

I.M.E. Life Insurance Company Limited
Comparision of Audited Financial Statement and Projected Financial Statement
As per Section 45 of Securities Issuance and Allotment Directive 2074
As At 16th July, 2023 (Ashad End 2080)
Statement of Financial Position

Fig in NPR

Particulars	Projected (For IPO)	Audited	Variance	Reason
Assets				
Goodwill & Intangible Assets	4,729,015	6,931,387	46.57%	The difference is due to the implementation of new Core Insurance System "Tensure".
Property and Equipment	192,787,202	193,406,517	0.32%	
Investment Properties	-	-	0.00%	
Deferred Tax Assets	668,020,082	545,581,558	-18.33%	The difference is due to the derecognition of taxable loss from the current year.
Investment in Subsidiaries	-	-	0.00%	
Investment in Associates	-	-	0.00%	
Investments	12,807,810,220	10,039,924,068	-21.61%	Investment were expected to increase due to cash inflow from IPO. However, allotment of share was made as on 2080.03.30 and fund was available for investment from FY 2080.81.
Loans	457,790,840	625,376,622	36.61%	Loans amount increases on actual basis than expected due to increase in Loan to Policyholders.
Reinsurance Assets	-	-	0.00%	
Current Tax Assets	231,496,416	246,772,965	6.60%	
Insurance Receivables	-	-	0.00%	
Other Assets	13,954,798	16,231,726	16.32%	Other Assets are higher than expected due increase in inventory amount.
Other Financial Assets	186,076,886	2,465,860,399	1225.18%	Fund collected from IPO issued was booked as receivable as on Ashad end 2080. As a result, Actual other Financial assets have increased than Projected.
Cash and Cash Equivalent	414,781,416	376,683,004	-9.19%	
Total Assets	14,977,446,874	14,516,768,246	-3.08%	
Equity & Liabilities				
Equity				
Share Capital	5,000,000,000	4,000,000,000	-20.00%	Actual Share Capital amount is Less than Projected Share Capital due to the inclusion of the bonus dividend from share premium in projection.
Share Application Money Pending Allotment	-	-	0.00%	
Share Premium	560,774,000	1,535,809,416	173.87%	The Share premium amount from IPO was converted to Share Capital during porojection. So, the projected share premium amount is less than actual.
Catastrophe Reserves	141,828,929	125,951,527	-11.19%	
Retained Earnings	630,286,140	617,086,323	-2.09%	
Other Equity	678,447,469	542,664,341	-20.01%	The difference is due to the decline in the net profit for the year than expected.
Total Equity	7,011,336,539	6,821,511,607	-2.71%	
Liabilities				
Provisions	33,400,566	27,565,865	-17.47%	The actuarial valuation for employee leave was below the amount that was projected.
Gross Insurance Contract Liabilities	7,257,549,516	7,057,417,514	-2.76%	
Deferred Tax Liabilities	-	-	0.00%	
Insurance Payable	101,392,194	103,291,748	1.87%	
Current Tax Liabilities			0.00%	
Borrowings	-	-	0.00%	
Other Liabilities	238,923,713	218,563,016	-8.52%	
Other Financial Liabilities	334,844,347	288,418,496	-13.86%	
Total Liabilities	7,966,110,336	7,695,256,638	-3.40%	
Total Equity and Liabilities	14,977,446,874	14,516,768,246	-3.08%	

Comparision of Audited Financial Statement and Projected Financial Statement

As per Section 45 of Securities Issuance and Allotment Directive 2074

For Period 17th July, 2022 to 16th July, 2023 (FY 2079.80)

Statement of Profit or Loss

Fig. in NPR

Particulars	Projected for IPO	Audited	Variance	Reason
Income:				
Gross Earned Premiums	4,723,231,526	4,186,982,071	-11.35%	The reduction in premium income was due to adverse economic performance of the country.
Premiums Ceded	(141,696,946)	(235,043,677)	65.88%	Premium ceded are dependent on size of policy rather than premium income. Hence, due to sale of large sum assured policies, premium ceded has increased.
Net Earned Premiums	4,581,534,580	3,951,938,394	-13.74%	
Commission Income	-	-	0.00%	
Other Direct Income	10,999,273	9,924,540	-9.77%	
Interest Income on Loan to Policyholders	35,196,860	53,856,924	53.02%	Due to increase in Loan to Policyholders interest income have been increased than projection.
Income from Investments and Loans	821,670,570	820,099,680	-0.19%	
Net Gain/(Loss) on Fair Value Changes	-	-	0.00%	
Net Realised Gains/(Losses)	-	(4,483,745)	-100.00%	Loss on maturity of Mutual Fund Booked on actual basis.
Other Income	1,478,214	27,071,411	1731.36%	Surplus Fund Sharing of FE Pool recognised during Ashad end 2080.
Total Income	5,450,879,497	4,858,407,204	-10.87%	
Expenses:				
Gross Benefits and Claims Paid	1,249,941,783	1,153,980,316	-7.68%	
Claims Ceded	(124,994,178)	(51,753,918)	-58.59%	Claim ceded are on actual basis and were higher than expected.
Gross Change in Contract Liabilities	2,624,408,367	2,434,041,233	-7.25%	
Change in Contract Liabilities Ceded to Reinsurers	-	-		
Net Benefits and Claims Paid	3,749,355,971	3,536,267,631	-5.68%	
Commission Expenses	711,149,359	464,206,855	-34.72%	The commission expenses has decreased in line with decrease in gross earned premium.
Service Fees	34,361,509	32,055,345	-6.71%	
Other Direct expenses	532,048	2,507,410	371.28%	Other Direct expenses are on actual basis and were higher than expected.
Employee Benefits Expenses	227,821,992	230,487,762	1.17%	
Depreciation and Amortization Expenses	39,356,594	46,746,800	18.78%	Depreciation Expenses has increased due to implementation of NFRS 16.
Impairment Losses	-	-	0.00%	
Other Operating Expenses	408,682,388	314,244,370	-23.11%	Agent related operating expenses have been decreased due to decline in premium income.
Finance Cost	14,622,747	12,800,698	-12.46%	
Total Expenses	5,185,882,608	4,639,316,870	-10.54%	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	264,996,888	219,090,334	-17.32%	
Share of Net Profit of Associates accounted using Equity Method	-	-		
Profit Before Tax	264,996,888	219,090,334	-17.32%	
Income Tax Expense/Income	(113,436,344)	9,101,996	-108.02%	The reduction of taxable loss is a result of the implementation of NFRS 16 and the recognition of deferred tax assets on it.
Net Profit/(Loss) For The Year	378,433,232	209,988,338	-44.51%	
Earning Per Share				
Basic EPS	7.57	10.00		
Diluted EPS	7.57	10.00		

As per Section 45 of Securities Issuance and Allotment Directive 2074

For Period 17th July, 2022 to 16th July, 2023 (FY 2079.80)

Statement of Other Comprehensive Income

Fig. in NPR

Particulars	Projected for IPO	Audited	Variance	Reason
Net Profit/(Loss) For the Year	378,433,232	209,988,338	-44.51%	
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	10,000,000	5,171,413	-48.29%	Changes in fair value of FVOCI Equity Instruments decreased due to change in Fair Value of Investments in NEPSE as on Ashad end 2080.
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	(2,500,000)	99,817	-103.99%	Income tax on the change in fair value of investment as on Ashad end 2080.
Total Other Comprehensive Income For the Year,	7,500,000	5,271,230	-29.72%	
Total Comprehensive Income For the Year, Net of	385,933,232	215,259,567	-44.22%	