Grant Thornton
Abdulaal

Financial statements and independent auditors' report
Life Insurance Corporation (International) B.S.C. (c)
For the year ended 31 December 2024

Contents

General information

Commercial registrations number	:	21606-1 obtained on 20 July 1989 21606-2 obtained on 4 July 2024
Chairman	:	Mr. Siddhartha Mohanty
Deputy chairman	:	Mr. M. Jagannath
Directors	:	Mr. V. Chandrasekaran Mrs. Mini Ipe (From 4th November 2024) Mr. Debashis Prasad Pattanaik Mr. Abdulrahman Ali Alwazzan (up to 27th Feb 2025) Mr. Thomas Mathew T. (up to 25th August 2024)
Audit committee	:	Mr. V. Chandrasekaran Mr. M. Jagannath Mrs. Mini Ipe (From 4th November 2024) Mr. Abdulrahman Ali Alwazzan (up to 27th Feb 2025) Mr. Thomas Mathew T. (up to 25th August 2024)
Registered office	:	1st Floor, Ali Al-Wazzan Building Al-Khalifa Avenue P.O. Box 584 Manama, Kingdom of Bahrain
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 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 35th Annual report and financial statements of Life Insurance Corporation (International) B.S.C. (c) (the "Company") for the financial year ended 31 December 2024.

New Business

In the year 2024, the Company has issued 1239 new policies with a Sum Assured of BD14.36 Mn (USD 38.00 Mn).

Total Shareholders' Equity

Due to strong performance by the company during the year, the total shareholders' equity as at 31st December 2024 increased to BD111.01 Mn from BD93.63 Mn as at 31 December 2023.

Policy Servicing

During the year 2024, an amount of BD140.14 Mn (USD370.74 Mn) has been paid to policyholders by way of gross claims including surrenders as against BD138.97 Mn (USD367.65 Mn) during the year 2023.

Valuation

The Appointed Actuary has valued the Company's actuarial liabilities as at 31 December 2024. 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 2024.

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 2025. 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)	9.9	9.9	10.3	10.3
Bonus Rate for Plan 240 (in USD per USD1000 SA)	9.1	9.1	9.5	9.5
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)	10.9	10.9	11.3	11.3
Bonus Rate for SP mode of Plan 202 (in USD per USD 1000 SA)	10.1	10.1	10.5	10.5
Deferred Annuity Plans (Plan 227 and 228)	<=5	6 to 10	11 to 15	>15
Bonus rate (in USD per USD1000 SA)	9.1	9.4	9.5	9.8
Silver Anniversary Health Insurance Plan (Plan 241) – Regular Premium	8.9			
Silver Anniversary Health Insurance Plan (Plan 241) – Limited Premium	9.4			
Money Back Plans (Plans 203, 212)	<=15		16 to 20	25
Bonus rate (in USD per USD1000 SA)	10		10.3	10.5
Plan Type	For all in force and fully paid-up policies			
Whole Life Plans (Plans 201, 224)	10.3			
Bonus rate (in USD per USD1000 SA)				
Endowment Type Plans (Plans 256,262)	13			

- **Loyalty Addition**

The following loyalty addition rates be declared as on 31 December 2024:

Loyalty Addition for Professional Education Plan (Plan no. 219) Loyalty addition (in USD per USD1000 SA)	10.5
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 2025.

- Endowment Type of Policies (Plans 202, 206, 207, 209, 210, 215, 218, 220, 225, 227, 228, 240, and 241): 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 18.07 Mn (USD 47.80 Mn). Capital available as per CBB regulations is BD 51.02 Mn (USD 134.96 Mn) which is 2.82 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.

New Products

During the year 2024, the Company has launched six new products. Future Smart VII (Plan no. 277), Life Protect (Plan no. 278), Invest Plus (Plan no. 280) and Flexi Wealth Builder (Plan no. 281) were launched in UAE. Smart Insure I (Plan no. 276) and Life Protect (Plan no. 279) where 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 2024 was BD187,398 as compared to BD196,139 in 2023.

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 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 during the year 2024, 3 times DR Drill were conducted on near DR and 2 times on 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. Investment proposals are routed through Risk Department for pre investment analysis. 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 0.12%.

iii) **Insurance Risk:** The Company has reinsurance arrangements with Swiss Re 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 2024.

Change in Directors

During the year 2024, changes in the Board Members were as under.

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

Name of Member	CBB Approval Letter details	Position
Mrs. Mini Ipe	ISD/564/2024 dated 4th Nov 2024	Independent / Non-Executive Member

During the year 2024, following member has completed his tenure as Independent Director:

Name of Member	Position held	Date of Exit
Mr. Thomas Mathew T	Independent Director	25th Aug 2024

The following member has tendered his resignation from the Board

Name of Member	Position held	Date of Exit
Mr. Abdulrahman Ali Alwazzan	Non-executive Director	27th Feb 2025

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	-	1,400	-	-	1,400	-	-	-	-	-	-	1,400	-
2 - Mr. V. Chandrasekaran	-	2,325	-	-	2,325	-	-	-	-	-	-	2,325	-
3 - Mrs. Mini Ipe	-	775	-	-	775	-	-	-	-	-	-	775	-
Second: Non-Executive Directors:													
1 - Mr. Sidhartha Mohanty	-	-	-	-	-	-	-	-	-	-	-	-	-
2 - Mr. Jagannath	-	-	-	-	-	-	-	-	-	-	-	-	-
3 - Mr. Abdulrahman Ali Al Wazzan	-	-	-	-	-	-	-	-	-	-	-	-	-
Second: Executive Directors:													
1 - Mr. Debashis Prasad Pattanaik	-	-	28,697	-	28,697	-	-	-	-	-	3,026	31,723	-
Total	**-**	**4,500**	**28,697**	**-**	**33,197**	**-**	**-**	**-**	**-**	**-**	**3,026**	**36,223**	**-**

Second: Executive management remuneration details

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2024	Aggregate Amount
Salaries for top six executives, including CEO and Senior Financial Officer	160,845	-	-	160,845

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 and Central Bank of UAE 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. Warba Insurance Co. Kuwait, and M/s Dyarco Management Services WLL in Doha and our Bancassurance partners BBK and ICICI Bank in Bahrain and ADCB in UAE. 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, Auditors: M/s. Grant Thornton Abdulaal, Bahrain, M/s. PKF, Dubai.

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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Siddhartha Mohanty
Chairman

D. P. Pattanaik

Debashis Prasad Pattanaik
CEO & Executive Director

Manama, Kingdom of Bahrain

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Independent auditors' report

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 2024, 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 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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.

Emphasis of matter

We refer to Note 32 which states that the Company has corrected errors at the Head Office level in relation to investments recorded in its UAE branches by recording these balances under 'investments' both for the current year and comparative balances whereas these are accounted for as 'reinsurance contract receivables' in the financial statements as at 31 December 2024 of the Company's UAE branches. Further, these corrections have been reflected as a restatement of opening balances; however, the revised financial statements for the years ended 31 December 2023 and 31 December 2022 have not been reissued as of date to reflect these corrections. Our opinion is not modified in respect of this matter.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), 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.

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
Abdulaal

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
23 March 2025
Manama, Kingdom of Bahrain

Statement of financial position

	Notes	31 December 2024	(Restated) 31 December 2023	(Restated) 1 January 2023
		BD	BD	BD
Assets				
Intangible assets	4	16,297	29,404	4
Furniture and equipment	5	37,606	4,372	2,286
Right-of-use assets		5,133	11,989	18,844
Investments	6	465,760,465	530,792,371	582,358,815
Policy loans	7	4,447,090	4,323,504	4,436,205
Reinsurance contract assets	14	141,203	134,500	149,463
Accrued interest income	8	8,598,722	8,941,283	10,363,249
Other assets	9	94,860	129,366	178,668
Statutory deposits	10	648,426	648,503	703,194
Term deposits with banks	11	48,238,264	71,364,219	90,869,605
Cash and cash equivalents	12	14,674,538	21,269,854	29,406,318
Total assets		**542,662,604**	**637,649,365**	**718,486,651**
Equity and liabilities				
Equity				
Share capital	17	65,439,300	65,439,300	65,439,300
Statutory reserve	18	9,995,155	9,074,893	7,771,644
Contingency reserve	19	232,192	232,192	232,192
Investments fair value reserve	6(b)	(883,497)	(1,330,049)	(1,906,655)
Insurance finance reserve		83,802,383	76,064,224	91,296,857
Reinsurance reserve	20	31,878	12,887	-
Accumulated losses		(47,604,729)	(55,868,099)	(67,584,452)
Total equity		**111,012,682**	**93,625,348**	**95,248,886**
Liabilities				
Employees' end-of-service indemnity		30,138	41,822	29,969
Lease liabilities		5,945	13,527	20,740
Amounts due to related parties	13	84,884	119,480	86,236
Insurance contract liabilities	14	429,667,626	541,894,953	621,331,622
Zakat and tax provisions	15	789,539	287,356	300,010
Other liabilities	16	1,071,790	1,666,879	1,469,188
Total liabilities		**431,649,922**	**544,024,017**	**623,237,765**
Total equity and liabilities		**542,662,604**	**637,649,365**	**718,486,651**

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

The accounting policies and the notes from pages 16 to 79 form an integral part of these financial statements.

Statement of comprehensive income

	Notes	Year ended 31 December 2024	(Restated) Year ended 31 December 2023
		BD	BD
Insurance revenue	21	8,038,136	9,459,025
Insurance service expenses		(5,096,989)	(5,551,757)
Insurance service result before reinsurance contracts held (a)		**2,941,147**	**3,907,268**
Allocation of reinsurance premiums	14.5	(115,509)	(127,288)
Amounts recoverable from reinsurers for incurred claims	14.5	106,838	12,382
Net expenses from reinsurance contracts held (b)		**(8,671)**	**(114,906)**
Insurance service result (a+b)		**2,932,476**	**3,792,362**
Insurance finance expenses for insurance contracts issued,	22	(19,226,833)	(23,186,988)
Reinsurance finance income for reinsurance contracts held		12,433	8,971
Net insurance finance result (c)		**(19,214,400)**	**(23,178,017)**
Net financial results from insurance operations (a+b+c)		**(16,281,924)**	**(19,385,655)**
Realised income from investments, net	23	23,567,106	28,624,082
Unrealised gain on investments at FVTPL	6	3,046,377	3,842,979
Reversal of impairment on investment securities, net	6	399,395	786,030
Income from investments		**27,012,878**	**33,253,091**
General and administrative expenses		(1,549,517)	(1,501,824)
Other income	24	494,048	614,049
Depreciation of right-of-use assets		(6,856)	(6,856)
Interest expenses on lease liabilities		(434)	(803)
Reversal of impairment on other financial assets, net		86,484	96,242
Profit before zakat and income tax		**9,754,679**	**13,068,244**
Zakat and income tax expense	15	(552,056)	(35,755)
Profit for the year		**9,202,623**	**13,032,489**
Other comprehensive income/(loss) to be reclassified subsequently to profit or loss			
Fair value gain of investments at FVOCI	6	446,552	576,606
Insurance finance income/(expenses) for insurance contracts issued	22	7,765,885	(15,255,689)
Reinsurance finance (expenses)/income for reinsurance contracts held		(27,726)	23,056
Other comprehensive income/(loss) for the year		**8,184,711**	**(14,656,027)**
Total comprehensive income/(loss) for the year		**17,387,334**	**(1,623,538)**

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

Siddhartha Mohanty
Chairman

Debashis Prasad Pattanaik
CEO & Executive Director

The accounting policies and the notes from pages 16 to 79 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
As stated at 1 January 2023 (Audited)	65,439,300	7,771,644	232,192	(1,167,367)	96,153,767	-	(85,046,122)	83,383,414
Restatement (Note 32)	-	-	-	(739,288)	(4,856,910)	-	17,461,670	11,865,472
At 1 January 2023 (Restated)	**65,439,300**	**7,771,644**	**232,192**	**(1,906,655)**	**91,296,857**	**-**	**(67,584,452)**	**95,248,886**
Profit for the year (Restated)	-	-	-	-	-	-	13,032,489	13,032,489
Other comprehensive income/(loss) for the year to be reclassified subsequently to profit or loss:								
Fair value gain or loss of investments at FVOCI (Note 6)	-	-	-	576,606	-	-	-	576,606
Insurance finance expenses for insurance contracts issued (Note 22)	-	-	-	-	(15,255,689)	-	-	(15,255,689)
Reinsurance finance income for reinsurance contracts held	-	-	-	-	23,056	-	-	23,056
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**576,606**	**(15,232,633)**	**-**	**13,032,489**	**(1,623,538)**
Transfer to reinsurance reserve (Note 20)	-	-	-	-	-	12,887	(12,887)	-
Transfer to statutory reserve (Note 18)	-	1,303,249	-	-	-	-	(1,303,249)	-
Restated at 31 December 2023	**65,439,300**	**9,074,893**	**232,192**	**(1,330,049)**	**76,064,224**	**12,887**	**(55,868,099)**	**93,625,348**

The accounting policies and the notes from pages 16 to 79 form an integral part of these financial statements.

Statement of changes in equity (continued)

	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
At 1 January 2024 (Restated)	65,439,300	9,074,893	232,192	(1,330,049)	76,064,224	12,887	(55,868,099)	93,625,348
Profit for the year	-	-	-	-	-	-	9,202,623	9,202,623
Other comprehensive income/(loss) for the year to be reclassified subsequently to profit or loss:								
Fair value gain or loss of investments at FVOCI (Note 6)	-	-	-	446,552	-	-	-	446,552
Insurance finance income for insurance contracts issued (Note 22)	-	-	-	-	7,765,885	-	-	7,765,885
Reinsurance finance expenses for reinsurance contracts held	-	-	-	-	(27,726)	-	-	(27,726)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**446,552**	**7,738,159**	**-**	**9,202,623**	**17,387,334**
Transfer to reinsurance reserve (Note 20)	-	-	-	-	-	18,991	(18,991)	-
Transfer to statutory reserve (Note 18)	-	920,262	-	-	-	-	(920,262)	-
At 31 December 2024	**65,439,300**	**9,995,155**	**232,192**	**(883,497)**	**83,802,383**	**31,878**	**(47,604,729)**	**111,012,682**

The accounting policies and the notes from pages 16 to 79 form an integral part of these financial statements.

Statement of cash flows

	Year ended 31 December 2024	(Restated) Year ended 31 December 2023
	BD	BD
Operating activities		
Profit for the year	9,202,623	13,032,489
Adjustments:		
Depreciation	4,032	1,519
Amortisation of intangible assets	13,107	9,920
Depreciation on right-of-use assets	6,856	6,856
Interest expense on lease liabilities	434	803
Unrealised gain on investments at FVTPL	(3,046,377)	(3,842,979)
Loss/(gain) on sale of investments	712,823	(911,985)
Dividend income	(132,007)	(110,843)
Interest income from investments and policy loans	(25,826,718)	(15,571,330)
Reversal of impairment on investments, net	(399,395)	(786,030)
Impairment loss on policy loans	7,577	(6,336)
Reinsurance finance expenses for reinsurance contracts held	(12,433)	(8,971)
Insurance finance expenses for insurance contracts issued	19,226,833	23,186,988
Amortisation of premium	1,306,999	1,430,885
Capitalisation of discount	(253,200)	(238,107)
Zakat and income tax expense	552,056	(35,755)
Loss of disposal of furniture and equipment	234	310
Provision for employees' end-of-service benefits	(11,683)	11,853
Operating profit before working capital changes	1,351,761	16,169,287
Changes in operating assets and liabilities:		
Changes in other assets	34,506	49,302
Changes in policy loans	(131,163)	119,037
Changes in amounts due to related parties	(34,596)	33,244
Changes in insurance contract liabilities	(123,879,333)	(117,922,972)
Change in statutory deposits	77	54,691
Changes in reinsurance contract assets	(21,996)	46,990
Changes in zakat and tax provisions	(49,873)	23,101
Changes in other liabilities	(595,089)	197,691
Net cash used in operating activities	**(123,325,706)**	**(101,229,629)**
Investing activities		
Purchase of furniture and equipment	(37,500)	(3,915)
Purchase of intangible asset	-	(39,320)
Purchase of financial investments	(32,497,824)	(14,484,441)
Proceeds from disposal of investments	99,846,489	71,019,333
Additions to fixed deposits	(415,415,581)	(108,143,791)
Maturity of fixed deposits	438,541,536	127,649,176
Dividends received	132,007	110,843
Interest received	26,169,279	16,993,296
Net cash from investing activities	**116,738,406**	**93,101,181**

- continued on following page -

The accounting policies and the notes from pages 16 to 79 form an integral part of these financial statements

Condensed interim statement of cash flows (continued)

	Year ended 31 December 2024	(Restated) Year ended 31 December 2023
	BD	BD
Financing activities		
Repayment of lease liabilities	(7,582)	(7,213)
Interest paid	(434)	(803)
Net cash used in financing activities	**(8,016)**	**(8,016)**
Net change in cash and cash equivalents	(6,595,316)	(8,136,464)
Cash and cash equivalents at the beginning of year	21,269,854	29,406,318
Cash and cash equivalents, at the end of year	**14,674,538**	**21,269,854**
Comprises:		
Cash in hand	302	265,209
Current accounts with conventional banks	9,373,683	10,315,367
Current accounts with investment banks	5,347,349	10,838,872
Allowance for expected credit losses	(46,796)	(149,594)
	14,674,538	**21,269,854**

The accounting policies and the notes from pages 16 to 79 form an integral part of these financial statements

Notes to the financial statements
31 December 2024

1. Status and activities

1.1 Life Insurance Corporation (International) B.S.C. (c) (the "Company" or "Head Office") 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 2024, 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. All the Investment Securities have been transferred to corporate office books. OMR 8.00 Mn Fixed Deposit was invested with SBI Muscat which was kept under lien to CMA, got matured on 30.08.2024 and final proceeds got credited to Company's SBI Account in Oman on 01.09.2024. This amount has been transferred to Company's SBI USD A/c on 04.09.2024. De-registration of the Company happened on 23.07.2024.

1.8 The prior periods figures have been restated. However, the Company has not reissued the financial statements for the prior periods.

1.9 The financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 23 March 2025.

2. Summary of material 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 IFRS Accounting Standards 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, 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

Several amendments to existing Standards which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

2.4 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.

2.5 Insurance and reinsurance contracts accounting treatment

2.5.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.

2.5.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.

2.5.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.

2.5.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.

2.5.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.

2.5.f) Measurement- general measurement model (“GMM”) and variable fee approach (“VFA”)

2.5.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.

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.

2.5.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.

2.5.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 (for insurance contracts measured GMM).
- Entity's share of change in fair value of underlying items (for insurance contracts measured under VFA)
- 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 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 investment component of the payment in the period that was expected at the start of the period. (For insurance contracts measured under GMM)
- 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.

2.5.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.

2.5.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.

2.5.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.

2.5.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.

2.5.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:

- Expected claims and expenses during the period excluding investment component 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 expected release of 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.

2.5.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.

2.5.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.

2.5.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.

2.5.f.12) Non-distinct investment components

The Company issues life insurance products that generally contain investment components for portfolios non-participating annuity, non-participating saving products and participating saving products portfolios. Under IFRS 17, an investment component is defined as a contractual obligation requiring the insurer to repay an amount to the policyholder, even in the absence of an insured event. The Company has determined that the investment components embedded within its insurance contracts are non-distinct and not separable because they are highly interrelated with the insurance component. This means that the value of one component is dependent on the other, and policyholders cannot benefit from the investment component without also retaining the insurance component. Additionally, similar investment contracts are not available as standalone products in the market outside the insurance industry.

As a result, non-distinct investment components remain within the scope of IFRS 17 and are included in the fulfilment cash flows of the insurance contract. These components are excluded from insurance revenue and service expenses, in line with IFRS 17 Para 85, ensuring that reported insurance revenue reflects only compensation for insurance services. Common non-distinct investment components in the company's products include maturity benefits, surrender values, annuity payments, and embedded savings components in death benefits.

2.6 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 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.

2.7 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 assets, term deposits with banks, accrued interest income, statutory deposits and other assets fall into this category of financial instruments. The net carrying values of cash and cash equivalents, reinsurance contract assets, accrued interest income, other assets, statutory deposits and term deposits with banks are considered to be a reasonable approximation of fair value.

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 assets and policy loans

The Company makes use of a simplified approach in accounting for other assets 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.

b. Financial liabilities

Classification and measurement of financial liabilities

The Company's financial liabilities include insurance contract liabilities, amounts due to related parties, and other liabilities. The net carrying values of other liabilities, amounts due to related parties, insurance contract liabilities are considered to be a reasonable approximation of fair value. 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.

2.8 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 comprehensive income.

2.9 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.

2.10 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.

2.11 Interest income

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

2.12 Cash and cash equivalents

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

2.13 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.

2.14 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.

2.15 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.

Contingency reserve is required 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 insurance finance reserve comprises of the cumulative net gains or losses recognized in other comprehensive income (OCI) arising from changes in financial assumptions that affect the measurement of insurance contract liabilities, including discount rates.

Reinsurance reserve required by CBUAE (Article 34 of the Insurance Authority's Board of Directors' Decision No. (23) of 2019) , insurance companies are required to allocate 0.5% of total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the company or default in its financial position. These provisions shall be accumulated year after year and may not be disposed of without the written approval of the Director General.

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

Accumulated losses include all current and prior period retained profits and losses.

2.16 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.

2.17 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.

2.18 Other income

All other income is recognised on an accrual basis.

2.19 Taxation and VAT

Income tax expense represents the sum of the tax currently payable on UAE corporate tax Kuwait income tax, calculated using tax rates applicable based on UAE and Kuwait operations.

Value Added Tax (VAT) is 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.

2.20 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 was recorded up to 29 February 2024 due to new regulations. This provision is classified as a non-current liability in the statement of financial position.

In addition, from 1 March 2024, the Company pays the leaving indemnity to the Social Insurance Organisation on a monthly basis.

2.21 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

The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Classifying single-premium savings products as insurance contracts

The Company's products include varying levels of insurance coverage. Under IFRS 17, a contract is deemed an insurance contract if it transfers significant insurance risk from the policyholder to the insurer, even if that risk appears small. Although IFRS 17 does not prescribe a numeric threshold for assessing "significance," it requires evaluation at the individual contract level. Because these products expose the Company to potential losses in at least one commercially substantive scenario, Management has concluded that they meet the definition of insurance contracts under IFRS 17.

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:

Portfolio assumptions by type of business impacting net liabilities	Mortality and morbidity rates		Lapse and surrender rates	
	31-Dec-24	**31-Dec-23**	**31-Dec-24**	**31-Dec-23**
Annuities	83% of LIC (1996-98) Ultimate rated down by 3 years	83% of LIC (1996-98) Ultimate rated down by 3 years	**0%**	**0%**
All products other than annuities	77% of IALM (2006-08) Ultimate	77% 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		3 Year		5 Year		10 Year		20 Year	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Life insurance contracts issued										
UAE	4.65%	5.19%	4.76%	4.41%	4.87%	4.24%	5.07%	4.28%	5.35%	4.60%
Other than UAE	7.11%	8.85%	7.22%	8.04%	7.33%	7.86%	7.54%	7.90%	7.83%	8.23%

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 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. The Company has estimated the risk adjustment using a methodology derived from the Risk Margin calculation under the Solvency II regime, applying prescribed stresses to non-financial risk assumptions and incorporating diversification benefits consistent with the Solvency II framework. The calculation assumes that the present value of outflows follows a lognormal distribution, with the mean set as the Best Estimate Present Value of Outflows, enabling derivation of the risk adjustment at the Company's selected confidence level. The risk adjustment for life insurance and reinsurance contracts corresponds to 75% confidence level. Risk Adjustment for Liability for Incurred Claims is assumed to be nil as the benefit payable under long-term business is certain.

The risk adjustment for life insurance and reinsurance contracts corresponds to 75% confidence levels, respectively (2023: 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.

4. Intangible assets

	Total 2024	Total 2023
	BD	BD
Costs		
At 1 January	587,377	548,057
Additions	-	39,320
At 31 December	**587,377**	**587,377**
Accumulated amortisation		
At 1 January	557,973	548,053
Charge for the year	13,107	9,920
At 31 December	**571,080**	**557,973**
Net book value		
At 31 December 2024	**16,297**	**-**
At 31 December 2023	**-**	**29,404**

5. Furniture and equipment

	Motor vehicles	Furniture, fixtures and others	Total 2024	Total 2023
	BD	BD	BD	BD
Costs				
At 1 January	36,500	21,306	57,806	54,704
Additions	34,545	2,955	37,500	3,915
Disposals	(13,000)	(327)	(13,327)	(813)
At 31 December	**58,045**	**23,934**	**81,979**	**57,806**
Accumulated depreciation				
At 1 January	36,400	17,034	53,434	52,418
Charge for the year	2,303	1,729	4,032	1,519
Disposals	(12,950)	(143)	(13,093)	(503)
At 31 December	**25,753**	**18,620**	**44,373**	**53,434**
Net book value				
At 31 December 2024	**32,292**	**5,314**	**37,606**	**-**
At 31 December 2023	**100**	**4,272**	**-**	**4,372**

6. Investments

	2024 BD	(Restated) 2023 BD
Investments at amortised cost		
Quoted	376,284,018	413,744,752
Unquoted	17,472,757	17,472,757
Allowance for impairment	(18,496,103)	(18,902,638)
Total investments at amortised cost (a)	**375,260,672**	**412,314,871**
Investments at fair value through other comprehensive income (FVOCI)		
Quoted – Debt instruments	12,534,578	12,088,026
Unquoted – Equity instruments	-	-
Allowance for impairment	(2,472,958)	(2,465,818)
Total investments at FVOCI (b)	**10,061,620**	**9,622,208**
Investments at fair value through profit and loss (FVTPL) (c)	**80,438,173**	**108,855,292**
Total (a)+(b)+(c)	**465,760,465**	**530,792,371**

Investments held in the custody of Munich Re

The Company has entered into an agreement with Munich Reinsurance Company to eliminate the solvency deficit of its UAE branches. The arrangement covers investments, which were considered inadmissible for the purpose of solvency of the UAE branches, have been therefore transferred to Munich Re. These investments are presented as "reinsurance recoverable" in the books of UAE branches.

The Company has assessed that it retains substantially all risks and rewards of ownership; therefore, these assets are recognised as "investments" in the books at the Head Office level (Note 32).

(a) Investments at amortised cost

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

	2024 BD	(Restated) 2023 BD
Debt instruments		
Zero coupon bonds	10,650,240	10,397,040
Other bonds	383,106,535	420,820,469
	393,756,775	**431,217,509**
Allowance for impairment	(18,496,103)	(18,902,638)
At 31 December	**375,260,672**	**412,314,871**
Fair value:		
Zero coupon bonds	4,313,696	4,153,293
Other bonds	350,831,845	392,739,630
At 31 December	**355,145,541**	**396,892,923**

Investment at amortised cost amounting to BD115,859,995 (2023: BD141,219,121) are held in the custody of Munich Re.

The movements in investments at amortised cost are as follows:

	2024 BD	(Restated) 2023 BD
At 1 January	431,217,509	462,155,963
Additions	26,036,631	6,466,785
Disposals/redemptions	(62,443,566)	(36,212,461)
Capitalisation of discount	253,200	238,107
Amortisation of premium	(1,306,999)	(1,430,885)
At 31 December	**393,756,775**	**431,217,509**

The movement in allowance for impairment is detailed below:

	2024 BD	(Restated) 2023 BD
At 1 January	18,902,638	19,752,048
Charge for the year	182,992	938,793
Reversal of impairment	(589,527)	(1,788,203)
At 31 December	**18,496,103**	**18,902,638**

(b) Investments at FVOCI

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

	2024 BD	(Restated) 2023 BD
Quoted investments		
Debt instruments		
Government bonds	738,075	725,934
Other bonds	11,796,503	11,362,092
Unquoted equity instruments	-	-
Total investments	**12,534,578**	**12,088,026**
Allowance for impairment	(2,472,958)	(2,465,818)
At 31 December	**10,061,620**	**9,622,208**

Investments at FVOCI amounting to BD1,580,280 (2023: BD1,490,791) are held in the custody of Munich Re.

The movement in investments at FVOCI is detailed below:

	2024 BD	(Restated) 2023 BD
At 1 January	12,088,026	12,051,097
Additions	-	4,341,531
Disposals/redemptions	-	(4,881,208)
Fair value gain in investments at FVOCI	446,552	576,606
At 31 December	**12,534,578**	**12,088,026**

The movement in allowance for impairment for debt instruments at FVOCI is detailed below:

	2024 BD	(Restated) 2023 BD
At 1 January	2,465,818	2,402,438
Charge for the year	7,140	63,380
At 31 December	**2,472,958**	**2,465,818**

Movement in cumulative fair value reserve arising from investments is as follows:

	2024 BD	(Restated) 2023 BD
At 1 January	(1,330,049)	(1,906,655)
Fair value gain	446,552	576,606
At 31 December	**(883,497)**	**(1,330,049)**

(c) Investments at FVTPL

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

	2024 BD	(Restated) 2023 BD
Debt instruments		
Government bonds	36,256,225	53,985,383
Other bonds	29,496,966	44,755,157
	65,753,191	**98,740,540**
Equity instruments		
Mutual funds	11,620,846	7,351,581
Equity shares	3,064,136	2,763,171
	14,684,982	**10,114,752**
Total investments at FVTPL	**80,438,173**	**108,855,292**

Investments at FVTPL amounting to BD14,908,752 (2023: BD17,616,152) are held in the custody of Munich Re.

The movement in investments at FVTPL is detailed below:

	2024 BD	(Restated) 2023 BD
At 1 January	108,855,292	130,306,241
Additions	6,461,193	3,676,125
Disposals/redemptions	(38,115,747)	(29,013,679)
Change in fair value of assets held for ULIP	191,058	43,626
Increase in fair value	3,046,377	3,842,979
At 31 December	**80,438,173**	**108,855,292**

7. Policy loans

	2024 BD	2023 BD
Policy loans	4,781,301	4,650,138
Allowance for expected credit losses	(334,211)	(326,634)
	4,447,090	**4,323,504**

Policy loans carry an interest rate of 7% (2023: 8%) per annum and have varied maturities. These loans are granted against active policies and are secured against the surrender values.

8. Accrued interest income

	2024 BD	2023 BD
Accrued interest income on policy loans	1,283,378	1,355,410
Accrued interest income on investments	7,315,344	7,585,873
	8,598,722	**8,941,283**

The movement in accrued interest income is as follows:

	2024 BD	2023 BD
At 1 January	8,941,283	10,363,249
Interest income on investments	25,369,764	29,915,616
Interest income on policy loans	456,954	577,762
Received during the year	(26,169,279)	(31,915,344)
At 31 December	**8,598,722**	**8,941,283**

9. Other assets

	2024 BD	2023 BD
Prepayments	11,447	366
Other receivables	83,413	129,000
	94,860	**129,366**

10. Statutory deposits

	2024 BD	2023 BD
Bank of Baroda, Dubai (10.1)	531,380	531,382
National Bank of Bahrain (10.2)	62,089	56,526
Central Bank of Bahrain (10.3)	50,000	50,000
National Bank of Dubai	5,177	5,177
Emirates NBD– Dubai – Abu Dhabi (10.4)	-	5,649
Allowance for expected credit losses	(220)	(231)
	648,426	**648,503**

10.1 The deposits placed in Bank of Baroda, Dubai, U.A.E, 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.

10.2 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 Volume 3.

10.3 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 Volume 3.

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

Interest rates on above deposits range between 1% to 4.6% per annum (2023: 1% to 4.6% per annum).

11. Term deposits with banks

	2024 BD	2023 BD
Deposits with maturities less than three months	27,458,049	54,067,546
Deposits with maturities more than three months	20,796,834	17,304,555
Allowance for expected credit losses	(16,619)	(7,882)
	48,238,264	**71,364,219**

Term deposits with banks carry interest ranging from 4.5% to 5.65% per annum (2023: 4.5% to 5.65% per annum).

12. Cash and cash equivalents

	2024 BD	2023 BD
Current accounts with commercial banks	9,373,683	10,315,367
Current accounts with investment banks	5,347,349	10,838,872
Cash in hand	302	265,209
Allowance for expected credit losses	(46,796)	(149,594)
	14,674,538	**21,269,854**

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

13. 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 - India"), 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.

13.1 Amounts due to related parties

Name of related party	Nature of relationship	2024 BD	2023 BD
The International Agencies Company Limited	Shareholder	76,055	77,695
Life Insurance Corporation of India	Shareholder	8,829	41,785
		84,884	**119,480**

Amounts due to related parties are unsecured, bear no interest and have no fixed repayment terms.

13.2 Related party transactions

Name of related party	Nature of relationship	Nature of transaction	2024 BD	2023 BD
Life Insurance Corporation of India	Shareholder	Provision/payment for technical assistance fee	8,812	9,173
Life Insurance Corporation of India	Shareholder	Annual maintenance cost	31,185	31,185
Life Insurance Corporation of India	Shareholder	Transfer value of policies	344,958	930,320
The International Agencies Company Limited	Shareholder	Administration and technical expenses	227,437	251,648
The International Agencies Company Limited	Shareholder	Commission expense	202,393	228,229
The International Agencies Company Limited	Shareholder	Annual maintenance cost/IT related services	4,162	2,370

13.3 Compensation of key management personnel

Key management of the Company are the executive members of Company's board of directors, members of the executive management and non-executive directors. Key management personnel compensation includes the following expenses:

	2024 BD	2023 BD
Short term benefits, salaries and other benefits	184,372	192,944
Employees' end of service benefits	3,026	3,195
	187,398	**196,139**

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

14. Insurance contract liabilities and reinsurance contract assets

	2024 Liabilities BD	(Restated) 2023 Liabilities BD
Insurance contract liabilities		
Contracts measured under GMM	424,635,538	540,657,057
Contracts measured under VFA	5,032,088	1,237,896
Total insurance contract liabilities	**429,667,626**	**541,894,953**

	2024 Assets BD	(Restated) 2023 Assets BD
Reinsurance contract assets		
Contracts measured under GMM	141,203	134,500
Total reinsurance contract assets	**141,203**	**134,500**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.1 Roll-forward of the liability for insurance contracts issued measured under GMM

The roll-forward of the 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:

	31 December 2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Total
	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	477,633,480	57,209,495	5,814,082	540,657,057
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**477,633,480**	**57,209,495**	**5,814,082**	**540,657,057**
Insurance revenue	**(7,967,478)**	**-**	**-**	**(7,967,478)**
Insurance service expenses				
Incurred claims and other expenses	-	(506,034)	139,752,685	139,246,651
Amortisation of insurance acquisition cash flows	239,086	-	-	239,086
Losses on onerous contracts and reversals of those losses	-	3,413,777	-	3,413,777
Changes to liabilities for incurred claims	-	-	(137,942,141)	(137,942,141)
Total insurance service expenses	**239,086**	**2,907,743**	**1,810,544**	**4,957,373**
Investment components	**(137,942,141)**	**-**	**137,942,141**	**-**
Insurance service result	**(145,670,533)**	**2,907,743**	**139,752,685**	**(3,010,105)**
Insurance finance expenses	11,230,260	230,688	-	11,460,948
Total changes in the statement of comprehensive income (b)	**(134,440,273)**	**3,138,431**	**139,752,685**	**8,450,843**
Cash flows				
Premiums received	15,832,488	-	-	15,832,488
Claims and other expenses paid	-	-	(140,037,427)	(140,037,427)
Insurance acquisition cash flows	(267,423)	-	-	(267,423)
Total cash flows (c)	**15,565,065**	**-**	**(140,037,427)**	**(124,472,362)**
Net insurance contract liabilities as at 31 December (a+b+c)	**358,758,272**	**60,347,926**	**5,529,340**	**424,635,538**
Insurance contract liabilities as at 31 December	358,758,272	60,347,926	5,529,340	424,635,538
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2024	**358,758,272**	**60,347,926**	**5,529,340**	**424,635,538**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.1 Roll-forward of the liability for insurance contracts issued measured under GMM (continued)

	31 December 2023 (Restated)			
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Total
	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	561,975,661	53,371,911	5,057,237	620,404,809
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**561,975,661**	**53,371,911**	**5,057,237**	**620,404,809**
Insurance revenue	**(9,424,658)**	**-**	**-**	**(9,424,658)**
Insurance service expenses				
Incurred claims and other expenses	-	(512,313)	139,457,905	138,945,592
Amortisation of insurance acquisition cash flows	254,255	-	-	254,255
Losses on onerous contracts and reversals of those losses	-	4,127,908	-	4,127,908
Changes to liabilities for incurred claims	-	-	(137,794,506)	(137,794,506)
Total insurance service expenses	**254,255**	**3,615,595**	**1,663,399**	**5,533,249**
Investment components	**(137,794,506)**	**-**	**137,794,506**	**-**
Insurance service result	**(146,964,909)**	**3,615,595**	**139,457,905**	**(3,891,409)**
Insurance finance expenses	38,220,688	221,989	-	38,442,677
Total changes in the statement of comprehensive income (b)	**(108,744,221)**	**3,837,584**	**139,457,905**	**34,551,268**
Cash flows				
Premiums received	24,888,824	-	-	24,888,824
Claims and other expenses paid	-	-	(138,701,060)	(138,701,060)
Insurance acquisition cash flows	(486,784)	-	-	(486,784)
Total cash flows (c)	**24,402,040**	**-**	**(138,701,060)**	**(114,299,020)**
Net insurance contract liabilities as at 31 December (a+b+c)	**477,633,480**	**57,209,495**	**5,814,082**	**540,657,057**
Insurance contract liabilities as at 31 December	477,633,480	57,209,495	5,814,082	540,657,057
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2023	**477,633,480**	**57,209,494**	**5,814,083**	**540,657,057**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.2 Roll-forward of the liability for insurance contracts issued measured under VFA

The roll-forward of the 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:

	31 December 2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Total
	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	1,059,570	73,608	104,718	1,237,896
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**1,059,570**	**73,608**	**104,718**	**1,237,896**
Insurance revenue	**(70,658)**	**-**	**-**	**(70,658)**
Insurance service expenses				
Incurred claims and other expenses	-	(12,700)	101,702	89,002
Amortisation of insurance acquisition cash flows	6,024	-	-	6,024
Losses on onerous contracts and reversals of those losses	-	144,455	-	144,455
Changes to liabilities for incurred claims	-	-	(99,865)	(99,865)
Total insurance service expenses	**6,024**	**131,755**	**1,837**	**139,616**
Investment components	**(99,865)**	**-**	**99,865**	**-**
Insurance service result	**(164,499)**	**131,755**	**101,702**	**68,958**
Movement in unit linked contracts	218,375	9,083	-	227,458
Total changes in the statement of comprehensive income (b)	**53,876**	**140,838**	**101,702**	**296,416**
Cash flows				
Premiums received	3,607,587	-	-	3,607,587
Claims and other expenses paid	-	-	(109,811)	(109,811)
Insurance acquisition cash flows		-	-	-
Total cash flows (c)	**3,607,587**	**-**	**(109,811)**	**3,497,776**
Net insurance contract liabilities as at 31 December (a+b+c)	**4,721,033**	**214,446**	**96,609**	**5,032,088**
Insurance contract liabilities as at 31 December	4,721,033	214,446	96,609	5,032,088
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2024	**4,721,033**	**214,446**	**96,609**	**5,032,088**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.2 Roll-forward of the insurance contracts issued measured under VFA (continued)

	31 December 2023 (Restated)			
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Total
	BD	BD	BD	BD
Insurance contract liabilities as at 1 January	800,879	52,408	73,526	926,813
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**800,879**	**52,408**	**73,526**	**926,813**
Insurance revenue	**(34,367)**	**-**	**-**	**(34,367)**
Insurance service expenses				
Incurred claims and other expenses	-	(9,485)	205,955	196,470
Amortisation of insurance acquisition cash flows	787	-	-	787
Losses on onerous contracts and reversals of those losses	-	26,832	-	26,832
Changes to liabilities for incurred claims	-	-	(205,581)	(205,581)
Total insurance service expenses	**787**	**17,347**	**374**	**18,508**
Investment components	**(205,581)**	**-**	**205,581**	**-**
Insurance service result	**(239,161)**	**17,347**	**205,955**	**(15,859)**
Movement in unit linked contracts	100,168	3,853	-	104,021
Total changes in the statement of comprehensive income (b)	**(138,993)**	**21,200**	**205,955**	**88,162**
Cash flows				
Premiums received	397,684	-	-	397,684
Claims and other expenses paid	-	-	(174,763)	(174,763)
Insurance acquisition cash flows		-	-	-
Total cash flows (c)	**397,684**	**-**	**(174,763)**	**222,921**
Net insurance contract liabilities as at 31 December (a+b+c)	**1,059,570**	**73,608**	**104,718**	**1,237,896**
Insurance contract liabilities as at 31 December	1,059,570	73,608	104,718	1,237,896
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2023	**1,059,570**	**73,608**	**104,718**	**1,237,896**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.3 Movements of the liability for insurance contracts issued measured under GMM

The table below presents a roll-forward of the 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.

	31 December 2024			
	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	525,709,620	726,360	14,221,077	540,657,057
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**525,709,620**	**726,360**	**14,221,077**	**540,657,057**
Changes that relate to current services	**(3,524,613)**	**(101,638)**	**(2,764,655)**	**(6,390,906)**
Contractual service margin recognised for services provided	-	-	(2,764,655)	(2,764,655)
Risk adjustment recognised for the risk expired	-	(101,638)	-	(101,638)
Experience adjustments	(3,524,613)	-	-	(3,524,613)
Changes that relate to future services	**2,848,556**	**(9,194)**	**574,416**	**3,413,778**
Contracts initially recognised in the year	(507,660)	5,036	734,290	231,666
Experience adjustments	3,282,988	(23,371)	(303,444)	2,956,173
Changes in estimates that adjust the contractual service margin	(160,340)	16,772	143,570	2
Changes in estimates that do not adjust the contractual service margin	233,568	(7,631)	-	225,937
Changes that relate to past services	**(32,977)**	**-**	**-**	**(32,977)**
Adjustments to liabilities for incurred claims	(32,977)	-	-	(32,977)
Insurance service result	**(709,034)**	**(110,832)**	**(2,190,239)**	**(3,010,105)**
Insurance finance expenses	10,845,451	43,369	572,128	11,460,948
Total changes in the statement of comprehensive income (b)	**10,136,417**	**(67,463)**	**(1,618,111)**	**8,450,843**
Cash flows				
Premiums received	15,832,488	-	-	15,832,488
Claims and other expenses paid	(140,037,427)	-	-	(140,037,427)
Insurance acquisition cash flows	(267,423)	-	-	(267,423)
Total cash flows (c)	**(124,472,362)**	**-**	**-**	**(124,472,362)**
Net insurance contract liabilities as at 31 Dec (a+b+c)	**411,373,675**	**658,897**	**12,602,966**	**424,635,538**
Insurance contract liabilities as at 31 December	411,373,675	658,897	12,602,966	424,635,538
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2024	**411,373,675**	**658,897**	**12,602,966**	**424,635,538**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.3 Movement of the liability for insurance contracts issued measured under GMM (continued)

	31 December 2023 (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	604,215,892	840,481	15,348,436	620,404,809
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**604,215,892**	**840,481**	**15,348,436**	**620,404,809**
Changes that relate to current services	**(4,806,883)**	**(114,733)**	**(3,147,126)**	**(8,068,742)**
Contractual service margin recognised for services provided	-	-	(3,147,126)	(3,147,126)
Risk adjustment recognised for the risk expired	-	(114,733)	-	(114,733)
Experience adjustments	(4,806,883)	-	-	(4,806,883)
Changes that relate to future services	**2,777,102**	**(50,666)**	**1,401,472**	**4,127,908**
Contracts initially recognised in the year	(670,355)	9,193	833,951	172,789
Experience adjustments	3,447,457	(754)	556,907	4,003,610
Changes in estimates that adjust the contractual service margin	-	(10,614)	10,614	-
Changes in estimates that do not adjust the contractual service margin	-	(48,491)	-	(48,491)
Changes that relate to past services	**49,425**	**-**	**-**	**49,425**
Adjustments to liabilities for incurred claims	49,425	-	-	49,425
Insurance service result	**(1,980,356)**	**(165,399)**	**(1,745,654)**	**(3,891,409)**
Insurance finance expenses	37,773,104	51,278	618,295	38,442,677
Total changes in the statement of comprehensive income (b)	**35,792,748**	**(114,121)**	**(1,127,359)**	**34,551,268**
Cash flows				
Premiums received	24,888,824	-	-	24,888,824
Claims and other expenses paid	(138,701,060)	-	-	(138,701,060)
Insurance acquisition cash flows	(486,784)	-	-	(486,784)
Total cash flows (c)	**(114,299,020)**	**-**	**-**	**(114,299,020)**
Net insurance contract liabilities as at 31 December (a+b+c)	**525,709,620**	**726,360**	**14,221,077**	**540,657,057**
Insurance contract liabilities as at 31 December	525,709,620	726,360	14,221,077	540,657,057
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2023	**525,709,620**	**726,360**	**14,221,077**	**540,657,057**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.4 Movement of the liability for insurance contracts issued measured under VFA

The table below presents a roll-forward of the 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.

	31 December 2024			
	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	1,225,996	6,418	5,482	1,237,896
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**1,225,996**	**6,418**	**5,482**	**1,237,896**
Changes that relate to current services	**(63,692)**	**(2,237)**	**(1,458)**	**(67,387)**
Contractual service margin recognised for services provided	-	-	(1,458)	(1,458)
Risk adjustment recognised for the risk expired	-	(2,237)	-	(2,237)
Experience adjustments	(63,692)	-	-	(63,692)
Changes that relate to future services	**35,099**	**24,021**	**85,334**	**144,454**
Contracts initially recognised in the year	169,284	27,713	-	196,997
Experience adjustments	(134,185)	1,949	83,978	(48,258)
Changes in estimates that adjust the contractual service margin	-	(1,356)	1,356	-
Changes in estimates that do not adjust the contractual service margin	-	(4,285)	-	(4,285)
Changes that relate to past services	**(8,109)**	**-**	**-**	**(8,109)**
Adjustments to liabilities for incurred claims	(8,109)	-	-	(8,109)
Insurance service result	**(36,702)**	**21,784**	**83,876**	**68,958**
Movement in unit linked contracts (fair value change)	227,458	-	-	227,458
Total changes in the statement of comprehensive income (b)	**190,756**	**21,784**	**83,876**	**296,416**
Cash flows				
Premiums received	3,607,586	-	-	3,607,586
Claims and other expenses paid	(109,810)	-	-	(109,810)
Insurance acquisition cash flows	-	-	-	-
Total cash flows (c)	**3,497,776**	**-**	**-**	**3,497,776**
Net insurance contract liabilities as at 31 December (a+b+c)	**4,914,528**	**28,202**	**89,358**	**5,032,088**
Insurance contract liabilities as at 31 December	4,914,528	28,202	89,358	5,032,088
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2024	**4,914,528**	**28,202**	**89,358**	**5,032,088**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.4 Movement of the liability for insurance contracts issued measured under VFA (continued)

	31 December 2023 (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	922,209	4,074	530	926,813
Insurance contract assets as at 1 January	-	-	-	-
Net insurance contract liabilities as at 1 January (a)	**922,209**	**4,074**	**530**	**926,813**
Changes that relate to current services	**(72,284)**	**(1,489)**	**(110)**	**(73,883)**
Contractual service margin recognised for services provided	-	-	(110)	(110)
Risk adjustment recognised for the risk expired	-	(1,489)	-	(1,489)
Experience adjustments	(72,284)	-	-	(72,284)
Changes that relate to future services	**17,937**	**3,833**	**5,062**	**26,832**
Contracts initially recognised in the year	31,361	6,682	-	38,043
Experience adjustments	(13,424)	1,002	4,797	(7,625)
Changes in estimates that adjust the contractual service margin	-	(265)	265	-
Changes in estimates that do not adjust the contractual service margin	-	(3,586)	-	(3,586)
Changes that relate to past services	**31,192**	**-**	**-**	**31,192**
Adjustments to liabilities for incurred claims	31,192	-	-	31,192
Insurance service result	**(23,155)**	**2,344**	**4,952**	**(15,859)**
Movement in unit linked contracts (fair value change)	104,021			104,021
Total changes in the statement of comprehensive income (b)	**80,866**	**2,344**	**4,952**	**88,162**
Cash flows				
Premiums received	397,684	-	-	397,684
Claims and other expenses paid	(174,763)	-	-	(174,763)
Insurance acquisition cash flows	-	-	-	-
Total cash flows (c)	**222,921**	**-**	**-**	**222,921**
Net insurance contract liabilities as at 31 December (a+b+c)	**1,225,996**	**6,418**	**5,482**	**1,237,896**
Insurance contract liabilities as at 31 December	1,225,996	6,418	5,482	1,237,896
Insurance contract assets as at 31 December	-	-	-	-
Net insurance contract liabilities as at 31 December 2023	**1,225,996**	**6,418**	**5,482**	**1,237,896**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.5 Roll-forward of reinsurance contract balance

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

	31 December 2024			
	Assets for remaining coverage		Assets for incurred claims	
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Total
	BD	BD	BD	BD
Reinsurance contract liabilities as at 1 January	-	-	-	-
Reinsurance contract assets as at 1 January	70,637	63,863	-	134,500
Net reinsurance contract liabilities as at 1 January (a)	**(70,637)**	**(63,863)**	**-**	**(134,500)**
Allocation of reinsurance premiums	**115,509**	**-**	**-**	**115,509**
Amounts recoverable from reinsurers for incurred claims				
Incurred claims and other expenses	-	11,985	(93,536)	(81,551)
Amortisation of insurance acquisition cash flows	-	-	-	-
Losses on onerous contracts and reversals of those losses	-	(25,287)	-	(25,287)
Changes to liabilities for incurred claims	-	-	-	-
Total amounts recoverable from reinsurers for incurred claims	**-**	**(13,302)**	**(93,536)**	**(106,838)**
Investment components	**-**	**-**	**-**	**-**
Reinsurance service result	**115,509**	**(13,302)**	**(93,536)**	**8,671**
Reinsurance finance expenses	26,721	(11,429)	-	15,292
Total changes in the statement of comprehensive income (b)	**142,230**	**(24,731)**	**(93,536)**	**23,963**
Cash flows				
Premiums paid	(29,210)	-	-	(29,210)
Claims and other expenses	-	-	(1,456)	(1,456)
Acquisition cash flows	-	-	-	-
Total cash flows (c)	**(29,210)**	**-**	**(1,456)**	**(30,666)**
Net insurance contract liabilities as at 31 December (a+b+c)	**42,383**	**(88,594)**	**(94,992)**	**(141,203)**
Reinsurance contract liabilities as at 31 December	-	-	-	-
Reinsurance contract assets as at 31 December	(42,383)	88,594	94,992	141,203
Net insurance contract liabilities as at 31 December	**42,383**	**(88,594)**	**(94,992)**	**(141,203)**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.5 Roll-forward of reinsurance contract balances (continued)

	31 December 2023 (Restated)			
	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss component	Loss component	Estimates of present value of future cashflows	
	BD	BD	BD	BD
Reinsurance contract liabilities as at 1 January	-	-	-	-
Reinsurance contract assets as at 1 January	17,513	40,396	91,554	149,463
Net reinsurance contract liabilities as at 1 January (a)	**(17,513)**	**(40,396)**	**(91,554)**	**(149,463)**
Allocation of reinsurance premiums	**127,288**	**-**	**-**	**127,288**
Amounts recoverable from reinsurers for incurred claims				
Incurred claims and other expenses	-	12,343	-	12,343
Amortisation of insurance acquisition cash flows	-	-	-	-
Losses on onerous contracts and reversals of those losses	-	(24,725)	-	(24,725)
Changes to liabilities for incurred claims	-	-	-	-
Total amounts recoverable from reinsurers for incurred claims	**-**	**(12,382)**	**-**	**(12,382)**
Investment components	**-**	**-**	**-**	**-**
Reinsurance service result	**127,288**	**(12,382)**	**-**	**114,906**
Reinsurance finance income	(20,942)	(11,085)	-	(32,027)
Total changes in the statement of comprehensive income (b)	**106,346**	**(23,467)**	**-**	**82,879**
Cash flows				
Premiums paid	(159,470)	-	-	(159,470)
Claims and other expenses	-	-	91,554	91,554
Acquisition cash flows	-	-	-	-
Total cash flows (c)	**(159,470)**	**-**	**91,554**	**(67,916)**
Net reinsurance contract liabilities as at 31 December (a+b+c)	**(70,637)**	**(63,863)**	**-**	**(134,500)**
Reinsurance contract liabilities as at 31 December	-	-	-	-
Reinsurance contract assets as at 31 December	70,637	63,863	-	134,500
Net reinsurance contract liabilities as at 31 December	**(70,637)**	**(63,863)**	**-**	**(134,500)**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.6 Movements in reinsurance contract balances (continued)

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

	31 December 2024			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual Service Margin	Total
	BD	BD	BD	BD
Reinsurance contract liabilities as at 1 January	-	-	-	-
Reinsurance contract assets as at 1 January	492,923	38,447	(396,870)	134,500
Net reinsurance contract liabilities as at 1 January (a)	**(492,923)**	**(38,447)**	**396,870**	**(134,500)**
Changes that relate to current services	**154,361**	**2,855**	**(28,266)**	**128,950**
Contractual service margin recognised for services provided	-	-	(28,266)	(28,266)
Risk adjustment recognised for the risk expired	-	2,855	-	2,855
Experience adjustments	154,361	-	-	154,361
Changes that relate to future services	**(173,964)**	**(10,910)**	**159,587**	**(25,287)**
Contracts initially recognised in the year	(73,980)	(6,334)	70,230	(10,084)
Experience adjustments	115,430	6,342	(147,474)	(25,702)
Changes in estimates that adjust the contractual service margin	(224,512)	(12,319)	236,831	-
Changes in estimates that do not adjust the contractual service margin	9,098	1,401	-	10,499
Changes that relate to past services	**(94,992)**	**-**	**-**	**(94,992)**
Adjustments to liabilities for incurred claims	(94,992)	-	-	(94,992)
Reinsurance service result	**(114,595)**	**(8,055)**	**131,321**	**8,671**
Reinsurance finance expenses	2,427	(2,691)	15,556	15,292
Total changes in the statement of comprehensive income (b)	**(112,168)**	**(10,746)**	**146,877**	**23,963**
Cash flows				
Premiums received	(29,210)	-	-	(29,210)
Claims and other expenses paid	(1,456)	-	-	(1,456)
Reinsurance acquisition cash flows	-	-	-	-
Total cash flows (c)	**(30,666)**	**-**	**-**	**(30,666)**
Net reinsurance contract liabilities as at 31 December (a+b+c)	**(635,757)**	**(49,193)**	**543,747**	**(141,203)**
Reinsurance contract liabilities as at 31 December	-	-	-	-
Reinsurance contract assets as at 31 December	635,757	49,193	(543,747)	141,203
Net reinsurance contract liabilities as at 31 December	**(635,757)**	**(49,193)**	**543,747**	**(141,203)**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.6 Movements in reinsurance contract balances (continued)

	31 December 2023 (Restated)			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual Service Margin	Total
	BD	BD	BD	BD
Reinsurance contract liabilities as at 1 January	-	-	-	-
Reinsurance contract assets as at 1 January	599,600	42,748	(492,885)	149,463
Net reinsurance contract liabilities as at 1 January (a)	**(599,600)**	**(42,748)**	**492,885**	**(149,463)**
Changes that relate to current services	**74,660**	**3,283**	**(29,866)**	**48,077**
Contractual service margin recognised for services provided	-	-	(29,866)	(29,866)
Risk adjustment recognised for the risk expired	-	3,283	-	3,283
Experience adjustments	74,660	-	-	74,660
Changes that relate to future services	**56,244**	**3,813**	**(84,781)**	**(24,724)**
Contracts initially recognised in the year	(27,992)	(2,086)	29,000	(1,078)
Experience adjustments	84,236	933	(107,233)	(22,064)
Changes in estimates that adjust the contractual service margin	-	6,548	(6,548)	-
Changes in estimates that do not adjust the contractual service margin	-	(1,582)	-	(1,582)
Changes that relate to past services	**91,553**	**-**	**-**	**91,553**
Adjustments to liabilities for incurred claims	91,553	-	-	91,553
Reinsurance service result	**222,457**	**7,096**	**(114,647)**	**114,906**
Reinsurance finance income	(47,864)	(2,795)	18,632	(32,027)
Total changes in the statement of comprehensive income (b)	**174,593**	**4,301**	**(96,015)**	**82,879**
Cash flows				
Premiums received	(159,471)	-	-	(159,471)
Claims and other expenses paid	91,555	-	-	91,555
Reinsurance acquisition cash flows	-	-	-	-
Total cash flows (c)	**(67,916)**	**-**	**-**	**(67,916)**
Net reinsurance contract liabilities as at 31 December (a+b+c)	**(492,923)**	**(38,447)**	**396,870**	**(134,500)**
Reinsurance contract liabilities as at 31 December	-	-	-	-
Reinsurance contract assets as at 31 December	492,923	38,447	(396,870)	134,500
Net reinsurance contract liabilities as at 31 December	**(492,923)**	**(38,447)**	**396,870**	**(134,500)**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.7 The impacts on the current period of transition approaches adopted to establishing contractual service margin (CSM) - Life insurance contracts issued under GMM.

	31 December 2024			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Others	Total
	BD	BD	BD	BD
Contractual service margin as at 1 January	10,361,323	1,792,407	2,067,347	14,221,077
Changes that relate to current services:				
Contractual service margin recognised for services provided	(2,264,178)	(287,865)	(212,612)	(2,764,655)
Changes that relate to future services:				
Contracts initially recognised in the period	-	-	734,290	734,290
Changes in estimates that adjust the contractual service margin	(106,058)	46,435	(100,251)	(159,874)
Insurance service result	**(2,370,236)**	**(241,430)**	**421,427**	**(2,190,239)**
Insurance finance expenses	336,084	60,514	175,530	572,128
Total changes in the statement of comprehensive income and OCI	**(2,034,152)**	**(180,916)**	**596,957**	**(1,618,111)**
Contractual service margin as at 31 December	**8,327,171**	**1,611,491**	**2,664,304**	**12,602,966**

	31 December 2023 (Restated)			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Others	Total
	BD	BD	BD	BD
Contractual service margin as at 1 January	11,997,414	1,991,142	1,359,880	15,348,436
Changes that relate to current services:				
Contractual service margin recognised for services provided	(2,714,989)	(290,154)	(141,983)	(3,147,126)
Changes that relate to future services:				
Contracts initially recognised in the period	-	-	833,951	833,951
Changes in estimates that adjust the contractual service margin	678,242	23,417	(134,138)	567,521
Insurance service result	**(2,036,747)**	**(266,737)**	**557,830**	**(1,745,654)**
Insurance finance expenses	400,655	68,002	149,638	618,295
Total changes in the statement of comprehensive income and OCI	**(1,636,092)**	**(198,735)**	**707,468**	**(1,127,359)**
Contractual service margin as at 31 December	**10,361,322**	**1,792,407**	**2,067,348**	**14,221,077**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.8 The impacts on the current period of transition approaches adopted to establishing contractual service margin (CSMs) - Life insurance contracts issued under VFA.

	31 December 2024			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Others	Total
	BD	BD	BD	BD
Contractual service margin as at 1 January	-	-	5,482	5,482
Changes that relate to current services:				
Contractual service margin recognised for services provided	-	-	(1,458)	(1,458)
Changes that relate to future services:				
Contracts initially recognised in the period	-	-	-	-
Changes in estimates that adjust the contractual service margin	-	-	85,334	85,334
Insurance service result	**-**	**-**	**83,876**	**83,876**
Insurance finance expenses	-	-	-	-
Total changes in the statement of comprehensive income and OCI	**-**	**-**	**83,876**	**83,876**
Contractual service margin as at 31 December	**-**	**-**	**89,358**	**89,358**

	31 December 2023 (Restated)			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Others	Total
	BD	BD	BD	BD
Contractual service margin as at 1 January	-	-	530	530
Changes that relate to current services:				
Contractual service margin recognised for services provided	-	-	(110)	(110)
Changes that relate to future services:				
Contracts initially recognised in the period	-	-	-	-
Changes in estimates that adjust the contractual service margin	-	-	5,062	5,062
Insurance service result	**-**	**-**	**4,952**	**4,952**
Insurance finance expenses	-	-	-	-
Total changes in the statement of comprehensive income and OCI	**-**	**-**	**4,952**	**4,952**
Contractual service margin as at 31 December			**5,482**	**5,482**

14. Insurance contract liabilities and reinsurance contract assets (continued)

14.9 The impacts on the current period of transition approaches adopted to establishing contractual service margin (CSMs) - Life reinsurance contracts issued under GMM.

	31 December 2024			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Others	Total
	BD	BD	BD	BD
Contractual service margin as at 1 January	-	291,287	105,583	396,870
Changes that relate to current services:				
Contractual service margin recognised for services provided	-	(14,873)	(13,393)	(28,266)
Changes that relate to future services:				
Contracts initially recognised in the period	-	-	70,230	70,230
Changes in estimates that adjust the contractual service margin	-	(91,508)	180,865	89,357
Reinsurance service result	**-**	**(106,381)**	**237,702**	**131,321**
Reinsurance finance expenses	-	7,308	8,248	15,556
Total changes in the statement of comprehensive income and OCI	**-**	**(99,073)**	**245,950**	**146,877**
Contractual service margin as at 31 December	**-**	**192,214**	**351,533**	**543,747**

	31 December 2023 (Restated)			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	Others	Total
	BD	BD	BD	BD
Contractual service margin as at 1 January	-	397,716	95,169	492,885
Changes that relate to current services:				
Contractual service margin recognised for services provided	-	(25,029)	(4,837)	(29,866)
Changes that relate to future services:				
Contracts initially recognised in the period	-	-	29,000	29,000
Changes in estimates that adjust the contractual service margin	-	(93,714)	(20,067)	(113,781)
Reinsurance service result	**-**	**(118,743)**	**4,096**	**(114,647)**
Reinsurance finance expenses	-	12,313	6,319	18,632
Total changes in the statement of comprehensive income and OCI	**-**	**(106,430)**	**10,415**	**(96,015)**
Contractual service margin as at 31 December	**-**	**291,286**	**105,584**	**396,870**

15. Zakat and tax provisions

	Dubai and Abu Dhabi Tax BD	Kuwait Tax BD	2024 Total BD	2023 Total BD
At 1 January	-	287,356	287,356	300,010
Tax expense	552,056	-	552,056	35,755
Reversed/paid during the year	-	(49,873)	(49,873)	(48,409)
At 31 December	**552,056**	**237,483**	**789,539**	**287,356**

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 2024.

16. Other liabilities

	2024 BD	(Restated) 2023 BD
Accrued expenses and provisions	305,161	276,287
Fee payable to Munich Re	270,778	654,982
Policy deposits	237,945	273,467
Accounts payable	127,215	128,512
Discounted premium received in advance	107,639	246,144
Proposal deposits	18,046	81,964
VAT payable	5,006	5,523
	1,071,790	**1,666,879**

17. Share capital

The share capital of the Company consists of 654,393 (2023:654,393) shares of BD100 (2023: 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**

18. 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. During the year, BD920,262 has been transferred to this reserve (2023: BD1,303,249).

19. 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 2024 (2023: BD Nil).

20. Reinsurance reserve

As required by CBUAE (Article 34 of the Insurance Authority's Board of Directors' Decision No. (23) of 2019) , insurance companies are required to allocate 0.5% of total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the company or default in its financial position. These provisions shall be accumulated year after year and may not be disposed of without the written approval of the Director General.

In compliance with this regulation, during the year BD18,991 has been transferred from retained earnings and recorded under equity as a Reinsurance Reserve. (2023: BD12,887)

21. Insurance revenue

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

	31 December 2024		
	GMM	VFA	Total
	BD	BD	BD
Amounts relating to the changes in the liability for remaining coverage			
– Expected insurance service expenses incurred in the year	4,872,730	61,169	4,933,899
– Change in the risk adjustment for nonfinancial risk	91,007	2,007	93,014
– Amount of CSM recognised in profit or loss	2,764,655	1,458	2,766,113
Amounts relating to recovery of insurance acquisition cash flows	**7,728,392**	**64,634**	**7,793,026**
– Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	239,086	6,024	245,110
Insurance revenue	**7,967,478**	**70,658**	**8,038,136**

	31 December 2023 (Restated)		
	GMM	VFA	Total
	BD	BD	BD
Amounts relating to the changes in the liability for remaining coverage			
– Expected insurance service expenses incurred in the year	5,919,738	32,208	5,951,946
– Change in the risk adjustment for nonfinancial risk	103,539	1,262	104,801
– Amount of CSM recognised in profit or loss	3,147,126	110	3,147,236
Amounts relating to recovery of insurance acquisition cash flows	**9,170,403**	**33,580**	**9,203,983**
– Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	254,255	787	255,042
Insurance revenue	**9,424,658**	**34,367**	**9,459,025**

Expected recognition of the contractual service margin, an analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table (number of years until expected to be recognised).

	1 year	2 years	3 years	4 years	5 years	>6 years	Total
	BD	BD	BD	BD	BD	BD	BD
31 December 2024							
Total CSM for insurance contracts	2,276,706	988,298	814,803	748,857	636,676	7,226,984	12,692,324
Total CSM for reinsurance contracts	30,945	29,868	28,603	27,486	25,655	401,190	543,747
31 December 2023 (Restated)							
Total CSM for insurance contracts	2,284,061	2,242,863	931,746	750,883	688,301	7,328,705	14,226,559
Total CSM for reinsurance contracts	25,941	24,210	23,261	22,060	20,732	280,666	396,870

22. Insurance finance expenses for insurance contracts issued

	2024 BD	(Restated) 2023 BD
Insurance finance expenses for insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	27,422,023	34,281,869
Interest accreted to insurance contracts using locked-in rate	(55,894)	1,484,174
Due to changes in interest rates and other financial assumptions	(15,905,181)	2,676,634
Total insurance finance expenses for insurance contracts issued	**11,460,948**	**38,442,677**
Represented by:		
Amounts recognised	19,226,833	23,186,988
Amounts recognised in OCI	(7,765,885)	15,255,689

23. Realised income from investments, net

	2024 BD	(Restated) 2023 BD
Interest income	25,369,764	29,915,616
Dividends income	132,007	148,540
Loss on sale of investments	(712,823)	(122,901)
Custodian fees paid to Munich Re	(1,221,842)	(1,317,173)
	23,567,106	**28,624,082**

24. Other income

	2024 BD	(Restated) 2023 BD
Interest on policy loans	456,954	577,762
Others	37,094	36,287
	494,048	**614,049**

25. Financial assets and liabilities and risk management

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

25.1 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.

25.2 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.

25.3 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.

25.4 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.

25.5 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.

25.6 Fair value and price 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 other price risk in respect of its listed equity and debt securities recorded Investments. The Company manages price risk through diversification.
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.

25.7 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	
	2024 BD	**(Restated) 2023** BD	**2024** BD	**(Restated) 2023** BD
United States Dollars	23,677,551	618,780,232	6,778,915	7,569,167
Indian Rupees	1,056,695	1,539,383	-	-
Saudi Riyals	342,011	80,454	8,844	8,884
Oman Riyals	241,375	8,377,134	-	-
United Arab Emirates - Dirhams	14,585,394	4,382,486	3,594,086	379,903
Kuwaiti Dinars	1,103,800	1,757,768	254,499	299,989
Qatari Riyals	499,552,728	907,715	-	-
	540,559,554	**635,825,172**	**10,636,344**	**8,257,943**

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	
	2024	**(Restated) 2023**
	BD	BD
Impact on:		
Indian Rupee (a)	105,670	153,938
Kuwaiti Dinar - net (b)	84,930	145,778

(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.

25.8 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.

25.9 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 credit risk in respect of financial assets at FVOCI – debt instruments are managed by investing in debt instruments issued by the issuers with good credit ratings.

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	**2024** BD	**(Restated)** **2023** BD
Investments at amortised cost	375,260,672	412,314,871
Investments at FVOCI	10,061,620	9,622,208
Investments at FVTPL	80,438,173	108,855,292
	465,760,465	**530,792,371**

25.10 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.

25.11 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 2024 and 31 December 2023:

	31 December 2024			
	Financial assets at FVOCI BD	**Financial assets at FVTPL** BD	**Amortized cost** BD	**Total** BD
Financial assets				
Statutory deposits	-	-	648,426	648,426
Investments	10,061,620	80,438,173	375,260,672	465,760,465
Policy loans	-	-	4,447,090	4,447,090
Reinsurance contract assets	-	-	141,203	141,203
Term deposits with banks	-	-	48,238,264	48,238,264
Accrued interest income	-	-	8,598,722	8,598,722
Other assets	-	-	83,413	83,413
Bank balances	-	-	14,674,236	14,674,236
	10,061,620	**80,438,173**	**452,092,026**	**542,591,819**

	2024 BD
Financial liabilities measured at amortised cost:	
Amounts due to related parties	84,884
Insurance contract liabilities	429,667,626
Other liabilities	1,071,790
	430,824,300

	31 December 2023 (Restated)			
	Financial assets at FVOCI BD	**Financial assets at FVTPL** BD	**Amortized cost** BD	**Total** BD
Financial assets				
Statutory deposits	-	-	648,503	648,503
Investments	9,622,208	108,855,292	412,314,871	530,792,371
Policy loans	-	-	4,323,504	4,323,504
Reinsurance contracts assets	-	-	134,500	134,500
Term deposits with banks	-	-	71,364,219	71,364,219
Accrued interest income	-	-	8,941,283	8,941,283
Other assets	-	-	129,000	129,000
Bank balance	-	-	21,004,645	21,004,645
	9,622,208	**108,855,292**	**518,860,525**	**637,338,025**

	(Restated) 2023 BD
Financial liabilities measured at amortised cost:	
Amounts due to related parties	119,480
Insurance contract liabilities	541,894,953
Other liabilities	1,666,879
	543,681,312

25.12 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.

	31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	BD	BD	BD	BD
Investments at FVOCI				
Banking industry	8,700,294	-	-	8,700,294
Government sector	738,075	-	-	738,075
Others	623,251	-	-	623,251
	10,061,620	**-**	**-**	**10,061,620**
Investments at FVTPL				
Banking industry	19,729,443	-	-	19,729,443
Oil and gas industry	864,289	-	-	864,289
Government sector	36,256,224	-	-	36,256,224
Real estate industry	39,598	-	-	39,598
Others	22,326,277	1,222,342	-	23,548,619
	79,215,831	**1,222,342**	**-**	**80,438,173**
	89,277,451	**1,222,342**	**-**	**90,499,793**

	31 December 2023 (Restated)			
	Level 1	**Level 2**	**Level 3**	**Total**
	BD	BD	BD	BD
Investments at FVOCI				
Banking industry	8,379,253	-	-	8,379,253
Government sector	725,934	-	-	725,934
Others	517,021	-	-	517,021
	9,622,208	**-**	**-**	**9,622,208**
Investments at FVTPL				
Banking industry	34,702,120	-	-	34,702,120
Oil and gas industry	979,888	-	-	979,888
Government sector	53,985,383	-	-	53,985,383
Real estate industry	24,406	-	-	24,406
Others	17,901,003	1,262,492	-	19,163,495
	107,592,800	**1,262,492**	**-**	**108,855,292**
	117,215,008	**1,262,492**	**-**	**118,477,500**

The date of valuation was 31 December 2024 for the current year and 31 December 2023 for the comparative year respectively.

Transfers between Level 1, Level 2 and Level 3

During the year ended 31 December 2024, 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 (2023: No transfers).

Measurement of fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a) Listed securities

All the listed equity securities are denominated in Bahraini Dinars and are publicly traded in Bahrain. Fair values have been determined by reference to their quoted bid prices at the reporting date.

b) Listed bonds

The fair value of the Company's investments in bonds has been determined by reference to their quoted bid prices at the reporting date. All bonds are publicly traded in Bahrain. Gains and losses are recorded within 'other financial items'.

c) Unlisted mutual funds

The fair values of these mutual funds are based on the net asset value provided by the fund manager.

25.13 Concentration of risk

The Group monitors insurance risk per class of business. An analysis of the Group’s insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

The Group monitors insurance risk per class of business. An analysis of the Group’s insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

	31 December 2024			31 December 2023 (Restated)		
Concentration by country	**Insurance contracts issued under GMM**	**Insurance contracts issued under VFA**	**Net**	**Insurance contracts issued under GMM**	**Insurance contracts issued under VFA**	**Net**
	BD	BD	BD	BD	BD	BD
UAE	261,971,725	3,804,946	265,776,671	354,163,266	436,949	354,600,215
Bahrain	162,663,813	1,227,142	163,890,955	186,493,791	800,947	187,294,738
Total	**424,635,538**	**5,032,088**	**429,667,626**	**540,657,057**	**1,237,896**	**541,894,953**

25.14 Sensitivity analysis

The impact on the insurance contract liabilities and reinsurance contract assets of the changes in underwriting risk variables are presented in the table below:

	31 December 2024			
	Gross	Net	Gross Impact	Net Impact
	BD	BD	BD	BD
Base	429,667,626	429,526,423	-	-
Mortality loaded by 15%	430,776,057	430,632,620	1,108,431	1,106,197
Mortality reduced by 20%	428,120,074	427,982,112	(1,547,552)	(1,544,311)
Expense loaded by 10% and inflation + 1%	431,186,163	431,044,960	1,518,537	1,518,537
Mortality + 0.15% in year 1	429,910,305	429,768,864	242,679	242,441
YC + 1%	407,676,962	407,596,759	(21,990,664)	(21,929,664)
YC - 1%	454,768,213	454,554,422	25,100,587	25,027,999
RA loaded by 10%	429,724,533	429,582,963	56,907	56,540
RA reduced by 10%	429,610,719	429,469,883	(56,907)	(56,540)

	31 December 2023 (restated)			
	Gross	Net	Gross Impact	Net Impact
	BD	BD	BD	BD
Base	541,894,953	541,760,453	-	-
Mortality loaded by 15%	542,851,237	542,714,809	956,284	954,356
Mortality reduced by 20%	540,570,820	540,439,093	(1,324,133)	(1,321,360)
Expense loaded by 10% and inflation + 1%	543,656,126	543,521,626	1,761,173	1,761,173
Mortality + 0.15% in year 1	542,135,239	542,000,502	240,286	240,049
YC + 1%	516,066,701	515,977,794	(25,828,252)	(25,782,659)
YC - 1%	571,177,368	570,987,549	29,282,415	29,227,096
RA loaded by 10%	541,957,606	541,822,703	62,653	62,250
RA reduced by 10%	541,832,300	541,698,203	(62,653)	(62,250)

26 Maturity analysis of assets and liabilities

31 December 2024	Less than 1 year	More than 1 year	Total
	BD	BD	BD
Assets			
Intangible assets	-	16,297	16,297
Furniture and equipment	-	37,606	37,606
Right-of-use assets	-	5,133	5,133
Investments	14,454,074	451,306,391	465,760,465
Policy loans	-	4,447,090	4,447,090
Reinsurance contract assets	141,203	-	141,203
Accrued interest income	8,598,722	-	8,598,722
Other assets	94,860	-	94,860
Statutory deposits	593,348	55,078	648,426
Term deposits with banks	37,555,655	10,682,609	48,238,264
Cash and cash equivalents	14,674,538	-	14,674,538
Total assets	**76,112,400**	**466,550,204**	**542,662,604**
Liabilities			
Employees' end-of-service indemnity	-	30,138	30,138
Lease liabilities	5,945	-	5,945
Amounts due to related parties	84,884	-	84,884
Insurance contract liabilities	55,090,717	374,576,909	429,667,626
Zakat and tax provisions	552,056	237,483	789,539
Other liabilities	1,071,790	-	1,071,790
Total liabilities	**56,805,392**	**374,844,530**	**431,649,922**

31 December 2023 (Restated)	Less than 1 year	More than 1 year	Total
	BD	BD	BD
Assets			
Intangible assets	-	29,404	29,404
Furniture and equipment	-	4,372	4,372
Right-of-use assets	-	11,989	11,989
Investments	76,910,061	453,882,310	530,792,371
Policy loans	-	4,323,504	4,323,504
Reinsurance contract assets	57,221	77,279	134,500
Accrued interest income	8,941,283	-	8,941,283
Other assets	129,366	-	129,366
Statutory deposits	593,433	55,070	648,503
Term deposits with banks	71,364,219	-	71,364,219
Cash and cash equivalents	21,269,854	-	21,269,854
Total assets	**179,265,437**	**458,383,928**	**637,649,365**
Liabilities			
Employees' end-of-service indemnity	-	41,822	41,822
Lease liabilities	7,582	5,945	13,527
Amounts due to related parties	119,480	-	119,480
Insurance contract liabilities	133,738,033	408,156,920	541,894,953
Zakat and tax provisions	-	287,356	287,356
Other liabilities	1,666,879	-	1,666,879
Total liabilities	**135,531,974**	**408,492,043**	**544,024,017**

27 Global Minimum Tax

The OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') apply to multinational enterprise (MNE) groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the Group for fiscal years commencing on or after 1 January 2025.

The Company has registered itself under Bahrain DMTT which is effective from 1 January 2025.

28 Geographical concentration of investments

28.1 Investments at amortised cost

	2024 BD	(Restated) 2023 BD
BRICS countries	45,069,949	63,159,113
Developed countries	85,098,068	89,724,313
Other countries	245,092,655	259,431,445
	375,260,672	**412,314,871**

28.2 Investments at FVOCI

	2024 BD	(Restated) 2023 BD
BRICS countries	1,870,873	1,864,368
Other countries	8,190,747	7,757,840
	10,061,620	**9,622,208**

28.3 Investments at FVTPL

	2024 BD	(Restated) 2023 BD
BRICS countries	12,770,815	14,427,742
Developed countries	8,970,169	8,955,142
Other countries	58,697,189	85,472,408
	80,438,173	**108,855,292**

29 Contingencies and commitments

29.1 Commitments

	2024 BD	(Restated) 2023 BD
Investment commitments	**7,253**	**60,063**

29.2 Legal case

As on 31 December 2024, there were no legal cases against the Company.

30 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, investments fair value reserve, insurance finance reserve, reinsurance reserve and accumulated losses and is measured at BD111,012,682 as at 31 December 2024 (2023: BD93,625,348).

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 2024, the solvency ratio is well above the minimum regulatory requirement of 100%.

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:

	2024 BD	(Restated) 2023 BD
Tier 1 capital	85,083,339	81,146,233
Tier 2 capital	1,370,869	1,729,341
Deductions from capital	(35,437,821)	(28,032,377)
Regulatory capital (A)	**51,016,387**	**54,843,197**
Solvency margin requirement (B)	**18,069,422**	**22,089,376**
Excess solvency margin (A-B)	**32,946,965**	**32,753,821**
Solvency ratio (A/B)	**282%**	**248%**

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.

31 Post- reporting date events

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

32 Prior periods adjustments

The Management identified certain shortcomings in the Company's IFRS 17 system which affected the calculation of insurance contract liabilities, reinsurance contract assets, insurance finance reserve, insurance revenue, insurance service expenses, and net finance expenses from insurance contracts from 1 January 2022 onwards. Additionally, insurance revenue and insurance service expenses included non-distinct investment components which were not presented in line with the requirements of IFRS 17. During the year, the Company's Management has replaced the IFRS 17 system in order to remediate these errors and restated the prior years' financial statements.

In the year ended 31 December 2022, the Company entered into a agreement with Munich Re to address the solvency deficit of its UAE branches. Under the agreement, the Company transferred a portion of its investments to Munich Re. The Company previously accounted for this transaction by derecognising the transferred financial assets (debt instruments) from the Company's financial statements and recording a corresponding 'reinsurance contract receivables' from Munich Re.

The Company has reassessed that the derecognition criteria for financial assets under IFRS were not met, as the Company retains substantial risks and rewards of ownership of the underlying financial assets. As a result, the Company's financial statements for prior years have been restated for correction of error in line with the requirements of IAS 8. All transactions and balances related to these assets have been restated in the Company's financial statements accordingly. Further, investments revaluation reserve in relation to equity instruments at FVOCI was recorded under accumulated losses. Management believes that these corrections provide a more accurate presentation of the Company's financial position and performance in compliance with IFRS.

The effect of the restatement on the statement of financial position is summarized below:

	As previously stated 1 January 2023	Correction of errors	As restated 1 January 2023
	BD	BD	BD
Assets			
Investments	415,481,564	166,877,251	582,358,815
Reinsurance contract assets	167,980,995	(167,831,532)	149,463
Equity			
Investments fair value reserve	(1,167,367)	(739,288)	(1,906,655)
Insurance finance reserve	96,153,767	(4,856,910)	91,296,857
Accumulated losses	(85,046,122)	17,461,670	(67,584,452)
Liabilities			
Insurance contract liabilities	633,089,110	(11,757,488)	621,331,622
Reinsurance contracts liabilities	80,154	(80,154)	-
Other liabilities	2,451,299	(982,111)	1,469,188

	As previously stated 31 December 2023	Correction of errors	As restated 31 December 2023
	BD	BD	BD
Assets			
Investments	370,466,320	160,326,051	530,792,371
Reinsurance contract assets	159,450,472	(159,315,972)	134,500
Equity			
Statutory reserve	7,771,644	1,303,249	9,074,893
Investments fair value reserve	(463,071)	(866,978)	(1,330,049)
Insurance finance reserve	78,988,878	(2,924,654)	76,064,224
Accumulated losses	(99,749,314)	43,881,215	(55,868,099)
Liabilities			
Insurance contract liabilities	580,521,433	(38,626,480)	541,894,953
Reinsurance contract liabilities	77,626	(77,626)	-
Other liabilities	3,345,526	(1,678,647)	1,666,879

The effect of the restatement on the statement of comprehensive income is summarized below:

	As previously stated year ended 31 December 2023	Correction of errors	As restated year ended 31 December 2023
	BD	BD	BD
Insurance revenue	105,617,230	(96,158,205)	9,459,025
Insurance service expenses	(127,158,073)	121,606,316	(5,551,757)
Allocation of reinsurance premiums	(156,943)	29,655	(127,288)
Amounts recoverable from reinsurers for incurred claims	-	12,382	12,382
Insurance finance expenses for insurance contracts issued	(22,093,843)	(1,093,145)	(23,186,988)
Reinsurance finance income for reinsurance contracts held	-	8,971	8,971
Realised income from investments, net	3,460,412	25,163,670	28,624,082
Unrealised gain on investments at FVTPL	28,917,959	(25,074,980)	3,842,979
Reversal of impairment on investment securities, net	176,427	609,603	786,030
Other Income	696,884	(82,835)	614,049
Transfer to actuarial reserve to LIC India	(930,320)	930,320	-
Other expenses	(453,854)	453,854	-
Other comprehensive income/(loss) to be reclassified subsequently to profit or loss:			
Fair value gain of investments at FVOCI	704,296	(127,690)	576,606
Insurance finance income/(expenses) for insurance contracts issued	(17,164,889)	1,909,200	(15,255,689)
Reinsurance finance (expenses)/income for reinsurance contracts held	-	23,056	23,056

33 Comparative figures

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

34 Life insurance corporation group information

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

SUPPLEMENTARY INFORMATION

For the year ended 31 December 2024

Geographical segments information

	2024		
	Others	**United Arab Emirates**	**Total**
	BD	BD	BD
Insurance revenue	3,633,541	4,404,595	8,038,136
Insurance service expenses	(1,945,549)	(3,151,440)	(5,096,989)
Insurance service result before reinsurance contracts held (a)	**1,687,992**	**1,253,155**	**2,941,147**
Allocation of reinsurance premium paid	(57,118)	(58,391)	(115,509)
Amounts recoverable from reinsurers	2,981	103,857	106,838
Net expenses from reinsurance contracts held (b)	**(54,137)**	**45,466**	**(8,671)**
Insurance service result (a+b)	**1,633,855**	**1,298,621**	**2,932,476**
Net finance expenses from insurance contracts issued	(9,119,067)	(10,095,333)	(19,214,400)
Net financial result (c)	**(9,119,067)**	**(10,095,333)**	**(19,214,400)**
Net financial results from insurance operations (a+b+c)	**(7,485,212)**	**(8,796,712)**	**(16,281,924)**

	2023 (Restated)		
	Others	**United Arab Emirates**	**Total**
	BD	BD	BD
Insurance revenue	3,422,857	6,036,168	9,459,025
Insurance service expenses	(1,795,169)	(3,756,588)	(5,551,757)
Insurance service result before reinsurance contracts held (a)	**1,627,688**	**2,279,580**	**3,907,268**
Allocation of reinsurance premium paid	(62,464)	(64,824)	(127,288)
Amounts recoverable from reinsurers	4,007	8,375	12,382
Net expenses from reinsurance contracts held (b)	**(58,457)**	**(56,449)**	**(114,906)**
Insurance service result (a+b)	**1,569,231**	**2,223,131**	**3,792,362**
Net finance expenses from insurance contracts issued	(29,214,185)	6,036,168	(23,178,017)
Net financial result (c)	**(29,214,185)**	**6,036,168**	**(23,178,017)**
Net financial results from insurance operations (a+b+c)	**(27,644,954)**	**8,259,299**	**(19,385,655)**

*Others include Bahrain, Qatar and Kuwait