Grant Thornton
Abdulaal

Financial statements and independent auditors' report

Life Insurance Corporation (International) B.S.C. (c)

For the year ended 31 December 2023

Contents

General information

Commercial registration number	:	21606 obtained on 20 July 1989
Chairman	:	Mr. Siddhartha Mohanty (from 12 June 2023) Mr. Mangalam R. Kumar (till 13 March 2023)
Deputy chairman	:	Mr. M. Jagannath (from 24 August 2023) Mr. Siddhartha Mohanty (till 11 June 2023)
Directors	:	Mr. Thomas Mathew T. Mr. V. Chandrasekaran Mr. Abdulrahman Ali Al Wazzan Mr. Debashis Prasad Pattanaik
Audit committee	:	Mr. Thomas Mathew T. Mr. V. Chandrasekaran Mr. Abdulrahman Ali Al Wazzan Mr. M. Jagannath (from 24 August 2023) Mr. Siddhartha Mohanty (till 11 June 2023)
Registered office	:	1st Floor, Ali Al-Wazzan Building Al-Khalifa Avenue P.O. Box 584 Manama, Kingdom of Bahrain
Principal bankers	:	Abu Dhabi Commercial Bank, UAE Bank Muscat, Oman Bank of Bahrain and Kuwait, Bahrain Bank of Baroda, UAE Bank of Singapore, Singapore Berenberg Bank, Germany Burgan Bank, Kuwait Deutsche Bank, Mumbai, India Doha Bank, Qatar Emirates National Bank of Dubai, UAE First Abu Dhabi Bank, UAE HDFC Bank, Bahrain HSBC Bank, Luxemburg ICICI Bank, Bahrain J. Safra Sarasin Bank, Geneva, Switzerland Julius Baer, Singapore Kotak Mahindra, United Kingdom Mashreq Bank, UAE National Bank of Bahrain, Bahrain RAK Bank, UAE State Bank of India, Bahrain State Bank of India, Oman
Auditors	:	Grant Thornton - Abdulaal P.O. Box 11175 12th Floor, Al Nakheel Tower Seef District, Kingdom of Bahrain

Directors' report to the shareholders

We have the pleasure in presenting the 34th Annual report and financial statements of Life Insurance Corporation (International) B.S.C. (c) (the "Company") for the financial year ended 31 December 2023.

New Business

In the year 2023, the Company has issued 1551 new policies with a Sum Assured of BD 19.19 Mn (USD 50.79 Mn).

Investment Income

Investment income realised during the year was BD28.92 Mn (USD76.5 Mn) as compared to BD31.21 Mn (USD82.58 Mn) last year.

Policy Servicing

a) Settlement of claims

During the year 2023, an amount of BD137.29 Mn (USD363.21 Mn) has been paid to policyholders by way of claims including surrenders as against BD115.95 Mn (USD306.75 Mn) during the year 2022.

b) Liaison with LIC of India

During the year 2023, 415 policies were transferred to LIC of India on repatriation of policyholders at their request and an amount of BD 0.93 Mn (USD 2.46 Mn) has been transferred as actuarial reserve to LIC of India against these policies.

Valuation

The Appointed Actuary has valued the Company's actuarial liabilities as at 31 December 2023. The peer review based on IFRS-17 standards has been carried out by the company. Based on the Appointed Actuary's recommendation, the following bonus rates have been proposed for the policies which are in force for the full sum assured as at 31 December 2023.

Interim bonuses are the same as the declared bonuses and apply to policies in force for full sum assured resulting into death or maturity during the year 2024. The bonuses declared are at following rates:

- **Regular Bonus for all Units**

Reversionary Bonus in USD per USD1000 Sum Assured

Plan Type	**Policy term in years**			
Endowment Type Plans (Plans 207, 210, 220)	<=10	11 to 15	16 to 20	>20
Bonus Rate (in USD per USD1000 SA)	8.9	8.9	9.3	9.3
Bonus Rate for Plan 240 (in USD per USD1000 SA)	8.1	8.1	8.5	8.5
Endowment Type Plans (Plans 202, 206, 209, 215, 218 ,225)	<=10	11 to 15	16 to 20	>20
Bonus Rate (in USD per USD1000 SA)	9.9	9.9	10.3	10.3
Bonus Rate for SP mode of Plan 202 (in USD per USD 1000 SA)	9.1	9.1	9.5	9.5
Deferred Annuity Plans (Plan 227 and 228)	<=5	6 to 10	11 to 15	>15
Bonus rate (in USD per USD1000 SA)	8.1	8.4	8.5	8.8

Silver Anniversary Health Insurance Plan (Plan 241) – Regular Premium	7.9		
Silver Anniversary Health Insurance Plan (Plan 241) – Limited Premium	8.4		
Money Back Plans (Plans 203, 212)	<=15	16 to 20	25
Bonus rate (in USD per USD1000 SA)	9	9.3	9.5
Plan Type	For all in force and fully paid up policies		
Whole Life Plans (Plans 201, 224)	9.3		
Bonus rate (in USD per USD1000 SA)			
Endowment Type Plans (Plans 256,262)	12		

- **Loyalty Addition**

The following loyalty addition rates be declared as on 31 December 2023:

Loyalty Addition for Professional Education Plan (Plan no. 219)	10.5
Loyalty addition (in USD per USD1000 SA)	
Loyalty Addition for all other eligible plans (in USD per USD1000 SA)	Nil

- **Terminal Bonus:**

In addition to above, terminal bonus at the following rates may be declared to all policies which are in-force for full sum assured and maturing during the year 2024.

Endowment Type of Policies (Plans 202, 206, 207, 209, 210, 215, 218, 220, and 225): USD 20 per USD 1000 Sum Assured.

Money back Type of Policies (Plans 203, 212): USD 10 per USD 1000 Sum Assured.

Solvency Statement

As per actuarial valuation report, the required solvency margin works out to BD 22.09 Mn (USD 58.44 Mn). Capital available as per CBB regulations is BD 69.30 Mn (USD 183.33 Mn) which is 3.14 times of the required solvency margin.

In the last few years, Company had taken series of measures to eliminate the deficit in solvency requirement of UAE branches. Consequently, solvency position of UAE branches has significantly improved and UAE branches are meeting with solvency requirements of CBUAE.

The discount rate used for calculation of mathematical reserve at the Company level, other than UAE, is 4.4%. In UAE, the discount rate used for the calculation of the mathematical reserve for old policies is 3.9% for the first 5 years and 3.6% thereafter. Policies issued after BOD-49 are discounted at the rate assumed during their pricing.

New Products

During the year 2023, the Company has launched six new products. Systematic Wealth Creation (Plan 271), LIC International Child Education (Plan 272), and Future Smart VI (Plan 275) were launched in UAE. Single Premium Wealth Creator (Plan 270), Systematic Wealth Creation (Plan 273), and Child Education (Plan 274) were launched in Bahrain.

Corporate Governance

The Company has transparent and well defined marketing and administrative systems supported by High Level Audit Committee and Risk Management Committee of the Board and an Investment Committee which are functional on well laid out norms.

As part of social commitment and self-regulations the Company participates in socially relevant projects together with focus on economy of operations.

Payments made to Directors and Executive Management

The Chairman of the Board and non-executive Members of the Board are not paid any remuneration. However independent Directors are paid an honorarium for attending Board and Committee meetings. Remuneration to the CEO & Executive Director and other members of key management during the year 2023 was BD 196,139 as compared to BD219,089 in 2022.

Business Continuity / Disaster Recovery Plan:

The profitability and reputation of the Company may be adversely affected if the operations (including services to customers) of the Company are confronted with adverse events such as natural disasters, technological failures, human error or terrorism.

To mitigate this risk, the Company has Board approved Business Continuity Plan. The back-up of data is taken on daily basis at EoD and the same is preserved outside office premises where the server is located. The Company also has two types of Disaster Recovery Servers (DRS) viz. near site as well as far site DRS. Far site DRS is located in Dubai branch and is fully operational. The data replication for near site server is real-time whereas that for far site server is in batch process at four different times during the day of 24 hours. The Company also has agreement with telephone service provider for dedicated leased lines with redundancy. This ensures that the server connectivity is always available to the users at all the times.

The above arrangements are to ensure the continuity of business as well as disaster recovery ("DR") in case of any unforeseen circumstances.

To ensure the readiness of the DR Servers, Company signed Annual Maintenance Contract (AMC) with the outsourcing vendor for maintenance of the hardware both at Primary and DR setups. As per the AMC Vendor is carrying out DR drills atleast 3 times in a year. During the DR drill, the production servers will be shut down and then activate the e-LIFE application & database hosted on DR servers. The DR setup is made available for failover test and data availability test. LIC (International) Bahrain & Dubai branch officials perform the testing of e-LIFE application after switch over to DR servers. During the year 2023, 3 times DR Drill were conducted on near DR and far DR setups.

Compliances

The Company has a Compliance desk which takes care of all regulatory and other compliances of the Company.

Risk management Strategies and Practices

i) **Investment Risk:** The Investment decisions are taken by the Investment Committee based on the guidelines given by the Board of the Company. All the Investment proposals are routed through Risk Manager. Risk Manager considers various risk elements like credit risk, concentration risk, liquidity risk etc. and gives his opinion. The proposals are then discussed in the Investment Committee. Approximately 98% of the investments are in bonds including FD's and other debt instruments and remaining 2% in equity and mutual funds. The investment portfolio is well diversified and the same is reviewed by the Investment Committee periodically to take corrective actions wherever required.

ii) **Currency Risk**: Almost all the currencies in GCC are pegged to United States Dollars except Kuwait where collection are made in Kuwaiti Dinars. The final payments for Kuwait cases are paid in United States Dollars or equivalent in Kuwaiti Dinars and hence the currency risk is at the minimum. However, Indian equity investments are subject to currency risk. At present, the Company's exposure in Indian equity is 0.20%.

iii) **Insurance Risk:** The Company has reinsurance arrangements with Swiss Re Company and Munich Re. As per the reinsurance treaty, the retention limit depends on Sum Assured, Age of LA and whether the life is standard or substandard. The maximum Sum Assured retained by the Company is USD100,000. These reinsurance arrangements protect the Company from high risk insurance contracts.

Dividend

No dividend is proposed for the year 2023.

Change in Directors

During the year 2023, changes in the Board Members were as under.

The following members have been inducted in the Board after obtaining prior approval of CBB:

Name of Member	CBB Approval date	Type
Mr. M. Jagannath	9th July 2023	Deputy Chairman of the Board (Non-Executive Member)

During the year 2023, following member resigned from the Board of the Company:

Name of Member	Position held	Date of Resignation	Reason
Mr. Mangalam R. Kumar	Chairman	13th March 2023	Retirement

Disclosure for remuneration of members of board of directors and executive management

First: Board of directors' remuneration details:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount	Expenses Allowance
	Proposed Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Proposed Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
First: Independent Directors:													
1- Mr. Thomas Mathew	-	2,250	-	-	2,250	-	-	-	-	-	-	-	-
2- Mr. V. Chandrasekaran	-	2,250	-	-	2,250	-	-	-	-	-	-	-	-
Second: Non-Executive Directors:													
1- Mr. Mangalam R. Kumar	-	-	-	-	-	-	-	-	-	-	-	-	-
2- Mr. Sidhartha Mohanty	-	-	-	-	-	-	-	-	-	-	-	-	-
3- Mr. Jagannath	-	-	-	-	-	-	-	-	-	-	-	-	-
4- Mr. Abdulrahman Ali Al Wazzan	-	-	-	-	-	-	-	-	-	-	-	-	-
Second: Executive Directors:													
1- Mr. Debashis Prasad Pattanaik	-	-	25,381	-	25,381	-	-	-	-	-	3,195	-	-
Total	**-**	**4,500**	**25,381**	**-**	**29,881**	**-**	**-**	**-**	**-**	**-**	**3,195**	**-**	**-**

Second: Executive management remuneration details

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
Salaries for top executives, including CEO and Senior Financial Officer	154,459	-	-	154,459

Thank you and Appreciation

We extend our faithful respects and sincere gratitude to His Majesty the King Hamad bin Isa Al Khalifa, His Royal Highness the Crown Prince and Prime Minister, Salman bin Hamad bin Isa Al Khalifa and His Excellency the Minister of Industry and Commerce of Kingdom of Bahrain for their continued support and cooperation extended to the Company.

We also extend our sincere gratitude to Central Bank of Bahrain, Central Bank of UAE and Capital Market Authority-Oman for their continuous support and guidance, all throughout our operations.

We express our sincere gratitude to the Government of India and to the Ministry of Finance (Insurance Division) in particular for their support and guidance during the year. We express our sincere gratitude for the help rendered by the Indian Embassies in Bahrain, Abu Dhabi, Sultanate of Oman, Kuwait, Qatar, Riyadh, and Indian Consulate in Dubai and Indian Embassies/Consulates in other countries in the Middle East. We look forward to their continued support to develop our operations in the region for the benefit of all nationalities.

We offer our sincere thanks to our appointed representative M/s. International Agencies Co. Ltd, Bahrain and chief agents M/s. Kingstar Insurance Agencies LLC, Dubai, M/s Gulf Insurance Agencies LLC, Oman, M/s. Warba Insurance Co. Kuwait, and M/s Dyarco Management Services WLL in Doha and our Bancassurance partners BBK and ICICI Bank in Bahrain. We feel happy about the mutual working relationship with them. We look forward to another year of growth and prosperity.

We offer our sincere thanks to our Appointed Actuary: M/s K. A. Pandit Consultant and Actuaries, Mumbai, Peer Actuary: M/s SHMA Consulting DMCC, Dubai, Auditors: M/s. Grant Thornton Abdulaal, Bahrain, M/s. PKF, Dubai, M/s Crowe Mak Ghazali, Oman, M/s RSM Albazie, Kuwait, M/s Talal Abu-Ghazaleh & Co, Bahrain, M/s UHY James, UAE and M/s Moore Stephens, Oman.

We offer our grateful thanks to our esteemed Policyholders and NRI community for their confidence in the Company and all associates for their support and enthusiasm, which has been the source of tremendous motivation for the Company in augmenting its efforts in various directions.

On behalf of the Board of Directors

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Mr. Siddhartha Mohanty
Chairman

D. P. Pattanaik

Mr. Debashis Prasad Pattanaik
CEO & Executive Director 04/02/2024

Manama, Kingdom of Bahrain

Grant Thornton
Abdulaal

Independent auditors' report

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To the Shareholders of
Life Insurance Corporation (International) B.S.C. (c)

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **Life Insurance Corporation (International) B.S.C. (c)** (the "**Company**"), which comprise the statement of financial position as at 31 December 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' report set out on pages 2 to 7.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements
The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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 auditors' 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.

Grant Thornton
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Report on Other Legal and Regulatory Requirements

1. As required by the Bahrain Commercial Companies Law No. 21 of 2001 (as amended), we report that:

   a) the Company has maintained proper accounting records and the financial statements are in agreement therewith;
   b) the financial information contained in the Directors' report is consistent with the financial statements;
   c) we are not aware of any violations during the year of the Commercial Companies Law or the terms of the Company's Articles and Memorandum of Association that would have a material adverse effect on business of the Company or its financial position; and
   d) satisfactory explanations and information have been provided to us by management in response to all our requests.

2. We are not aware of any violations that occurred during the year to the Central Bank of Bahrain (CBB) Rule Book (Volume 3) and CBB and Financial Institution Law No. 64 of 2006 (as amended) (CBB Law) that would have a material adverse effect on the business of the Company or its financial position.

Grant Thornton

Partner's Registration No. 30
4 March 2024
Manama, Kingdom of Bahrain

Statement of financial position

	Notes	31 December 2023	(Restated) 31 December 2022	(Restated) 1 January 2022
		BD	BD	BD
Assets				
Intangible assets	4	29,404	4	4
Furniture and equipment	5	4,372	2,286	2,667
Right-of-use assets	6	11,989	18,844	26,210
Investments	7	370,466,320	415,481,564	622,612,694
Policy loans	8	4,323,504	4,436,206	4,740,263
Reinsurance contract receivable	9	159,450,472	167,980,991	11,922
Accrued interest income	10	8,941,283	10,363,249	9,525,703
Other assets	11	129,364	178,669	1,053,429
Statutory deposits	12	648,503	703,194	704,095
Term deposits with banks	13	71,364,219	90,869,605	116,143,699
Cash and cash equivalents	15	21,269,854	29,406,318	41,613,201
Total assets		**636,639,284**	**719,440,930**	**796,433,887**
Equity and liabilities				
Equity				
Share capital	19	65,439,300	65,439,300	65,439,300
Statutory reserve	20	7,771,644	7,771,644	7,771,644
Contingency reserve	21	232,192	232,192	228,580
Investments fair value reserve		(463,071)	(1,167,367)	(237,084)
Insurance finance reserve		78,988,878	96,153,767	-
Reinsurance reserve		12,887	-	-
Accumulated losses		(99,749,314)	(85,046,122)	(14,415,000)
Total equity		**52,232,516**	**83,383,414**	**58,787,440**
Liabilities				
Employees' end-of-service indemnity		41,822	29,969	36,094
Lease liabilities	6	13,527	20,740	28,127
Amounts due to related parties	14	119,477	86,234	188,476
Insurance contract liabilities	16	580,521,433	633,089,110	733,834,277
Zakat and tax provisions	17	287,356	300,010	300,010
Reinsurance contracts liabilities		77,626	80,154	110,980
Other liabilities	18	3,345,527	2,451,299	3,148,483
Total liabilities		**584,406,768**	**636,057,516**	**737,646,447**
Total equity and liabilities		**636,639,284**	**719,440,930**	**796,433,887**

These financial statements were approved by the Board of Directors and signed on its behalf by:

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Siddhartha Mohanty
Chairman

D.P. Pattanaik 04/03/202

Debashis Prasad Pattanaik
CEO & Executive Director

The accounting policies and the notes from pages 15 to 72 form an integral part of these financial statements.

Statement of comprehensive income

	Notes	31 December 2023 BD	(Restated) 31 December 2022 BD
Insurance revenue	22	105,617,230	46,984,569
Insurance service expenses	16	(127,158,073)	(101,269,519)
Insurance service result before reinsurance contracts held (a)		**(21,540,843)**	**(54,284,950)**
Allocation of reinsurance premium paid		(156,943)	(288,939)
Amounts recoverable from reinsurers		-	574,595
Net expenses from reinsurance contracts held (b)		**(156,943)**	**285,656**
Insurance service result (a+b)		**(21,697,786)**	**(53,999,294)**
Net finance expenses from insurance contracts issued	23	(22,093,843)	(20,464,913)
Net financial result (c)		**(22,093,843)**	**(20,464,913)**
Net financial results from insurance operations (a+b+c)		**(43,791,629)**	**(74,464,207)**
Unrealised gain/(loss) on investments at FVTPL	7	3,460,412	(17,437,450)
Realised income from investments	24	28,917,959	31,214,217
Impairment reversal/(loss) on investment securities, net		176,427	(7,419,402)
Income from investments (d)		**32,554,798**	**6,357,365**
Net insurance financial result and income from investments (a+b+c+d)		**(11,236,831)**	**(68,106,842)**
General and administrative expenses		(1,413,257)	(1,732,404)
Reinsurance fee		(1,317,172)	(791,196)
Other income	25	696,884	566,385
Transfer to actuarial reserve to LIC India		(930,320)	(667,076)
Other expenses		(453,854)	111,208
Loss before zakat and income tax		**(14,654,550)**	**(70,619,925)**
Zakat and income tax expense		(35,755)	(7,585)
Loss for the year		**(14,690,305)**	**(70,627,510)**
Other comprehensive (loss)/income to be reclassified subsequently to profit or loss			
Net change in fair value of investment at FVOCI during the year	7	704,296	(930,283)
Net finance (expenses)/income from insurance contracts issued	23	(17,164,889)	96,153,767
Other comprehensive (loss)/income for the year		**(16,460,593)**	**95,223,484**
Total comprehensive (loss)/income for the year		**(31,150,898)**	**24,595,974**

These financial statements were approved by the Board of Directors and signed on its behalf by:

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Siddhartha Mohanty
Chairman

D.P. Pattanaik
Debashis Prasad Pattanaik
CEO & Executive Director 04/03/2024

The accounting policies and the notes from pages 15 to 72 form an integral part of these financial statements.

Statement of changes in equity

	Share capital	Statutory reserve	Contingency reserve	Investments fair value reserve	Insurance finance reserve	Reinsurance reserve	Accumulated losses	Total
	BD	BD	BD	BD	BD	BD	BD	BD
Balance at 1 January 2022	65,439,300	7,771,644	228,580	6,451,544	-	-	25,587,838	105,478,906
Adjustment on initial application of IFRS 17	-	-	-	-	-	-	(46,581,826)	(46,581,826)
Adjustment on initial application of IFRS 9	-	-	-	(5,998,290)	-	-	5,324,417	(673,873)
Prior year adjustment (Note 31)	-	-	-	(690,338)	-	-	1,254,571	564,233
Restated balance as at 1 January 2022	**65,439,300**	**7,771,644**	**228,580**	**(237,084)**	**-**	**-**	**(14,415,000)**	**58,787,440**
Loss for the year	-	-	-	-	-	-	(70,627,510)	(70,627,510)
Transfer to contingency reserve	-	-	3,612	-	-	-	(3,612)	-
Other comprehensive income for the year to be reclassified subsequently to profit or loss								
Unrealised fair value loss on investments at FVOCI	-	-	-	(930,283)	-	-	-	(930,283)
Net finance income from insurance contracts issued	-	-	-		96,153,767	-	-	96,153,767
Total comprehensive income for the year	**-**	**-**	**3,612**	**(930,283)**	**96,153,767**	**-**	**(70,631,122)**	**24,595,974**
Restated as at 31 December 2022	**65,439,300**	**7,771,644**	**232,192**	**(1,167,367)**	**96,153,767**	**-**	**(85,046,122)**	**83,383,414**
Restated balance at 1 January 2023	65,439,300	7,771,644	232,192	(1,167,367)	96,153,767	-	(85,046,122)	83,383,414
Loss for the year	-	-	-	-	-	-	(14,690,305)	(14,690,305)
Other comprehensive loss for the year to be reclassified subsequently to profit or loss:								
Unrealised fair value gain on investments at FVOCI	-	-	-	704,296	-	-	-	704,296
Net finance expenses from insurance contracts issued	-	-	-	-	(17,164,889)	-	-	(17,164,889)
Transfer to reinsurance reserve	-	-	-	-	-	12,887	(12,887)	-
Total comprehensive loss for the year	**-**	**-**	**-**	**704,296**	**(17,164,889)**	**12,887**	**(14,703,192)**	**(31,150,898)**
At 31 December 2023	**65,439,300**	**7,771,644**	**232,192**	**(463,071)**	**78,988,878**	**12,887**	**(99,749,314)**	**52,232,516**

The accounting policies and the notes from pages 15 to 72 form an integral part of these financial statements.

Statement of cash flows

	31 December 2023 BD	(Restated) 31 December 2022 BD
Operating activities		
Loss for the year	(14,690,305)	(70,627,510)
Adjustments:		
Depreciation	1,519	1,254
Amortisation of intangible assets	9,920	-
Foreign exchange loss	-	68,473
Depreciation on right-of-use assets	6,855	7,366
Interest expense on lease liabilities	803	1,153
Unrealised (gain)/loss on investments at fair value through profit or loss	(3,460,412)	17,437,450
Loss/(gain) on disposal of investments	122,901	(2,456,133)
Dividend income	(148,541)	(350,089)
Interest income	(28,892,319)	(28,407,995)
Impairment (reversal)/loss recognised on investments, net	(176,427)	7,419,402
Impairment (reversal)/loss on policy loans	(6,336)	594
Operating loss before working capital changes	**(47,232,342)**	**(76,906,035)**
Changes in operating assets and liabilities:		
Change in reinsurance contract receivable	10,503,982	5,353,935
Change in other assets	49,305	874,760
Change in policy loan	119,038	303,463
Change in amount due to related party	33,243	(102,242)
Change in insurance contract liabilities	(69,732,566)	(4,591,400)
Change in reinsurance contract liabilities	(2,528)	(30,826)
Change in other liabilities	894,228	(697,184)
Zakat and income tax charge paid during the year	(12,654)	-
Provision/(payment) for employees' end-of-service benefits	11,853	(6,125)
Net cash used in operating activities	**(105,368,441)**	**(75,801,654)**
Investing activities		
Purchase of furniture and equipment	(3,915)	(1,220)
Proceeds from disposal of furniture and equipment	310	347
Purchase of intangible asset	(39,320)	-
Purchase of financial investments	(14,527,820)	(42,747,086)
Proceeds from disposal of investments	60,927,360	51,776,940
Decrease in term deposits with banks	19,505,386	25,274,094
Decrease in statutory deposits	54,691	901
Dividends received	148,541	350,089
Interest received	31,174,760	28,949,246
Net cash from investing activities	**97,239,993**	**63,603,311**
Financing activities		
Repayment of lease liabilities	(8,016)	(8,540)
Net cash used in financing activities	**(8,016)**	**(8,540)**
Net change in cash and cash equivalents	(8,136,464)	(12,206,883)
Cash and cash equivalents at the beginning of year	29,406,318	41,613,201
Cash and cash equivalents, at the end of year	**21,269,854**	**29,406,318**
Comprises:		
Cash in hand	265,209	1,723
Current accounts with conventional banks	10,315,367	12,049,632
Current accounts with investments banks	10,838,872	17,543,431
Allowance for expected credit losses	(149,594)	(188,468)
	21,269,854	**29,406,318**

The accounting policies and the notes from pages 15 to 72 form an integral part of these financial statements

Notes to the financial statements
31 December 2023

1. Status and activities

1.1 Life Insurance Corporation (International) B.S.C. (c) (the "Company") was formed by Life Insurance Corporation of India and The International Agencies Company Limited, Bahrain. The Company is registered with the Ministry of Industry, Commerce and Tourism under commercial registration no. 21606 and operates under a license issued by the Central Bank of Bahrain (the "CBB"). The registered address is 1st Floor, Ali Al-Wazzan Building, Al-Khalifa Avenue, P. O. Box 584, Manama, Kingdom of Bahrain.

1.2 The Company operates branch office "Life Insurance Corporation (International) B.S.C.(c) (Dubai & Abu Dhabi Branch)- UAE" in the United Arab Emirates and branch office "Life Insurance Corporation (International) B.S.C. (c)- Muscat Branch" in Sultanate of Oman (operations closed during the year). The principal activities of these branches are providing life insurance, group life, credit and saving insurance. The branches operating results are included as part of these financial statements.

1.3 The Company commenced its operations on 20 July 1989 and is engaged in carrying out life insurance business, mainly with Indian expatriates in the Kingdom of Bahrain and other GCC Countries. It is also engaged in conducting similar business with all nationalities resident in Bahrain under special permission granted by the Central Bank of Bahrain, since November 8, 2006.

1.4 The International Agencies Company Limited is an 'appointed representative' of the Company providing marketing services to the Company in Bahrain along with other 'appointed representatives' of the Company. In return the 'appointed representative' is entitled to 'commission' at the agreed terms.

The International Agencies Company Limited is also an 'Outsourcing Services provider' of the Company and providing support services ("the Outsourced Services") related to the Insurance Activity in order to serve the Company's customers, intermediaries, and other stake holders. In return the 'Outsourcing services provider' is entitled to receive 'remuneration' at the agreed terms.

1.5 All reinsurance is ceded to Swiss Reinsurance Company and Munich Reinsurance Company on agreed terms.

1.6 Based on resolution number 125 dated 14 July 2004 (Hijri 14/5/1424) issued by the Council of Ministers in Saudi Arabia, and its subsequent implementation guidelines thereon, insurance companies operating in Saudi Arabia are required to obtain a license to undertake insurance activities in the Kingdom from the Saudi Arabian Monetary Agency ("SAMA"). The requirements for license include operating as a public joint stock company and having a minimum paid up capital of Saudi Riyals 100 million.

Under these regulations, on 29 December 2004, the Board of Directors of the Company submitted a license application to SAMA under the name of "Saudi Indian Company for Cooperative Insurance" ("SICCI"). The Company has acquired 10.2% of the issued share capital of the SICCI. Further, the Company ceased its activities in the Kingdom, but later on August 1, 2005 business activities resumed as SAMA permitted existing operations to continue for a three-year grace period. On 28 December 2008, SAMA did not further extend Saudi Operations of the Company to market new insurance policies.

During 2011, SAMA approved an exit plan via letter dated 15.06.1432 H (corresponding 20 May 2011), of the Saudi Operations of the Company. The Company transferred the Saudi Operations to the Kingdom of Bahrain or LIC India with the consent of the policyholders.

During the year 2018, SICCI has got the approval from Capital Market Authority and SAMA for further capital reduction to 18.03%. Accordingly, Company's investment in SICCI also got proportionately reduced which resulted in recording losses in the income statement for the year 2018.

Investment in SICCI has been fully provided for being identified as impaired as the share trading has been suspended by The Saudi Stock Exchange (Tadawul) since 12 November 2018. As of 31 December 2023, SICCI was under liquidation.

1.7 The Board of the Company in its meeting dated 25 August 2021 approved to operate Oman branch in run-off mode. The Company engaged M/s. Dentons, Legal Consultant, Oman for submission of a detailed plan seeking approval from CMA to continue Oman operation in run-off mode and further transfer of business to Bahrain for future servicing.

The Company submitted a letter dated 27 March 2022 to the regulator CMA seeking approval for transfer of Oman policies to Bahrain. As per the CMA letter dated 23 May 2022, the Company submitted all the requirements on 31.10.2022. Final requirement 'No Objection' letter from CBB dated 8 February 2023 for transfer of insurance portfolio of Oman branch to the Company's Bahrain Branch was submitted on 9 February 2023 to CMA.

On 4 April 2023 Company was informed that CMA cancelled the license of LIC Intl. Oman Branch. CMA notified their Administrative Decision no. 18/2023 stating that Company's registration in the Insurance Register has been cancelled and Company can proceed for deregistration of commercial registration with Ministry of Commerce and Industry & Promotion of Investment.

The Company decided to closure its operations in Oman by end of July 2023 by transferring all policies to Bahrain for further servicing from 1 August 2023. Communication has been sent by SMS and Mail to all Oman Policy Holders on 5 May 2023. Newspaper advertisements have been given on 24 May 2023, 25 May 2023 and 28 May 2023 in both Arabic and English languages. Based on the queries received from policy holders, Company prepared a FAQ document, which was sent by mail to all policy holders on 31 May 2023. The same has been made available on the Company's website under the Oman link. From 1 August 2023 onwards policy servicing started from Bahrain Branch. Physical documents including policy files got received by Bahrain Branch. Branch at Oman got closed and the premises got vacated on 31 July 2023. Company has completed transfer of assets and other liabilities and kept investments of Omani Riyal Eight million under lien to CMA, which are needed to be released by August 2024. The Company has already started the de-registration process with Ministry of Commerce.

The financial statements for the year ended 31 December 2023 was approved by the Board of Directors on 4 March 2024.

2. Summary of accounting policies

2.1 Basis of preparation

The financial statements are prepared under the historical cost basis, except for certain financial instruments measured at fair value. The financial statements include the net assets and results of operations of the Company in the Kingdom of Bahrain, Kuwait, Oman and Qatar and its branch in the United Arab Emirates. All inter-branch transactions and balances are eliminated.

These financial statements are presented in Bahrain Dinar ("BD") being the functional currency of the Company. All values are rounded to the amount nearest to Bahrain Dinar.

2.2 Statement of compliance and going concern assumption

The financial statements of the Company has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law 2006, and the regulations set out in Volume 3 (Insurance) of CBB Rulebook. They have been prepared under the assumption that the Company operates on a going concern basis.

2.3 New or revised Standards or Interpretations

New Standards adopted as at 1 January 2023

The following amendments to existing standard have been adopted during the year:

• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Several new standards, amendments to existing Standards which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

Adoption of IFRS 17 Insurance contracts

IFRS 17 comes into effect for periods beginning on or after 1 January 2023. Its main objective is to provide more transparency to the users of financial statements over the revenue and costs associated with its insurance activities. It also provides information about the current and future profitability of its insurance activities which was not reflected in IFRS 4 'Insurance Contracts'. This transparency is achieved through measuring longer-term insurance contracts using a general measurement model which takes into account discounted probability-weighted cash flows, explicit risk adjustments, and calculating a contractual service margin that represents the unearned profits of the contract which is recognised as revenue over the insurance contract over the coverage period. This general measurement model is supplemented by:

- adaptation for the default approach (the general measurement module), and
- a specific adaptation for contracts with direct participation features (the variable fee approach).

Adoption of IFRS 9 Financial Instruments

IFRS 9 replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
In May 2021, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and ate excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. In addition to the above, there are certain new standards and amendments to accounting and reporting standards that are not mandatory for the Company's accounting periods beginning on or after 1 January 2023 but are considered not to be relevant or to have any significant effect on die Company's operations and are therefore not detailed in these financial statements.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

New standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments to Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

Changes in accounting policies and disclosures

2.4 IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts. In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023.

IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period.
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period.
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period.
- Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- A loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses.
- Entities should present separately in the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for reporting periods starting on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17.

IFRS 17, together with IFRS 9, will result in profound changes to the accounting in IFRS financial statements for insurance companies. This will have a significant impact on data, systems and processes used to produce information for financial reporting purposes. The new model is likely to have a significant impact on the profit and total equity of some insurance entities, resulting in increased volatility compared to today's models. Key performance indicators will also likely be affected.

The Company expects that the new standard will result in a change to the accounting policies for insurance contracts and reinsurance, together with amendments to presentation and disclosures.

The Company expects the that the adoption of IFRS 17 will have an impact on the amounts reported and disclosures made in this interim financial information in respect of insurance contracts issued and reinsurance contracts held. The Company monitored updates on the planning and implementation activities for IFRS 17 and reviewed and approved technical policies during 2022 in support for the latest 'dry run' conducted during the year which resulted in the below impacts.

Moreover, management is still refining its assumptions, methodology and models to refine the impact of adopting IFRS 17 and IFRS 9.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023. The Company has restated comparative information for 2022 and 2021 applying the transitional provisions in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

a. Changes to classification, measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts.

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The key principles of IFRS 17 are that the Company:

- Identifies insurance contracts as those under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards.
- Divides the insurance and reinsurance contracts into groups it will recognise and measure.
- Recognises and measures groups of insurance contracts at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information.
  - Plus, an amount representing the unearned profit in the group of contracts (the contractual service margin or CSM).

- Recognises profit from a group of insurance contracts over each period the Company provides insurance contract services, as the Company is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Company recognises the loss immediately.
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

b. Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts and reinsurance contracts issued that are liabilities; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously the Company reported the following line items:

- Net Premium earned;
- Commission paid;
- Net claims paid;
- Provision for outstanding claims; and
- Decrease/(increase) in mathematical reserve for life insurance operations (net).

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expenses; and
- Income or expenses from reinsurance contracts held.

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts; and
- Significant judgements, and changes in those judgements, when applying the standard.

c. Transition

At 1 January 2022, the Company applied the following approaches to identify and measure certain groups of contracts as follow:

a. Modified retrospective approach for groups of contracts between the years 2017 and 2021.
b. Fair value for all groups of contracts at and before year 2016.

The Company, prior to transition, grouped contracts from multiple cohorts and years into a single unit for accounting purposes.

On transition date, 1 January 2022, the Company:

- Have identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied;
- Have identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified;
- Derecognised any existing balances that would not exist had IFRS 17 always applied; and
- Recognised any resulting net difference in equity.

The application of the full retrospective approach on transition for these portfolios was determined to be impracticable for the Company, as obtaining all required historical data for its existing products from the actuarial valuation reports was not possible. Therefore, the Company has used reasonable and supportable information from its existing reporting systems, which resulted in the closest outcome to the full retrospective approach.

The Company has aggregated contracts issued more than one year apart for groups of contracts applying the modified retrospective approach at transition, as it did not have supportable information to aggregate contracts into groups including only contracts issued within one year.

The Company has elected to use the simplification in the modified retrospective approach for determining the CSM or loss component of the liability for remaining coverage at the transition date.

The Company has used the following procedure to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date.
- Estimated historical discount rates applied to some cash flows in the period prior to 2017 using an observable market interest curve for that period, adjusted by the average spread between observable market yield curves and the yield curve used to determine current discount rates for the years between 1 January 2017 and 1 January 2022.
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before transition. The expected release of risk was determined with reference to the release of risk for similar contracts that the Company has issued subsequent to the transition date.
- The CSM at transition date has been further determined by:

  - Using the modified discount rates determined at initial recognition to accrete interest on the CSM.
  - Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

The Company has elected to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income and reset the cumulative amount of insurance finance income or expenses recognised in other comprehensive income at the transition date to zero.

Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Company has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

For the application of the fair value approach, the Company has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts;
- Determine whether any contracts are direct participating insurance contracts; and
- Identify any discretionary cash flows for insurance contracts without direct participation features.

The discount rate for the group of contracts applying the fair value approach was determined at the transition date. Therefore, for the measurement of fulfilment cash flows at the date of transition, the locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The Company used the income approach to determine the fair value amount used for establishing the insurance contract liabilities at the transition date.

2.5 Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. Insurance contracts can also transfer financial risk.

The Company issues non-participating annuity, non-participating protection, non-participating saving products and participating saving products.

2.6 Insurance and reinsurance contracts accounting treatment

2.6.a) Separating components from insurance and reinsurance contracts

The Company assesses its life insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company' products do not include distinct components that require separation.

IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses. The surrender options are considered non distinct investment components as the Company is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

2.6.b) Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has defined portfolios of insurance contracts issued based on its product lines, namely non-participating annuity, non-participating protection, non-participating saving products and participating saving products due to the fact that the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new business. In determining groups of contracts, the Company has elected to include in the same group contracts where its ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation.

The groups of contracts for which the fair value approach has been adopted on transition include contracts issued more than one year apart.

The annuity and term insurance and reinsurance contracts portfolios are divided into:

- A group of contracts that are onerous at initial recognition.
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently.
- A group of the remaining contracts in the portfolio.

The reinsurance contracts held portfolios are divided into:

- A group of contracts on which there is a net gain on initial recognition.
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition.
- A group of the remaining contracts in the portfolio.

2.6.c) Recognition

The Company recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date.
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Company recognise an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date;
- The reinsurance contracts held by the Company provide proportionate cover. Therefore, the Company does not recognise a proportional reinsurance contract held until at least one underlying direct insurance contract has been recognised; and
- The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

2.6.d) Onerous groups of contracts

The Company issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Company has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Company looks at facts and circumstances to identify if a group of contracts are onerous based on:

- Pricing information.
- Results of similar contracts it has recognised.
- Environmental factors, e.g., a change in market experience or regulations.

2.6.e) Contract boundary

The Company include in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks or

- Both of the following criteria are satisfied:
  - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

For life contracts with renewal periods, the Company assess whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Company by considering all the risks covered for the policyholder by the Company, that the Company would consider when underwriting equivalent contracts on the renewal dates for the remaining service. The Company reassess contract boundary of each group at the end of each reporting period.

2.6.f) Measurement- general model

2.6.f.1) Insurance contracts – initial measurement

Measurement- general model Insurance contracts – initial measurement

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows
- A CSM representing the unearned profit the Company will recognise as it provides insurance contract services under the insurance contracts in the group Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for nonfinancial risk. The Company' objective in estimating future cash flows is to determine the expected value, or the probability- weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Company estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Company includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows.
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims.
- Payments to policyholders resulting from embedded surrender value options.
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs.
- Claims handling costs.
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries.
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts.
- Transaction-based taxes.

The Company incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimate the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company' own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions
- Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Company do not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

2.6.f.2) Reinsurance contracts held – initial measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes
- The Company determine the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer
- The Company recognise both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition

Where the Company recognise a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss- recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculate the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Company uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Where the Company enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

2.6.f.3) Insurance contracts – subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided. For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.
- The changes in fulfilment cash flows relating to future service, except to the extent that:
    - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss or
    - Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period. The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable.
- Changes in the risk adjustment for non-financial risk that relate to future service. Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Company recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component.

The Company measure the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Company comprising the fulfilment cash flows related to past service allocated to the group at that date.

2.6.f.4) Reinsurance contracts held – subsequent measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related charges arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive reinsurance contract held due to the changes of the liability for incurred claims of the underlying contracts is taken to profit and loss and not the contractual service margin of the reinsurance contract held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where the Company has established a loss-recovery component, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss- recovery component that are not changes in the fulfilment cashflows of the group of reinsurance contracts held adjust the CSM.

2.6.f.5) Insurance contracts – modification and derecognition

The Company derecognise insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or
- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

2.6.f.6) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts. The Company expects to derecognise all assets for insurance acquisition cash flows within one year.

2.6.f.7) Presentation

The Company has presented separately in the statement of financial position the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are recognised are included in the carrying amount of the related portfolios of insurance contracts issued.

The Company disaggregate the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

The Company do not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

2.6.f.8) Insurance revenue

The Company' insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts relating to the risk adjustment for nonfinancial risk and any amounts allocated to the loss component of the liability for remaining coverage.
- Amounts related to income tax that are specifically chargeable to the policyholder.
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- The CSM release.
- Amounts related to insurance acquisition cash flows.

2.6.f.9) Loss components

When the Company recognise a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

2.6.f.10) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

• The effect of the time value of money and changes in the time value of money
• The effect of financial risk and changes in financial risk

The Company disaggregate insurance finance income or expenses on insurance contracts issued for its non-participating annuity, non-participating protection, non-participating saving products and participating saving products portfolios between profit or loss and OCI. The impact of changes in market interest rates on the value of the life insurance and related reinsurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Company' financial assets backing the insurance issued portfolios are predominantly measured at amortised cost or FVOCI. Finance income or expenses on the Company' issued reinsurance contracts is not disaggregated because the related financial assets are managed on a fair value basis and measured at fair value through profit or loss.

The Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

2.6.f.11) Net income or expense from reinsurance contracts held

The Company present separately on the face of the statement of profit or loss and other comprehensive income the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer.

2.7 IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4 to apply the temporary exemption from IFRS 9, deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The Company has applied IFRS 9 retrospectively and restated comparative information for 2022 and 2021 for financial instruments in the scope of IFRS 9. Differences arising from the adoption of IFRS 9 have been recognised in accumulated losses as of 1 January 2022 and are disclosed in Statement of changes in equity.

The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss including equity instruments;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and
- Debt instruments at amortised cost.
- The Company's classification of its financial assets is explained in Note2.7a.

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company' accounting for impairment losses for debt instruments held at FVOCI or amortised cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVTPL. For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full lifetime ECL. The Company's classification of its financial assets is explained in Note 2.7a.

The adoption of the ECL requirements of IFRS 9 resulted in increases in impairment allowances related to the Company' debt instruments. The increase in allowance was adjusted to Accumulated losses.

2.7a Transition disclosures – IFRS 9

A reconciliation between the carrying amounts under IAS 39 and the balance reported under IFRS 9 as of initial application date 1 January 2022 is as follows:

	1 January 2022					
	IAS 39		Remeasurement		IFRS 9	
Financial assets	**Category**	**Amount** BD	**Reclassification** BD	**ECL** BD	**Amount** BD	**Category**
Statutory deposits	a	704,095	-	-	704,095	e
Cash and cash equivalents	a	41,613,201	-	-	41,613,201	e
Term deposits with banks	a	116,143,699	-	-	116,143,699	e
Policy loans	a	5,072,639	-	(332,376)	4,740,263	e
Debt securities	b	445,475,105	-	(339,735)	445,135,370	e
Debt and equity securities	c	36,167,037	(24,638,380)	(1,762)	11,526,895	f
Debt securities	d	140,747,816	24,638,380	-	165,386,196	d
		785,923,592	**-**	**(673,873)**	**785,249,719**	

a) Loans and receivables (L&R).
b) Held-to-maturity (HTM).
c) Available for sale (AFS).
d) Fair value through profit and loss (FVTPL).
e) Amortised cost (AC).
f) Fair value through other comprehensive income (FVOCI).

2.8 Financial instruments

Recognition and derecognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

a. Financial assets

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable), except for those trade and other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15.

Financial assets, other than those designated and effective as hedging instruments (if any), are classified into the following categories:

• amortised cost,
• fair value through profit or loss (FVTPL), or
• fair value through other comprehensive income (FVOCI).

The classification is determined by both:

• the entity's business model for managing the financial asset, and
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of trade and other receivables which is presented separately in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, reinsurance contract receivable, term deposits with banks, accrued interest income, statutory deposits and other assets fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income – debt instrument

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Financial assets at fair value through other comprehensive income – equity instrument

The Company made an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. This election is made on an instrument-by-instrument (share-by-share) basis. Amounts presented in other comprehensive income will not be subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, other receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Other receivables and policy loans

The Company makes use of a simplified approach in accounting for other receivables as well as policy loans and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 26 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

b. Financial liabilities

Classification and measurement of financial liabilities

The Company's financial liabilities include insurance contract liabilities, amounts due to related parties, reinsurance contracts liabilities and other liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss, if any. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.9 Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation and any impairment in value. The costs of furniture and equipment are depreciated on a straight-line basis over the estimated useful lives, which are as follows:

Motor vehicles	5 years
Furniture, fixtures and others	1 – 4 years

The gain or loss arising on the disposal or retirement of an item of furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

2.10 Intangible assets

Intangible assets comprising computer software that are stated at cost less accumulated amortisation and any impairment in value. The amount paid for computer software amortized on straight line basis over their estimated useful life of 3 years.

2.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exits, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses based on the net present value of future cash flows are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss previously been recognised. The reversal of the loss is recognised immediately in statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

2.13 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal and constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2.15 Other operating expenses

Staff costs and other operating expenses such as advertisement expenses, annual fees to regulatory authorities, professional charges and other administrative expenses are expensed in the normal course of business and are accounted as per the accrual basis of accounting.

2.16 Equity

Share capital represents the nominal (par) value of shares that have been issued.

Statutory reserve is required by the Bahrain Commercial Companies Law and the Company's articles of association. 10% of the profit for the year should be transferred to statutory reserve every year. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued and paid-up share capital. The reserve cannot be utilised for the purpose of a distribution except in such circumstances as stipulated in the Bahrain Commercial Companies Law.

Fair value reserve comprises of fair value changes of investments at fair value through other comprehensive income.

Retained earnings includes all current and prior period retained profits.

2.17 Contingencies

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

2.18 Fair value

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.

The fair value of an asset or a liability is measured by taking into account the characteristics of the asset or liability that if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes fair value measurement is categorized into Levels 1, 2 or 3 based on the degree to which the inputs to fair value measurement in its entirety, which are described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are 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 assets or liability.

2.19 Other income

All other income is recognised on an accrual basis.

2.20 Taxation and VAT

Income tax expense represents the sum of the tax currently payable on Saudi Arabian income and Zakat tax, Saudi Arabian withholding tax, Kuwait income tax and Oman income tax, calculated using tax rates applicable based on Saudi Arabian, Kuwait and Oman operations.

Value Added Tax (VAT) will be charged at 5% and 10% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person within the UAE and Bahrain jurisdictions. The Company is required to file its VAT returns and compute the payable tax and deposit the same within the prescribed due dates of filling VAT return and tax payment.

2.21 Employees' terminal benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organisation for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS-19 - Employee benefits, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Laws for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded, and which represent a defined benefit plan under IAS-19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

2.22 Foreign currencies

Foreign currency transactions are recorded in Bahrain Dinars at the approximate rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated at the year-end rates of exchange. Exchange differences are reported as part of the results for the year.

For the purpose of presenting financial statements, the assets and liabilities of the Company's foreign operations (including comparatives) are presented in Bahraini Dinars using exchange rates prevailing at each reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Company's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

a. Significant management judgments

During the year, there were no judgements made by management in applying the accounting policies of the Company that had a significant effect on the financial statements.

b. Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives and residual values of depreciable assets. Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and environmental regulations that can make polluting assets to be depreciated more quickly.

Fair value measurement. Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.1 Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose life insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the Company is managed.

3.2 The methods used to measure insurance contracts

The Company primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

The following assumptions were used when estimating future cash flows:

- Mortality and morbidity rates (term life insurance and reinsurance business)

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company' own experiences. An appropriate, but not excessive, allowance is made for expected future improvements.

An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Company.

- Longevity (immediate annuity business)

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company' own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements.

An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Company.

- Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
An increase in the expected level of expenses will reduce future expected profits of the Company. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

- Lapse and surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company' experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits of the Company, but later increases are broadly neutral in effect.
The assumptions that have the greatest effect on the expected cash flows are listed below. The table below sets out the percentage assumed to apply to industry mortality and morbidity tables in estimating fulfilment cash flows:

	Mortality and morbidity rates		**Lapse and surrender rates**	
Portfolio assumptions by type of business impacting net liabilities	**31-Dec-23**	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
Annuities	75% of LIC (1996-98) Ultimate rated down by 3 years	75% of LIC (1996-98) Ultimate rated down by 3 years	**0%**	**0%**
All products other than annuities	85% of IALM (2006-08) Ultimate	85% of IALM (2006-08) Ultimate	**0%**	**0%**

3.3 Discount rates

Life insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates adjusted for country risk premium are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the life insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

Discount rates applied for discounting of future cash flows are listed below:

	1 Year		3Year		5Year		10Year		20Year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Life insurance contracts issued BD	8.85%	8.36%	8.04%	7.84%	7.86%	7.60%	7.90%	7.48%	8.23%	7.75%

3.4 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Company has estimated the risk adjustment using a cost of capital technique. The cost of capital technique requires the Company to estimate the probability distribution of the fulfilment cash flows, and the additional capital that it requires at each future date in the cash flow projection to comply with the Company' internal economic capital requirements.

A cost of capital rate is applied to the additional capital requirement in future reporting periods. The cost of capital represents the return required by the Company to compensate for exposure to the non-financial risk. The Company' cost of capital is set at 6% per annum. The calculated risk adjustment at future durations is discounted to the reporting date at the risk-free rate, to be held as a part of the total life insurance contract liability.

The risk adjustment for life insurance and reinsurance contracts corresponds to 75% confidence levels, respectively (2022: 75%).

3.5 Amortisation of the Contractual Service Margin (CSM)

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of life insurance contracts, the quantity of benefits is the contractually agreed sum insured over the period of the contracts. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability- weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts held, the CSM amortisation is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

3.6 Assets for insurance acquisition cash flows

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior year, the Company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

3.7 Liability adequacy test

At each reporting date, the Company review the carrying amounts of their insurance liabilities to ensure that their recognised insurance liabilities are adequate, using the current estimates of future cash flows under their insurance contracts. If that assessment shows that the carrying amount of the insurance liabilities less related deferred acquisition costs and related intangible assets if any, is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the results for the year.

3.8 Going concern assumption

The management has performed the preliminary assessment of the Company' ability to continue as a going concern, which covers a period of twelve months from the reporting date. The Company' management has prepared its business forecast and the cash flow projections for the twelve months from the reporting date on a conservative basis. These forecasts have been prepared taking into consideration the nature and condition of its business, the degree to which it is affected by external factors and other financial and non-financial data available at the time of preparation of such forecasts. On the basis of such forecasts the management is of the opinion that the Company' will be able to continue its operations for the next twelve months from the reporting date and that the going concern assumptions used in the preparation of this financial information is appropriate. The appropriateness of the going concern assumptions shall be re-assessed at each reporting date.

3.9 Transition disclosures – IFRS 17

A reconciliation between the carrying amounts under IFRS 4 and the balance reported under IFRS 17 as of initial application date 1 January 2022 is as follows:

	1 January 2022 BD	Effects of application of IFRS 17 BD	Restated 1 January 2022 BD
Assets			
Premiums receivable	1,272,500	(1,272,500)	-
Liabilities			
Life insurance fund	683,516,346	(683,516,346)	-
Claims payable	6,215,055	(6,215,055)	-
Insurance contract liabilities	-	733,834,277	733,834,277
Other liabilities	1,942,033	1,206,450	3,148,483
Equity			
Total equity	105,478,906	-	105,478,906
IFRS 17 impact	-	(46,581,826)	(46,581,826)
IFRS 9 ECL impact	-	(673,873)	(673,873)
Prior period corrections	-	564,233	564,233
Restated equity	**-**	**-**	**58,787,440**

The Company has applied the transition provisions in IFRS 17 and has disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The effects of adopting IFRS 17 on the Company financial statement at 1 January 2022 are presented in the statement of changes in equity.

4. Intangible assets

	Total 2023 BD	Total 2022 BD
Cost		
At 1 January	548,057	548,057
Additions	39,320	-
At 31 December	**587,377**	**548,057**
Accumulated amortisation		
At 1 January	548,053	548,053
Charge for the year	9,920	-
At 31 December	**557,973**	**548,053**
Net book value		
At 31 December 2023	**29,404**	**-**
At 31 December 2022	**-**	**4**

5. Furniture and equipment

	Motor vehicles BD	Furniture, fixtures and others BD	Total 2023 BD	Total 2022 BD
Cost				
At 1 January	36,500	18,204	54,704	67,198
Additions	-	3,915	3,915	1,220
Disposals	-	(813)	(813)	(13,714)
At 31 December	**36,500**	**21,306**	**57,806**	**54,704**
Accumulated depreciation				
At 1 January	36,400	16,018	52,418	64,531
Charge for the year	-	1,519	1,519	1,254
Disposals	-	(503)	(503)	(13,367)
At 31 December	**36,400**	**17,034**	**53,434**	**52,418**
Net book value				
At 31 December 2023	**100**	**4,272**	**4,372**	**-**
At 31 December 2022	**100**	**2,186**	**-**	**2,286**

6. Right-of-use assets and leases

The Company only operates as a lessee.

6.1 Right-of-use assets

The recognised right-of-use assets relate to the Company's office premises at Al Zamil Tower in Kingdom of Bahrain, which are leased by the Company, for an average term of 5 years.

	Right-of-use assets 2023	Right-of-use assets 2022
	BD	BD
Cost		
At 1 January and at 31 December	**54,786**	**54,786**
Accumulated amortisation		
At 1 January	35,942	28,576
Charge for the year	6,855	7,366
At 31 December	**42,797**	**35,942**
Net book value		
At 31 December 2023	**11,989**	**-**
At 31 December 2022	**-**	**18,844**

At the reporting date, none of the property leases in which the Company is the lessee, contained variable lease payment terms.

6.2 Lease liabilities

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

	2023	2022
	BD	BD
At 1 January	20,740	28,127
Accretion of interest	803	1,153
Payments	(8,016)	(8,540)
At 31 December	**13,527**	**20,740**

The maturity analysis of lease liabilities as at 31 December 2023 and 31 December 2022 is as follows:

	2023 BD	2022 BD
Current	7,581	7,215
Non current	5,946	13,525
	13,527	**20,740**

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
Office premises	1	1-2 years	2 years	1	1

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2023 were as follows:

	Minimum lease payments due		
	Within 1 year	1-2 years	Total
	BD	BD	BD
31 December 2023			
Lease payments	8,016	6,020	14,036
Finance charges	(435)	(74)	(509)
Net present values	**7,581**	**5,946**	**13,527**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

	Minimum lease payments due			
	Within 1 year	1-2 years	2-3 years	Total
	BD	BD	BD	BD
31 December 2022				
Lease payments	8,018	8,018	6,013	22,049
Finance charges	(803)	(435)	(71)	(1,309)
Net present values	**7,215**	**7,583**	**5,942**	**20,740**

7. Investments

	2023 BD	(Restated) 2022 BD
Investments at amortised cost		
Quoted	271,968,048	302,296,132
Unquoted	17,472,757	10,316,957
Allowance for impairment	(18,345,055)	(18,584,615)
Total investments at amortised cost (a)	**271,095,750**	**294,028,474**
Investments at fair value through other comprehensive income (FVOCI)		
Quoted	10,597,235	10,857,282
Unquoted	544,805	544,805
Allowance for impairment	(3,010,623)	(2,947,490)
Total investments at FVOCI (b)	**8,131,417**	**8,454,597**
Investments at fair value through profit and loss (FVTPL) (c)	**91,239,153**	**112,998,493**
Total (a)+(b)+(c)	**370,466,320**	**415,481,564**

(a) Investments at amortised cost

As at the reporting date, investments at amortised cost comprise of the following:

	2023 BD	(Restated) 2022 BD
Debt instruments		
Zero coupon bonds	6,400,457	6,400,457
Other bonds	283,040,348	306,212,632
	289,440,805	**312,613,089**
Allowance for impairment	(18,345,055)	(18,584,615)
At the end of the year	**271,095,750**	**294,028,474**

The movements in investments at amortised cost are as follows:

	2023 BD	(Restated) 2022 BD
At the beginning of the year	312,613,089	456,295,923
Additions	6,466,796	37,869,896
Disposals/redemptions	(27,511,545)	(27,435,657)
Transfer to Munich Reinsurance Company	(1,267,060)	(152,738,276)
Capitalization of discount	-	166,015
Amortisation of premium	(860,475)	(1,544,812)
At the end of the year	**289,440,805**	**312,613,089**

The movement in allowance for impairment is detailed below:

	2023 BD	(Restated) 2022 BD
At the beginning of the year	18,584,615	11,160,565
Charge for the year	938,793	7,434,283
Reversal of impairment	(1,178,353)	(10,233)
At the end of the year	**18,345,055**	**18,584,615**

During 2022, investments at amortised cost in the amount of BD7,321,482 were under lien to Capital Market Authority of Sultanate of Oman.

(b) Investments at FVOCI

As at the reporting date, investments at FVOCI comprise of the following:

	2023 BD	(Restated) 2022 BD
Quoted investments		
Debt instruments		
Government bonds	725,934	2,091,890
Other bonds	9,871,301	8,765,392
	10,597,235	**10,857,282**
Unquoted equity instruments		
Equity instruments	544,805	544,805
	544,805	**544,805**
Total investments	**11,142,040**	**11,402,087**
Allowance for impairment	(3,010,623)	(2,947,490)
At the end of the year	**8,131,417**	**8,454,597**

The movement in investments at FVOCI is detailed below:

	2023 BD	(Restated) 2022 BD
At the beginning of the year	11,402,087	14,479,045
Additions	4,341,284	1,797,863
Disposals/redemptions	(5,037,001)	(2,555,993)
Transfer to Munich Reinsurance Company	(268,626)	(1,388,545)
Increase/(decrease) in fair value	704,296	(930,283)
At the end of the year	**11,142,040**	**11,402,087**

The movement in allowance for impairment is detailed below:

	2023 BD	(Restated) 2022 BD
At the beginning of the year	2,947,490	2,952,138
Charge for the year	63,133	-
Reversal of impairment	-	(4,648)
At the end of the year	**3,010,623**	**2,947,490**

(c) Investments at FVTPL

As at the reporting date, investments at FVTPL comprise of the following:

	2023 BD	(Restated) 2022 BD
Debt instruments		
Government bonds	52,486,794	63,296,575
Other bonds	28,637,621	35,308,195
	81,124,415	**98,604,770**
Equity instruments		
Mutual funds	5,940,683	8,127,365
Equity shares	4,174,055	6,266,358
	10,114,738	**14,393,723**
Total investments at FVTPL	**91,239,153**	**112,998,493**

The movement in financial assets at FVTPL is detailed below:

	2023 BD	(Restated) 2022 BD
At the beginning of the year	112,998,493	165,950,429
Additions	3,719,740	3,079,327
Disposals/redemptions	(28,501,715)	(19,329,157)
Transfer to Munich Reinsurance Company	(437,777)	(19,196,183)
Foreign Exchange Fluctuation	-	(68,473)
Increase/(decrease) in fair value	3,460,412	(17,437,450)
At the end of the year	**91,239,153**	**112,998,493**

8. Policy loans

	2023 BD	2022 BD
Policy loans	4,650,138	4,769,176
Allowance for expected credit losses	(326,634)	(332,970)
	4,323,504	**4,436,206**

Policy loans carry interest rate of 8% (2022: 8%) per annum and have varied maturities. These loans are granted against active policies and are secured against the Surrender Value.

9. Reinsurance contracts receivables

The Company's panel of reinsurers to whom business is ceded to, comprises of Swiss Re and Munich Reinsurance Company. Under the reinsurance treaties, the Company is compensated for losses on insurance contracts issued. The retention limit depends on Sum Assured, age of Life Assured and whether the life is standard or substandard. The maximum Sum Assured retained by the Company is USD100,000. Reinsurance is provided for age groups from 7 years to 99 years for death benefit, 18 years to 70 years for accidental benefit and from 18 years to 60 years for Critical Illness Rider. These reinsurance arrangements protect the Company from high-risk insurance contracts.

Company has entered into a "Life Reinsurance Agreement – Quota Share Reinsurance" with Munich Reinsurance Company to eliminate the solvency deficit of its UAE branches. The quota share agreement covers mortality, surrender, survival and maturity benefits for 12 products underwritten by UAE branches, which cover approximately 90% of its portfolio, by reserves. Through the reinsurance arrangement an equivalent amount of inadmissible assets transferred to Munich Reinsurance Company which were mostly categorized under investments at amortised cost. The transfer of assets effectively converted the inadmissible investments (as per Financial Regulations for Insurance Companies in UAE – 2014) into an admissible reinsurance asset on the statement of financial position, thereby freed up substantial inadmissible funds into admissible funds to support solvency. Central Bank of UAE (CBUAE) and Central Bank of Bahrain (CBB) have been duly informed about the reinsurance arrangement.

The UAE branches have transferred USD452.54 million of assets to Munich Reinsurance Company, following the signing of agreement in September 2022. The UAE operations now, complied with the solvency requirement of CBUAE.

	2023 BD	**2022** BD
Reinsurance contracts receivable		
Munich Reinsurance Company – Surplus share	-	91,554
Munich Reinsurance Company – Quota share (Note 9.1)	159,450,472	167,889,437
	159,450,472	**167,980,991**

9.1 Munich Reinsurance Company – Quota share

	2023 BD	**2022** BD
At 1 January	167,889,437	-
Transfers at market value during the year	1,973,463	171,063,235
Proceeds on maturity of assets transferred to Munich Reinsurance Company	(9,489,800)	(3,109,500)
Amortisation of cost	(922,628)	(64,298)
	159,450,472	**167,889,437**

10. Accrued interest income

	2023 BD	**2022** BD
Accrued interest income on policy loans	1,355,410	1,242,346
Accrued interest income on investments	7,585,873	9,120,903
	8,941,283	**10,363,249**

The movement in accrued interest income is as follows:

	2023 BD	2022 BD
At 1 January	10,363,249	9,525,703
Interest income for the year (Note 24)	28,892,319	28,407,995
Capitalisation of discount (Note 7 (a))	-	(166,015)
Amortisation of premium (Note 7 (a))	860,475	1,544,812
Received during the year	(31,174,760)	(28,949,246)
At 31 December	**8,941,283**	**10,363,249**

11. Other assets

	2023 BD	2022 BD
Due from investment custodian	38,334	65,052
Other receivables	90,666	113,617
Prepayments	364	-
	129,364	**178,669**

12. Statutory deposits

	2023 BD	(Restated) 2022 BD
Bank of Baroda, Dubai (12.1)	531,382	516,967
National Bank of Bahrain (12.2)	56,526	56,526
Central Bank of Bahrain (12.3)	50,000	50,000
Emirates NBD– Dubai – Abu Dhabi (12.4)	5,649	5,649
National Bank of Dubai (12.4)	5,177	5,177
Oman Housing Bank S.A.O.C. (12.5)	-	73,636
Allowance for expected credit losses	(231)	(4,761)
	648,503	**703,194**

12.1 The deposits placed in Bank of Baroda, U.A.E, Dubai. are in accordance with the U.A.E. Federal Law No. 6 of 2007 concerning formation of Branch., and are under lien to Insurance Authority of U.A.E.

12.2 The cash deposit is placed with the National Bank of Bahrain as per section GR-7.1.2 of the General Requirement Module of the CBB Insurance Rulebook.

12.3 The cash deposit is placed with the Central Bank of Bahrain (the “CBB”) as per section GR-7.1.2 of the General Requirement Module of the CBB Insurance Rulebook.

12.4 The deposit placed with Emirates NBD is for Abu Dhabi operations.

12.5 The deposit placed in Oman Housing Bank S.A.O.C., Sultanate of Oman was in accordance with Royal Decree No. 12/79 promulgating and governing the insurance companies law in Oman and was under lien to Capital Market Authority of the Sultanate of Oman.

Interest rates on above deposits range between 0.001% to 4.6% per annum (2022: 0.001% to 4% per annum).

13. Term deposits with banks

	2023 BD	(Restated) 2022 BD
Deposits with maturities less than three months	54,067,546	6,586,925
Deposits with maturities more than three months	17,304,546	84,337,055
Allowance for expected credit losses	(7,873)	(54,375)
	71,364,219	**90,869,605**

Term deposits with banks carry interest ranging from 4.5% to 5.65% per annum (2022: 1.63% to 5.45% per annum).

As on 31 December 2023, Omani Riyal of Eight million is under lien to CMA, which are expected to be released by August 2024.

14. Related party balances and transactions

The Company's related parties includes shareholders and key management personnel of the Company and their close family members and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of the transactions with related parties are approved by the Company's management.

The Company's Shareholders, Life Insurance Corporation of India ("LIC"), and the International Agencies Company Limited ("Intercol") provide administration, technical assistance and other services to the Company for which they are entitled to fees at agreed terms.

14.1 Due to related parties

Name of related party	Nature of relationship	2023 BD	2022 BD
The International Agencies Company Limited	Shareholder	77,692	67,279
Life Insurance Corporation of India	Shareholder	41,785	18,955
		119,477	**86,234**

Name of related party	Nature of relationship	Nature of transaction	2023 BD	2022 BD
The International Agencies Company Limited	Shareholder	Compensation payable	38,917	41,152
The International Agencies Company Limited	Shareholder	Commission payable	38,775	26,127
Life Insurance Corporation of India	Shareholder	Transfer value of policies	32,689	9,825
Life Insurance Corporation of India	Shareholder	Provision for technical assistance fees	9,096	9,130
			119,477	**86,234**

14.2 Related party transactions

Name of related party	Nature of relationship	Nature of transaction	2023 BD	2022 BD
Life Insurance Corporation of India	Shareholder	Provision/payment for technical assistance fee	9,173	8,231
Life Insurance Corporation of India	Shareholder	Annual maintenance cost	31,185	31,185
Life Insurance Corporation of India	Shareholder	Transfer value of policies – LIC India	930,320	667,076
The International Agencies Company Limited	Shareholder	Administration and technical expenses	251,648	282,512
The International Agencies Company Limited	Shareholder	Commission expense	228,229	282,461
The International Agencies Company Limited	Shareholder	Annual maintenance cost	2,370	1,595

14.3 Compensation of key management personnel

Remuneration to the CEO & Executive Director and other members of key management during the year was as follows:

	2023 BD	2022 BD
Short term benefits	**196,139**	**219,089**

The above compensation was in the form of salaries, allowances and bonuses.

15. Cash and cash equivalents

	2023 BD	(Restated) 2022 BD
Cash in hand	265,209	1,723
Current accounts with commercial banks	10,315,367	12,049,632
Current accounts with investment banks	10,838,872	17,543,431
Allowance for expected credit losses	(149,594)	(188,468)
	21,269,854	**29,406,318**

There are no restrictions on bank balances at the time of approval of the financial statements.

16. Insurance contract liabilities

	2023		2022 (Restated)	
	Life	Total	Life	Total
	BD	BD	BD	BD
Insurance contracts issued				
– Insurance contract liabilities	580,521,433	**580,521,433**	633,089,110	**633,089,110**
– Insurance contract assets	-	**-**	-	**-**
Total insurance contracts issued	**580,521,433**	**580,521,433**	**633,089,110**	**633,089,110**

16. Insurance contract liabilities (Continued)

16.1 Roll-forward of net asset or liability for insurance contracts issued

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in life insurance unit, is disclosed in the table below:

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk adjustment (RA)	Total
	BD	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	602,200,730	26,175,259	4,710,656	2,465	633,089,110
Insurance contract assets as at 1 January	-	-	-	-	-
Net Insurance contract (assets)/liabilities as at 1 January (a)	**602,200,730**	**26,175,259**	**4,710,656**	**2,465**	**633,089,110**
Insurance revenue					
Contracts under modified retrospective approach	(92,247,228)	-	-	-	(92,247,228)
Contracts under fair value approach	(13,370,002)	-	-	-	(13,370,002)
Total insurance revenue	**(105,617,230)**	**-**	**-**	**-**	**(105,617,230)**
Insurance service expenses					
Incurred claims and other expenses	-	(353)	156,417,882	25,866	156,443,395
Amortisation of insurance acquisition cash flows	2,531,117	-	-	-	2,531,117
Losses on onerous contracts and reversals of those losses	-	(13,042,700)	-	-	(13,042,700)
Changes to liabilities for incurred claims	-	-	(18,763,920)	(9,819)	(18,773,739)
Total insurance service expenses	**2,531,117**	**(13,043,053)**	**137,653,962**	**16,047**	**127,158,073**
Insurance service result	**(103,086,113)**	**(13,043,053)**	**137,653,962**	**16,047**	**21,540,843**
Insurance finance expenses	38,156,524	749,480	352,544	183	39,258,731
Total changes in the statement of comprehensive income (b)	**(64,929,589)**	**(12,293,573)**	**138,006,506**	**16,230**	**60,799,574**
Cash flows					
Premiums received	24,887,855	-	-	-	24,887,855
Claims and other expenses paid	-	-	(137,292,475)	-	(137,292,475)
Insurance acquisition cash flows	(962,631)	-	-	-	(962,631)
Total cash flows (c)	**23,925,224**	**-**	**(137,292,475)**	**-**	**(113,367,251)**
Net insurance contract (assets)/liabilities as at 31 December (a+b+c)	**561,196,365**	**13,881,686**	**5,424,687**	**18,695**	**580,521,433**

16. Insurance contract liabilities (Continued)

16.1 Roll-forward of net asset or liability for insurance contracts issued (Continued)

	2022 (Restated)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk adjustment (RA)	Total
	BD	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	683,987,454	43,898,920	5,947,869	34	733,834,277
Insurance contract assets as at 1 January	-	-	-		-
Net Insurance contract (assets)/liabilities as at 1 January (a)	**683,987,454**	**43,898,920**	**5,947,869**	**34**	**733,834,277**
Insurance revenue					
Contracts under modified retrospective approach	(46,770,064)	-	-	-	(46,770,064)
Contracts under fair value approach	(214,505)	-	-	-	(214,505)
Total insurance revenue	**(46,984,569)**	**-**	**-**	**-**	**(46,984,569)**
Insurance service expenses					
Incurred claims and other expenses	-	(2,631)	139,473,538	12,310	139,483,217
Amortisation of insurance acquisition cash flows	548,119	-	-	-	548,119
Losses on onerous contracts and reversals of those losses	-	(13,689,140)	-	-	(13,689,140)
Changes to liabilities for incurred claims	-	-	(25,062,664)	(10,013)	(25,072,677)
Total insurance service expenses	**548,119**	**(13,691,771)**	**114,410,874**	**2,297**	**101,269,519**
Insurance service result	**(46,436,450)**	**(13,691,771)**	**114,410,874**	**2,297**	**54,284,950**
Insurance finance expenses	(71,961,356)	(4,031,890)	304,258	134	(75,688,854)
Total changes in the statement of comprehensive income (b)	**(118,397,806)**	**(17,723,661)**	**114,715,132**	**2,431**	**(21,403,904)**
Cash flows					
Premiums received	38,064,083	-	-	-	38,064,083
Claims and other expenses paid	-	-	(115,952,345)	-	(115,952,345)
Insurance acquisition cash flows	(1,453,001)	-	-	-	(1,453,001)
Total cash flows (c)	**36,611,082**	**-**	**(115,952,345)**	**-**	**(79,341,263)**
Net insurance contract (assets)/liabilities as at 31 December (a+b+c)	**602,200,730**	**26,175,259**	**4,710,656**	**2,465**	**633,089,110**

16. Insurance contract liabilities (Continued)

16.2 Movements in insurance and reinsurance contract balances

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the life insurance unit.

	2023			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual Service Margin	Total
	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	580,383,694	317,776	52,387,640	633,089,110
Insurance contract assets as at 1 January	-	-	-	-
Net Insurance contract (assets)/liabilities as at 1 January (a)	**580,383,694**	**317,776**	**52,387,640**	**633,089,110**
Changes that relate to current services				
Contractual service margin recognised for services provided	-	-	(102,912,249)	(102,912,249)
Risk adjustment recognised for the risk expired	-	(94,520)	-	(94,520)
Experience adjustments	156,361,920	-	-	156,361,920
Changes that relate to future services				
Contracts initially recognised in the year	(651,725)	44,809	689,328	82,412
Changes in estimates that adjust the contractual service margin	(126,044,521)	1,004,556	125,039,965	-
Changes in estimates that do not adjust the contractual service margin	(13,483,340)	360,359	-	(13,122,981)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(18,763,921)	(9,818)	-	(18,773,739)
Insurance service result	**(2,581,587)**	**1,305,386**	**22,817,044**	**21,540,843**
Insurance finance expenses	35,909,914	21,597	3,327,220	39,258,731
Total changes in the statement of comprehensive income (b)	**33,328,327**	**1,326,983**	**26,144,264**	**60,799,574**
Cash flows				
Premiums received	24,887,855	-	-	24,887,855
Claims and other expenses paid	(137,292,475)	-	-	(137,292,475)
Insurance acquisition cash flows	(962,631)	-	-	(962,631)
Total cash flows (c)	**(113,367,251)**	**-**	**-**	**(113,367,251)**
Net Insurance contract (assets)/liabilities as at 31 December (a+b+c)	**500,344,770**	**1,644,759**	**78,531,904**	**580,521,433**

16. Insurance contract liabilities (Continued)

16.2 Movements in insurance and reinsurance contract balances (Continued)

	2022 (Restated)			
	Estimates of the present value of future cash flows	**Risk adjustment**	**Contractual Service Margin**	**Total**
	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	714,626,569	391,590	18,816,117	733,834,276
Insurance contract assets as at 1 January	-	-	-	-
Net Insurance contract (assets)/liabilities as at 1 January (a)	**714,626,569**	**391,590**	**18,816,117**	**733,834,276**
Changes that relate to current services				
Contractual service margin recognised for services provided	-	-	(46,314,358)	(46,314,358)
Risk adjustment recognised for the risk expired	-	(57,740)	-	(57,740)
Experience adjustments	139,416,351	-	-	139,416,351
Changes that relate to future services				
Contracts initially recognised in the year	111,888	13,755	787,902	913,545
Changes in estimates that adjust the contractual service margin	(77,931,013)	(20,255)	77,951,268	-
Changes in estimates that do not adjust the contractual service margin	(14,587,310)	(12,860)	-	(14,600,170)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(25,062,664)	(10,014)	-	(25,072,678)
Insurance service result	**21,947,252**	**(87,114)**	**32,424,812**	**54,284,950**
Insurance finance expenses	(76,848,864)	13,300	1,146,711	(75,688,853)
Total changes in the statement of comprehensive income (b)	**(54,901,612)**	**(73,814)**	**33,571,523**	**(21,403,903)**
Cash flows				
Premiums received	38,064,083	-	-	38,064,083
Claims and other expenses paid	(115,952,345)	-	-	(115,952,345)
Insurance acquisition cash flows	(1,453,001)	-	-	(1,453,001)
Total cash flows (c)	**(79,341,263)**	**-**	**-**	**(79,341,263)**
Net Insurance contract (assets)/liabilities as at 31 December (a+b+c)	**580,383,694**	**317,776**	**52,387,640**	**633,089,110**

16. Insurance contract liabilities (Continued)

16.3 The components of new business - Life Insurance contracts issued

The table below presents the components of new business for insurance contracts issued included in the life insurance unit.

	2023 Contracts issued	
	Non-onerous	Total
	BD	BD
Life insurance contract liabilities		
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	14,887,230	14,887,230
Estimates of insurance acquisition cash flows	570,822	570,822
Estimate of present value of future cash outflows	15,458,052	15,458,052
Estimates of present value of future cash inflows	(16,109,777)	(16,109,777)
Risk adjustment	44,809	44,809
Contractual service margin	689,328	689,328
Loss on onerous contracts at initial recognition	**82,412**	**82,412**

	2022 (Restated) Contracts issued	
	Non-onerous	Total
	BD	BD
Life insurance contract liabilities		
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	26,282,424	26,282,424
Estimates of insurance acquisition cash flows	244,135	244,135
Estimate of present value of future cash outflows	26,526,559	26,526,559
Estimates of present value of future cash inflows	(26,414,671)	(26,414,671)
Risk adjustment	13,755	13,755
Contractual service margin	787,902	787,902
Loss on onerous contracts at initial recognition	**913,545**	**913,545**

16. Insurance contract liabilities (Continued)

16.4 The impacts on the current period of transition approaches adopted to establishing Contractual service margin (CSMs) - Life Insurance contracts issued

	2023		
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Total
	BD	BD	BD
Contractual service margin as at 1 January	**25,654,506**	**26,733,134**	**52,387,640**
Changes that relate to current services:			
Contractual service margin recognised for services provided	(89,644,859)	(13,267,390)	(102,912,249)
Changes that relate to future services:			
Contracts initially recognised in the period	689,328	-	689,328
Changes in estimates that adjust the contractual service margin	94,289,522	30,750,443	125,039,965
Insurance service result	**5,333,991**	**17,483,053**	**22,817,044**
Insurance finance expenses	2,213,926	1,113,294	3,327,220
Total changes in the statement of comprehensive income and OCI	**7,547,917**	**18,596,347**	**26,144,264**
Other movements	-	-	-
Contractual service margin as at 31 December	**33,202,423**	**45,329,481**	**78,531,904**

	2022 (Restated)		
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Total
	BD	BD	BD
Contractual service margin as at 1 January	**16,290,880**	**2,525,237**	**18,816,117**
Changes that relate to current services:			
Contractual service margin recognised for services provided	(46,100,214)	(214,144)	(46,314,358)
Changes that relate to future services:			
Contracts initially recognised in the period	787,902	-	787,902
Changes in estimates that adjust the contractual service margin	53,768,704	24,182,564	77,951,268
Insurance service result	**8,456,392**	**23,968,420**	**32,424,812**
Insurance finance expenses	907,234	239,477	1,146,711
Total changes in the statement of comprehensive income and OCI	**9,363,626**	**24,207,897**	**33,571,523**
Other movements	-	-	-
Contractual service margin as at 31 December	**25,654,506**	**26,733,134**	**52,387,640**

17. Zakat and tax provisions

	Saudi Tax and Zakat BD	Kuwait Tax BD	Oman Tax BD	2023 Total BD	2022 Total BD
At 1 January	134,949	165,061	-	300,010	300,010
Tax expense	-	122,295	46,664	168,959	-
Reversed/paid during the year	(134,949)	-	(46,664)	(181,613)	-
At 31 December	**-**	**287,356**	**-**	**287,356**	**300,010**

With respect to the earlier operations in Saudi Arabia, the Company did not receive any new tax assessment from year 2009 as of the approval date of this audited financial statement. The provision of BD134,949 was provided in the year 2010 reversed during the year 2023 based on recommendation of internal auditor.

The Director of Income Tax ("DIT") in Kuwait had finalised the Company's tax declarations in respect of the Company's Kuwait operations up to the year 2012. The Company filed appeals against the rejection of objections against the tax assessment for the year 2013 and 2014 before the Appeal Committee of Ministry of Finance- Kuwait, for which the decision is pending.

During 2021, the tax department under Ministry of Finance- Kuwait completed the assessment of tax and issued demand equivalent to BD80,524 for the years 2015 and 2016. The Company filed objections before Kuwait - tax authorities against both tax assessment orders in May 2021. Due to no response being received, an appeal was filed in September 2021. As a result, additional tax provision amounting to BD80,524 has been made during 2021 against tax demand for years 2015 and 2016.

During the year 2023, the tax department under Ministry of Finance- Kuwait completed the assessment of tax for the year 2017 and 2018. The Tax authority issued demand equivalent to BD60,687 for the year 2017 and BD61,608 for the years 2018 respectively.

The Company's Oman Branch's tax assessments for the years 2019 to 2023 have been completed by the income tax department. Filing of Income Tax and VAT return for the year 2023 has been filed and tax assessment is under process. The Company's management is of the opinion that the additional taxes, if any, that may become payable on finalization of the pending tax assessment would not be significant to the Company's financial position at 31 December 2023.

18. Other liabilities

	2023 BD	(Restated) 2022 BD
ULIP liabilities	1,242,619	972,278
Reinsurance fee payable to Munich Reinsurance Company	654,982	350,848
Financial liabilities for ULIP	436,031	9,843
Accrued expenses and provisions	276,287	217,734
Policy deposits	273,467	323,754
Discounted premium received in advance	246,144	370,614
Accounts payable	128,510	165,648
Proposal deposits	81,964	28,667
VAT payable	5,523	11,913
	3,345,527	**2,451,299**

19. Share capital

The share capital of the Company consists of 654,393 shares of BD100 each, authorised, issued and fully paid up.

	Number of shares	%	Amount BD
Life Insurance Corporation of India	652,193	99.7	65,219,300
The International Agencies Company Limited, Bahrain	2,200	0.3	220,000
	654,393	**100**	**65,439,300**

20. Statutory reserve

As required by the Bahrain Commercial Companies Law and Company's Articles of Association, 10% of the profit for the year should be transferred to a statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The reserve is not available for distribution, except in circumstances stipulated in the Bahrain Commercial Companies Law. No transfer has been made to this reserve during the year as the Company incurred a loss (2022: BDNil).

21. Contingency fund reserve

As per Article 20 of the Oman Insurance Companies Law 1979 and article 10 (bis) (3) (b) to the executive by-law issued by Capital Market Authority (CMA) vide administrative decision no. 19/2007 dated 4 June 2007, an amount equal to 1% of the net premiums for the year is to be transferred to a contingency reserve. The fund is not available for distribution, without prior approval of the CMA. No transfer has been made to this reserve during the year since Oman operations were ceased as of 31 December 2023 (2022: BD3,612).

22. Insurance revenue

The following tables present an analysis of the insurance revenue recognised in the year.

	2023		(Restated) 2022	
	Life	Total	Life	Total
	BD	BD	BD	BD
Amounts relating to the changes in the liability for remaining coverage				
– Expected insurance service expenses incurred in the year	55,609	**55,609**	54,555	**54,555**
– Change in the risk adjustment for nonfinancial risk	118,255	**118,255**	67,536	**67,536**
– Amount of CSM recognised in profit or loss	102,912,249	**102,912,249**	46,314,359	**46,314,359**
Amounts relating to recovery of insurance acquisition cash flows				
– Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	2,531,117	**2,531,117**	548,119	**548,119**
Insurance Revenue	**105,617,230**	**105,617,230**	**46,984,569**	**46,984,569**

23. Net finance expenses from insurance contracts issued

	2023	
	Insurance Related	
	Life	Total
	BD	BD
Insurance finance expenses from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	(35,130,965)	(35,130,965)
Interest accreted to insurance contracts using locked-in rate	(3,327,220)	(3,327,220)
Due to changes in interest rates and other financial assumptions	(800,547)	(800,547)
Total insurance finance expenses from insurance contracts issued	**(39,258,732)**	**(39,258,732)**
Represented by:		
Amounts recognised in profit or loss	(22,093,843)	(22,093,843)
Amounts recognised in OCI	(17,164,889)	(17,164,889)

	2022 (Restated)	
	Insurance Related	
	Life	Total
	BD	BD
Insurance finance expenses from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	(23,725,892)	(23,725,892)
Interest accreted to insurance contracts using locked-in rate	(1,146,711)	(1,146,711)
Due to changes in interest rates and other financial assumptions	100,561,457	100,561,457
Total insurance finance expenses from insurance contracts issued	**75,688,854**	**75,688,854**
Represented by:		
Amounts recognised in profit or loss	(20,464,913)	(20,464,913)
Amounts recognised in OCI	96,153,767	96,153,767

24. Realised income from investments

	2023	2022
	BD	BD
Interest income	28,892,319	28,407,995
Dividends income	148,541	350,089
(Loss)/gain on sale of investments	(122,901)	2,456,133
	28,917,959	**31,214,217**

25. Other income

	2023	(Restated) 2022
	BD	BD
Interest on policy loans	577,762	325,055
Interest on premiums	38,013	56,431
ULIP charges	21,125	21,636
Others	59,984	163,263
	696,884	**566,385**

26. Financial assets and liabilities and risk management

The Company's principal financial instruments comprise of bank balances, term deposits with banks, statutory deposits, reinsurance contracts receivables, accrued interest income, policy loans, other assets, investments, insurance contract liabilities, reinsurance contracts liabilities, amounts due to related parties, zakat and tax provisions and other liabilities.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The risk associated with financial instruments and the Company's approach to managing such risks are described as follows:

26.1 Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net of bank balances and cash and equity comprising issued capital, reserves (including investments fair value reserve) and retained earnings.

26.2 Insurance risk management

Insurance risk is the risk, other than financial risk, transferred from the holder of a contract to the issuer.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability over the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and age group. Underwriting limits are in place to enforce appropriate risk selection criteria.

26.3 Reinsurance risk management

Reinsurance risk is the risk, other than financial risk, transferred insurance contract issued by one insurer to compensate another insurer for one or more contracts issued by the cedant.

In common with other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

Reinsurance contracts ceded do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements. To minimize its exposure to significant losses from reinsurer insolvencies the Company obtains reinsurance through financially sound reinsurers, being Swiss Reinsurance Company and Munich Reinsurance Company as explained in Note 9.

26.4 Claim development

Disclosure about claims development has not been presented since uncertainty about the amount and timing of claims payments is typically resolved within one year.

26.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Company is exposed to market risk with respect to its investments foreign currency denominated financial instruments and interest bearing financial instruments.

26.6 Fair value risk management

Fair value risk is the risk that the fair values of investment securities decrease as the result of changes in the levels of individual prices. Price risk arises from the change in fair values of investment securities.

The Company is exposed to fair value risks arising from investment securities. Investment securities are held for strategic rather than trading purposes. The Company does not actively trade in these investment securities.

26.7 Currency risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's financial assets and financial liabilities are denominated in Bahraini Dinars, United States Dollars, United Arab Emirates Dirhams, Saudi Arabian Riyals, Omani Riyals, Qatari Riyals, Kuwaiti Dinars and Indian Rupees. As the Bahraini Dinar, United Arab Emirates Dirham, Omani Riyal, Qatari Riyal and Saudi Arabian Riyal are effectively pegged to the United States Dollar, balances in these currencies are not considered to represent a significant currency risk. However, balances denominated in Indian Rupees and Kuwaiti Dinars are exposed to movements in exchange rate.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
		(Restated)		(Restated)
	2023	**2022**	**2023**	**2022**
	BD	BD	BD	BD
United States Dollars	618,546,541	690,357,507	7,569,167	6,531,085
Indian Rupees	1,539,383	3,346,246	-	-
Saudi Riyals	80,454	102,930	8,884	143,793
Oman Riyals	8,377,134	21,493,635	-	12,322
United Arab Emirates - Dirhams	4,382,486	2,273,386	379,903	132,795
Kuwaiti Dinars	1,757,768	1,210,200	299,989	184,203
Qatari Riyals	907,715	632,478	-	624
	635,591,481	**719,416,382**	**8,257,943**	**7,004,822**

Foreign currency sensitivity analysis

The Company is mainly exposed to currency risk with respect to the Indian Rupee and Kuwaiti Dinar.

The following table details the Company's sensitivity to a 10% increase in the Indian Rupee and Kuwaiti Dinar against the Bahraini Dinar considered separately. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit (and a negative number indicates a decrease in profit) where the Indian Rupee and Kuwaiti Dinar strengthens 10% against the Bahraini Dinar. For a 10% weakening of the Indian Rupee and Kuwaiti Dinar against the Bahraini Dinar, there would be an equal and opposite impact on the profit.

	Profit or loss	
	2023	**2022**
	BD	BD
Impact on:		
Indian Rupee (a)	153,938	334,625
Kuwaiti Dinar (b)	145,778	102,600

(a) This is mainly attributable to the exposure outstanding on Indian Rupee receivables at year end in the Company.

(b) This is mainly attributable to the net exposure outstanding on Kuwaiti Dinar at year end in the Company.

26.8 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's term deposits with banks are at fixed interest rates with variable maturity periods. Investments in bonds are at fixed and floating interest rates and include both government and other bonds. The Company holds most of these bonds to maturity and the accounting policy for amortized cost investments. Thus repricing, in respect of fixed rate financial instruments, only occurs when funds are being reinvested on maturity of a deposit or bond.

26.9 Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company manages credit risk with respect to receivables from policyholders by monitoring in accordance with defined policies and procedures. Credit risk with respect to reinsurance companies is not considered to be significant.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities or customers.

The credit risk on liquid funds is limited because the counterparties are banks with good credit ratings.

Overall exposure to credit risk

The carrying value of financial assets at the reporting date represents the Company's maximum exposure to credit risk on financial assets as summarised below:

Financial assets	**2023** BD	**(Restated) 2022** BD
Financial assets at amortised cost	271,095,750	294,028,474
Financial assets at FVOCI	8,131,417	8,454,597
Financial assets at FVTPL	91,239,153	112,998,493
	370,466,320	**415,481,564**

26.10 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Liquidity risk can be caused by market disruptions or credit down grades, which may cause certain sources of funding to dry up immediately.

To mitigate the risk, management ensures it has access to diversified funding sources and assets are managed with liquidity in mind, thereby maintaining a healthy balance of cash and cash equivalents to meet any unexpected liquidity needs. The management of the Company also manages the maturities of the Company's financial assets and financial liabilities in such a way so as to be able to maintain an adequate liquidity ratio.

26.11 Fair value measurements

Valuation methods and assumptions

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.

Fair values of quoted securities are derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same or other valuation models.

Set out below is an overview of the financial instruments held by the Company as at 31 December 2023 and 31 December 2022:

	2023			
	Financial assets at FVOCI BD	Financial assets at fair value through profit or loss BD	Amortized cost BD	Total BD
Financial assets				
Statutory deposits	-	-	648,503	648,503
Investments	8,131,417	91,239,153	271,095,750	370,466,320
Policy loans	-	-	4,323,504	4,323,504
Reinsurance contracts receivable	-	-	159,450,472	159,450,472
Term deposits with banks	-	-	71,364,219	71,364,219
Accrued interest income	-	-	8,941,283	8,941,283
Other assets	-	-	129,364	129,364
Bank balance	-	-	21,154,239	21,154,239
	8,131,417	**91,239,153**	**537,107,334**	**636,477,904**

	2023 BD
Financial liabilities measured at amortised cost:	
Employees' end-of-service indemnity	41,822
Amounts due to related parties	119,477
Zakat and tax provision	287,356
Insurance contract liabilities	580,521,433
Reinsurance contracts liabilities	77,626
Lease liabilities	13,527
Other liabilities	3,345,527
	584,406,768

	2022 (Restated)			
	Financial assets at FVOCI BD	Financial assets at fair value through profit or loss BD	Amortized cost BD	Total BD
Financial assets				
Statutory deposits	-	-	703,194	703,194
Investments	8,454,597	112,998,493	294,028,474	415,481,564
Policy loans	-	-	4,436,206	4,436,206
Reinsurance contracts receivable	-	-	167,980,991	167,980,991
Term deposits with banks	-	-	90,869,605	90,869,605
Accrued interest income	-	-	10,363,249	10,363,249
Other assets	-	-	178,669	178,669
Bank balance	-	-	29,593,063	29,593,063
	8,454,597	**112,998,493**	**598,153,451**	**719,606,541**

	(Restated) 2022 BD
Financial liabilities measured at amortised cost:	
Employees' end-of-service indemnity	29,969
Amounts due to related parties	86,234
Zakat and tax provision	300,010
Insurance contract liabilities	633,089,110
Reinsurance contracts liabilities	80,154
Lease liabilities	20,740
Other liabilities	2,451,299
	636,057,516

26.12 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

-**Level 1**: quoted (unadjusted) prices in active markets for identical assets or liabilities;
-**Level 2**: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
-**Level 3**: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	2023			
	Level 1 BD	**Level 2** BD	**Level 3** BD	**Total** BD
Financial assets at FVOCI				
Manufacturing	-	-	-	-
Banking industry	7,177,038	-	-	7,177,038
Oil and gas industry	-	-	-	-
Government sector	725,934	-	-	725,934
Real estate	-	-	-	-
Others	228,445	-	-	228,445
	8,131,417	**-**	**-**	**8,131,417**
Financial assets at FVTPL				
Manufacturing industry	-	-	-	-
Banking industry	22,961,284	-	-	22,961,284
Oil and gas industry	817,560	-	-	817,560
Government sector	52,486,794	-	-	52,486,794
Real estate industry	24,406	-	-	24,406
Others	14,949,109	-	-	14,949,109
	91,239,153	**-**	**-**	**91,239,153**
	99,370,570	**-**	**-**	**99,370,570**

	2022 (Restated)			
	Level 1 BD	Level 2 BD	Level 3 BD	Total BD
Financial assets at FVOCI				
Manufacturing	46,118	-	-	46,118
Banking industry	5,930,117	-	-	5,930,117
Oil and gas industry	-	-	-	-
Government sector	1,547,085	-	-	1,547,085
Real estate	-	-	-	-
Others	386,472	544,805	-	931277
	7,909,792	**544,805**	**-**	**8,454,597**
Financial assets at FVTPL				
Manufacturing industry	285,260	-	-	285,260
Banking industry	27,293,858	-	-	27,293,858
Oil and gas industry	767,917	-	-	767,917
Government sector	69,726,300	-	-	69,726,300
Real estate industry	1,803,799	-	-	1,803,799
Others	13,121,359	-	-	13,121,359
	112,998,493	**-**	**-**	**112,998,493**
	120,908,285	**544,805**	**-**	**121,453,090**

The date of valuation was 31 December 2023 for the current year and 31 December 2022 for the comparative year respectively.

Transfers between Level 1, Level 2 and Level 3

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value hierarchies, and no transfers into or out of Level 3 fair value hierarchy (2022: No transfers).

27. Geographical concentration of investments

27.1 Amortised cost

	2023 BD	(Restated) 2022 BD
BRICS countries	42,180,541	40,507,850
Developed countries	33,616,756	34,656,417
Other countries	195,298,453	218,864,207
	271,095,750	**294,028,474**

27.2 Financial assets at FVOCI

	2023 BD	(Restated) 2022 BD
BRICS countries	1,864,368	46,118
Other countries	6,267,049	8,408,479
	8,131,417	**8,454,597**

27.3 Financial assets at FVTPL

	2023 BD	(Restated) 2022 BD
BRICS countries	5,826,842	7,996,371
Developed countries	3,279,136	3,412,021
Other countries	82,133,175	101,590,101
	91,239,153	**112,998,493**

28. Contingencies and commitments

28.1 Commitments

	2023 BD	(Restated) 2022 BD
Investment commitments	**60,063**	**62,412**

28.2 Legal case

As on 31 December 2023, there were no legal cases against the Company.

29. Capital management policies and procedures

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize Shareholders value.

Equity comprises share capital, statutory reserve, contingency reserve, insurance finance reserve, reinsurance reserve, investments fair value reserve and accumulated losses and is measured at BD52,232,516 as at 31 December 2023 (2022: BD83,383,414).

The Company's regulatory capital base and the solvency margin have been calculated in accordance with the guidelines of CBB Rule book Volume 3 applicable to Insurance as follows:

The Board policy is to maintain an acceptable reserve for the Company so as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Company uses the available financial surplus by investing in low risk investments whilst achieving acceptable returns for the Company. The CBB regulations require minimum capital of BD5,000,000 to be maintained at all times. Any shortfall in capital is bridged by additional contribution of capital by the shareholders. As at 31 December 2023, the solvency ratio is well above the minimum regulatory requirement of 100%.

	2023 BD	2022 BD
Tier 1 capital	78,511,382	74,954,682
Tier 2 capital	1,557,185	293,535
Deductions from capital	(10,770,565)	(10,303,869)
Regulatory capital (A)	**69,298,002**	**64,944,348**
Solvency margin requirement (B)	**22,089,376**	**25,798,186**
Excess solvency margin (A-B)	**47,208,626**	**39,146,162**
Solvency ratio (A/B)	**313.71%**	**251.74%**

The issued share capital which is classified as a part of tier 1 capital is above minimum tier 1 capital requirement of BD5,000,000 as per section CA – 1.2.1 of CBB rulebook volume 3.

30. Post- reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

31. Prior period adjustment

During the year, following errors was rectified and opening balances has been restated:

1. The Company has accounted the foreign exchange reserves accumulated on investments at FVTPL incorrectly and the investments were understated by BD564,233.
2. The investment fair value reserve was overstated by BD690,338 due to error by the management in prior years.

The effect of the restatement on financial statements is summarized below:

Hence the statement of financial position was restated retrospectively as follows:

	Previously reported 1 January 2022 BD	Correction of errors BD	Restated 1 January 2022 BD
Statement of financial position			
Investment at FVTPL	165,386,196	564,233	165,950,429
Fair value reserve	453,254	(690,338)	(237,084)
Accumulated losses	(14,382,090)	1,254,571	(13,127,519)

	Previously reported 31 December 2022 BD	Correction of errors BD	Restated 31 December 2022 BD
Statement of financial position			
Investment at FVTPL	112,434,260	564,233	112,998,493
Fair value reserve	(477,029)	(690,338)	(1,167,367)
Accumulated losses	(85,188,115)	1,254,571	(83,933,544)

32. Comparative figures

Comparative figures for the previous period have been reclassified/ re-arranged wherever necessary to conform with the presentation in the current period's condensed interim financial statements.

33. Life insurance corporation group information

Life Insurance Corporation of India's Group financial information can be accessed at www.licindia.in.

Geographical segments information

	2023		
	Bahrain	United Arab Emirates	Total
	BD	BD	BD
Insurance revenue	20,093,111	85,524,119	105,617,230
Insurance service expenses	(26,620,044)	(100,538,029)	(127,158,073)
Insurance service result before reinsurance contracts held (a)	**(6,526,933)**	**(15,013,910)**	**(21,540,843)**
Allocation of reinsurance premium paid	(67,868)	(89,075)	(156,943)
Amounts recoverable from reinsurers	-	-	-
Net expenses from reinsurance contracts held (b)	**(67,868)**	**(89,075)**	**(156,943)**
Insurance service result (a+b)	**(6,594,801)**	**(15,102,985)**	**(21,697,786)**
Net finance expenses from insurance contracts issued	(10,292,461)	(11,801,382)	(22,093,843)
Net financial result (c)	**(10,292,461)**	**(11,801,382)**	**(22,093,843)**
Net financial results from insurance operations (a+b+c)	**(16,887,262)**	**(26,904,367)**	**(43,791,629)**

	2022		
	Bahrain	United Arab Emirates	Total
	BD	BD	BD
Insurance revenue	1,196,856	45,787,713	46,984,569
Insurance service expenses	(15,764,489)	(85,505,030)	(101,269,519)
Insurance service result before reinsurance contracts held (a)	**(14,567,633)**	**(39,717,317)**	**(54,284,950)**
Allocation of reinsurance premium paid	(204,146)	(84,793)	(288,939)
Amounts recoverable from reinsurers	-	574,595	574,595
Net expenses from reinsurance contracts held (b)	**(204,146)**	**489,802**	**285,656**
Insurance service result (a+b)	**(14,771,779)**	**(39,227,515)**	**(53,999,294)**
Net finance expenses from insurance contracts issued	(9,056,239)	(11,408,674)	(20,464,913)
Net financial result (c)	**(9,056,239)**	**(11,408,674)**	**(20,464,913)**
Net financial results from insurance operations (a+b+c)	**(23,828,018)**	**(50,636,189)**	**(74,464,207)**