

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, 2025 (Ashad End 2082)
Statement of Financial Position

Fig in NPR

Particulars	Projected (For IPO)	Audited	Variance	Reason
Assets				
Goodwill & Intangible Assets	5,166,459	7,331,689	41.91%	The difference is due to the implementation of new Core Insurance System "Iensure" .
Property and Equipment	183,392,633	203,896,626	11.18%	
Investment Properties	-	-	0.00%	
Deferred Tax Assets	792,206,636	212,219,867	-73.21%	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	21,766,114,979	17,666,487,402	-18.83%	Investment amount decrease on actual basis than expected due to decrease in premium size.
Loans	520,637,984	1,008,523,818	93.71%	Loans amount increases on actual basis than expected due to increase in Loan to Policyholders.
Reinsurance Assets	-	-	0.00%	
Current Tax Assets	391,329,477	478,388,690	22.247%	Current Tax Assets increases on actual basis than expected due to increase in Advance tax.
Insurance Receivables	-	4,283,559	100.000%	Reconciliation and balance confirmation letter received from the reinsurance after the financial year-end.
Other Assets	27,351,403	21,271,208	-22.23%	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	459,620,616	1,006,566,537	119.00%	Other Financial Assets are higher than expected due to advance amount paid for application money for investment in debentures.
Cash and Cash Equivalent	501,955,795	625,011,396	24.52%	Cash and Cash Equivalent are higher than expected due to increase in fund collected from IPO
Total Assets	24,647,775,982	21,233,980,792	-13.85%	
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	252,737,660	262,803,979	3.98%	
Retained Earnings	1,493,187,292	719,721,630	-51.80%	The difference is due to the decrease in the net profit for the year than expected.
Other Equity	812,661,422	232,645,141	-71.37%	The difference is due to the decrease in deferred tax reserve due to decline in the deferred tax assets.
Total Equity	8,119,360,374	6,738,987,363	-17.00%	
Liabilities				
Provisions	56,112,951	43,227,594	-22.96%	Due to the decrease in the amount of Provision for Leave encashments after the actuarial valuation of employee leave.
Gross Insurance Contract Liabilities	15,290,533,717	13,768,430,855	-9.95%	
Deferred Tax Liabilities	-	-		
Insurance Payable	159,929,288	-	-100.00%	Reconciliation and balance confirmation letter received from the reinsurance after the financial year-end.
Current Tax Liabilities	-	-	0.00%	
Borrowings	-	-	0.00%	
Other Liabilities	444,517,492	212,003,149	-52.31%	Due to changes in the value of lease liabilities, reclassifications and audit adjustments.
Other Financial Liabilities	577,322,160	471,331,833	-18.36%	Agent related operating expenses have decreased, which has consequently decreased the liability booked for agent expenses.
Total Liabilities	16,528,415,607	14,494,993,429	-12.30%	
Total Equity and Liabilities	24,647,775,982	21,233,980,792	-13.85%	

Comparison of Audited Financial Statement and Projected Financial Statement
As per Section 45 of Securities Issuance and Allotment Directive 2074
For Period 16th July, 2024 to 16th July, 2025 (FY 2081/82)
Statement of Profit or Loss

Fig. in NPR

Particulars	Projected for IPO	Audited	Variance	Reason
Income:				
Gross Earned Premiums	7,687,396,082	5,722,415,882	-25.56%	The reduction in premium income was due to adverse economic performance of the country.
Premiums Ceded	(230,621,882)	(248,449,884)	7.73%	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	7,456,774,200	5,473,965,997	-26.59%	
Commission Income		58,956,874	100.00%	Due to accounting of reinsurance experience refund.
Other Direct Income	15,838,953	21,647,891	36.68%	Due to increase in Interest on Premium.
Interest Income on Loan to Policyholders	39,366,807	86,939,519	120.84%	Due to increase in Loan to Policyholders, interest income have been increased than projection.
Income from Investments and Loans	1,734,769,954	1,333,644,240	-23.12%	Due to decrease in investment amount, income from investment have been decreased than projection.
Net Gain/(Loss) on Fair Value Changes	-	-	0.00%	
Net Realised Gains/(Losses)	-	203,377,573	100.00%	Profit on sale of equity instruments is booked on an actual basis.
Other Income	1,846,182	21,150,250	1045.62%	Adjustment on reversal of provision and NFRS Adjustments.
Total Income	9,248,596,096	7,199,682,344	-22.15%	
Expenses:				
Gross Benefits and Claims Paid	2,187,620,864	1,286,684,254	-41.18%	Claims Paid were lower than expected.
Claims Ceded	(218,762,086)	(137,494,898)	-37.15%	Claim ceded were Lower than expected.
Gross Change in Contract Liabilities	4,629,965,019	3,847,659,933	-16.90%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.
Change in Contract Liabilities Ceded to Reinsurers	-	-		
Net Benefits and Claims Paid	6,598,823,797	4,996,849,290	-24.28%	
Commission Expenses	1,062,895,512	527,397,157	-50.38%	The commission expenses has decreased in line with decrease in gross earned premium.
Service Fees	55,925,807	41,054,745	-26.59%	Service Fees has decreased in line with decrease in gross earned premium.
Other Direct expenses	703,633	454,410	-35.42%	Other Direct expenses are booked on an actual basis and were lower than expected.
Employee Benefits Expenses	307,530,974	418,124,127	35.96%	Due to the increase in the number of staffs, provision for leave encashments and increase in net profit has resulted to increase in the allocation for staff bonus ultimately results to increase in employee benefits expenses.
Depreciation and Amortization Expenses	51,119,877	59,541,154	16.47%	Depreciation Expenses has increased due to implementation of NFRS 16 "Lease".
Impairment Losses	-	-	0.00%	
Other Operating Expenses	585,181,366	449,501,888	-23.19%	Agent related operating expenses have been decreased due to decline in premium income.
Finance Cost	19,338,583	11,222,874	-41.97%	Due to change in amount of interest expenses in right to use assets in accordance with NFRS 16-Lease.
Total Expenses	8,681,519,548	6,504,145,646	-25.08%	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	567,076,548	695,536,699	22.65%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.
Share of Net Profit of Associates accounted using Equity Method	-	-	0.00%	
Profit Before Tax	567,076,548	695,536,699	22.65%	Due to valuation of Insurance Contract Liabilities as per NIA regulation.
Income Tax Expense/Income	(58,174,771)	302,290,347	-619.62%	Due to the reduction of accumulated taxable loss as per Income tax act 2058
Net Profit/(Loss) For The Year	625,251,319	393,246,352	-37.11%	Due to valuation of Insurance Contract Liabilities as per NIA regulation and tax computation
Earning Per Share				
Basic EPS	12.51	7.86		
Diluted EPS	12.51	7.86		

As per Section 45 of Securities Issuance and Allotment Directive 2074
For Period 16th July, 2024 to 16th July, 2025 (FY 2081/82)
Statement of Other Comprehensive Income

Fig. in NPR

Particulars	Projected for IPO	Audited	Variance	Reason
Net Profit/(Loss) For the Year	625,251,319	393,246,352	-37.11%	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	13,225,000	9,904,181	-25.11%	Changes in fair value of FVOCI Equity Instruments increases due to change in Fair Value of Investments in NEPSE as on Ashad end 2082.
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	(3,306,250)	(2,476,045)	-25.11%	Income tax on the change in fair value of investment as on Ashad end 2082.
Total Other Comprehensive Income For the Year, Net of Tax	9,918,750	7,428,136	-25.11%	
Total Comprehensive Income For the Year, Net of Tax	635,170,069	400,674,488	-36.92%	