

I.M.E. Life Insurance Company Limited
Comparison of Audited Financial Statement and Projected Financial Statement
As per Section 45 of Securities Issuance and Allotment Directive 2074
As At 15th July, 2024 (Ashad End 2081)
Statement of Financial Position

Fig in NPR

Particulars	Projected (For IPO)	Audited	Variance	Reason
Assets				
Goodwill & Intangible Assets	5,197,737	8,277,035	59.24%	The difference is due to the implementation of new Core Insurance System "Iensure" .
Property and Equipment	187,198,030	191,285,027	2.18%	
Investment Properties	-	-	0.00%	
Deferred Tax Assets	734,031,865	516,986,259	-29.57%	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	16,559,998,358	15,215,537,004	-8.12%	
Loans	509,176,013	698,861,598	37.25%	Loans amount increases on actual basis than expected due to increase in Loan to Policyholders.
Reinsurance Assets	-	-	0.00%	
Current Tax Assets	301,738,382	348,174,540	15.390%	Current Tax Assets increases on actual basis than expected due to increase in Advance tax.
Insurance Receivables	-	-	0.00%	
Other Assets	19,536,717	229,512,307	1074.77%	Other Assets are higher than expected due to advance amount paid for Investment in Private Equity & Venture capital Fund and Hydro sector
Other Financial Assets	294,946,133	178,970,081	-39.32%	Reclassification from the "Other Financial Assets" category to "Investment" during the audit.
Cash and Cash Equivalent	456,290,794	616,878,023	35.19%	Fund Collected from IPO
Total Assets	19,068,114,029	18,004,481,874	-5.58%	
Equity & Liabilities				
Equity				
Share Capital	5,000,000,000	5,000,000,000	0.00%	
Share Application Money Pending Allotment	-	-	0.00%	
Share Premium	560,774,000	523,816,613	-6.59%	
Catastrophe Reserves	190,212,529	193,250,309	1.60%	
Retained Earnings	994,888,390	1,152,212,056	15.81%	The difference is due to the increase in the net profit for the year than expected.
Other Equity	747,242,262	528,351,220	-29.29%	The difference is due to the decrease in deferred tax reserve due to decline in the deferred tax assets.
Total Equity	7,493,117,181	7,397,630,198	-1.27%	
Liabilities				
Provisions	40,080,679	42,334,443	5.62%	
Gross Insurance Contract Liabilities	10,651,641,823	9,914,085,599	-6.92%	
Deferred Tax Liabilities	-	-	0.00%	
Insurance Payable	114,235,205	59,113,578	-48.25%	Amount payable to reinsurance decreases than the expected payable amount.
Current Tax Liabilities	-	-	0.00%	
Borrowings	-	-	0.00%	
Other Liabilities	443,350,752	243,519,610	-45.07%	Due to changes in the value of lease liabilities, reclassifications and audit adjustments.
Other Financial Liabilities	325,688,389	347,798,446	6.79%	
Total Liabilities	11,574,996,848	10,606,851,676	-8.36%	
Total Equity and Liabilities	19,068,114,029	18,004,481,874	-5.58%	

Comparison of Audited Financial Statement and Projected Financial Statement
As per Section 45 of Securities Issuance and Allotment Directive 2074
For Period 17th July, 2023 to 15th July, 2024 (FY 2080/81)
Statement of Profit or Loss

Fig. in NPR

Particulars	Projected for IPO	Audited	Variance	Reason
Income:				
Gross Earned Premiums	6,018,832,331	4,741,131,579	-21.23%	The reduction in premium income was due to adverse economic performance of the country.
Premiums Ceded	(180,564,970)	(207,871,650)	15.12%	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	5,838,267,361	4,533,259,929	-22.35%	
Commission Income	-	38,993,506	100.00%	Due to accounting of reinsurance experience refund.
Other Direct Income	13,199,127	10,919,188	-17.27%	Due to decrease in Interest on Premium.
Interest Income on Loan to Policyholders	37,676,747	62,469,318	65.80%	Due to increase in Loan to Policyholders interest income have been increased than projection.
Income from Investments and Loans	1,352,312,764	1,316,060,119	-2.68%	
Net Gain/(Loss) on Fair Value Changes		-	0.00%	
Net Realised Gains/(Losses)	-	(1,051,025)	-100.0%	Loss on maturity of Mutual Fund Booked on actual basis.
Other Income	1,650,688	24,857,780	1405.90%	Adjustment on Reinsurance Premium of Prior Period.
Total Income	7,243,106,687	5,985,508,814	-17.36%	
Expenses:				
Gross Benefits and Claims Paid	1,893,393,813	1,247,637,546	-34.11%	Claims Paid were lower than expected.
Claims Ceded	(189,339,381)	(85,209,782)	-55.00%	Claim ceded were Lower than expected.
Gross Change in Contract Liabilities	3,386,329,807	2,851,511,772	-15.79%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.
Change in Contract Liabilities Ceded to Reinsurers	-	-	0.00%	
Net Benefits and Claims Paid	5,090,384,239	4,013,939,536	-21.15%	
Commission Expenses	871,845,173	460,019,247	-47.24%	The commission expenses has decreased in line with decrease in gross earned premium.
Service Fees	43,787,005	33,999,450	-22.35%	Service Fees has decreased in line with decrease in gross earned premium.
Other Direct expenses	611,855	2,167,990	254.33%	Other Direct expenses are on actual basis and were higher than expected.
Employee Benefits Expenses	260,823,387	320,810,019	23.00%	Due to the increase in the amount of Leave encashments after the actuarial valuation of employee leave, along with increase in net profit has resulted to increase the allocation of staff bonus.
Depreciation and Amortization Expenses	44,712,876	56,446,036	26.24%	Depreciation Expenses has increased due to implementation of NFRS 16.
Impairment Losses	-	3,337,429	100.00%	Computation of impairment on Loan during audit.
Other Operating Expenses	496,301,785	439,992,490	-11.35%	Agent related operating expenses have been decreased due to decline in premium income.
Finance Cost	16,816,159	13,110,447	-22.04%	Due to change in amount of interest expenses in right to use assets.
Total Expenses	6,825,282,478	5,343,822,643	-21.71%	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	417,824,209	641,686,171	53.58%	
Share of Net Profit of Associates accounted using Equity Method	-	-	0.00%	
Profit Before Tax	417,824,209	641,686,171	53.58%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.
Income Tax Expense/Income	(66,011,783)	24,196,687	-136.66%	Due to the reduction of accumulated taxable loss as per Income tax act 2058
Net Profit/(Loss) For The Year	483,835,991	617,489,484	27.62%	
Earning Per Share				
Basic EPS	9.68	12.35		
Diluted EPS	9.68	12.35		

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Statement of Other Comprehensive Income

Fig. in NPR

Particulars	Projected for IPO	Audited	Variance	Reason
Net Profit/(Loss) For the Year	483,835,991	617,489,484	27.62%	
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 Instrumen	11,500,000	17,594,444	53.00%	Changes in fair value of FVOCI Equity Instruments increases due to change in Fair Value of Investments in NEPSE as on Ashad end 2081.
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	(2,875,000)	(4,398,611)	53.00%	Income tax on the change in fair value of investment as on Ashad end 2081.
Total Other Comprehensive Income For the Yea	8,625,000	13,195,833	53.00%	
Total Comprehensive Income For the Year, Net	492,460,991	630,685,317	28.07%	