
Total	-	-

58. Corporate Social Responsibility

The Corporate Social Responsibility Fund is created for the purpose of corporate social responsibility by allocating 1% of Net profit as per Sec 11(Ga) of Financial Statement Related Directive, 2080 and is utilized towards corporate social responsibility expenditure in subsequent year.

For the year ended Ashadh 32, 2082 (July 16, 2025) the company has recognised an amount of NPR. 4,191,816 (Previous Year- NPR 2,319,983) as an CSR expenses in the Statement of Profit or Loss.

Particulars	As on Ashad 2082	As on Ashad 2081
Opening Balance of CSR Reserve	8,882,291	4,449,196
1% of Net Profit allocated	6,997,285	6,753,078
Allocated from Regulatory Reserve	-	-
Utilisation from CSR Fund	(4,191,816)	(2,319,983)
Closing Balance of CSR Reserve	11,687,760	8,882,291

60. Miscellaneous

- All amounts are in Nepalese Rupees unless otherwise stated.
- All figures are in the Nearest Rupee & Rounded off.

I.M.E. Life Insurance Company Limited

MINIMUM DISCLOSURE IN DIRECTORS' REPORT

As at 16th July, 2025 (Ashad End 2082)

a. Information related to Life Insurer

Under this title following matters shall be disclosed

- Date of establishment: 15th Ashwin, 2065
- Insurer license date: 20th Ashad 2074
- Insurance business type, nature: Life Insurance
- Date of commencement of business: 1st Bhadra, 2074
- Other matters which insurer wish to include: None

b. Insurer's Board of Directors shall approve following matters

- There are no arrears of any tax, service charges, fine and penalties to be paid under laws & regulation.
- Share Holding Pattern of the Company is in accordance with prevailing laws & regulation. The shareholding structure of the company is as below:
 - Promoter share holding: 70%
 - Public share holding: 30%
- The Company has adequate assets to cover both its liabilities and minimum Solvency Margin as prescribed by Nepal Insurance Authority. The solvency ratio of Company for Current Financial Year is 2.59
- Assets Presented in SOFP are not overstated than it's fair value.
- Fixed Assets recognized in financial statements are at historical cost less Depreciation.
- All Investments made are in accordance with Investment Directives issued by Nepal Insurance Authority and Internal Investment Policy of the Company.
- Total number of claim settled within the

year is 775 and total no. of outstanding claim during the year is 14.

- Financial Statement have been prepared in accordance with applicable provisions of the Insurance Act 2079, Insurance Regulation 2049, Company Act 2063, NFRS and other prevailing laws and regulation.
- Appropriate accounting policies have been consistently applied.
- Financial statements are prepared so as to give a true and fair view of the states of the affairs of the company at the end of the financial year and of the operating profit of the company for the year the ended.
- Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
- Financial Statements have been prepared on a going concern basis.
- The internal control system of the company is commensurate with the size, nature & volume of the it's business and is operating effectively.
- The insurer has not conducted any transactions contrary to Insurance Act, 2079, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
- The Insurer has paid NPR 1,034,739 as fine to Inland Revenue Office during FY 2081.82 for late filing of Income tax Return.
- Other disclosure which is deemed appropriate by Board of Directors/ management: None.

ANNEXURE - III: MAJOR FINANCIAL INDICATORS

S.N	Particular	Indicators	Fiscal Year					
			2081/82	2080/81	2079/80	2078/79	2077/78	2076/77
a. Equity								
1	Net worth	NPR	6,738,987,363	7,397,630,198	6,821,511,607	2,471,379,308	2,135,117,314	1,837,643,528
2	Net Profit	NPR	393,246,352	617,489,484	209,988,338	325,352,783	296,239,158	198,623,467
3	Number of Shares	No.s	50,000,000	50,000,000	40,000,000	14,000,000	14,000,000	14,000,000
4	Earning per Shares (EPS)	Per share	7.86	12.35	10.00	23.24	21.16	14.19
5	Book value per shares	Per share	134.78	147.95	170.54	176.53	152.51	131.26
6	Dividend per Shares (DPS)	Per share	10.53	21.05	26.32	-	-	-
7	Market Price per Shares (MPPS)	Per share	462.02	453.00	-	-	-	-
8	Price Earning Ratio (PE Ratio)	Ratio	58.74	36.68	-	-	-	-
9	Change in Equity	%	-1.21%	8.45%	176.02%	15.75%	16.19%	12.10%
10	Return on Equity	%	5.84%	8.35%	3.08%	13.16%	13.87%	10.81%
11	Affiliate Ratio	%	-	-	-	-	-	-
12	Market Share	%	3.139%	3.033%	2.937%	2.583%	2.329%	1.427%
13	Net Earning Ratio	%	7.2%	13.6%	5.3%	9.6%	10.5%	14.6%
14	Solvency Margin	%	2.59	2.23	2.80	2.33	1.91	1.51
b. Income								
15	Gross Earned Premium Growth Rate	%	36.67%	13.24%	16.93%	26.89%	99.54%	53.91%
16	First Year Premium Growth Rate	%	41.77%	14.54%	-5.93%	-5.40%	85.72%	21.47%
	Endowment	%	102.72%	39.15%	-6.75%	24.28%	147.21%	-7.06%
	Anticipated Endowment	%	-32.92%	-19.70%	-62.34%	-43.56%	70.49%	88.86%
	Endowment Cum Whole Life	%	-21.55%	-23.34%	-50.97%	29.30%	279.38%	-73.06%
	Whole Life	%	-	-	-	-	-	-
	Foreign Em- ployment Term	%	-26.68%	-18.96%	227.87%	266.41%	-57.89%	-14.90%
	Micro Term	%	198.87%	178.64%	-13.87%	82.13%	1058.10%	3988.36%
	Special Term	%	-	-	-	-	-	-
	Others (to be Specified)	%	-	-	-	-	-	-

Fig. in NPR

S.N	Particular	Indicators	Fiscal Year					
			2081/82	2080/81	2079/80	2078/79	2077/78	2076/77
17	Renewal Premium Growth Rate	%	34.15%	13.66%	37.90%	67.23%	119.56%	172.41%
	Endowment	%	71.08%	29.28%	57.64%	75.63%	71.90%	140.78%
	Anticipated Endowment	%	-2.09%	-1.90%	20.93%	69.69%	226.19%	246.36%
	Endowment Cum Whole Life	%	15.77%	7.52%	45.94%	16.73%	35.87%	161.11%
	Whole Life	%	-	-	-	-	-	-
	Foreign Em- ployment Term	%	-	-	-	-	-	-
	Micro Term	%	-	-	-	-	-	-
	Special Term	%	-	-	-	-	-	-
	Others (to be Specified)	%	-	-	-	-	-	-
18	Single Premi- um Growth Rate	%	37.35%	-16.93%	-39.47%	33.04%	106.11%	16.69%
	Endowment	%	40.19%	-19.86%	-43.83%	28.86%	290.43%	43.22%
	Anticipated Endowment	%	15.87%	-0.90%	29.53%	1074.34%	-20.91%	100.00%
	Endowment Cum Whole Life	%	100.00%	100.00%	-100.00%	-70.69%	-84.37%	-5.69%
	Whole Life	%	-	-	-	-	-	-
	Foreign Em- ployment Term	%	-	-	-	-	-	-
	Micro Term	%	-	-	-	-	-	-
	Special Term	%	-	-	-	-	-	-
	Others (to be Specified)	%	-	-	-	-	-	-
19	Reinsurance Ratio	%	4.34%	4.38%	5.61%	5.26%	0.39%	3.98%
20	Retention Ratio	%	95.66%	95.62%	94.39%	94.74%	99.61%	96.02%
21	Net Reinsur- ance inflow/ Outflow	Amount	(51,998,113)	(83,668,362)	(183,289,760)	(92,912,973)	(35,990,829)	(32,820,062)
22	RI Commission Income/Premi- um Ceded	%	23.73%	18.76%	0.00%	0.00%	0.00%	0.00%
23	Gross Premium Premium to Equity	%	84.92%	64.09%	61.38%	144.88%	132.16%	76.96%
24	Net Premium Premium to Equity	%	81.23%	61.28%	57.93%	137.26%	131.65%	73.89%

Fig. in NPR

S.N	Particular	Indicators	Fiscal Year					
			2081/82	2080/81	2079/80	2078/79	2077/78	2076/77
25	Gross Insurance Premium to Total Assets	%	32.01%	29.16%	37.80%	54.20%	60.63%	44.38%
26	Yield on investment	%	9.39%	10.36%	10.30%	9.75%	10.12%	10.85%
c. Expenses:								
27	Regulatory Expenses ratio	%	17.84%	18%	18%	18%	19%	21%
28	Management expenses Ratio	%	16.40%	17.58%	14.43%	17.53%	21.66%	28.35%
29	Commission Ratio	%	9.22%	9.70%	11.09%	15.38%	18.39%	17.98%
30	Direct Business Acquisition Ratio	%	9.69%	9.15%	8.92%	16.01%	24.53%	23.37%
31	Agent Related Expenses to Other Operating Expenses	%	63.77%	48.49%	56.54%	70.69%	74.95%	64.00%
32	Agent Related Expenses to Gross Earned Premium	%	5.01%	4.50%	4.24%	7.26%	11.57%	10.68%
33	Employee Expenses to Total expenses excluding claims & benefits and direct expenses	%	44.56%	38.48%	38.14%	31.95%	26.27%	36.22%
d. Assets:								
34	Increment in Investment	%	16.11%	51.55%	73.05%	37.63%	48.49%	32.30%
35	Increment in Loan	%	44.31%	11.75%	50.03%	44.69%	60.75%	152.14%
36	Liquidity Ratio	%	241.88%	157.64%	468.44%	91.59%	129.19%	157.72%
37	Return on Assets	%	2.47%	2.98%	1.90%	4.92%	6.37%	6.23%
38	Long Term Investments to Total investment	%	78.58%	71.04%	85.78%	69.72%	76.76%	62.96%
39	Short Term Investment to Total investment	%	21.42%	28.96%	14.22%	30.28%	23.24%	37.04%
40	Total investment & Loan to Gross Insurance contract Liabilities	%	135.64%	160.52%	151.12%	134.41%	147.35%	182.99%
41	Investment in Unlisted Shares to Total Assets	%	0.02%	0.03%	0.01%	0.02%	0.92%	1.37%

e. Liabilities:

Fig. in NPR

S.N	Particular	Indicators	Fiscal Year					
			2081/82	2080/81	2079/80	2078/79	2077/78	2076/77
42	Increment in Gross Insurance Contract Liabilities	%	95.09%	40.48%	52.55%	51.37%	85.32%	88.62%
	Increment in Life Insurance Fund	%	91.38%	36.48%	51.99%	51.35%	85.35%	88.58%
	Increment in Claim Payment Reserve including IBNR	%	940.65%	949.33%	840.80%	85.27%	48.82%	195.71%
43	Gross Technical Provision to Gross Earned Premium	%	240.61%	209.11%	168.56%	129.21%	108.31%	116.62%
44	Gross Technical Provision to Total Equity	%	204.31%	134.02%	103.46%	187.20%	143.15%	89.75%
45	Insurance Debt to Total Equity	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
46	Loss Ratio	%	6.57%	5.60%	3.97%	5.25%	5.27%	2.97%
47	Persistency Ratio	%	99.01%	99.13%	99.97%	99.63%	99.40%	99.39%
48	Lapse Ratio	%	9.30%	7.28%	5.87%	9.67%	9.20%	18.81%
49	No. of Outstanding Claim/ No. of Intimated Claims	%	1.87%	9.01%	6.86%	6.73%	2.56%	5.88%
50	Total Number of Inforce Policies	No.s	446,600	421,429	259,571	134,172	109,726	89,398
51	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%	32.28%	27.51%	47.07%	42.16%	31.79%	20.66%
f. Others:								
52	Declared Bonus Rate	Per'000	22-80	22-80	22-80	20-70	20-70	20-70
53	Interim Bonus Rate	Per'000	-	-	-	-	-	-
54	Number of Offices	No.s	158	151	149	149	134	104
55	Number of Agents	No.s	44,415	37,797	35,174	26,525	20,653	10,926
56	Number of Employees	No.s	335	267	264	265	251	232
57	Employee Expenses to Number of Employees	Amt.	349,018	302,081	217,852	194,276	166,258	171,659

ANNEXURE - IV: STATEMENT OF SUM ASSURED

As per Actuarial Valuation Report

Fig. in NPR

S.N.	Insurance Types	In Force Number of Policies		Sum Assured of In Force Policies		Sum at Risk		Sum at Risk Transferred to Reinsurer		Sum at risk retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Endowment	99,126	100,463	69,979,034,534	53,466,305,700	74,064,747,514	49,659,636,860	28,065,860,534	18,686,433,917	52,450,062,319	37,469,259,797
2	Anticipated Endowment	21,416	24,799	29,689,550,573	27,954,005,001	30,897,409,224	29,301,818,480	21,156,350,789	20,314,825,894	12,333,889,666	11,512,022,312
3	Endowment cum Whole Life	6,086	7,216	5,121,973,087	4,600,880,000	5,024,823,774	4,590,750,110	2,681,317,640	2,456,138,140	2,832,063,176	2,607,211,860
4	Whole Life	-	-	-	-	-	-	-	-	-	-
5	Foreign Employment Term	146,836	196,958	257,556,000,000	197,075,000,000	256,069,093,163	195,965,340,870	77,263,410,000	59,157,300,000	180,268,275,000	138,033,700,000
6	Micro Term	173,136	110,707	15,794,988,279	12,923,165,974	15,717,368,339	6,565,465,649	4,858,867,084	7,073,461,987	10,941,621,196	7,657,158,858
7	Special Term	-	-	-	-	-	-	-	-	-	-
8	Others (to be Specified)	-	-	-	-	-	-	-	-	-	-
Total		446,600	440,143	378,141,546,473	296,019,356,675	381,773,442,014	286,083,011,968	134,025,806,047	107,688,159,937	258,825,911,357	197,279,352,828

I.M.E. Life Insurance Company Limited

STATEMENT OF FINANCIAL POSITION

Comparison of Unaudited Financial Statement and Audited Financial Statement

As at 16th July, 2025 (Ashad End 2082)

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Assets				
Goodwill & Intangible Assets	7,331,689	7,331,689	0.00%	-
Property and Equipment	167,462,779	203,896,626	21.76%	Due to change in amount of Right to use assets booked in Audited financial statement.
Investment Properties	-	-	-	-
Deferred Tax Assets	476,727,650	212,219,867	-55.48%	Due to the reduction of accumulated taxable loss as per Income tax act 2058
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Investments	17,540,586,937	17,666,487,402	0.72%	
Loans	1,008,195,781	1,008,523,818	0.03%	
Reinsurance Assets	-	-	-	-
Current Tax Assets	475,758,390	478,388,690	0.55%	
Insurance Receivables	-	4,283,559	100.00%	Reconciliation and balance confirmation letter received from the reinsurance after the financial year-end.

Statement of Financial Position (Contd...)

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Other Assets	27,146,278	21,271,208	-21.64%	Due to a change in value of inventory booked on an actual basis, as identified during the physical stock verification carried out in the audit.
Other Financial Assets	1,158,085,764	1,006,566,537	-13.0%	Reclassification of Accrued interest from the "Other Financial Assets" category to "Investment" during the audit.
Cash and Cash Equivalent	625,150,440	625,011,396	-0.02%	
Total Assets	21,486,445,710	21,233,980,792	258.70%	
Equity & Liabilities				
Equity				
Share Capital	5,000,000,000	5,000,000,000	0.00%	
Share Application Money Pending Allotment	-	-	-	
Share Premium	523,816,613	523,816,613	0.00%	
Catastrophe Reserves	255,358,742	262,803,979	2.92%	
Retained Earnings	655,416,672	719,721,630	9.81%	Due to increase in net profit
Other Equity	494,450,747	232,645,141	-52.95%	Due to decrease in deferred tax reserve identified during the audit.
Total Equity	6,929,042,774	6,738,987,363	-2.74%	
Liabilities				
Provisions	42,882,091	43,227,593	0.81%	

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Gross Insurance Contract Liabilities	13,836,975,275	13,768,430,855	-0.50%	
Deferred Tax Liabilities	-	-	-	
Insurance Payable	10,647,652	-	-100.00%	Reconciliation and balance confirmation letter received from the reinsurance after the financial year-end.
Current Tax Liabilities	-	-	-	
Borrowings	-	-	-	
Other Liabilities	202,711,994	212,003,149	4.58%	
Other Financial Liabilities	464,185,924	471,331,833	1.54%	
Total Liabilities	14,557,402,936	14,494,993,429	-0.43%	
Total Equity and Liabilities	21,486,445,709	21,233,980,792	-1.17%	

I.M.E. Life Insurance Company Limited

STATEMENT OF OTHER COMPREHENSIVE INCOME

Comparison of Unaudited Financial Statement and Audited Financial Statement

For Period 16th July, 2024 to 16th July, 2025

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Net Profit/(Loss) For the Year	583,301,763	393,246,352	-32.58%	Due to valuation of Insurance Contract Liabilities as per NIA regulation and tax computation
Other Comprehensive Income				
a) Items that are or may be Reclassified to Profit or Loss	-	-	-	
Changes in Fair Value of FVOCI Debt Instruments	-	-	-	
Cash Flow Hedge - Effective Portion of Changes in Fair Value	-	-	-	
Exchange differences on translation of Foreign Operation	-	-	-	
Share of other comprehensive income of associates accounted for using the equity method	-	-	-	
Income Tax Relating to Above Items Reclassified to Profit or Loss	-	-	-	
b) Items that will not be Reclassified to Profit or Loss				
Changes in fair value of FVOCI Equity Instruments	9,904,181	9,904,181	0.00%	
Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	
Remeasurement of Post-Employment Benefit Obligations	-	-	-	
Share of other comprehensive income of associates accounted for using the equity method	-	-	-	
Income Tax Relating to Above Items	(2,476,045)	(2,476,045)	0.00%	
Total Other Comprehensive Income For the Year, Net of Tax	7,428,136	7,428,136	0.00%	
Total Comprehensive Income For the Year, Net of Tax	590,729,899	400,674,488	-32.17%	Due to valuation of Insurance Contract Liabilities as per NIA regulation and tax computation

I.M.E. Life Insurance Company Limited

STATEMENT OF PROFIT OR LOSS

Comparison of Unaudited Financial Statement and Audited Financial Statement

For Period 16th July, 2024 to 16th July, 2025

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Income				
Gross Earned Premiums	5,652,573,770	5,722,415,882	1.24%	
Premiums Ceded	(157,627,011)	(248,449,884)	57.62%	Due to Accounting of Premium Ceded of FE Pool after finalization
Net Earned Premiums	5,494,946,759	5,473,965,997	-0.38%	
Commission Income	35,162,298	58,956,874	67.67%	Due to Accounting of reinsurance experience refund.
Other Direct Income	21,647,891	21,647,891	0.00%	
Interest Income on Loan to Policyholders	86,939,519	86,939,519	0.00%	
Income from Investments and Loans	1,320,596,557	1,333,644,240	0.99%	
Net Gain/(Loss) on Fair Value Changes	-	-	-	
Net Realised Gains/(Losses)	203,377,573	203,377,573	0.00%	
Other Income	24,963,567	21,150,250	-15.28%	Due to reclassification of Dividend income to Income from Investments and Loans.
Total Income	7,187,634,164	7,199,682,344	0.17%	
Expenses:				
Gross Benefits and Claims Paid	1,283,709,884	1,286,684,254	258.70%	
Claims Ceded	(134,559,536)	(137,494,898)	2.18%	

Statement of Profit or Loss(Contd...)

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Gross Change in Contract Liabilities	3,916,204,354	3,847,659,933	-1.75%	
Change in Contract Liabilities Ceded to Reinsurers	-	-		
Net Benefits and Claims Paid	5,065,354,701	4,996,849,290	-1.35%	
Commission Expenses	527,397,157	527,397,157	0.00%	
Service Fees	41,212,101	41,054,745	-0.38%	
Other Direct expenses	449,850	454,410	1.01%	
Employee Benefits Expenses	405,817,336	418,124,127	3.03%	
Depreciation and Amortization Expenses	68,915,991	59,541,154	-13.60%	Due to accounting of NFRS 16 "lease".
Impairment Losses	-	-	100.00%	
Other Operating Expenses	446,134,611	449,501,888	0.75%	
Finance Cost	11,268,090	11,222,874	-0.40%	
Total Expenses	6,566,549,837	6,504,145,646	-0.95%	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	621,084,327	695,536,699	11.99%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.
Share of Net Profit of Associates accounted using Equity Method	-	-		
Profit Before Tax	621,084,327	695,536,699	11.99%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.

Fig. in NPR

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance	Reason
Income Tax Expense/ Income	37,782,564	302,290,347	700.08%	Due to the reduction of accumulated taxable loss as per Income Tax Act 2058
Net Profit/(Loss) For The Year	583,301,763	393,246,352	-32.58%	Due to valuation of Insurance Contract Liabilities as per NIA regulation and tax computation
Earning Per Share				
Basic EPS	11.67	7.86		
Diluted EPS	11.67	7.86		

I.M.E. Life Insurance Company Limited
SOLVENCY BALANCE SHEET

As At 16th July, 2025 (Ashad End 2082)

Assets	Fig. in NPR	
	Financial Statement	Solvency Balance Sheet
Goodwill	-	-
Deferred acquisition costs	-	-
Intangible assets	7,331,689	-
Deferred tax assets	211,800,342	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	203,896,626	72,074,373
Investments (other than replicating unit portion index/ unit-linked contracts)	18,675,011,219	20,607,968,159
Investments in properties (other than for own use)	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Equities	1,730,683,892	1,730,683,892
Equities - listed in stock exchange licensed by SEBON	1,365,903,892	1,365,903,892
Equities - listed in stock exchange other than licensed by SEBON	-	-
Equities - unlisted	364,780,000	364,780,000
Bonds	3,920,304,947	4,462,118,939
Government Bonds	-	-
Corporate Bonds	3,920,304,947	4,462,118,939
Fixed-income bonds with no option	3,920,304,947	4,462,118,939
Floating rate notes	-	-
Other bonds with embedded interest rate derivatives	-	-
Structured notes	-	-
Collateralised securities	-	-
Collective Investments Undertakings	380,998,565	380,998,565
Derivatives	-	-
Deposits other than cash equivalents	11,634,500,000	12,909,314,015
Other investments	-	-
Loans and mortgages	1,008,523,815	1,124,852,748
Loans on policies	965,372,726	1,069,184,341
Other loans with collateral or guarantees	43,151,089	55,668,407
Other loans without collateral or guarantees	-	-

Assets	Fig. in NPR	
	Financial Statement	Solvency Balance Sheet
Assets replicating the unit portion of index/unit-linked contracts	-	-
Reinsurance recoverables from:	4,283,559	647,547,418
Non-life technical reserves (after risk correction)	-	-
Life excluding index-linked and unit-linked technical reserves (after risk correction)	-	643,263,859
Life index-linked and unit-linked technical reserves (after risk correction)	-	-
Deposits to cedants (related to accepted reinsurance)	-	-
Reinsurance receivables	4,283,559	4,283,559
Current tax assets (net)	478,388,690	478,388,690
Insurance, coinsurance and intermediaries receivables	-	-
Receivables from insurers other than coinsurance	-	-
Receivables from coinsurance/pools	-	-
Receivables from intermediaries	-	-
Own shares (held directly)	-	-
Amounts due in respect own equity items called up but not yet paid in	-	-
Cash and cash equivalents	625,011,396	625,011,396
Any other assets, not elsewhere shown	1,027,837,744	1,027,837,744
Total assets	21,233,561,266	23,458,827,780

Liabilities (without Transitionals)	Fig. in NPR	
	Financial statement	Solvency balance sheet
Technical provisions - non-life	-	-
Best Estimate Direct Insurance (excluding Earthquake reserves)	-	-
Best estimate Direct Insurance Earthquake reserves	-	-
Margin over best estimate Direct insurance	-	-
Best estimate Accepted reinsurance (excluding Earthquake reserves)	-	-
Best estimate Accepted Earthquake reserves	-	-
Margin over best estimate Accepted reinsurance	-	-
Technical provisions - life (excluding index-linked and unit-linked)	13,768,334,696	15,395,179,250
Best Estimate Direct insurance participating life insurance	13,149,579,701	14,713,364,322

Solvency Balance Sheet (Contd...)

Assets	Financial Statement	Fig. in NPR
		Solvency Balance Sheet
Best Estimate Direct insurance non-participating life insurance	325,942,848	389,171,855
Margin over best estimate Direct insurance	292,812,147	292,643,073
Best estimate Accepted reinsurance	-	-
Margin over best estimate Accepted reinsurance	-	-
Technical provisions - index-linked and unit-linked life insurance contracts	-	-
Technical provisions calculated as a whole (unit reserves)	-	-
Best Estimate (non unit reserves)	-	-
Margin over best estimate	-	-
Other technical provisions	-	-
Reinsurance deposits and payables	-	-
Deposits from reinsurers	-	-
Reinsurance payables	-	-
Insurance, coinsurance and intermediaries payables	-	-
Payables to insurers other than coinsurance	-	-
Payables to coinsurance/pools	-	-
Payables to intermediaries	-	-
Other payables (not related to insurance or reinsurance)	-	-
Debts owed to credit institutions	-	-
Other financing debts	-	-
Qualified as Tier 1 Available Capital Resources	-	-
Qualified as Tier 2 Available Capital Resources	-	-
Not qualified as Available Capital Resources	-	-
Derivatives	-	-
Current tax liabilities	-	-
Provisions other than technical provisions	43,227,594	43,227,594
Contingent liabilities	-	-
Pension benefit obligations	-	-
Deferred tax liabilities	-	25,543,724
Any other liabilities, not elsewhere shown	683,344,597	683,344,597
Total liabilities	14,494,906,887	16,147,295,165

Assets	Financial Statement	Fig. in NPR
		Solvency Balance Sheet
Excess of assets over liabilities		7,311,532,616
Equity		
Share capital	5,000,000,000	-
Share application money pending allotment	-	-
Share premium	523,816,613	-
Special reserves	-	-
Catastrophe reserves	262,812,633	-
Retained earnings	721,756,304	-
Other equity	230,268,829	-
Revaluation reserves	-	-
Capital reserves	-	-
Corporate Social Responsibility Reserves (CSR)	11,688,626	-
Insurance Fund	-	-
Fair Value Reserves	1,315,737	-
Actuarial reserves	-	-
Deferred Tax Reserves	216,186,133	-
Other reserves	1,078,332	-
Total Equity	6,738,654,379	-

RISK-BASED CAPITAL REQUIREMENT - CALCULATION

As At 16th July, 2025 (Ashad End 2082)

0. TOTAL RBC

Fig. in NPR

Market risk	Counterparty default risk	Life insurance risk	Non-life insurance risk	Sum of capital charges	Aggregation with correlations	Diversification benefits	Operational risk before floor/cap	Operational risk after floor/cap	Total Risk-Based Capital
1,581,819,104	53,666,072	1,319,296,203	-	2,954,781,379	2,316,649,283	638,132,097	229,028,867	229,028,867	2,545,678,150

1. Market Risk

Interest rates risk	Spread risk	Equity risk	Property risk	Currency risk	Concentration risk	Sum of capital charges	Aggregation with correlations	Diversification benefits
519,574,413	934,223,451	478,233,595	5,765,950	-	289,713,876	2,227,511,283	1,581,819,104	645,692,179

1.0 Spread Risk

Assets Class	Total assets				Bonds					
	Total capital requirement including concentration risk				Total capital requirement including concentration risk			Part corresponding concentration risk		Assets Unit portion unit-linked contracts
	Valuation solvency BS	RBC before risk mitigation	Reduction RBC due mitigation	RBC net risk mitigation	Valuation solvency BS	RBC before risk mitigation	Reduction RBC due mitigation	Valuation solvency BS	RBC before risk mitigation	Valuation solvency BS
Class 1	1,540,209,525	28,748,632	(20,742,075)	8,006,558	444,672,087	8,006,558	-	61,401,054	391,432	-
Class 2	368,778,256	9,600,598	-	9,600,598	253,737,290	8,429,324	-	-	-	-
Class 3	5,174,881,153	245,253,556	-	245,253,556	854,841,068	44,894,372	-	124,024,170	4,386,824	-
Class 4	7,876,501,271	552,248,795	-	552,248,795	2,029,555,254	186,980,574	-	709,938,903	44,566,178	-
Class 5 (subclass 5)	3,554,191,026	370,447,951	-	370,447,951	902,705,753	152,580,011	-	460,047,298	46,302,722	-
Class 5 (subclass 6)	5,116,984	350,513	-	350,513	-	-	-	-	-	-
Class 5 (subclass 7)	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 8)	-	-	-	-	-	-	-	-	-	-
Total	18,519,678,215	1,206,650,046	(20,742,075)	1,185,907,972	4,485,511,452	400,890,838	-	1,355,411,424	95,647,155	-

Assets Class	Term deposits					Loans						
	Total capital requirement including concentration risk			Part corresponding concentration risk		Assets Unit portion unit-linked contracts	Total capital requirement including concentration risk			Part corresponding concentration risk		Assets Unit portion unit-linked contracts
	Valuation solvency BS	RBC before risk mitigation	Reduction RBC due mitigation	Valuation solvency BS	RBC before risk mitigation	Valuation solvency BS	Valuation solvency BS	RBC before risk mitigation	Reduction RBC due mitigation	Valuation solvency BS	RBC before risk mitigation	Valuation solvency BS
Class 1	-	-	-	-	-	-	1,095,537,438	20,742,075	(20,742,075)	-	-	-
Class 2	115,040,966	1,171,274	-	-	-	-	-	-	-	-	-	-
Class 3	4,320,040,085	200,359,185	-	761,477,436	35,362,529	-	-	-	-	-	-	-
Class 4	5,846,946,017	365,268,221	-	2,061,281,575	82,238,497	-	-	-	-	-	-	-
Class 5 (subclass 5)	2,622,169,963	215,107,060	-	797,451,542	38,436,340	-	29,315,310	2,760,880	-	-	-	-
Class 5 (subclass 6)	5,116,984	350,513	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 7)	-	-	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 8)	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,909,314,015	782,256,254	-	3,620,210,553	156,037,366	-	1,124,852,748	23,502,955	(20,742,075)	-	-	-

RBC Concentration risk 251,684,521

1.1 Equity Risk

Particulars	Valuation solvency balance sheet									
	Total capital requirement including concentration risk				Part corresponding concentration risk			Corresponding unit portion of unit/index-linked		
	Market licensed by SEBON	Market licensed others	Non traded in licensed market	Total	Market licensed by SEBON	Market licensed others	Non traded in licensed market	Market licensed by SEBON	Market licensed others	Non traded in licensed market
Valuation	1,684,452,572	-	403,837,372		202,181,649	-	12,297,393	-	-	-
Capital charge before risk mitigation	371,261,395	-	145,001,555		34,370,880	-	3,658,474			
Reduction due to risk mitigation	-	-	-							
Capital charge net mitigation	371,261,395	-	145,001,555	516,262,949	Final capital requirement equity risk		38,029,354	Capital requirement concentration risk		

1.2 Interest Rate Risk

Fig. in NPR

Particulars	"Baseline (solvency balance sheet)"		"Stress: Increase interest rates (paragraph 44 Annexure III RBC Directive)"			"Stress: Decrease interest rates (paragraph 44 Annexure III RBC Directive)"			"Stress: Decrease interest rates (paragraph 44 Annexure III RBC Directive)"			Capital charge	Hitting scenario
	Assets	Liabilities	Assets	Liabilities	Liabilities	Assets	Liabilities	Assets	Liabilities	Liabilities	Impact stress		
Life	23,458,827,780	16,147,295,165	22,353,005,157	15,561,046,954	(519,574,413)	22,353,005,157	15,561,046,954	(519,574,413)	24,694,634,615	16,726,703,539	656,398,460	519,574,413	Increase scenario

1.3. Currency Risk

Particulars	US Dollar	Indian Rupies	Chinese Yuan	Euros	Other with net short position	Other with net long position
Assets expressed in	-	-	-	-	-	-
Liabilities expressed in	-	-	-	-	-	-
Equity items expressed in	-	-	-	-	-	-
Net position	-	-	-	-	-	-

1.4. Property Risk

Particulars	Valuation	Capital charge before mitigation	Reduction due to mitigation	Capital charge net mitigation
Total properties	72,074,373	5,765,950	-	5,765,950
Properties Own use	72,074,373	5,765,950	-	5,765,950
Properties not own use	-	-	-	-
Part with SCR concentration	-	-	-	-
Unit portion of unit/index linked	-	-	-	-

2. Credit risk

2.1 Other Assets (non investments)

Assets Class	Assets non-reinsurance non bank balances		Bank balances	
	Valuation	Capital charge	Valuation	Capital charge
Class 1	1,506,226,435	24,099,623	-	-
Class 2	-	-	4,433,541	31,035
Class 3	-	-	313,073,830	5,089,963
Class 4	-	-	236,677,306	9,766,699
Class 5 (subclass 5)	-	-	70,826,720	6,208,432
Class 5 (subclass 6)	-	-	-	-
Class 5 (subclass 7)	-	-	-	-
Class 5 (subclass 8)	-	-	-	-
Total	1,506,226,435	24,099,623	625,011,396	21,096,129

2.2 Reinsurance Assets

Fig. in NPR

Assets Class	Unearned Premium Reserves	Outstanding claims provision	Total Technical Provisions Reinsurance (after credit risk reduction)	Capital charge net mitigation	Net exposures derived from other balances	Reporting entity. Total exposure before risk mitigation and AFTER risk correction	Capital requirement as per paragraph (40)	Exposure with increased capital charge as per paragraph (40a)	Increase of the capital charge as per paragraph (40a)	Capital requirement as per para (40) + (40a)	Exposure covered with collateral/ guarantor (credit risk adjusted)	Total capital requirement net of risk mitigation
Class 1	-	-	-	5,765,950	-	-	-	-	-	-	-	-
Class 2	527,938,194	-	527,411,821	-	3,510,507	530,922,328	6,371,068	-	-	6,371,068	-	6,371,068
Class 3	116,257,739	-	115,852,043	-	773,052	116,625,094	2,099,252	-	-	2,099,252	-	2,099,252
Class 4	-	-	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 5)	-	-	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 6)	-	-	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 7)	-	-	-	-	-	-	-	-	-	-	-	-
Class 5 (subclass 8)	-	-	-	-	-	-	-	-	-	-	-	-
Total	644,195,933	-	643,263,864	-	4,283,559	647,547,423	8,470,320	-	-	8,470,320	-	8,470,320

2.3 Off-balance sheet assets

Valuation	Capital charge
-	1.00%
-	-

3. Life insurance risk

Particulars	Assets	Liabilities	" Net Asset Value(NAV) "	Impact stresses
Baseline	23,458,827,780	16,147,295,165	7,311,532,616	-
Mortality stress	23,458,827,780	6,276,155,520	7,182,672,260	(128,860,356)
Longevity stress	23,458,827,780	16,147,295,165	7,311,532,615	(1)
Disability risk	23,458,827,780	16,160,921,007	7,297,906,773	(13,625,843)
Lapse risk	23,458,827,780	17,396,563,670	6,062,264,110	(1,249,268,506)
Expenses risk	23,458,827,780	16,219,486,424	7,239,341,356	(72,191,260)
Catastrophe risk (CAT risk)	23,458,827,780	16,223,027,369	7,235,800,412	(75,732,204)

4. Operational risk

Gross policy provisions	Gross written premiums over last 12 months (FY 2081-2082)	Gross written premiums over the previous financial year	"Charge on gross policy provisions (percentage)"	Charge on gross written premiums last 12 months	Charge on increase gross written premiums	Threshold to trigger charge on increase gross written premiums	"Charge on gross policy provisions (in NPR units)"	"Charge on gross written premiums (in NPR units)"	"Charge on increase gross written premiums (in NPR units)"	Operational risk charge before caps and floor RBC
15,395,179,250	5,722,415,881	4,741,131,579	0.50%	4.00%	0.40%	20.00%	76,975,896	228,896,635	132,232	229,028,867

AVAILABLE CAPITAL RESOURCES (ACR), SOLVENCY POSITION AND MCR

As At 16th July, 2025 (Ashad End 2082)

TIER 1 CAPITAL. List of items (capital resources that absorb losses on a going-concern basis and in winding-up basis)	Fig. in NPR Solvency balance sheet
Excess of assets over liability as per Solvency Balance Sheet	7,311,532,616
Add: Paid-in (paid-up) subordinated debts qualified as tier 1 Available Capital Resources	-
Less: Revaluation reserve	-
Less: CSR Reserve	(11,688,626)
Less: Fair value reserve	(1,315,737)
Less: Actuarial reserve	-
Less: Excess of deferred tax reserve shown in equity of 02.01 BS over deferred tax assets as per Financial Statement	(4,385,791)
Less: Assets pledged by the insurer when the facility guaranteed is not in the liability side of the solvency balance sheet	-
Less: Credit Facilities granted by the insurer and secured by its own shares when the facility is not in the liability side	-
Less: Direct and indirect investments, reciprocal cross holdings, arranged either directly or indirectly between financial institutions	-
Less: Assets not valued at nil whose valuation in the solvency balance sheet should not increase the Available Capital Resources	(709,094,830)
Less: Deduction as per para 66(6) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	-
Less: Deduction as per para 66(7) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	-
Less: Embedded profit if already included in surplus i.e. excess of assets over liability as per 02.01 BS	(187,562,769)
TIER 1 - TOTAL BEFORE LIMITS	6,397,484,863

TIER 2 CAPITAL. List of items (capital resources that absorb losses only in winding-up basis)	Solvency balance sheet
Cumulative irredeemable preference shares qualified as tier 2 Available Capital Resources	-
Irredeemable subordinated debts qualified as tier 2 Available Capital Resources	-
Other capital resources qualified as Tier 2, including unpaid preference shares, unpaid subordinated debt, letters of credit, guarantees and mutual member calls	-
Future profits embedded in the valuation of technical provisions (reserves)	187,562,769
TIER 2 - TOTAL BEFORE LIMITS	187,562,769
Dividend during financial year 2079 - 2080	-
Dividend during financial year 2080 - 2081	-
Dividend during financial year 2081 - 2082	1,052,632,000
Dividend expected during financial year 2082 - 2083	709,094,829
Maximum Distributable Profit 2081 - 2082	709,094,829

SOLVENCY SITUATION	Amount	Amount
Risk-Based Capital Requirement	2,545,678,150	2,545,678,150
Reduction of life technical reserves due to transitional provisions Annexure VII of RBC Directive	-	-
Reduction of non-life technical reserves due to transitional provisions Annexure VII of RBC Directive	-	-

Particulars	Fig. in NPR	
	Calculations without transitionals	Calculations with transitionals
Tier 1 items before limits	6,397,484,863	6,397,484,863
Tier 1 Paid-in subordinated debt before limit	-	-
Reduction to limit up to 30% Tier 1	-	-
Tier 1 Paid-in subordinated debt after deduction of the limit	-	-
Exceptional increase para (65)(6) Annexure V of RBC Directive - only previous NIA approval	-	-
Tier 1 items after limits	6,397,484,863	6,397,484,863
Tier 2 before limits	187,562,769	187,562,769
Before limits - Future profits embedded in technical reserves	187,562,769	187,562,769
After limits - Future profits embedded in technical reserves	187,562,769	187,562,769
Recalculated Tier 2 after limits to Future profits embedded in technical reserves	187,562,769	187,562,769
Tier 2 after limit 40% RBC	187,562,769	187,562,769
Total Solvency Available Capital Resources	6,585,047,632	6,585,047,632
Solvency surplus/deficit	4,039,369,482	4,039,369,482
Solvency ratio	258.7%	258.7%
Supervisory Target Capital Level (paragraph (85) Annexure VI of RBC Directive (%)		130.00%
Particulars	Calculations without transitionals	Calculations with transitionals
Minimum Capital Requirement	848,559,383	848,559,383
Tier 1 covering MCR	6,397,484,863	6,397,484,863
Tier 2 covering MCR	169,711,877	169,711,877
MCR surplus/deficit	5,718,637,356	5,718,637,356
MCR ratio	773.9%	773.9%





OTHER DISCLOSURES

08

Statement of Responsibilities
of the Chief Financial Officer

Certificate of Appointed
Actuary

Issuer Rating Provided by
CARE Ratings Nepal

Financial Statment Approval
Letter and Reply of Company

STATEMENT OF RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

The Financial Statements of I.M.E. Life Insurance Company Limited for the year ended on 16 July 2025 have been prepared in accordance with Nepal Financial Reporting Standard and any departure there from has been adequately disclosed.

Responsibilities:

1. Ensure that Financial Statements are prepared in accordance with Nepal Financial Reporting Standard and in compliance with the requirements of the Companies Act 2063, Insurance Act, 2079 and Directives issued by Nepal Insurance Authority;
2. The estimates and judgements related to the financial statements are made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. Establish and maintain adequate internal control to ensure the accuracy of financial reporting and compliance with relevant laws and regulations;
4. Regularly assess the effectiveness of the internal control and maintenance of accounting records, implementing improvements as necessary;
5. Ensure established policies and procedures of the Company were consistently followed;
6. Ensure compliance with all relevant regulatory requirements applicable to the Life Insurance industry, including those set by the Nepal Insurance Authority;
7. Maintain transparency in financial reporting and disclose all material information in accordance with regulatory guidelines.

In this regard, I hereby declare that :

- i. I have prepared the financial statements for the year ended on 16 July 2025 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or certain statements that might be misleading;
 - b) These statements collectively present true and fair view of the Company's affair and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Jagat Bohara
Chief Financial Officer

CERTIFICATE OF APPOINTED ACTUARY

CERTIFICATION BY APPOINTED ACTUARY



CERTIFICATION BY APPOINTED ACTUARY

As the Appointed Actuary of I.M.E. Life Insurance Company Limited, I have carried out an Actuarial Valuation of the entire business as on 16th July 2025. To the best of my knowledge, I certify that:

1. Proper record have been kept by the company for the purpose of liability valuation,
2. The reserves calculated are adequate to meet all liabilities,
3. All relevant regulations and directives issued by Nepal Insurance Authority (NIA) have been duly complied with for the valuation of liabilities,
4. The company has maintained the required solvency ratio. The company's solvency ratio is 258.7%, which is well above the regulatory minimum of 130%.

Chris Chan
.....



Chris (Chih-Ching) Chan, PhD, FSA, FCAA, FAIRC

Appointed Actuary

Date: 3rd December 2025

IME Life Insurance Company Limited

Rating

Facilities	Amount (Rs. Million)	Rating ¹	Rating Action
Issuer Rating	NA	CARE-NP BBB+(Is) [Triple B Plus (Issuer Rating)]	Reaffirmed

CARE Ratings Nepal Limited (CRNL) has reaffirmed the issuer rating of 'CARE-NP BBB+ (Is)' assigned to IME Life Insurance Company Limited (ILIC). Issuers with this rating are considered to offer moderate degree of safety regarding timely servicing of financial obligations, in Nepal. Such issuers carry moderate credit risk.

Detailed Rationale & Key Rating Drivers

The reaffirmation of the rating assigned to ILIC derives strength from its satisfactory financial performance during FY24 (Audited, FY refers to the twelve-month period ending mid-July) marked by increased profitability primarily on account of the write back in the life insurance fund and improvement in the financial performance of the company with increase in investment income, controlled commission ratio and expense ratio. Also, the financial performance of ILIC remains satisfactory during 9MFY25 (Unaudited, refers to the nine-month period ended mid-April 2025). The rating also takes note of the adequate solvency profile at the end of FY24, with comfortable cushion from regulatory requirement levels. Furthermore, the rating continues to derive strength from ILIC's strong promoter group, experienced directors and management team, satisfactory asset quality of investment book and adequate reinsurance arrangement along with growing geographical coverage through adequate branch network.

The rating, however, continues to be constrained by ILIC's moderate size of operations with modest market share, relatively short track record of operations and presence in a highly competitive industry coupled with exposure to regulatory requirement, being a highly regulated industry. Given the company's limited operational track record, claims experience related to unforeseen circumstances remain untested.

Going forward, the ability of the company to continue its growth momentum while diversifying the policy segments and maintaining quality of the investment portfolio will be key rating sensitivities. Furthermore, its ability to maintain adequate cushion in the regulatory solvency ratio at all times will also be key rating sensitivities.

Detailed Description of the Key Rating Drivers

Key Rating Strengths

Association with strong promoter group, experienced board and management team

ILIC is promoted by IME Group with total holdings of ~36% as on mid-April, 2025. IME Group is an established group in Nepal with cross-sector presence in banking, remittance, hydropower, hospitality among others. The promoter group shares of the company are mostly held by Mr. Chandra Prasad Dhakal and Mr. Hem Raj Dhakal with ~11% of total shares each, who are associated with IME Group. Other major shareholders include Global IME Bank Limited (~10%). ILIC has six experienced members on its board led by Dr. Ram Hari Aryal, Dr. Aryal has overall experience of more than three decades and also associated with Government of Nepal for over two decades in various capacities. The overall operation of the company is managed by Mr. Pawan Kumar Khadka, ACCA, and associated with company in the capacity of Chief Executive Officer (CEO). He has overall experience of over a decade in the life insurance industry. He is assisted by an experienced team across various functions.

Satisfactory financial performance

ILIC's gross earned premium (GPE) increased by ~13% y-o-y to Rs. 4,741 Mn during FY24 as the company has witnessed growth in first year premium by ~15% y-o-y coupled with ~14% growth in renewal premium during FY24 (Industry average over the same period is ~10%). The increase in premium earned was aided by its increasing network of insurance agents, digitisation of its policies with easy access and controlled lapse ratio. Lapse ratio remained controlled to 7.96% during FY24. Accordingly, net earned premium (NPE) increased by ~15% y-o-y to Rs. 4,533 Mn in FY24. Retention ratio remained consistent at ~96% during FY24 at similar levels to FY23. Net claims paid, remain controlled at Rs. 1,162 Mn during FY24 (FY23: Rs. 1,102 Mn) resulting into improved loss ratio, which improved to 25.64% in FY24 (FY23: 27.89%). Also, commission expenses decreased during FY24 resulting to improvement in commission ratio and expenses ratio also improved to 9.29% and 11.75%, respectively during FY24 (11.75% and 16.17%, respectively during FY23). Net underwriting result, thus witnessed ~19% y-o-y growth to Rs. 2,080 Mn in FY24 from Rs. 1,747 Mn in FY23. Additionally, the investment income increased by ~62% y-o-y to Rs. 1,315 Mn in FY24 (FY23: Rs. 810 Mn) marked by increase in overall investment portfolio and investment yields. ILIC's PBT, thus, increased to Rs. 642 Mn in FY24 (FY23: Rs. 219 Mn) on account of the write back in the life insurance fund and improvement in the financial performance of the company. During 9MFY25, GPE increased by ~13% y-o-y to Rs. 3,731 Mn similar to industry average growth of ~13% on account of increase in both first year premium and renewal premium collections. NPE increased by ~16% y-o-y to Rs. 3,603 Mn in 9MFY25. Also, net underwriting result increased to Rs. 1,821 Mn in 9MFY25 (9MFY24: Rs. 1,174 Mn). Investment income increased by 14% y-o-y to Rs. 1,094 Mn during 9MFY25 led to increase in net profit to Rs. 366 Mn in 9MFY25 (9MFY24: Rs. 332 Mn).

Adequate solvency profile

From FY24, Nepal Insurance Authority (NIA) has mandated all the insurance companies to comply with Risk Based Capital and Solvency Directive, 2024; (prior to FY24, insurance companies followed the Valuation Directive 2020). The solvency margin of the company is calculated by dividing available capital resource (ACR) by risk-based capital requirement (RBC). ACR stood at Rs. 7,123 Mn and RBC stood at Rs. 3,197 Mn at the end of FY24 resulting into adequate solvency margin of 2.23 times against the supervisory target capital level of the RBC Directive is 130% (1.30 times) (FY23: 2.80 times). The solvency margin has moderated for FY24 end under the new regime due to decrease in the excess of assets over liability as per solvency balance sheet. The solvency reflects the availability of capital relative to the quantum of risk underwritten to absorb any unforeseen losses and capacity to underwrite new business.

Adequate geographical coverage through branches and sub-branches

ILIC has wide geographical coverage through its 23 branches along with 128 sub-branches as on mid-April, 2025. The branches are spread over all 7 Provinces of Nepal. Also, it has 42,917 insurance agents as of mid-April, 2025 all over Nepal. Adequate number of branches provides advantage to business growth in terms of marketing, branding and reaching close to customers.

Adequate reserve and reinsurance arrangement

ILIC has entered into treaty reinsurance agreement with Nepal Reinsurance Company Limited (NRIC) and Himalayan Reinsurance Limited (HRL) where it cedes 6% as direct cession to each domestic reinsurance company, as per the regulatory requirement. The company has entered into facultative reinsurance with NRIC, where the ceding company (ILIC) cedes 85% of the surplus over the ceding company's retention limits to NRIC and 15% to HRL. The ceding company risk retention is Rs. 0.4 Mn for basis life, group/ individual term life and accidental riders. ILIC has also entered into agreement with HRL for catastrophic reinsurance where it cedes claim amount of more than Rs. 0.4 Mn. Policyholder

¹Complete definition of the ratings assigned are available at <https://www.careratingsnepal.com/> and other CARE publications

liabilities of life insurers are impacted by their high sensitivity (due to long tenure) to changes in the mortality rates, medical inflation rates and interest rate movements. Thus, maintaining adequate reserves is critical to meet the liability related to future claims, any unforeseen claim payouts and support the policyholder return, resulting into moderate shareholder's return post-transfer. ILIC has transferred Rs. 2,852 Mn during FY24 to life insurance fund, life insurance fund increased to Rs. 9,590 Mn at the end of FY24. As on FY24, catastrophe reserve of ILIC stands at Rs. 193 Mn, which increased from Rs. 126 Mn as on mid-July 2023.

Growing investment portfolio with satisfactory return profile

ILIC's investment portfolio grew by ~52% to Rs. 15,216 Mn at the end of FY24 backed by equity infusion and ~10% over FY24 level at the end of 9MFY25. Out of the total investment, 73% and 67% in fixed deposit at different bank and financial institutions (BFIs) as on FY24 end and 9MFY25 end respectively providing sufficient liquidity cushion to the company. Further during FY24, company had moderate liquidity position with Liquid Assets to Technical Reserve standing at 1.57x (FY23: 1.45x). Other investments include investment in debentures, private equity ventures, equity instruments and mutual funds as per the investment guidelines of Investment Directive, 2023. As majority of investments of ILIC are in deposits at different BFIs, investment income of ILIC majorly comprises of interest income from these investments. Investment income (inclusive of interest income and realized gain on sale of equity instruments) increased by ~62% to Rs. 1,315 Mn in FY24 backed by increase in overall investment portfolio and investment yield. Average yield on investment of ILIC improved to 10.41% in FY24 (FY23: 10.23%). The base rates have moderated during 9MFY25, however ILIC's yields on investments over the medium term is expected to be supported by most of these deposits being locked in at relatively higher rates for longer duration.

Key Rating Weaknesses

Limited track record and competition from other insurance companies coupled with relatively small market share in the life insurance industry

ILIC started its operations during FY18. As on mid-April 2025, there were 14 life insurance companies and 3 micro life insurance companies operating in Nepal sharing total Rs. 122,693 Mn of GPE; where ILIC shares 3.04% of total GPE (ranked 11th out of 14 life insurance companies), reflecting modest market share in the industry in comparison to other established life insurers. The market share of 5 big life insurers stood ~66% of GPE as on mid-April 2025 making it challenging for new entrants to gain significant foothold due to the established track record of these companies. Further, due to a relatively high number of life insurance companies present in Nepal, ILIC is expected to face high competition to tap new customers leading to a challenging market dynamic to increase material market share. Large scale increases the insurer's capacity to absorb any abrupt high-claim pay-outs caused by any external shocks, compared to relatively smaller peers. Given the company's limited operational track record, claims related to unforeseen circumstances remain untested.

Exposure to regulatory risk

The insurance industry is regulated by NIA. Being a highly regulated industry, the government's rules for the insurance industry play a key role in the company's performance besides the demand and supply trend. Furthermore, the industry dynamics like the demand for products, per capita income levels, competitive pressure, interest rate dynamics and investment opportunities in the industry determine the business and financial profile of insurers in the industry. Overall insurance penetration including FET policies was 44.64% as on mid-April, 2025, thus reflecting high growth potential in upcoming years. Also, NIA has mandated all life insurance companies to maintain minimum paid-up capital of Rs. 5,000 Mn. Only 8 life insurance companies out of 14 life insurance companies have fulfilled the requirement of minimum paid up capital as on mid-April, 2025. ILIC has met the minimum capital requirement.

About the Company

IME Life Insurance Company Limited (ILIC) is a life insurance company registered at Office of Company Registrar under the Company Act 2006 on October 1, 2008 and has obtained license from Insurance Board on July 4, 2017. ILIC had an asset base of Rs. 19,715 Mn as on April 13, 2025.

Financial Performance

	(Rs. Million)			
Particulars	FY22(A)	FY23(A)	FY24(A)	9MFY25(UA)
Gross earned premium	3,581	4,187	4,741	3,731
Net earned premium	3,392	3,952	4,533	3,603
Income from investment	490	810	1,315	1,094
Profit before tax (PBT)	135	219	642	366
Investments	5,802	10,040	15,216	16,692
Return on total Assets (%)	4.93	1.90	3.80	2.59
Solvency ratio (times)	2.33	2.80	2.23	-

A: Audited; UA: Unaudited

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About CARE Ratings Nepal Limited:

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Our parent company, CARE Ratings Limited commenced operations in April 1993 and over three decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI).

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CRNL's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRNL has based its ratings on information obtained from sources believed by it to be accurate and reliable. CRNL does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRNL have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.



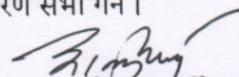
विषय: आ.व. २०८१।८२ को वित्तीय विवरणको स-शर्त स्वीकृति बारे।

तहाँको मिति २०८२/०८/२६ (च.नं.१३५९/०८२/०८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१।८२ को वित्तीय विवरण सम्बन्धमा लेखिदैंछ।

उपरोक्त सम्बन्धमा बीमक श्री आई.एम.ई लाइफ इन्स्योरेन्स कम्पनी लिमिटेडबाट पेश भएको आ.व. २०८१।८२ को वित्तीय विवरण तथा अन्य कागजातहरू अध्ययन गर्दा बीमा ऐन, २०७९ को दफा ३८, ३९, ४० र ४१ तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ११ बमोजिम बीमा कोष, अनिवार्य जगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व. २०८१।८२ को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं।

शर्तहरू:

१. बीमकले पूनर्बीमा सँग सम्बन्धित लेनादेना हिसाब राफसाफ गर्ने।
२. बीमकको वित्तीय वीवरणमा देखिएको Unidentified Deposit रकमलाई पहिचान गरी लेखाङ्कन गर्ने संयन्त्र तयार गर्ने।
३. बीमकले NFRS-17 Insurance Contracts लागु गर्न आवश्यक तयारी गर्ने।
४. बीमकको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रियालाई थप प्रभावकारी गराउने।
५. बीमकको आर्थिक वर्षको चौथो त्रैमासिक अवधिको त्रैमासिक वित्तीय विवरण र वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न शिर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले आगामी दिनमा सो कैफियतलाई सुधार गर्ने।
६. बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१/०७/१३ गते प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५ (२०८१/०८२) च.नं. २०४०- वि.वि.शा. १) बमोजिमका बुँदाहरू समावेश गर्ने।
७. बीमकको लेखापरीक्षकहरूले औल्याएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने।
८. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने।


(सन्तोष कार्की)
चार्टर्ड एकाउन्टेन्ट

आइ.एम.ई लाइफ इन्स्योरेन्स कम्पनी लिमिटेड

यस कम्पनीको आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरण नवौं वार्षिक साधारण सभा प्रयोजनको लागि प्रकाशन गर्न नेपाल बीमा प्राधिकरणबाट स्वीकृति प्रदान गर्दा तोकिएका शर्तहरूको सम्बन्धमा सञ्चालक समितिको तर्फबाट देहाय बमोजिमको जवाफ पारित गरिएको छ।

१. पुनर्बीमकसंगको लेनादेना हिसाब राफसाफ भईरहेको व्यहोरा जानकारी गराउदछौं।
२. Unidentified Deposit शिर्षकमा देखाइएको रकम प्राय जसो नविकरण बीमाशुल्क सँग सम्बन्धित रहेको र कम्पनीले विभिन्न शाखा कार्यालयहरूसँग समन्वयन गरी सो रकम क्रमश पहिचान गरि लेखाङ्कन गर्दै आएको व्यहोरा अनुरोध छ।
३. NFRS-17 Insurance Contract लागु गर्नको लागि कम्पनीले परामर्शदाता नियुक्ति गरि आवश्यक प्रक्रिया अगाडि बढाई सकेको व्यहोरा अनुरोध छ।
४. कम्पनीको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रियालाई थप प्रभावकारी बनाउदै लगिने व्यहोरा जानकारी गराउदछौं।
५. बीमा प्राधिकरणको निर्देशन बमोजिम त्रैमासिक वित्तीय विवरण तयार गरिने व्यहोरा अनुरोध गर्दछौं।
६. निर्देशानुसार गरीने व्यहोरा जानकारी गराउदछौं।
७. लेखापरीक्षकले औल्याएका कैफियतहरू क्रमिक रूपमा सुधार गर्दै लगेको र पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्दै लगिने व्यहोरा जानकारी गराउदछौं।
८. आ.व. २०८१/८२ को साधारण सभा यही २०८२ साल पुष २४ गते विहिवार हुन गइरहेको व्यहोरा जानकारी गराउदछौं।



EVENTS AND ACTIVITIES

09

Million Dollar Round Table 2026
Event And Activities



Million Dollar Round Table 2026



COT Laxmi Ghimire



Yam Bahadur Rai Mohan Kr. Chaudhary Susma Regmi Prakash Pradhan Gelmu Lama Satya Prakash Choudhary

Shanti Rai Sushma Giri Lok Raj Sapkota Sushila Roka Khim B. Ale Magar Shyam Sah



Kripa Shrestha Mohan Gurung Bandana Sapkota Babi Gurung Dil Maya Rai Anita Adhikari



Million Dollar Round Table 2026



Shobha Dhakal Rojina Ghale Narendra Adhikari Hom B. Tamang Lok Bahadur Bista Khagendra B. Khadka



Sabina Paudyal Chhatra Raj Chaudhary Sundar Khaeka Dhanu Timilsina Nisham Rai Padam B. Khatri Rabindra B. Thapa

Karnala Khatri Him Kala Thapa Kul Chandra Sharma Januka Adhikari Bhakta B. Karki Babu Ram Puri Bidhya Gurung



Sanjeet Lal Yadav Ganga Rokaya Premika Chantel Thapa Uma Sedhai Krishna Pd. Ghimire Buddhi Sagar Dhungel Ram Sharan Pandit



Million Dollar Round Table 2026



Tilak Sali Sapkota Bhakta B. Basnet Ram B. Magar Situ Bade Chet Raj Dangaura Prem B. Dhanuk Govinda B. Roka



Menuka Devi Mainali Sangita Bhattarai Regmi Binod Tamang Kopila Bhetuwal Khagendra Baniya Nisha Badayek Birendra Prasad Yadav



Sangita Sapkota Arjun Shrestha Bindhya Sunar BK Gita Timilsina Krishna B. Yakha Krishna K. Rai Babita Gurung Thapa



Sapana Bishwokarma Kamala Regmi Sujata Rai Nirmla Timilsaina Nirmla Gurung Anita Shrestha Joshi Usha Dhital Kunwar Nagendra K. Shrestha

EVENT AND ACTIVITIES

Awardees of Business Excellence Award Night-2025



Nepal Top on Self Business



Nepal Top on Group Business



Product Ambassador for IME Simple Endowment (Saral)



Product Ambassador for IME Endowment (Aajeevan)



8th Annual General Meeting



Anniversary Celebration



Bali, Indonesia, Agency Tour



Muktinath Agency Tour



Agency Training



AML/CFT Training to Board Of Directors, Managment & Head Of Departments



Corporate Futsal





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