

Directors' Report

For The Nine-Month Period Ended 30 September 2023

Dear Shareholders,

On behalf of the Board of Directors of Liva Group SAOG and its subsidiaries (the “Group” or “Company”), it is my pleasure to present the unaudited consolidated results of the Group for the nine-month period ended 30 September 2023.

Rebranding & Integration

We are pleased to inform our shareholders of the successful introduction of our new brand name "Liva". Upon obtaining the required regulatory and shareholder approvals, the Group has amended its commercial name from "National Life & General Insurance Company SAOG," to "Liva Group SAOG" (“**Liva Group**”), and its wholly owned subsidiary in the Sultanate of Oman "Al Ahlia Insurance SAOC," has changed its name to "Liva Insurance SAOC" (“**Liva Insurance Oman**”) as well as its wholly owned subsidiary in the Kingdom of Bahrain “Royal & Sun Alliance Insurance (Middle East)” to “Liva Insurance BSC (c)” (“**Liva Insurance Bahrain**”).

Following our earlier communication and the Group’s strategy, effective 1 October 2023, Liva Insurance Oman will oversee all of the Group's historic insurance operations in Oman, consolidating them into a single Liva entity. We will be amending commercial names for all other group entities within the GCC during the upcoming months, subject to obtaining the necessary regulatory approvals.

Marking the completion of the re-branding process in Oman, National Life and General Insurance, listed on Muscat Stock Exchange earlier as NLIF, celebrated a bell-ringing ceremony and ticker change which saw the ticker changed from NLIF to LIVA, representing Liva Group. The successful launch of the brand in Oman and the United Arab Emirates was well received and cements the outlook of Liva Group.

Performance Highlights for the Nine-month Period Ended 30 September 2023

Our financial results for the nine-month period ended 30 September 2023 reflect the consolidated financial position and performance of Liva Group following the acquisition of Royal & Sun Alliance Insurance (Middle East) on 7th July 2022.

Adoption of IFRS 17 Insurance Contracts

The Group has now adopted and applied IFRS 17 Insurance Contracts which replaces IFRS 4. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. The new standard introduces a new way of accounting and presenting income and expenses relating to insurance contracts that moves away from a premium-based presentation approach in the Statement of Comprehensive Income.

Accordingly, financial statements for the nine-month period ended 30 September 2023, are prepared and the corresponding period of the previous year have been restated in accordance with IFRS 17.

Insurance Revenue

The Group’s Insurance revenue is RO 229.7 million during the nine months ended September 2023 as compared to RO 146.1 million in the corresponding period of the previous year representing an increase of 57%. This is primarily driven by the acquisition of Royal & Sun Alliance Insurance (Middle East), currently known as Liva Insurance



Bahrain as well as the successful renewal of key partnerships during the nine months. Significant growth was also observed across key segments in the Kingdom of Saudi Arabia (“KSA”) as well as noticeable growth of our medical portfolio in the United Arab Emirates (“UAE”).

Investment Income

The Group’s investment income increased by 101% to RO 8.6 million as compared to RO 4.2 million in the corresponding period of the previous year, mainly due to optimization by changing the portfolio mix and supported by a favorable interest rate environment. Our investment strategy is designed to deliver a well-balanced and diversified portfolio encompassing debt and equity instruments to achieve an effective balance of risk and superior returns while maintaining adequate liquidity to meet statutory and other financial obligations.

Net Performance After Tax

The Group posted a consolidated Profit After Tax (attributable to shareholders of Liva Group) of RO 0.1 million during the nine-month period ended 30 September 2023 as compared to Profit After Tax of RO 3.1 million in the corresponding period of 2022.

Despite the challenges faced by reduced profitability in motor and medical insurance segments in the first quarter of 2023, the Group has achieved a profit of RO 1.6 million during the third quarter of 2023. The primary factors driving the turnaround are disciplined underwriting with a focus on good quality risk selection, supported by enhanced processes and monitoring tools. Further as per IFRS 17, profits are recognized over the life of an insurance contract, which will result in a more gradual recognition of revenue and profit as compared to the previous accounting standards.

In response to the increased frequency and pricing across the Life and Health segments, we introduced advanced claims adjudication technology, promoting ongoing cost control, efficient case management, and streamlined supply chain operations. Our expertise, combined with these initiatives, will allow us to maintain a positive technical result by year-end despite the challenging environment.

Within the Property and Casualty sector, the Omani market is contending with challenges related to bodily injury claims. We have implemented remedial measures to address these challenges. However, the Saudi market stands to benefit from a regulatory change in personal motor insurance, offering a prime opportunity to expand our volume and market share.

Our current investment strategy aligns with our expectations, and this optimized approach will support our year-end performance goals.

Outlook

Liva Group are encouraged by a strong year to date performance delivered through our integration efforts and financial turnaround, and our outlook for the future remains optimistic. The synergies and investments achieved over the past year are beginning to yield results, particularly since the second quarter. This significant achievement will bolster our position as a leading insurer in the GCC region.

Our aim to streamline operations and implement best practices has allowed us to focus on expanding our product and service offerings across critical markets and business segments. We continue to drive cost-effective scalability, thereby enhancing our competitive advantage.

Training and Skill Development

We continue to invest in our people and have held several training and development initiatives in the period.

Our employees actively participated in and attended trainings conducted by the Capital Market Authority of Oman such as the 'Associate in Risk Management – ARM program'. This program focuses on enabling participants in the field of risk management by learning and mastering how to apply a comprehensive strategic approach to risk assessment and treatment by focusing on improving the risks inherent to organizations.

Also, Combating Insurance Fraud Program was targeting employees from underwriting, claims and customer service teams to provide them with a comprehensive understanding of fraud, its different types and indicators, and the set of tools available for verification and detection in various types on insurance.

E-Learning module on AML/CTF Awareness (Global) was assigned to all staff as a mandatory training to be completed for 2023.

Corporate Social Responsibility

Our corporate sustainability goal aims to create long-term stakeholder value through our corporate social responsibility efforts for our community with projects centered around health, safety, innovation, community and environment. These included campaigns on health awareness and safety, blood donation camp, clothes and books recycling and paradigm shift to e-medical cards and digital insurance and documentation. We also collaborated with Injaz Oman empowering the youth of Oman and over one thousand students to support their development to become future entrepreneurs.

In addition, we continue to invest in our ESG agenda, with further capability strengthening and ongoing efforts aligned with our Group Strategy.

Recent Awards

I am happy to share with you the following recognition received during the quarter, which are a testimony to the Group's quest for customer trust and service excellence.

- "Most Innovative Insurer - Oman" by International Business Magazine (IntIBM) Annual Awards
- "Most Innovative Insurer of the Year" Award at OER Business Summit 2023

Acknowledgements

On behalf of the Group, I take this opportunity to express our gratitude to His Majesty Sultan Haitham bin Tarik for his wise and progressive leadership. Under His Majesty's visionary leadership, we pray for the continued growth, stability, and enduring prosperity of our great country.

I would like to thank our esteemed shareholders, partners and regulators for their continued support and trust. I would also like to express my appreciation to the management and staff of Liva Group for their professionalism, dedication and commitment.



Khalid Muhammad AlZubair
Chairman

Liva Group SAOG and its subsidiaries

Unaudited Interim Condensed Separate and Consolidated Financial Statements

for the nine months ended 30th September 2023

As per IFRS 17

Principal place of business:

Building No: 115, Plot No: 133
Block No: 146, Way No: 4202
Greater Muttrah, Muscat
Sultanate of Oman

Registered address:

P.O. Box 798
Postal Code 117
Wadi Kabir
Sultanate of Oman

Liva Group SAOG and its subsidiaries
Unaudited Interim Condensed Separate and Consolidated Financial Statements
for the nine months ended 30th September 2023

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ASSETS	Notes	Group		Parent Company	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
		RO	RO	RO	RO
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash and bank balances	4 (a)	55,392,387	47,925,842	13,615,866	19,631,657
Bank deposits	5	123,054,564	147,389,140	44,421,848	42,143,517
Investment in securities	6 (a)	110,331,710	100,858,292	62,173,909	56,376,006
Investment in subsidiaries	6 (b)	-	-	123,852,887	121,830,580
Insurance contract assets	7	592,944	457,105	66,118	278,426
Reinsurance contract assets	9	26,722,752	24,205,690	8,050,091	9,107,758
Other receivables and prepayments	12	24,193,503	20,310,219	9,234,300	8,124,870
Loans to policyholders	13	41,297	47,587	41,297	47,587
Property and equipment		8,805,723	9,131,126	6,220,253	6,280,651
Deferred tax asset		3,611,910	3,018,266	3,172,911	2,588,841
Intangible assets (including goodwill)	15	28,276,169	28,899,037	407,758	425,455
Total assets		381,022,959	382,242,304	271,257,238	266,835,348
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	39,837,434	39,837,434	39,837,434	39,837,434
Legal reserve		9,199,031	9,199,031	9,199,031	9,199,031
Contingency reserve		17,588,935	17,531,397	17,588,935	17,531,397
Revaluation reserve		352,345	352,345	352,345	352,345
Share premium		29,176,468	29,176,468	29,176,468	29,176,468
Fair value reserve		(455,152)	(627,007)	(455,143)	(627,007)
Foreign exchange translation reserve		(49,876)	(45,460)	(49,876)	(45,460)
Retained earnings		5,324,420	1,017,400	8,099,695	3,792,675
Total equity attributable to shareholders of the Parent		100,973,605	96,441,608	103,748,889	99,216,883
Non-controlling interests		17,006,669	14,615,225	-	-
Total equity		117,980,274	111,056,833	103,748,889	99,216,883
Liabilities					
Insurance contract liabilities	7	139,203,851	152,478,493	70,429,462	77,180,848
Reinsurance contract liabilities	9	10,564,692	5,923,425	2,633,672	500,145
Other liabilities	19	31,062,934	28,772,856	19,010,123	12,524,209
Term Loan & Overdraft from Bank	4 (b)	75,313,109	77,093,974	75,313,109	77,093,974
Income tax payable		6,898,099	6,916,723	121,983	319,289
Total liabilities		263,042,685	271,185,471	167,508,349	167,618,465
Total equity and liabilities		381,022,959	382,242,304	271,257,238	266,835,348
Net assets per share	21	0.253	0.242	0.260	0.249


The unaudited interim condensed separate and consolidated financial statements were authorised for issue in accordance with a resolution of the board of directors on 08 November 2023.



Chairman



Group Chief Financial Officer



Group Chief Executive Officer

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

**Unaudited interim condensed separate and consolidated statement of Comprehensive Income
for the nine months ended 30th September 2023**

	Notes	Group		Parent Company	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		RO	RO	RO	RO
Statement of profit or loss		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Insurance revenue	7	229,667,264	146,036,415	130,684,867	117,003,083
Insurance service expense	7	(208,655,718)	(134,854,928)	(128,239,797)	(112,544,845)
Insurance service result before reinsurance contracts held		21,011,546	11,181,487	2,445,070	4,458,238
Allocation of reinsurance premiums	9	(38,810,422)	(19,868,974)	(21,061,619)	(15,655,923)
Amounts recoverable from reinsurers for incurred claims	9	22,611,714	17,366,319	18,893,531	15,109,174
Net expense from reinsurance contracts held		(16,198,708)	(2,502,655)	(2,168,088)	(546,749)
Insurance service result		4,812,838	8,678,832	276,982	3,911,489
Investment income - net	22	8,594,563	4,277,669	4,247,369	3,356,101
Share of Profit from Subsidiaries		-	-	3,258,900	684,361
Expected credit losses on financial assets		(8,593)	(4,070)	(12,591)	(4,070)
Total investment income		8,585,970	4,273,599	7,493,678	4,036,392
Insurance finance expenses for insurance contracts issued	7	(2,553,319)	(902,775)	(1,383,389)	(735,485)
Reinsurance finance income for reinsurance contracts held	9	952,276	289,425	365,740	202,056
Net insurance financial result		(1,601,043)	(613,350)	(1,017,649)	(533,429)
Other operating income - net		1,742,042	36,013	56,450	43,833
Finance Cost		(3,256,302)	-	(3,256,302)	-
Non Attributable Expenses		(10,044,693)	(8,518,020)	(4,012,619)	(3,835,873)
Profit / (loss) before tax		238,812	3,857,074	(459,460)	3,622,412
Income tax expense		105,625	(976,028)	555,704	(483,993)
Profit / (loss) for the period		344,437	2,881,046	96,244	3,138,419
Profit for the period attributable to:					
Equity holders of the Parent Company		96,244	3,138,419	96,244	3,138,419
Non-controlling interests		248,193	(257,373)	-	-
		344,437	2,881,046	96,244	3,138,419
Other comprehensive income					
(Items that are or may be reclassified subsequently to profit or loss):					
Exchange differences on translation of foreign operations		(4,416)	(18,988)	(4,416)	(18,988)
Changes in fair value of debt instruments at fair value through other comprehensive income - net		(170,607)	(2,517,092)	(168,372)	(2,880,887)
Share of FVOCI from Subsidiaries		-	-	2,238	-
(Items that will not be reclassified to profit or loss):		-	-	-	-
Change in value of investments carried at fair value through other comprehensive income (unrealized gain/(loss) - Equity investments		617,691	(156,231)	613,227	398,900
Other comprehensive income		442,668	(2,692,311)	442,677	(2,500,975)
Total comprehensive (loss) / income for the period		787,105	188,735	538,921	637,444
TOTAL COMPREHENSIVE INCOME for the period attributable to:					
Equity holders of the Parent Company		538,921	637,444	538,921	637,444
Non-controlling interests		248,184	(448,709)	-	-
		787,105	188,735	538,921	637,444
Earnings per share - basic and diluted	24	0,0002	0,012	0,0002	0,012

Items in other comprehensive income above are disclosed net of tax. The tax relating to components of other comprehensive income is disclosed in note 21.

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Liva Group SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity
for the nine months ended 30th September 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Non controlling Interest	Total
Group (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2022	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	-	66,427,300
Transition adjustment on implementation of IFRS-17 net of tax	-	-	-	-	-	-	-	(12,411,532)	(2,056,084)	(14,467,616)
Change in accounting policies in Subsidiaries	-	-	-	-	-	-	-	-	(931,056)	(931,056)
At 1st January 2022 (Restated)	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	2,945,518	(2,987,140)	51,028,628
Profit for the period	-	-	-	-	-	-	-	3,296,674	(215,598)	3,081,076
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(608,174)	-	-	(75,682)	(683,856)
Transfer on redemption of fair value through other comprehensive investments	-	-	-	-	-	22,197	-	-	-	22,197
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(23,484)	-	-	(23,484)
Total comprehensive income for the period	-	-	-	-	-	(585,977)	(23,484)	3,296,674	(291,280)	2,395,933
Issuance of Share capital	13,337,434	29,176,468	-	-	-	-	-	-	-	42,513,902
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(300,554)	-	300,554	-	-
Transfer to legal reserve	-	-	365,698	-	-	-	-	(365,698)	-	-
Transfer to contingency reserve	-	-	-	2,384,373	-	-	-	(2,384,373)	-	-
Acquisition of NCI Share (47.5%) of Al Ahlia (note 6(b)(iv))	-	-	-	-	-	-	-	(2,775,275)	(19,359,725)	(22,135,000)
Acquisition of NCI related to RSA ME	-	-	-	-	-	-	-	-	37,253,370	37,253,370
At 31 December 2022	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	1,017,400	14,615,225	111,056,833

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Liva Group SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the nine months ended 30th September 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Non controlling Interest	Total
Group (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2022	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	-	66,427,300
Transition adjustment on implementation of IFRS-17	-	-	-	-	-	-	-	(12,411,532)	(2,056,084)	(14,467,616)
Change in accounting policies in Subsidiaries	-	-	-	-	-	-	-	-	(931,056)	(931,056)
At 1st January 2022 (Restated)	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	2,945,518	(2,987,140)	51,028,628
Profit for the period	-	-	-	-	-	-	-	3,138,419	(257,373)	2,881,046
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(2,481,987)	-	-	(191,336)	(2,673,323)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(18,988)	-	-	(18,988)
Total comprehensive income for the period	-	-	-	-	-	(2,481,987)	(18,988)	3,138,419	(448,709)	188,735
Issuance of Share capital	13,337,434	29,176,468	-	-	-	-	-	-	-	42,513,902
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(194,686)	-	194,686	-	-
Transfer to legal reserve	-	-	365,180	-	-	-	-	(365,180)	-	-
Transfer to contingency reserve	-	-	-	2,680,022	-	-	-	(2,680,022)	-	-
Acquisition of NCI related to RSA ME	-	-	-	-	-	-	-	-	39,995,771	39,995,771
At 30 September 2022	39,837,434	29,176,468	9,198,513	17,827,046	352,345	(2,417,149)	(40,964)	3,233,421	36,559,922	133,727,036

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Liva Group SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the nine months ended 30th September 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Non controlling Interest	Total
Group (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2023	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	1,017,400	14,615,225	111,056,833
Profit for the period	-	-	-	-	-	-	-	96,244	248,193	344,437
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	447,084	-	3,993,085	2,143,251	6,583,420
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(4,416)	-	-	(4,416)
Total comprehensive income for the period:	-	-	-	-	-	447,084	(4,416)	4,089,329	2,391,444	6,923,441
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(275,229)	-	275,229	-	-
Transfer to contingency reserve	-	-	-	57,538	-	-	-	(57,538)	-	-
At 30 September 2023	39,837,434	29,176,468	9,199,031	17,588,935	352,345	(455,152)	(49,876)	5,324,420	17,006,669	117,980,274

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Liva Group SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the nine months ended 30th September 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Total
Parent (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2022	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	66,427,300
Transition adjustment on implementation of IFRS-17 net of tax	-	-	-	-	-	-	-	(12,411,532)	(12,411,532)
At 1st January 2022 (Restated)	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	2,945,518	54,015,768
Profit for the period	-	-	-	-	-	-	-	3,296,674	3,296,674
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(608,174)	-	-	(608,174)
Transfer on redemption of fair value through other comprehensive investments	-	-	-	-	-	22,197	-	-	22,197
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(23,484)	-	(23,484)
Total comprehensive income for the period	-	-	-	-	-	(585,977)	(23,484)	3,296,674	2,687,213
Issuance of Share capital	13,337,434	29,176,468	-	-	-	-	-	-	42,513,902
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(300,554)	-	300,554	-
Transfer to legal reserve	-	-	365,698	-	-	-	-	(365,698)	-
Transfer to contingency reserve	-	-	-	2,384,373	-	-	-	(2,384,373)	-
At 31 December 2022	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	3,792,675	99,216,883

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the nine months ended 30th September 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Parent (Unaudited)									
At 1 January 2022	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	66,427,300
Transition adjustment on implementation of IFRS-17								(12,411,532)	(12,411,532)
At 1st January 2022 (Restated)	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	2,945,518	54,015,768
Profit for the period	-	-	-	-	-	-	-	3,138,419	3,138,419
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(2,481,987)	-	-	(2,481,987)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(18,988)	-	(18,988)
Total comprehensive income for the period	-	-	-	-	-	(2,481,987)	(18,988)	3,138,419	637,444
Issuance of Share capital	13,337,434	29,176,468	-	-	-	-	-	-	42,513,902
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(194,686)	-	194,686	-
Transfer to legal reserve	-	-	365,180	-	-	-	-	(365,180)	-
Transfer to contingency reserve	-	-	-	2,680,022	-	-	-	(2,680,022)	-
At 30 September 2022	39,837,434	29,176,468	9,198,513	17,827,046	352,345	(2,417,149)	(40,964)	3,233,421	97,167,114

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the nine months ended 30th September 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Parent (Unaudited)									
At 1 January 2023	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	3,792,675	99,216,883
Profit for the period	-	-	-	-	-	-	-	96,244	96,244
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	447,093	-	3,993,085	4,440,178
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(4,416)	-	(4,416)
Total comprehensive income for the period:	-	-	-	-	-	447,093	(4,416)	4,089,329	4,532,006
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(275,229)	-	275,229	-
Transfer to contingency reserve	-	-	-	57,538	-	-	-	(57,538)	-
At 30 September 2023	39,837,434	29,176,468	9,199,031	17,588,935	352,345	(455,143)	(49,876)	8,099,695	103,748,889

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

Unaudited interim condensed separate and consolidated statement of cash flows
for the nine months ended 30th September 2023

	Notes	Group		Parent Company	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		RO	RO	RO	RO
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating activities					
Net profit / (loss) before tax for the period		238,812	3,857,074	(459,460)	3,622,412
Adjustments for:					
Realised / unrealised (loss)/ gain on investments at FVTPL, FVOCI, Amortised cost - net	22	124,182	544,245	(26,677)	279,979
Share of profits of investment in subsidiaries		-	-	(3,258,900)	(684,361)
Provision for expected credit loss of financial assets		8,593	4,070	12,591	4,070
Allowance for impaired debts		1,214,320	474,142	312,560	461,675
Provision for employees' end of service Benefits		889,783	298,902	250,657	181,080
Interest income net of amortization	22	(8,372,893)	(4,400,028)	(4,115,982)	(3,461,866)
Finance cost		3,319,573	852,302	3,256,302	825,453
Dividend income	22	(264,062)	(213,184)	(237,565)	(213,184)
Depreciation		1,448,105	932,484	692,004	666,564
Amortisation of intangible assets		505,537	233,091	17,697	17,697
Profit on disposal of property and equipment		(8,311)	-	(8,311)	-
Operating cash flows before movement in working capital		(896,361)	2,583,098	(3,565,084)	1,699,519
Changes in working capital					
Insurance contract liabilities and assets		(12,821,281)	2,045,834	(6,851,638)	(203,328)
Other receivables and prepayments		(3,547,443)	(6,941,826)	(1,452,767)	(6,931,972)
Reinsurance contract assets and liabilities		2,124,205	792,793	3,191,194	1,939,876
Other liabilities		2,483,643	5,642,078	6,679,479	4,836,310
		(12,657,237)	4,121,977	(1,998,816)	1,340,405
Employees' end of service benefits paid		(1,300,826)	(453,300)	(444,222)	(99,609)
Income tax paid		(830,318)	(1,918,064)	(273,479)	(1,240,504)
Net cash generated/(used in) operating activities		(14,788,381)	1,750,613	(2,716,517)	292
Investing activities					
Movement in bank deposits		24,310,201	25,689,861	(2,284,931)	6,515,362
Purchase of property and equipment (including intangible)		(1,391,806)	(489,351)	(631,607)	(428,874)
Purchase of investment securities		(22,742,007)	(16,149,865)	(14,427,311)	(7,818,702)
Proceeds from disposal of investment securities		19,926,270	1,893,705	9,306,287	1,893,705
Proceeds from disposal of property and equipment		8,313	-	8,312	-
Interest income received from bank deposits, bonds and securities		6,991,871	5,138,402	4,277,301	4,198,450
Dividends received		5,480,870	195,621	5,480,870	195,621
Net movement in loans to policyholders		6,290	6,241	6,290	6,241
Net cash (used in)/ generated from investing activities		32,590,002	(16,943,474)	1,735,211	(47,498,797)
Financing activities					
Finance costs paid		(3,319,573)	(825,453)	(3,256,302)	(825,453)
Dividends paid		(5,227,500)	-	-	-
Proceeds / (repayment of) from term loan		(1,780,865)	51,742,778	(1,780,865)	51,742,778
Net cash generated from/ (used in) financing activities		(10,327,938)	50,751,437	(5,037,167)	50,751,437
Net increase in cash and cash equivalents		7,473,683	35,558,576	(6,018,473)	3,252,932
Currency translation adjustment		(4,416)	(18,988)	-	-
Cash and cash equivalents at the beginning of the period		47,955,707	14,469,199	19,661,522	13,260,377
Cash and cash equivalents at the end of the period	4	55,424,974	50,008,787	13,643,049	16,513,309

The attached notes from 1 to 28 form part of these unaudited interim condensed separate and consolidated financial statements.

**Notes to the unaudited interim condensed separate and consolidated financial statements
for the nine months ended 30th September 2023**

1 Legal status and principal activities

Liva Group SAOG (“the Company” or “the Parent Company”) formerly “National Life and General Insurance Company SAOG ” is a public joint stock company incorporated in the Sultanate of Oman in 1995 and is engaged in the business of life and general insurance within the Sultanate of Oman, United Arab Emirates (UAE) and Kuwait. It commenced its operations with life and health business in Oman and diversified into general insurance business after obtaining general insurance license in 2006. The Company has expanded its operations in UAE with a branch in Dubai to transact life insurance business as per the license dated 13 May 2007 issued by United Arab Emirates Insurance Authority. During 2014, the Parent Company obtained a license dated 8 May 2014 to have a branch in Abu Dhabi issued by United Arab Emirates Insurance Authority and commenced operations in Abu Dhabi during 2015 onwards. During October 2017, the Company has obtained license for branch operations in Kuwait and has commenced life and general business from January 2018.

In accordance with the Royal Decree 39/2014 dated 17 August 2014 (the “RD”), all insurance companies registered under Commercial Companies Law should be a Public Joint Stock Company with a minimum paid up capital of RO 10 million within 3 years from the date of the RD. Accordingly, the Company’s completed the IPO process transforming itself from a closed joint stock company to a Public Oman Joint Stock Company (SAOG) and listed the Company’s shares for trading on the MSM from 6 December 2017 onwards.

The Parent Company has three fully owned subsidiaries “Liva Insurance BSC (c)” in Bahrain formerly “Royal & Sun Alliance Insurance (Middle East) (RSA ME)” , “NLGIC Support Services Private Limited” in India and “Inayah TPA LLC” in UAE and owns minority shares 47.5% of “Liva Insurance SAOC” formerly Al Ahlia Insurance Co. SAOG (Al Ahlia), due to which consolidated financial statements comprise of the Parent Company and its subsidiaries (together referred to as the Group). The unaudited interim condensed separate and consolidated financial statements represent the financial statements of the Parent Company on a stand-alone basis.

The Parent Company is a subsidiary of Oman International Development and Investment Company SAOG (OMINVEST), a public joint stock company incorporated in the Sultanate of Oman, which is the ultimate parent company.

2 Basis of preparation

a) Statement of compliance

These unaudited interim condensed separate and consolidated financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ using the same accounting policies, basis of consolidation and methods of computations as those used in the consolidated financial statements for the year ended 31 December 2022. The unaudited interim condensed separate and consolidated financial statements do not contain all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual financial statements as at 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the nine month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The comparative information, included in these unaudited interim condensed separate and consolidated financial statements as at 30 September 2022, are for the nine month period then ended and is unaudited. Group’s results for the nine month ended 30 September 2023 includes RSA Me’s results for the nine month ended September 2023 which are not reflected in the comparatives results. Consequently, comparative amounts for the statement of profit or loss, statement of changes in equity, statement of cash flows and related notes are not entirely comparable.

b) Basis of measurement

The condensed interim financial information has been prepared on the historical cost basis except for the investments carried at fair value through other comprehensive income and investments carried at fair value through profit or loss which are measured at fair value.

c) Functional and reporting currency

This condensed interim financial information are presented in Omani Riyals (OMR), which is the functional currency of the Company. Except as otherwise indicated, financial information is presented in OMR.

d) Changes in significant accounting policies

1) IFRS 17 Insurance Contracts:

The Group has initially applied IFRS 17 Insurance Contracts (IFRS 17), which replaces IFRS 4 Insurance Contracts (IFRS 4), including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts for the prior year.

Except for the changes below, the Group has consistently applied the accounting policies as applied in the annual financial statements for the year ended 31 December 2022.

In these financial statements, the Group has applied IFRS 17 for the first time and the significant accounting policies adopted in the preparation of these financial statements under IFRS 17 are set out below.

2 Basis of preparation (Continued)**1) IFRS 17 Insurance Contracts (Continued)****i) Initial Recognition**

The Company writes Life, Medical and General insurance policies which are described as below:

ia) Life Insurance Contracts**1) Individual life policies**

These consist of the following types of policies:

- With profits conventional policies (i.e., policies with a discretionary participation feature) which insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they are received. Provisional premiums are recognised at year end for premium receivables of policies which have not lapsed. Benefits are recorded as an expense when they are incurred. Each policy has a defined benefit amount payable which is guaranteed. Apart from this reversionary and terminal bonuses are declared by the Group from time to time based on the profitability of the individual life portfolio. Reversionary bonuses convert into guaranteed benefits once declared and a certain minimum level of bonus is guaranteed for certain policies.

- Term assurance where the benefits are payable only in the event of death of the insured. These include policies where the insured amount is constant throughout the term of the policy and decreasing term assurance policies where the sum assured reduces at a predecided rate every year. The premium is paid either over the term of the policy or as a single premium. Premiums are recognised as revenue when they are received. Provisional premiums are recognised at year end for premiums receivables of policies which have not lapsed. These are without profit policies

2) Individual credit life policies

These are life insurance contracts underwritten on single premium and on an individual basis and issued to protect financial institution for their outstanding loan from the customer. These contracts protect the financial institutions from the consequences of events (such as death or disability) that would affect on the ability of the customer to repay his outstanding loan. These are without profit policies. These contracts are issued for the duration of loans with the insurance premium being received as a single premium. Further amounts are received if and when loans are topped up. Similarly, refunds are allowed in case of pre-closure or change in terms of the loan

3) Group credit life policies

These are life insurance contracts underwritten on a group basis and issued to financial institutions to protect their outstanding loan portfolios. These contracts protect the Group's customers (financial institutions) from the consequences of events (such as death or disability) that would effect on the ability of the customer's borrowers to repay outstanding loans. These are without profit policies

These contracts are issued on two basis:

- For the duration of loans with the insurance premium being received as a single premium. Further premiums are received if and when loans are topped up.
- Short term contracts covering the risk for a year at a time, with premiums being determined and paid monthly on outstanding balances.

4) Group life policies

These are short term life insurance contracts underwritten on a group basis, the lives covered usually being employees of a common employer. These contracts protect the Group's customers (the employer) from the consequences of events (such as death or disability) that would effect on the ability of the employee or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the customer. There are no maturity or surrender benefits.

5) Retail / Personal Accident policies

These are term life insurance contracts underwritten for a period of one to two years, the lives covered usually being employees by an employer. These contracts protect the the employer from the consequences of events (such as death or disability) that would effect on the ability of the employee or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the customer. There are no maturity or surrender benefits.

ib) Medical insurance contracts**1) Group medical policies**

These are short term medical insurance contracts underwritten on a group basis, the lives covered usually being employees of a common employer. These contracts protect the Group's customers (the employer) from losses resulting from medical treatment of employees as a result of ill-health or accident, covering both hospitalisation and out-patient expenses. The bulk of hospital claims are disbursed directly by the Group to healthcare providers. There are no maturity or surrender benefits for these policies

2) Individual medical policies

These are policies for a period which range between one to three years. These contracts protect the insured from losses resulting from medical treatment as a result of ill-health or accident, covering both hospitalization and out-patient expenses. There is no maturity or surrender benefits for these policies.

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)

ic) General insurance contracts

In General Insurance contracts, the Company mainly issues short-term insurance contracts in connection with motor and non-motor (which includes risks such as property, engineering, liability and marine risks)

1) Motor insurance

Motor insurance polices compensate insured for damage suffered to their vehicles or liability to third parties arising through motor accidents. Contract holders could also receive compensation for the fire or theft of their vehicles. Motor vehicles include both own damage and third-party liability which are further classified as private and commercial vehicles.

2) Property Insurance

Property insurance compensates insured for damage suffered to properties or for the value of property lost. Policies cover risks such as fire and allied perils, property all risks, householders comprehensive risks, etc

3) Engineering Insurance

Engineering insurance compensates insured for damages to Plant & Machinery, Projects, Electronic Equipment, Heavy machinery/ vehicles, etc due to accident.

4) Liability Insurance

Liability insurance compensates insured for liability arising through Public Liability, Professional Indemnity, Employers Liability, Extended warranty, etc.

5) Marine Insurance

Marine insurance compensates insured for damage and liability arising through loss or damage to marine craft/ cargoes due to accidents at sea.

id) Allowances in claims liability

Some insurance contracts permit the Group to collect excess, depreciation, or sell a (usually damaged) vehicle or a property required in settling a claim (i.e. salvage). The Group may also have the right to pursue third parties for payment of some or all costs (i.e. subrogation).

ie) Reinsurance contracts held

In order to protect itself against adverse experience, the Group has entered into contracts with reinsurers under which it is compensated for losses on one or more contracts issued by the Group.

ii) Recognition and Measurement

a) Insurance Contracts Issued

The Company recognize a group of insurance contracts that it issues at the earliest of:

- The beginning of the coverage period (inception date);
- The date the first premium is due (or date first premium received in absence of contractual due date); and
- When a group of contracts becomes onerous.

For profitable contracts, the use of the premium due or received date for balance sheet recognition does not have an impact in profit or loss until the beginning of coverage, which is the starting point for recognizing any insurance revenue and expenses. As a result, it is determined that a pragmatic approach to applying the IFRS 17 requirements would be to consider the inception date of coverage as the default initial recognition date for groups of contracts.

b) Reinsurance Contracts Held

The Company recognize reinsurance contracts held as follows:

- (a) group of non-proportionate reinsurance contracts held, at earlier of
 - at the start of the period of coverage
 - In case of reinsurance arrangement held for underlying onerous contracts, the date of recognising the underlying onerous contract
- (b) in the case of proportionate reinsurance, at the later of:
 - the beginning of the coverage period; or
 - the date the first underlying gross insurance contract is recognized.

On the basis that it is reasonable to expect that most proportionate reinsurance contracts will have the first underlying contract inception on the same date as the beginning of the coverage period for the reinsurance contract (or very approximate to this date), the default initial recognition point of such reinsurance contracts is taken as their inception date.

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)

iii) *Measurement Model*

a) *Group of contracts measured under the General Measurement Model (GMM)*

The Company writes Long term Life insurance contracts in its Individual life, Individual Credit Life and Group credit life portfolios which are measured under the GMM. Similarly, all reinsurance contracts for these portfolios are also measured under the GMM.

b) *Group of contracts measured under the Premium Allocation Approach (PAA)*

The Group elects to measure all insurance and reinsurance contracts under the PAA where eligible to do so. Insurance Contracts written by the Group and its non-proportional reinsurance contracts held that have a coverage period of one year or less are automatically eligible for the PAA. Currently insurance contracts such as Group Life, Group Medical, Individual Medical-Oman and non-proportional reinsurance contracts are eligible and thus measured under the PAA. The Group does write some contracts that have a coverage period exceeding one year and proportional reinsurance contracts held which were not automatically eligible. These contracts were part of the Personal accident, Individual medical-UAE, Property, Motor (non-fleet), Casualty and Engineering insurance portfolios as well as various proportional reinsurance contracts held. For all such groups of contracts within the portfolio and reinsurance contracts, PAA eligibility test was carried out in which, the LRC measured under the PAA and the GMM were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Group has found that for all these contracts the PAA provided a reasonable approximation of the GMM and were thus the PAA measurement model was applied on these contracts.

iv) *Best Estimate Liability (BEL)*

The main cash flows included within the BEL are premiums, claims, directly attributable expenses and an allocation of overheads.

LFRC BEL includes cash flow estimates relating to future service, whereas LFIC BEL includes cash flow estimates relating to past service.

Claims and claims handling expense cash flows are the core components of the LFIC.

iv(a) *Liability for Remaining Coverage under GMM*

1) LFRC - Statement of financial position

(i) on initial recognition, the carrying amount of the liability is:

- Estimates of present value of future cashflows;
- Add: Risk Adjustment for non-financial risk;
- Add: Contractual service margin

Under GMM, a group of insurance contracts is measured as the sum of fulfilment cash flows and CSM. After initial recognition of a group of insurance contracts, the carrying amount of the group at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises of fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date.

(ii) Under GMM, the carrying amount of liability for remaining coverage excluding the CSM (see Section 3), is re-measured at each subsequent reporting date. That is, it comprises the present value of the best estimate of the cash flows required to settle the obligation together with an adjustment for non-financial risk.

An entity should recognise income and expenses for the following changes in the carrying amount of the liability for remaining coverage:

- Insurance revenue - for the reduction in the liability for remaining coverage because of services provided in the period
- Insurance service expenses - for losses on groups of onerous contracts, and reversals of such losses
- Insurance finance income or expenses - for the effect of the time value of money and the effect of financial risk

2) Measurement of Contractual service margin

i) *Initial measurement*

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the entity will recognise as it provides insurance contract services in the future. On initial recognition of a group of insurance contracts, the CSM is measured at the equal and opposite amount of the net inflow that arises from the sum of following:

- The fulfillment cash flows;
- Any cash flows arising from the contracts in the group at that date; and
- The derecognition of any asset recognised for insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts.

2 Basis of preparation (Continued)

1) IFRS 17 Insurance Contracts (Continued)

ii) Subsequent measurement

The carrying amount of the CSM of a group of insurance contracts under GMM at the end of each reporting period, comprises the carrying amount at the start of the reporting period adjusted for:

- Effect of new contracts added to the group
- Interest accreted on the CSM during the period measured at the discount rates at initial recognition;
- Changes in the FCF relating to future service, except to the extent
 - i Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss;
 - Or
 - ii 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 arising 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

ii(a) Effect of new contracts added

The CSM increases if new profitable contracts are added to the group during the reporting period.

ii(b) Interest accretion on CSM

For contracts measured under GMM, interest is accreted on the carrying amount of the CSM during a reporting period using discount rates locked in on initial recognition of a group of contracts.

ii(c) Changes in fulfilment cash flows

The CSM is adjusted for changes during the reporting period in fulfilment cash flows relating to future service which may arise through:

- Experience adjustments (i.e., actual vs. expected amounts) arising from premiums received in the period that relate to future service, and related cash flows such as insurance acquisition cash flows and premium-based taxes, measured at the discount rates applying at the date of initial recognition;
- Changes in estimates of the present value of the future cash flows in the liability for remaining coverage (except for those that relate to the effect of the time value of money and the effect of changes in financial risk) measured at the discount rates applying at the date of initial recognition;
- Differences between actual and expected investment components or loans to a policyholder in the period, whether they are payable or repayable. These are determined by comparing the actual investment component or loan to a policyholder that becomes (re)payable with the (re)payment that was expected at the start of the period plus any insurance finance income and expenses related to that expected (re)payment before it becomes (re)payable; and
- Changes in the risk adjustment for non-financial risk that relate to future service.

The CSM is not adjusted for the following changes in fulfilment cash flows because they do not relate to future service:

- The effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk (These effects comprise the effect, if any, on estimated future cash flows, the effect, if disaggregated, on the risk adjustment for non-financial risk and the effect of a change in discount rate);
- Changes in estimates of fulfilment cash flows in the liability for incurred claims as they relate to current or past services;
- Experience adjustments (i.e., actual vs. expected amounts), except those described above that relate to future services. Generally, experience adjustments relate to past or current service and therefore do not adjust the CSM. However, as an exception, experience adjustments arising from premiums received in the period that relate to future service adjust the CSM.

The terms of some insurance contracts measured under GMM, give an entity discretion over the cash flows to be paid to policyholders. A change in the discretionary cash flows is regarded as relating to future service, and accordingly adjusts the CSM.

3) Currency differences

The CSM of contracts written in a different currency to the insurer's functional currency will be affected by changes in currency exchange rates. Since the Company GMM contracts are written in the the Company's functional currency OMR, the impact on the CSM for the Company is nil.

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)

4) Allocation of CSM to profit or loss

IFRS 17 requires the CSM to be recognised over the coverage period in a pattern that reflects the provision of insurance contract services (comprising insurance coverage, investment-return service and investment-related service) as required by the contract. The CSM for a group of insurance contracts remaining (before any allocation) at the end of the reporting period is allocated over the coverage provided in the current period and expected remaining future coverage, based on coverage units in the group. The number of coverage units in the group is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period.

For the purpose of amortising the CSM, the period of investment-return service ends at or before the date that all amounts due to current policyholders relating to those services have been paid, without considering payments to future policyholders included in the fulfilment cash flows.

The determination of coverage units involves judgement and estimates to best achieve the principle of reflecting the services provided in each period which:

- Reflects the likelihood of an insured event occurring to the extent that it affects the expected coverage period of contracts in the group but not the amount expected to be claimed in a period.
- Reflects the variability across periods in the level of cover provided by the contracts in the group, with the level of cover being the contractual maximum level of cover in each period.

5) For reinsurance contracts held the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period. The coverage units are defined based on Sum assured of the underlying insurance and reinsurance contracts.

6) Onerous contracts - loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the CSM allocation approach described above:

- a) Expected incurred claims and other directly attributable expenses for the period;
- b) Changes in the RA for the risk expired; and
- c) Finance income or expenses from insurance contracts issued.

The amounts of loss component allocation in point a and b above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

7) Reinsurance contracts held - loss-recovery component

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised when a loss component is set up for the group of onerous underlying insurance contracts. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

The loss-recovery component of the Group was affected by changes in the risk of reinsurers' non-performance.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)

iv(b) Liability for Remaining Coverage under PAA

The Company calculate LFRC as follows:

1) LFRC - Statement of financial position

- a) on initial recognition, the carrying amount of the liability is:
 - Premiums, if any, received at initial recognition;
 - Less: any insurance acquisition cash flows at that date,
 - Less: any amount arising from the derecognition at that date of any asset of insurance acquisition cash flows
- b) on subsequent measurement, the carrying amount of the liability is:
 - Carrying amount of the liability is the carrying amount at the start of the reporting period
 - Plus: Premium received
 - Less: Revenue for the period (i.e. GWP less Unearned Premium)
 - Less: Cost of Acquisition (COA) paid
 - Add: Amortisation of COA (i.e. COA expense less DAC)

2) LFRC - Statement of profit or loss

- a) on initial recognition
 - GWP less UPR equals insurance revenue
 - Total acquisition costs less DAC equals amortized DAC
- b) on subsequent measurement
 - GWP less change in UPR equals insurance revenue
 - Total acquisition costs less change in DAC equals amortized DAC

Written premiums, unearned premiums and acquisition cost cash flows are determined at the portfolio level and calculated as follows:

- Premium received in the period represents the premiums paid by the policyholders during the period.
- Gross written Premium recognized in the period in which the Company is legally bound through a contract to provide insurance cover.
- Gross UPR representing the premium income receivable under the contract deferred until the revenue is earned throughout the contract
- Total Acquisition Cash Flows being the direct and indirect costs of obtaining and processing new insurance business.
- Deferred Acquisition Costs amortized over the coverage period

The above methodology for calculating LFRC is compliant under IFRS 17. Also, based on the current assessment, the Company has decided not to discount the LFRC for PAA portfolios based on the fact that the affect of financing component is not material for long tail contracts.

The Company issue corporate policies on credit. Under IFRS 17 insurance revenue includes expected premium allocation under PAA and determination of expected value of cash flows. Accordingly, the Company account for the credit risk factor of receivables and related changes under insurance revenue.

Estimation of the future cash flows includes determination of the expected value, or 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 difference between the Premiums recorded and the Premiums received plus expected premium cashflows is considered as the expected credit loss or impairment impact on insurance contracts. Such impairment charges are considered part of insurance revenue rather than recorded as expenses.

3) Systematic allocation of revenue (premium) under PAA

The Company allocates the revenue under PAA based on Straight line method.

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)iv(c) Liability for Incurred ClaimsThe Company calculate the LFIC as follows:

- Best Estimate (BEL) of the fulfilment cash flows relating to incurred claims including outstanding claims, IBNR and IBNER.
- Expenses already incurred but not yet paid in relation to claims and the cost of handling incurred claims at that date.
- Adjustment for the time value of money.
- Risk adjustment for non-financial risks.

Discounting on LFIC

The Company has applied discounting to LFIC as there are a set of claims is settled beyond 12 months from the date they are incurred. The Company has also applied discounting to the fulfilment cash flows related to future coverage used in the determination of the onerous loss for the onerous group of contracts.

iv(d) Risk Adjustment

The risk adjustment is required when calculating:

- the Liability for Incurred Claims (LFIC) under both the PAA and the GMM;
- the Liability for Remaining Coverage (LFRC) under GMM; and
- the loss component for onerous groups under PAA.

The risk adjustment allows for stresses to the best estimate cash flows due to non-financial risk associated with all insurance contracts recognized under IFRS 17 (both inwards business and outwards reinsurance).

For the purpose of the risk adjustment, the non-financial risk associated with insurance contracts will include:

- insurance risk;
- lapse risk;
- expense risk;
- reinsurance risk, reinsurance dispute and other forms of reinsurance risk
- claims inflation risk (including Periodic Payment Orders (PPO) risk); and
- certain operational risks associated with the underlying insurance contracts (although general operational risk should be excluded).

iv(e) Disaggregation of Risk Adjustment

Insurance Finance Income / Expense (IFIE) comprises the change in the carrying amount of the group of insurance contracts arising from:

- (i) the effect of the time value of money and changes in the time value of money; and
- (ii) the effect of financial risk and changes in financial risk; but

In compliance with the Company' decision to apply discounting on LFIC, the Company has chosen to disaggregate RA into insurance service result and IFIE in the Statement of profit and loss.

iv(f) Expenses

The majority of costs incurred by the Company are directly attributable to fulfilling insurance contracts and are either identified at an individual contract level, or allocated to a group of insurance contracts in a systematic and rational manner using reasonable and supportable information.

The Company classifies its expenses in three main categories of expenses as required under IFRS 17:

- Insurance acquisition costs: These include costs of selling, underwriting and starting a group of insurance contracts and should be directly attributable to the portfolio of insurance contracts to which the groups belong. The deferred part of these costs relating to contracts issued forms part of the Liability for remaining coverage (LFRC) and the amortization for each reporting period is included within Insurance service expenses.
- Incurred claims and claims handing expenses: These include known and expected (IBNR) claims, legal and loss adjusters' fees, internal costs of investigating claims and processing claims payments as well as salvage and subrogation (to the extent these are not recognized as a separate asset). The presumption is that these costs can easily be identified and allocated to portfolios and groups of insurance contracts that they are directly attributable to. These costs are included within the calculation of the Liability for Incurred Claims (LFIC) and included within Insurance service expenses.
- Administrative costs: These include general administrative expenses directly attributable to the insurance servicing activity such as costs of billing premiums, handling policy changes and all fixed and variable overheads (e.g. accounting, HR, IT, building depreciation, rentals). These costs will be allocated to portfolios and groups of contracts using methods that are systematic, rational and consistently applied to all costs that have similar characteristics. Under the PAA model, these costs are recognized as incurred on an accruals basis, and expensed directly to the Statement of Profit or Loss as a component of Insurance service expense.
- *Specifically excluded costs* :
 - IFRS 17 sets out specific cash flows that should be excluded from the insurance contract measurement. These costs include items such as:
 - Abnormal amounts of wasted labour or other resources.
 - Costs that are not directly attributable to the portfolio of insurance contracts.
 - Investment expenses.

The Company excludes all such costs from insurance contract measurement as required under IFRS 17.

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)iv(g) Policy Fees

Insurance and investment contract policyholders are charged for policy administration services and other contract fees. Insurance policy fees are considered as part of Insurance revenue and recognized as income over the period of service which is generally the period of the policy.

iv(h) Reinsurance

The Company cedes insurance risk in the normal course of business for a portion of risk it is insuring. Such reinsurance arrangements provide for greater diversification of business, allows management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts. An asset or liability is recorded in the financial position representing premiums due to or payments due from reinsurers and the share of losses recoverable from reinsurers. Amounts receivable from reinsurance is estimated in a manner consistent with the claim liability associated with the insured parties. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party. Default risk adjustment is also accounted for to provide for the risk of non-performance by reinsurers.

iv(i) Discount Rate

Discounting is a part of the LFRC estimates for GMM portfolios of the Company. For its PAA portfolios, the Company has not discounted the LFRC as the time between providing each part of the coverage and the related premium due date is expected, at initial recognition, to be less than a year. For some contracts that have a coverage period of more than a year (e.g. Individual Medical), the premiums are paid in advance and therefore discounting might be applicable however, the impact has been assessed and on the grounds of materiality, discounting is not applied.

The Company has applied discounting to LFIC for both GMM and PAA portfolios as there are a set of claims is settled beyond 12 months from the date they are incurred. The Company has also applied discounting to the fulfilment cash flows related to future coverage used in the determination of the onerous loss for the onerous group of contracts.

The Company uses the Bottom-Up approach to determine the required discount rates on yield curve basis.

iv(j) Length of cohorts

The Company has selected the cohort duration of one year which the Company use an underwriting year.

iv(k) Premium Allocation Approach (PAA)

The Company applies the PAA approach wherever the eligibility criteria of para 53(a) & (b) has been fulfilled for its portfolios. However, in case of any changes in the term and conditions of the contracts or introduction of new contract with coverage period of more than one year, the Company s will re-perform the PAA eligibility test.

iv(l) Changes to presentation and disclosure

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

- Groups of insurance and reinsurance contracts issued that are assets
- Groups of insurance and reinsurance contracts issued that are liabilities
- Groups of reinsurance contracts held that are assets
- Groups of reinsurance contracts held that are liabilities

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

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Allocation of reinsurance premiums
- Amounts recoverable from reinsurers for incurred claims
- Insurance Service Result

2 Basis of preparation (Continued)
1) IFRS 17 Insurance Contracts (Continued)v) TransitionChoice of Method

Changes in accounting policies resulting from the adoption of IFRS 17 are applied using a Modified Retrospective Approach (MRA). The objective of the modified retrospective approach is to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort.

The Company has opted to adopt Modified Retrospective Approach to achieve a transition result that is as close to the retrospective application as possible where only some information is missing. The simplification considered compared to the full retrospective approach:

- a. If information is not available to be able to separate contracts issued more than one year apart into annual cohorts, these can be aggregated together.
- b. Annual cohorts are bucketed from at least two years immediately before the transition date for the PAA portfolios.
- c. For the GMM portfolios, all policies in a portfolio before the transition date from the earliest inception policy are bucketed into one cohort

vi) Comparatives

Changes in accounting policies resulting from the adoption of IFRS 17 are applied retrospectively. The period are restated to present comparative information as if the requirements of IFRS 17 had always been applied

vii) Impact of Implementation of IFRS 17

The impact of the above implementation has been adjusted in the opening retained earnings as at 1st January 2022 in the financials for the reporting period commencing from 1st January 2023 and will not affect the income statement. The impact is as follows:

Impact in retained earning (Group & Parent)	Gross Insurance Contract liabilities	Reinsurance Contract assets	Net Amount
	RO	RO	RO
<u>Changes due to</u>			
Loss Component	3,339,956	(830,089)	4,170,045
Discounting	(517,292)	(149,279)	(368,013)
Risk Adjustment	1,454,762	406,087	1,048,675
Credit default provision	4,190,231	(18,398)	4,208,629
Change in DAC	18,609	-	18,609
GMM CSM	5,573,366	991,011	4,582,355
GMM LFRC changes	795,518	(145,985)	941,503
Transition impact on adoption of IFRS 17 (Group) (A)	14,855,150	253,347	14,601,803
Tax Impact (B)			(2,190,271)
Transition impact attributable to shareholders of the Parent on adoption of IFRS 17 net of tax (A+B)			12,411,532
Transition impact on Non-controlling interests			2,056,084

3 Critical accounting judgment and key sources of estimation uncertainty

The preparation of unaudited interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods effected. In preparing these unaudited interim condensed separate and consolidated consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and estimates which should be read in conjunction with the annual financial statements as at 31 December 2022. The critical and significant judgements and changes in judgements made in applying IFRS 17 are given below:

a) Fulfilment cash flows

Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and a risk adjustment for non-financial risk.

b) Liability for Remaining Coverage (LFRC)

The fulfilment cashflows related to future service are required when recognized for all GMM portfolios and in case of insurance and reinsurance portfolios under PAA in case of an onerous group, whereby the Liability for Remaining Coverage under the GMM was established in order to derive the onerous loss.

The expected future cash flows relating to future service for GMM portfolios were estimated as follows:

The expected present value of future benefits and attributable expenses less the expected present value of future premiums

The expected future cash flows relating to future service for PAA portfolios were estimated as follows:

Expected future claims and expenses: Estimated by applying actuarial assumptions of expected combined ratios on an IFRS 17 basis to the premiums unearned. These were then transformed into cash flows by applying the appropriate claim payment patterns.

Expected future premium payments: which was based on the premium inputs with a receipt pattern derived for the future premiums. The premium receipt pattern was derived based on historical data.

All cash flows were projected and reported on a quarterly basis within the calculation engine, discounted to present terms. The present value of expected inflows was subtracted from the present value of expected outflows and the total present value of expected cashflows was derived.

The sum of the present value of expected cash flows and the Risk Adjustment (RA) related to future service comprised the fulfilment cashflows for LFRC.

c) Liability for Incurred Claims (LFIC)

The Fulfilment Cashflows for LFIC comprise the following:

- Best estimate of Unpaid or Outstanding claims, Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER).
- Expenses already incurred but not yet paid in relation to claims and the cost of handling incurred claims at that date.
- RA for past coverage.
- Adjustment for Discounting

The estimates and judgements used for arriving at the Outstanding claims, IBNR, IBNER and ULAE remain the same as described in the financials as at 31 December 2022. The Non-invasive changes are anticipated to claims reserving under IFRS 17 therefore the current methodology is considered as fit for purpose to assess ultimate loss development and IBNR / IBNER provisions. If changes are required, it is anticipated that these will be minimal.

Key changes to current practice is addition of expenses attributable to claims maintenance and Risk Adjustment to the LFIC as well as application of Discounting which was developed and applied to LFIC within the calculation engine.

3 Critical accounting judgment and key sources of estimation uncertainty (Continued)

d) Risk Adjustment

The purpose of the Risk Adjustment for non-financial risk is to measure the effect of uncertainty in the cashflows that arise from insurance contracts, other than uncertainty arising from financial risk. The total RA is composed of the RA for LFIC plus the RA for LFRC of the Company's GMM portfolios and for the calculation of LFRC of onerous groups of the PAA portfolios.

The Risk adjustment for GMM & PAA portfolios were estimated as follows:

The methodology used for RA is based on a mix of results of Company's own experience variability and the Value at Risk ("VaR") approach in line with Solvency II. The Appointed Actuary calibrated the parameters of the distribution based on the experience and credibility of the historical data. The level of percentile is decided by the Company as 75th percentile (31 December 2022 - 75% and 30 September 2022 - 75%) based on the data and past experience. The diversification benefit for GMM portfolios has been allowed for in the estimation of RA driven by expected corealition matrix as prescribed by Solvency II. While the diversification benefit for PAA portfolios has been allowed for in the estimation of RA driven by the mix of business and the expected correlations between them.

Incase of the Company's subsidiary, for one of it's branches, Al Alamiya-KSA, the Appointed Actuary calibrated the parameters of the distribution based on the experience and credibility of the historical data, with the level of percentile decided as 75th percentile based on the data and past experience. However, for the subsidiary's UAE & Oman branches, the Group Appointed Actuary calibrated the parameters of the distribution and decided the level of percentile as 80th percentile.

The Company has chosen not to disaggregate insurance finance income or expenses into amounts presented in profit or loss and in other comprehensive income.

e) Discount Rates

The Discount rates for GMM portfolios were estimated as follows:

This was derived using the Bottom-Up approach from the Oman Risk Free Yield Curve (OMIBOR Rates) adjusted for an illiquidity premium based on the For its GMM portfolios, the Company has used the following discount rates:

Financial period	1 Year	5 Year	10 Year	15 Year	20 Year
30-Sep-23	6.398%	5.512%	5.512%	5.732%	5.974%
31-Dec-22	5.438%	4.876%	4.606%	4.567%	4.520%

The Discount rates for PAA portfolios were estimated as follows:

The Company uses the Bottom-Up approach to determine the required discount rates. The Company has relied on the treasury yield curves from the US market and adjusted for the Country Risk Premium plus Illiquidity premium. US rates are derived using the risk-free rates. The long-term Country Risk Premium was used to arrive at the yield curves and Illiquidity premium was considered in line with Solvency II factor based approach.

The calculation engine adopted has the capability to adjust LFRC and LFIC for the time value of money, if required, and accommodates the required yield curves. For it's PAA portfolios, the Company has used yield curve rates in the range of 5.2% to 6.6% (31 December 2022 - 4.5% to 6.2% and 30 September 2022 - 4.2% to 6.0%) to discount cash flows.

4 (a) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	Group		Parent Company	
	30 September RO (Unaudited)	31 December 2022 RO (Unaudited)	30 September RO (Unaudited)	31 December 2022 RO (Unaudited)
Balances with banks	55,379,048	47,901,407	13,605,757	19,619,962
Cash in hand	45,926	54,299	37,292	41,559
Cash and cash equivalents	55,424,974	47,955,706	13,643,049	19,661,521
Less: ECL on cash and bank balances	(32,587)	(29,864)	(27,183)	(29,864)
Cash and cash equivalents - net of ECL	55,392,387	47,925,842	13,615,866	19,631,657

4 (b) Term loans

	Group & Parent Company	
	30 September 2023 RO (Unaudited)	31 December 2022 RO (Unaudited)
Short term loan	14,700,000	14,500,000
Long term loan	60,613,109	62,593,974
Total	75,313,109	77,093,974

5	Bank deposits	Group		Parent Company	
		30 September 2023 RO (Unaudited)	31 December 2022 RO (Unaudited)	30 September 2023 RO (Unaudited)	31 December 2022 RO (Unaudited)
	Deposits	123,173,608	147,483,808	44,523,117	42,238,185
	Less: ECL on bank deposits	(119,044)	(94,668)	(101,269)	(94,668)
		123,054,564	147,389,140	44,421,848	42,143,517

6 (a) Investment securities

	Group		Parent Company	
	30 September 2023 RO (Unaudited)	31 December 2022 RO (Unaudited)	30 September 2023 RO (Unaudited)	31 December 2022 RO (Unaudited)
Investments carried at FVTPL	937,228	846,764	303,423	276,746
Investments carried at amortised cost	49,598,958	13,692,639	8,997,994	11,176,713
Investment carried at FVOCI	59,795,524	86,318,889	52,872,492	44,922,547
	110,331,710	100,858,292	62,173,909	56,376,006

6 (a)(i) Investments carried at FVTPL

	Group			
	30 September 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Local				
Quoted				
Banking & Investment	77,140	35,864	76,812	35,864
	<u>77,140</u>	<u>35,864</u>	<u>76,812</u>	<u>35,864</u>
Foreign				
Quoted				
Foreign Shares and Funds	860,088	706,457	769,952	706,457
	<u>860,088</u>	<u>706,457</u>	<u>769,952</u>	<u>706,457</u>
Total	<u>937,228</u>	<u>742,321</u>	<u>846,764</u>	<u>742,321</u>

Investments carried at FVTPL

	Parent Company			
	30 September 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Foreign				
Quoted				
Foreign Shares and Funds	303,423	194,606	276,746	194,606
	<u>303,423</u>	<u>194,606</u>	<u>276,746</u>	<u>194,606</u>

6 (a) Investment securities (continued)

6 (a)(i) Investments carried at FVTPL (Continued)

	Group		Parent Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At the beginning of the year	846,764	1,363,031	276,746	1,363,031
Acquired through acquisition of subsidiary	-	360,464	-	-
Purchases during the period / year	-	545,847	-	338,585
Sold during the period / year	-	(1,131,276)	-	(1,131,276)
Realised loss on disposal	-	(296,861)	-	(296,861)
Fair value changes (note 20)	90,464	5,559	26,677	3,267
At the end of the period / year	<u>937,228</u>	<u>846,764</u>	<u>303,423</u>	<u>276,746</u>

for the nine months ended 30th September 2023

6 (a) Investment securities (continued)

6 (a)(ii) Investments carried at amortised cost -Group

	Interest rate	Group	
		30 September 2023	31 December 2022
		RO	RO
		(Unaudited)	(Unaudited)
Bonds	(2023: 1.5% to 6.75%p.a.)	49,647,643	13,723,733
Less: Expected credit losses on Investments carried at amortised cost	(2022: 1.5% to 6.75%p.a.)	(48,685)	(31,094)
		<u>49,598,958</u>	<u>13,692,639</u>

Investments carried at amortised cost - Parent

	Interest rate	Parent Company	
		30 September 2023	31 December 2022
		RO	RO
		(Unaudited)	(Unaudited)
Bonds		9,028,215	11,207,807
Less: Expected credit losses on Investments carried at amortised cost	(2023: 3.6% to 6.84%p.a.) (2022: 4% to 6.75%p.a.)	(30,221)	(31,094)
		<u>8,997,994</u>	<u>11,176,713</u>

(i) Movement in investments carried at amortised cost:

	Group		Parent Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At the beginning of the year	13,692,639	11,197,834	11,176,713	11,197,834
Acquired through acquisition of subsidiary	-	2,604,934	-	-
Investment Adjustment-IFRS 9	2,255,356	-	-	-
Purchases during the period / year	5,535,617	-	-	-
Matured / Sold during the period / year	(12,783,818)	(88,500)	(2,163,835)	-
Amortisation during the period / year	(223,397)	(19,362)	(15,757)	(18,854)
Reclassified from Investments carried at Amortised cost to FVOCI	(197,505)	-	-	-
Reclassified from FVOCI to Investments carried at Amortised cost	41,324,913	-	-	-
Movement in Expected credit losses	(4,847)	(2,267)	873	(2,267)
At the end of the period / year	<u>49,598,958</u>	<u>13,692,639</u>	<u>8,997,994</u>	<u>11,176,713</u>

6 (a) Investment securities (continued)

6 (a)(iii) Investment carried at fair value through other comprehensive income - Group	Group			
	30 September 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Local				
Unquoted	4,143,953	268,934	71,429	71,429
Quoted	34,324,725	32,578,195	66,791,914	56,881,522
	38,468,678	32,847,129	66,863,343	56,952,951
Foreign				
Unquoted	35,451	666,859	81,382	722,179
Quoted	21,291,395	20,537,923	19,374,164	19,259,271
	21,326,846	21,204,782	19,455,546	19,981,450
Local and Foreign	59,795,524	54,051,911	86,318,889	76,934,401

Investment carried at fair value through other comprehensive income - Parent	Parent Company			
	30 September 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Local				
Quoted	31,545,646	32,011,178	32,678,683	33,349,022
	31,545,646	32,011,178	32,678,683	33,349,022
Foreign				
Unquoted	35,451	666,859	81,382	722,179
Quoted	21,291,395	20,537,924	12,162,482	11,408,548
	21,326,846	21,204,783	12,243,864	12,130,727
Local and Foreign	52,872,492	53,215,961	44,922,547	45,479,749

(i) Movement in investments carried at FVOCI:

	Group		Parent Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At the beginning of the year	86,318,889	38,110,950	44,922,547	38,110,950
Acquired through acquisition of subsidiary	-	42,744,980	-	-
Investment Adjustment-IFRS 9 of subsidiaries	3,878,751	-	-	-
Additions during the period / year	17,206,390	9,925,465	14,427,311	9,925,465
Disposals during the period / year	(6,951,385)	(2,508,236)	(6,951,385)	(2,508,236)
Reclassified from Investments carried at Amortised cost to FVOCI	197,505	-	-	-
Reclassified from FVOCI to Investments carried at Amortised cost	(41,324,913)	-	-	-
Amortised during the period / year	(18,687)	-	(14,955)	-
Fair value change (includes amortised amount)	488,974	(1,954,270)	488,974	(605,632)
At the end of the period / year	59,795,524	86,318,889	52,872,492	44,922,547

Liva Group SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the nine months ended 30th September 2023

6 (b) Investment in subsidiaries

	Country of Incorporation	Parent Company			
		30 September 2023		31 December 2022	
		Holding %	Carrying value RO (Unaudited)	Holding %	Carrying value RO (Unaudited)
(i) NLGIC support services Pvt. Ltd. (NSSPL)	India	100	443,963	100	382,737
(ii) Inayah TPA LLC	UAE	100	681,573	100	657,401
(iii) Royal and Sun Alliance Insurance (Middle East) B.S.C.	Bahrain	100	101,349,974	100	98,655,442
(iv) Al Ahlia Insurance Company	Oman	47.5	21,377,377	47.5	22,135,000
At 30 September / December			<u>123,852,887</u>		<u>121,830,580</u>

Liva Group SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the nine months ended 30th September 2023

7 Insurance Contract Assets and Liabilities

	Group							
	30 September 2023							
	RO							
	(Unaudited)							
Liabilities for remaining coverage - PAA	Liabilities for remaining coverage - GMM		LIC for Contracts under GMM		LIC for Contracts under PAA			Total
Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Insurance contract liabilities as at 01 January 2023	48,654,149	4,194,997	12,546,196	38,446	1,998,581	81,509,488	3,536,636	152,478,493
Insurance contract assets as at 01 January 2023	(8,470,728)	1,245,166	-	-	-	6,549,931	218,526	(457,105)
Net insurance contract (assets)/liabilities as at 01 January 2023	40,183,421	5,440,163	12,546,196	38,446	1,998,581	88,059,419	3,755,162	152,021,388
Insurance revenue	(227,539,457)	-	(2,127,807)	-	-	-	-	(229,667,264)
Insurance service expenses	40,125,864	(897,229)	(368,858)	3,283	1,648,309	167,612,066	532,283	208,655,718
Incurred claims and other expenses	-	-	-	(17,256)	1,761,386	236,055,799	5,446,157	243,246,086
Amortisation of insurance acquisition cash flows	40,125,864	-	5,252	-	-	-	-	40,131,116
Losses on onerous contracts	-	(897,229)	-	20,539	-	-	-	(876,690)
Changes to liabilities for incurred claims	-	-	-	-	(487,187)	(68,443,733)	(4,913,874)	(73,844,794)
Investment components	-	-	(374,110)	-	374,110	-	-	-
Insurance service result	(187,413,593)	(897,229)	(2,496,665)	3,283	1,648,309	167,612,066	532,283	(21,011,546)
Insurance finance expenses	-	-	286,001	1,214	12,580	2,113,376	140,148	2,553,319
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(187,413,593)	(897,229)	(2,210,664)	4,497	1,660,889	169,725,442	672,431	(18,458,227)
Cash flows								
Premiums received	215,801,062	-	1,357,200	-	-	-	-	217,158,262
Claims and other expenses paid	-	-	-	-	(1,193,654)	(170,634,891)	-	(171,828,545)
Insurance acquisition cash flows	(40,205,671)	-	(76,300)	-	-	-	-	(40,281,971)
Total cash flows	175,595,391	-	1,280,900	-	(1,193,654)	(170,634,891)	-	5,047,746
Other movements	-	-	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 30 September 2023	28,365,219	4,542,934	11,616,432	42,943	2,465,816	87,149,970	4,427,593	138,610,907
Insurance contract liabilities as at 30 September 2023	31,035,359	4,536,512	11,616,432	42,943	2,465,816	85,176,037	4,330,752	139,203,851
Insurance contract assets as at 30 September 2023	(2,670,140)	6,422	-	-	-	1,973,933	96,841	(592,944)
Net insurance contract (assets)/liabilities as at 30 September 2023	28,365,219	4,542,934	11,616,432	42,943	2,465,816	87,149,970	4,427,593	138,610,907

	Parent							Total
	30 September 2023							
	RO							
	(Unaudited)							
Liabilities for remaining coverage - PAA		Liabilities for remaining coverage - GMM		LIC for Contracts under GMM	LIC for Contracts under PAA			
Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Insurance contract liabilities as at 01 January 2023	22,137,887	3,093,864	12,546,196	38,446	1,998,581	36,184,320	1,181,554	77,180,848
Insurance contract assets as at 01 January 2023	(8,087,381)	1,245,166	-	-	-	6,356,637	207,152	(278,426)
Net insurance contract (assets)/liabilities as at 01 January 2023	14,050,506	4,339,030	12,546,196	38,446	1,998,581	42,540,957	1,388,706	76,902,422
Insurance revenue	(128,557,060)	-	(2,127,807)	-	-	-	-	(130,684,867)
Insurance service expenses	16,294,679	(947,458)	(368,858)	3,283	1,648,309	110,915,081	694,761	128,239,797
Incurred claims and other expenses	-	-	-	(17,256)	1,761,386	153,891,414	3,415,714	159,051,258
Amortisation of insurance acquisition cash flows	16,294,679	-	5,252	-	-	-	-	16,299,931
Losses on onerous contracts	-	(947,458)	-	20,539	-	-	-	(926,919)
Changes to liabilities for incurred claims	-	-	-	-	(487,187)	(42,976,333)	(2,720,953)	(46,184,473)
Investment components	-	-	(374,110)	-	374,110	-	-	-
Insurance service result	(112,262,381)	(947,458)	(2,496,665)	3,283	1,648,309	110,915,081	694,761	(2,445,070)
Insurance finance expenses	-	-	286,001	1,214	12,580	1,025,315	58,279	1,383,389
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(112,262,381)	(947,458)	(2,210,664)	4,497	1,660,889	111,940,396	753,040	(1,061,681)
Cash flows								
Premiums received	121,239,119	-	1,357,200	-	-	-	-	122,596,319
Claims and other expenses paid	-	-	-	-	(1,193,654)	(110,872,905)	-	(112,066,559)
Insurance acquisition cash flows	(15,930,857)	-	(76,300)	-	-	-	-	(16,007,157)
Total cash flows	105,308,262	-	1,280,900	-	(1,193,654)	(110,872,905)	-	(5,477,397)
Other movements	-	-	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 30 September 2023	7,096,387	3,391,572	11,616,432	42,943	2,465,816	43,608,448	2,141,746	70,363,344
Insurance contract liabilities as at 30 September 2023	7,608,496	3,385,150	11,616,432	42,943	2,465,816	43,195,252	2,115,373	70,429,462
Insurance contract assets as at 30 September 2023	(512,109)	6,422	-	-	-	413,196	26,373	(66,118)
Net insurance contract (assets)/liabilities as at 30 September 2023	7,096,387	3,391,572	11,616,432	42,943	2,465,816	43,608,448	2,141,746	70,363,344

7 Insurance Contract Assets and Liabilities (Continued)

	Group							Total
	31 December 2022							
	RO (Unaudited)							
Liabilities for remaining coverage - PAA	Liabilities for remaining coverage - GMM		LIC for Contracts under GMM	LIC for Contracts under PAA				
Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Insurance contract liabilities as at 01 January 2022	31,234,696	5,474,332	15,429,126	-	1,580,763	72,348,597	4,092,257	130,159,771
Insurance contract assets as at 01 January 2022	(2,571,826)	32	-	-	-	1,972,695	87,719	(511,380)
Net insurance contract (assets)/liabilities as at 01 January 2022	28,662,870	5,474,364	15,429,126	-	1,580,763	74,321,292	4,179,976	129,648,391
Insurance revenue	(214,201,751)	-	(2,777,309)	-	-	-	-	(216,979,060)
Insurance service expenses	32,884,622	(34,201)	(893,575)	38,443	2,502,955	170,327,814	(480,673)	204,345,385
Incurring claims and other expenses	-	-	-	(56)	2,812,986	174,631,355	2,013,203	179,457,488
Amortisation of insurance acquisition cash flows	32,884,622	-	2,310	-	-	-	-	32,886,932
Losses on onerous contracts and reversals of those losses	-	(34,201)	-	38,499	-	-	-	4,298
Changes to liabilities for incurred claims	-	-	-	-	(1,205,916)	(4,303,541)	(2,493,876)	(8,003,333)
Investment components	-	-	(895,885)	-	895,885	-	-	-
Insurance service result	(181,317,129)	(34,201)	(3,670,884)	38,443	2,502,955	170,327,814	(480,673)	(12,633,675)
Insurance finance expenses	-	-	506,702	3	7,869	510,876	55,859	1,081,309
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(181,317,129)	(34,201)	(3,164,182)	38,446	2,510,824	170,838,690	(424,814)	(11,552,366)
Cash flows								
Premiums received	227,069,010	-	376,184	-	-	-	-	227,445,194
Claims and other expenses paid	-	-	-	-	(2,093,006)	(157,100,563)	-	(159,193,569)
Insurance acquisition cash flows	(34,231,330)	-	(94,932)	-	-	-	-	(34,326,262)
Total cash flows	192,837,680	-	281,252	-	(2,093,006)	(157,100,563)	-	33,925,363
Other movements	-	-	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31 December 2022	40,183,421	5,440,163	12,546,196	38,446	1,998,581	88,059,419	3,755,162	152,021,388
Insurance contract liabilities as at 31 december 2022	48,654,149	4,194,997	12,546,196	38,446	1,998,581	81,509,488	3,536,636	152,478,493
Insurance contract assets as at 31 december 2022	(8,470,728)	1,245,166	-	-	-	6,549,931	218,526	(457,105)
Net insurance contract (assets)/liabilities as at 31 December 2022	40,183,421	5,440,163	12,546,196	38,446	1,998,581	88,059,419	3,755,162	152,021,388

7 Insurance Contract Assets and Liabilities (Continued)

	Parent							Total
	31 December 2022							
	RO (Unaudited)							
Liabilities for remaining coverage - PAA	Liabilities for remaining coverage - GMM		LIC for Contracts under GMM	LIC for Contracts under PAA				
Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Insurance contract liabilities as at 01 January 2022	12,729,604	3,353,792	15,429,126	-	1,580,763	33,999,789	1,372,481	68,465,555
Insurance contract assets as at 01 January 2022	(373,593)	32	-	-	-	190,339	7,694	(175,528)
Net insurance contract (assets)/liabilities as at 01 January 2022	12,356,011	3,353,824	15,429,126	-	1,580,763	34,190,128	1,380,175	68,290,027
Insurance revenue	(155,923,809)	-	(2,777,309)	-	-	-	-	(158,701,118)
Insurance service expenses	18,358,294	985,206	(893,575)	38,443	2,502,955	133,618,743	(25,575)	154,584,491
Incurring claims and other expenses	-	-	-	(56)	2,812,986	140,625,221	1,970,736	145,408,887
Amortisation of insurance acquisition cash flows	18,358,294	-	2,310	-	-	-	-	18,360,604
Losses on onerous contracts and reversals of those losses	-	985,206	-	38,499	-	-	-	1,023,705
Changes to liabilities for incurred claims	-	-	-	-	(1,205,916)	(7,006,478)	(1,996,311)	(10,208,705)
Investment components	-	-	(895,885)	-	895,885	-	-	-
Insurance service result	(137,565,515)	985,206	(3,670,884)	38,443	2,502,955	133,618,743	(25,575)	(4,116,627)
Insurance finance expenses	-	-	506,702	3	7,869	280,214	34,106	828,894
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(137,565,515)	985,206	(3,164,182)	38,446	2,510,824	133,898,957	8,531	(3,287,733)
Cash flows								
Premiums received	158,944,011	-	376,184	-	-	-	-	159,320,195
Claims and other expenses paid	-	-	-	-	(2,093,006)	(125,548,128)	-	(127,641,134)
Insurance acquisition cash flows	(19,684,001)	-	(94,932)	-	-	-	-	(19,778,933)
Total cash flows	139,260,010	-	281,252	-	(2,093,006)	(125,548,128)	-	11,900,128
Other movements	-	-	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31 December 2022	14,050,506	4,339,030	12,546,196	38,446	1,998,581	42,540,957	1,388,706	76,902,422
Insurance contract liabilities as at 31 december 2022	22,137,887	3,093,864	12,546,196	38,446	1,998,581	36,184,320	1,181,554	77,180,848
Insurance contract assets as at 31 december 2022	(8,087,381)	1,245,166	-	-	-	6,356,637	207,152	(278,426)
Net insurance contract (assets)/liabilities as at 31 December 2022	14,050,506	4,339,030	12,546,196	38,446	1,998,581	42,540,957	1,388,706	76,902,422

8 Additional Notes for GMM (other than Roll forward)

8.1 Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured under the GMM only as follows:

	Group & Parent			
	30 September 2023			
	RO			
	(Unaudited)			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Insurance contracts issued				
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	8,819,320	492,866	5,271,037	14,583,223
Net balance as at 01 January	8,819,320	492,866	5,271,037	14,583,223
CSM recognised in profit or loss for the services provided	-	-	(1,617,449)	(1,617,449)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(78,057)	-	(78,057)
Experience adjustments - relating to insurance service expenses	336,240	-	-	336,240
Changes that relate to current service	336,240	(78,057)	(1,617,449)	(1,359,266)
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	-	-
Experience adjustments - arising from premiums received in the period that relate to future service	(1,464,209)	(210,749)	1,708,725	33,767
Contracts initially recognised in the period	(5,342)	1,331	4,931	920
Changes that relate to future services	(1,469,551)	(209,418)	1,713,656	34,687
Changes that relate to past service -				
Changes in the FCF relating to the LIC	460,765	18,741	-	479,506
Experience adjustments - arising from premiums received in the period that relate to past service	-	-	-	-
Changes that relate to past service	460,765	18,741	-	479,506
Insurance service result	(672,546)	(268,734)	96,207	(845,073)
Finance expenses from insurance contracts issued	96,383	19,959	183,452	299,794
Total amounts recognised in comprehensive income	(576,163)	(248,775)	279,659	(545,279)
Cash flows				
Premiums received	1,357,199	-	-	1,357,199
Claims and other directly attributable expenses paid	(1,193,653)	-	-	(1,193,653)
Insurance acquisition cash flows paid	(76,300)	-	-	(76,300)
Total cash flows	87,246	-	-	87,246
Net balance as at 30 September	8,330,403	244,091	5,550,696	14,125,190
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	8,330,403	244,091	5,550,696	14,125,190

	Group & Parent 31 December 2022 RO (Unaudited)			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	OMR	OMR	OMR	OMR
Insurance contracts issued				
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	10,850,088	586,435	5,573,366	17,009,889
Net balance as at 01 January	10,850,088	586,435	5,573,366	17,009,889
CSM recognised in profit or loss for the services provided	-	-	(1,964,993)	(1,964,993)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(135,797)	-	(135,797)
Experience adjustments - relating to insurance service expenses	475,607	-	-	475,607
Changes that relate to current service	475,607	(135,797)	(1,964,993)	(1,625,183)
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	-	-
Experience adjustments - arising from premiums received in the period that relate to future service	(1,340,541)	928	1,408,751	69,138
Contracts initially recognised in the period	(19,220)	2,873	16,846	499
Changes that relate to future services	(1,359,761)	3,801	1,425,597	69,637
Changes that relate to past service -				
Changes in the FCF relating to the LIC	408,576	17,483	-	426,059
Experience adjustments - arising from premiums received in the period that relate to past service	-	-	-	-
Changes that relate to past service	408,576	17,483	-	426,059
Insurance service result	(475,578)	(114,513)	(539,396)	(1,129,487)
Finance expenses from insurance contracts issued	256,563	20,944	237,066	514,573
Total amounts recognised in comprehensive income	(219,015)	(93,569)	(302,330)	(614,914)
Cash flows				
Premiums received	376,183	-	-	376,183
Claims and other directly attributable expenses paid	(2,093,005)	-	-	(2,093,005)
Insurance acquisition cash flows paid	(94,932)	-	-	(94,932)
Total cash flows	(1,811,754)	-	-	(1,811,754)
Net balance as at 30 September	8,819,319	492,866	5,271,036	14,583,221
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	8,819,320	492,866	5,271,037	14,583,223

for the nine months ended 30th September 2023

8 Additional Notes for GMM (other than Roll forward) (Continued)

8.2 Impact of contracts recognised in the period / year ending

	Group & Parent 30 September 2023 RO (Unaudited)		
	Non-onerous contracts originated	Onerous contracts originated	Total
Insurance contracts issued			
<i>Estimates of the present value of future cash outflows</i>			
Insurance acquisition cash flows	7,384	2,788	10,172
Claims and other directly attributable expenses	12,438	6,469	18,907
Total estimates of the present value of future cash outflows	19,822	9,257	29,079
Estimates of the present value of future cash inflows	(25,625)	(8,796)	(34,421)
Contracts initially recognised in the period	(5,803)	461	(5,342)
Risk adjustment for non-financial risk	872	459	1,331
CSM	4,931	-	4,931
Increase in insurance contract liabilities from contracts recognised in the period	-	920	920

	Group & Parent 31 December 2022 RO (Unaudited)		
	Non-onerous contracts originated	Onerous contracts originated	Total
Insurance contracts issued			
<i>Estimates of the present value of future cash outflows</i>			
Insurance acquisition cash flows	20,523	1,712	22,235
Claims and other directly attributable expenses	31,310	3,913	35,223
Total estimates of the present value of future cash outflows	51,833	5,625	57,458
Estimates of the present value of future cash inflows	(71,270)	(5,408)	(76,678)
Contracts initially recognised in the period	(19,437)	217	(19,220)
Risk adjustment for non-financial risk	2,592	281	2,873
CSM	16,845	-	16,845
Increase in insurance contract liabilities from contracts recognised in the period	-	498	498

9 Reinsurance contract assets and liabilities

	Group							Total
	30 September 2023							
	RO (Unaudited)							
Assets for remaining coverage - PAA	Assets for remaining coverage - GMM		Amounts recoverable on incurred under GMM	Amounts recoverable on incurred claims under PAA				
Excluding loss-recovery component	Loss-recovery component	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Reinsurance contract assets as at 01 January 2023	(10,048,374)	179,221	962,428	1,488,484	2,092,921	28,447,290	1,083,720	24,205,690
Reinsurance contract liabilities as at 01 January 2023	(11,068,045)	395,841	(12,915)	-	8,842	4,576,687	176,165	(5,923,425)
Net reinsurance contract assets/(liabilities) as at 01 January 2023	(21,116,419)	575,062	949,513	1,488,484	2,101,763	33,023,977	1,259,885	18,282,265
An allocation of reinsurance premiums	(37,816,751)	-	(993,671)	-	-	-	-	(38,810,422)
Amounts recoverable from reinsurers for incurred claims	-	(110,591)	(3,316)	(31)	740,202	21,919,488	65,962	22,611,714
Amounts recoverable for incurred claims and other expenses	-	-	-	(155)	823,514	46,695,379	1,142,527	48,661,265
Loss-recovery on onerous underlying contracts and adjustments	-	(110,591)	(3,316)	124	-	-	-	(113,783)
Changes to amounts recoverable for incurred claims	-	-	-	-	(83,312)	(24,775,891)	(1,076,565)	(25,935,768)
Reinsurance Investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(37,816,751)	(110,591)	(996,987)	(31)	740,202	21,919,488	65,962	(16,198,708)
Reinsurance finance income	-	-	64,089	31	7,933	805,530	46,750	924,333
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	27,943	-	27,943
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(37,816,751)	(110,591)	(932,898)	-	748,135	22,752,961	112,712	(15,246,432)
Cash flows								
Premiums paid	26,414,602	-	462,845	-	-	-	-	26,877,447
Amounts received	-	-	-	-	(381,541)	(13,373,679)	-	(13,755,220)
Total cash flows	26,414,602	-	462,845	-	(381,541)	(13,373,679)	-	13,122,227
Other movements	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 30 September 2023	(32,518,568)	464,471	479,460	1,488,484	2,468,357	42,403,259	1,372,597	16,158,060
Reinsurance contract assets as at 30 September 2023	(9,206,340)	204,535	527,827	1,488,484	2,468,357	30,180,111	1,059,778	26,722,752
Reinsurance contract liabilities as at 30 September 2023	(23,312,228)	259,936	(48,367)	-	-	12,223,148	312,819	(10,564,692)
Net reinsurance contract assets/(liabilities) as at 30 September 2023	(32,518,568)	464,471	479,460	1,488,484	2,468,357	42,403,259	1,372,597	16,158,060

	Parent 30 September 2023 RO (Unaudited)							
	Assets for remaining coverage - PAA		Assets for remaining coverage - GMM		Amounts recoverable on incurred under GMM	Amounts recoverable on incurred claims under PAA		Total
	Excluding loss-recovery component	Loss-recovery component	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	
Reinsurance contract assets as at 01 January 2023	(3,727,314)	179,221	962,428	1,488,484	2,092,921	7,894,099	217,919	9,107,758
Reinsurance contract liabilities as at 01 January 2023	(4,236,817)	395,841	(12,915)	-	8,842	3,207,376	137,528	(500,145)
Net reinsurance contract assets/(liabilities) as at 01 January 2023	(7,964,131)	575,062	949,513	1,488,484	2,101,763	11,101,475	355,447	8,607,613
An allocation of reinsurance premiums	(20,067,948)	-	(993,671)	-	-	-	-	(21,061,619)
Amounts recoverable from reinsurers for incurred claims	-	(112,894)	(3,316)	(31)	740,202	18,127,307	142,263	18,893,531
Amounts recoverable for incurred claims and other expenses	-	-	-	(155)	823,514	36,570,065	744,343	38,137,767
Loss-recovery on onerous underlying contracts and adjustments	-	(112,894)	(3,316)	124	-	-	-	(116,086)
Changes to amounts recoverable for incurred claims	-	-	-	-	(83,312)	(18,442,758)	(602,080)	(19,128,150)
Reinsurance Investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(20,067,948)	(112,894)	(996,987)	(31)	740,202	18,127,307	142,263	(2,168,088)
Reinsurance finance income	-	-	64,089	31	7,933	270,714	13,617	356,384
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	9,356	-	9,356
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(20,067,948)	(112,894)	(932,898)	-	748,135	18,407,377	155,880	(1,802,348)
Cash flows								
Premiums paid	7,358,793	-	462,845	-	-	-	-	7,821,638
Amounts received	-	-	-	-	(381,541)	(8,828,943)	-	(9,210,484)
Total cash flows	7,358,793	-	462,845	-	(381,541)	(8,828,943)	-	(1,388,846)
Other movements	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 30 September 2023	(20,673,286)	462,168	479,460	1,488,484	2,468,357	20,679,909	511,327	5,416,419
Reinsurance contract assets as at 30 September 2023	(6,604,448)	204,535	527,827	1,488,484	2,468,357	9,721,231	244,105	8,050,091
Reinsurance contract liabilities as at 30 September 2023	(14,068,838)	257,633	(48,367)	-	-	10,958,678	267,222	(2,633,672)
Net reinsurance contract assets/(liabilities) as at 30 September 2023	(20,673,286)	462,168	479,460	1,488,484	2,468,357	20,679,909	511,327	5,416,419

9 Reinsurance contract assets and liabilities

	Group							Total
	31 December 2022							
	RO							
	(Unaudited)							
Assets for remaining coverage - PAA		Assets for remaining coverage - GMM		Amounts recoverable on incurred under GMM	Amounts recoverable on incurred under PAA claims			
Excluding loss-recovery component	Loss-recovery component	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Reinsurance contract assets as at 01 January 2022	(8,328,809)	16,322	1,006,563	1,488,485	2,474,566	26,695,330	1,432,582	24,785,039
Reinsurance contract liabilities as at 01 January 2022	(7,089,664)	116,935	-	-	-	3,043,859	170,435	(3,758,435)
Net reinsurance contract assets/(liabilities) as at 01 January 2022	(15,418,473)	133,257	1,006,563	1,488,485	2,474,566	29,739,189	1,603,017	21,026,604
An allocation of reinsurance premiums	(32,010,398)	-	(1,381,843)	-	-	-	-	(33,392,241)
Amounts recoverable from reinsurers for incurred claims	-	441,805	(37,812)	(35)	995,082	25,173,606	(361,692)	26,210,954
Amounts recoverable for incurred claims and other expenses	-	-	-	(274)	1,364,794	24,289,797	307,607	25,961,924
Loss-recovery on reversal of onerous underlying contracts	-	441,805	(37,812)	239	-	-	-	404,232
Changes to amounts recoverable for incurred claims	-	-	-	-	(369,712)	883,809	(669,299)	(155,202)
Reinsurance Investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(32,010,398)	441,805	(1,419,655)	(35)	995,082	25,173,606	(361,692)	(7,181,287)
Reinsurance finance income	-	-	116,658	34	5,084	237,363	18,560	377,699
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	27,045	-	27,045
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(32,010,398)	441,805	(1,302,997)	(1)	1,000,166	25,438,014	(343,132)	(6,776,543)
Cash flows								
Premiums paid	26,312,452	-	1,245,947	-	-	-	-	27,558,399
Amounts received	-	-	-	-	(1,372,969)	(22,153,226)	-	(23,526,195)
Total cash flows	26,312,452	-	1,245,947	-	(1,372,969)	(22,153,226)	-	4,032,204
Other movements	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(21,116,419)	575,062	949,513	1,488,484	2,101,763	33,023,977	1,259,885	18,282,265
Reinsurance contract assets as at 31 December 2022	(10,048,374)	179,221	962,428	1,488,484	2,092,921	28,447,290	1,083,720	24,205,690
Reinsurance contract liabilities as at 31 December 2022	(11,068,045)	395,841	(12,915)	-	8,842	4,576,687	176,165	(5,923,425)
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(21,116,419)	575,062	949,513	1,488,484	2,101,763	33,023,977	1,259,885	18,282,265

9 Reinsurance contract assets and liabilities (Continued)

	Parent							Total
	31 December 2022							
	RO (Unaudited)							
Assets for remaining coverage - PAA		Assets for remaining coverage - GMM		Amounts recoverable on incurred under GMM	Amounts recoverable on incurred under PAA claims			
Excluding loss- recovery component	Loss-recovery component	Excluding loss- recovery component	Loss- recovery component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
Reinsurance contract assets as at 01 January 2022	(3,167,359)	16,322	1,006,563	1,488,485	2,474,566	9,392,675	248,812	11,460,064
Reinsurance contract liabilities as at 01 January 2022	(3,060,372)	116,935	-	-	-	2,213,692	109,082	(620,663)
Net reinsurance contract assets/(liabilities) as at 01 January 2022	(6,227,731)	133,257	1,006,563	1,488,485	2,474,566	11,606,367	357,894	10,839,401
An allocation of reinsurance premiums	(20,067,302)	-	(1,381,843)	-	-	-	-	(21,449,145)
Amounts recoverable from reinsurers for incurred claims	-	441,805	(37,812)	(35)	995,082	19,282,376	(11,553)	20,669,863
Amounts recoverable for incurred claims and other expenses	-	-	-	(274)	1,364,794	21,362,421	475,968	23,202,909
Loss-recovery on reversal of onerous underlying contracts	-	441,805	(37,812)	239	-	-	-	404,232
Changes to amounts recoverable for incurred claims	-	-	-	-	(369,712)	(2,080,045)	(487,521)	(2,937,278)
Reinsurance Investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(20,067,302)	441,805	(1,419,655)	(35)	995,082	19,282,376	(11,553)	(779,282)
Reinsurance finance income	-	-	116,658	34	5,084	94,230	9,106	225,112
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	7,138	-	7,138
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(20,067,302)	441,805	(1,302,997)	(1)	1,000,166	19,383,744	(2,447)	(547,032)
Cash flows								
Premiums paid	18,330,902	-	1,245,947	-	-	-	-	19,576,849
Amounts received	-	-	-	-	(1,372,969)	(19,888,636)	-	(21,261,605)
Total cash flows	18,330,902	-	1,245,947	-	(1,372,969)	(19,888,636)	-	(1,684,756)
Other movements	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(7,964,131)	575,062	949,513	1,488,484	2,101,763	11,101,475	355,447	8,607,613
Reinsurance contract assets as at 31 December 2022	(3,727,314)	179,221	962,428	1,488,484	2,092,921	7,894,099	217,919	9,107,758
Reinsurance contract liabilities as at 31 December 2022	(4,236,817)	395,841	(12,915)	-	8,842	3,207,376	137,528	(500,145)
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(7,964,131)	575,062	949,513	1,488,484	2,101,763	11,101,475	355,447	8,607,613

10 Additional Notes for GMM (other than Roll forward)

10.1 Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts measured under the GMM only as follows:

	Group & Parent 30 September 2023 RO (Unaudited)			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts issued				
Opening reinsurance contract assets	3,587,462	175,318	781,054	4,543,834
Opening reinsurance contract liabilities	(32,205)	149	27,983	(4,073)
Net balance as at 01 January	3,555,257	175,467	809,037	4,539,761
CSM recognised in profit or loss for the services provided	-	-	(271,601)	(271,601)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(25,212)	-	(25,212)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(315,473)	-	-	(315,473)
Changes that relate to current service	(315,473)	(25,212)	(271,601)	(612,286)
Changes in estimates that adjust the CSM	-	-	-	-
Contracts initially recognised in the period	(10,846)	455	11,118	727
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	(124,513)	(50,356)	170,950	(3,919)
Changes that relate to future services	(135,359)	(49,901)	182,068	(3,192)
Changes that relate to past service -				
Changes in the FCF relating to incurred claims recovery	346,296	12,365	-	358,661
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	-	-	-	-
Changes that relate to past service	346,296	12,365	0	358,661
Net expenses / (income) from reinsurance contracts held	(104,536)	(62,748)	(89,533)	(256,817)
Finance expenses / (income) from reinsurance contracts issued	34,626	7,087	30,339	72,052
Total amounts recognised in comprehensive income	(69,910)	(55,661)	(59,194)	(184,765)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	462,845	-	-	462,845
Recoveries from reinsurance	(381,541)	-	-	(381,541)
Directly attributable expenses paid	-	-	-	-
Total cash flows	81,304	-	-	81,304
				0
Net balance as at 30 September	3,566,651	119,806	749,843	4,436,300
Closing reinsurance contract assets	3,615,020	119,806	749,843	4,484,669
Closing reinsurance contract liabilities	(48,367)	-	-	(48,367)

	Group & Parent 31 December 2022 RO (Unaudited)			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts issued				
Opening reinsurance contract assets	3,783,465	195,138	991,011	4,969,614
Opening reinsurance contract liabilities	-	-	-	-
Net balance as at 01 January	3,783,465	195,138	991,011	4,969,614
CSM recognised in profit or loss for the services provided	-	-	(209,678)	(209,678)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(40,286)	-	(40,286)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	240,816	-	-	240,816
Changes that relate to current service	240,816	(40,286)	-209,678	-9,148
Changes in estimates that adjust the CSM	-	-	-	-
Contracts initially recognised in the period	(8,005)	1,149	7,893	1,037
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	(18,497)	2,496	(22,609)	(38,610)
Changes that relate to future services	(26,502)	3,645	(14,716)	(37,573)
Changes that relate to past service -				
Changes in the FCF relating to incurred claims recovery	(387,881)	9,994	-	(377,887)
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	-	-	-	-
Changes that relate to past service	(387,881)	9,994	-	(377,887)
Net expenses / (income) from reinsurance contracts held	(173,567)	(26,647)	(224,394)	(424,608)
Finance expenses / (income) from reinsurance contracts issued	72,380	6,976	42,420	121,776
Total amounts recognised in comprehensive income	(101,187)	(19,671)	(181,974)	(302,832)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,245,947	-	-	1,245,947
Recoveries from reinsurance	(1,372,968)	-	-	(1,372,968)
Directly attributable expenses paid	-	-	-	-
Total cash flows	(127,021)	-	-	(127,021)
Net balance as at 30 September	3,555,257	175,467	809,037	4,539,761
Closing reinsurance contract assets	3,587,462	175,318	781,054	4,543,834
Closing reinsurance contract liabilities	(32,205)	149	27,983	(4,073)

10.2 Impact of contracts recognised in the period / year ending

	Group & Parent 30 September 2023 RO (Unaudited)		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Reinsurance contracts held			
Estimates of the present value of future cash inflows	-	25,596	25,596
Estimates of the present value of future cash outflows	-	(14,750)	(14,750)
Risk adjustment for non-financial risk	-	(455)	(455)
CSM	(728)	(10,390)	(11,118)
Increase in reinsurance contract assets from contracts recognised in the period	(728)	1	(727)

	Group & Parent 31 December 2022 RO (Unaudited)		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Reinsurance contracts issued			
Estimates of the present value of future cash inflows	2,641	28,345	30,986
Estimates of the present value of future cash outflows	(2,798)	(20,183)	(22,981)
Risk adjustment for non-financial risk	(140)	(1,009)	(1,149)
CSM	(740)	(7,153)	(7,893)
Increase in reinsurance contract assets from contracts recognised in the period	(1,037)	-	(1,037)

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the nine months ended 30th September 2023

- 11 (a) 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 RO	2 year RO	3 year RO	4 year RO	5 year RO	>6 year RO	Total RO
30 September 2023							
Total CSM for insurance contracts issued	475,685	1,555,566	1,119,631	790,590	549,145	1,060,078	5,550,695
Total CSM for reinsurance contracts held	(65,681)	(211,946)	(147,807)	(99,854)	(64,390)	(160,165)	(749,843)
Total	410,004	1,343,620	971,824	690,736	484,755	899,913	4,800,852
31 December 2022 (Restated)							
Total CSM for insurance contracts issued	1,524,550	1,098,485	789,215	561,147	393,422	904,218	5,271,037
Total CSM for reinsurance contracts held	(244,189)	(169,358)	(116,019)	(80,742)	(54,688)	(144,041)	(809,037)
Total	1,280,361	929,127	673,196	480,405	338,734	760,177	4,462,000

- 11 (b) Paragraph 114 of IFRS 17 requires disclosures that show the effect on insurance revenue and the CSM of groups of insurance contracts issued that were measured at the transition date applying paragraph 103(a), separately for:
- (a) insurance contracts that existed at the transition date to which the Company has applied the modified retrospective approach;
- (b) insurance contracts that existed at the transition date to which the Company has applied the fair value approach; and
- (c) all other insurance contracts.

Given that the Group has applied modified retrospective approach to all groups of contracts, this disclosure is not applicable to the Group.

- 11 (c) Details of the measurement components of insurance and reinsurance contract balances measured under both PAA and GMM as follows:

	Group 30 September 2023 RO (Unaudited)			Parent 30 September 2023 RO (Unaudited)		
	PAA	GMM	Total	PAA	GMM	Total
	Insurance contract assets	592,944	-	592,944	66,118	-
Insurance contract liabilities	(125,078,662)	(14,125,191)	(139,203,853)	(56,304,273)	(14,125,191)	(70,429,464)
Reinsurance contract assets	22,238,083	4,484,669	26,722,752	3,565,423	4,484,669	8,050,092
Reinsurance contract liabilities	(10,516,325)	(48,367)	(10,564,692)	(2,585,305)	(48,367)	(2,633,672)
	(112,763,960)	(9,688,889)	(122,452,849)	(55,258,037)	(9,688,889)	(64,946,926)
	Group 31 December 2022 RO (Unaudited)			Parent 31 December 2022 RO (Unaudited)		
	PAA	GMM	Total	PAA	GMM	Total
	Insurance contract assets	457,105	-	457,105	278,426	-
Insurance contract liabilities	(137,895,270)	(14,583,223)	(152,478,493)	(62,597,625)	(14,583,223)	(77,180,848)
Reinsurance contract assets	19,661,857	4,543,833	24,205,690	4,563,925	4,543,833	9,107,758
Reinsurance contract liabilities	(5,919,352)	(4,073)	(5,923,425)	(496,072)	(4,073)	(500,145)
	(123,695,660)	(10,043,463)	(133,739,123)	(58,251,346)	(10,043,463)	(68,294,809)

12 Other receivables and prepayments

	Group		Parent Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)
Other receivables	18,846,157	14,867,251	7,950,815	6,704,927
Accrued interest	5,488,781	5,578,563	1,424,920	1,555,538
	24,334,938	20,445,814	9,375,735	8,260,465
Provision for doubtful debts	(109,430)	(109,430)	(109,430)	(109,430)
Expected credit losses of other receivables	(32,005)	(26,165)	(32,005)	(26,165)
	24,193,503	20,310,219	9,234,300	8,124,870

13 Loans to policyholders

Loans to policyholders are generally advanced at 90% of the cash value of the respective policies and carry an annual effective rate of interest of 9.5% (2022- 9.5%). The loans are secured against the cash values of the respective policies, and do not have specific repayment terms.

14 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Group has identified to the Capital Market Authority certain specific bank deposits, investments and loans to policyholders included in the consolidated statement of financial position at a total value of RO 86,034,432 (2022: RO 84,576,058). Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the Capital Market Authority. The Group has provided bank guarantee of RO 50,000 (2022: RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, Kuwait and Baharain the Group has identified to the Insurance Authority, Abu Dhabi - UAE, The Ministry of Commerce and Industry, Kuwait and Saudi centra bank certain specific fixed deposits of RO 1,736,020 (2022: RO 1,736,005), RO 2,293,200 (2022: RO 3,216,850), RO 149,269 (2022: RO 296,933) and RO 4,336,106 (2022: RO 4,709,628 respectively which are included in the consolidated statement of financial position. Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the respective authorities.

The Group has credit facility of RO 5,000,000 (2022: RO 5,000,000) with Ahli Bank SAOG for which the Group has provided negative pledge confirmation over its current assets and an undertaking not to create any encumbrance on its assets to any other lenders. In UAE, the Group has credit facility of RO NIL (2022: NIL) with local bank which are secured by way of 110% of amount held under fixed deposit with the bank.

for the nine months ended 30 September 2023

15 Intangible assets (including Goodwill)	Group		Parent Company	
	2023 RO	2022 RO	2023 RO	2022 RO
Intangible Assets (note 13.1)	7,479,077	8,101,945	261,268	278,965
Goodwill (note 13.2)	20,797,092	20,797,092	146,490	146,490
	28,276,169	28,899,037	407,758	425,455
15.1 Movement in Intangible assets				
Intangible	Group		Parent Company	
	2023 RO	2022 RO	2023 RO	2022 RO
Cost				
At 1 January	8,583,505	373,349	373,349	373,349
Amount transferred on acquisition of subsidiary	-	1,500,054	-	-
Intangible assets on acquisition of Subsidiary	-	6,839,140	-	-
Additions	269,103	109,186	-	-
Disposals and write offs	-	(238,224)	-	-
At 31 December	8,852,608	8,583,505	373,349	373,349
Accumulated depreciation				
At 1 January 2022	481,560	70,788	94,384	70,788
Charge for the year (note 29)	891,971	301,990	17,697	23,596
Eliminated on revaluation	-	108,782	-	-
At 31 December	1,373,531	481,560	112,081	94,384
Net book amount				
At 31 December	7,479,077	8,101,945	261,268	278,965
15.2 Movement in Goodwill				
	Group		Parent Company	
	2023	2022	2023	2022
At 1 January	146,490	146,490	146,490	146,490
Goodwill on acquisition of subsidiary	20,650,602	20,650,602	-	-
At 31 December	20,797,092	20,797,092	146,490	146,490

The Group performs goodwill impairment testing on intangible assets at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment loss on goodwill is recognised immediately as an expense and is not subsequently reversed.

Goodwill was recorded on life business obtained from Al Ahlia Insurance Company SAOC amounting to RO 146,490. At the end of the reporting period, the Group assessed the recoverable amount of goodwill, on business obtained from Al Ahlia Insurance Company SAOC and determined that goodwill was not impaired. The impairment test, amongst others, is significantly dependent on the cost of capital and achievement of projected results.

Upon completion of purchase price allocation for the acquisition of Inayah TPA LLC, intangible assets amounting to RO 373,349 have been recognized by the Group. The useful life of the intangible assets arising from acquisition of Inayah TPA LLC were assessed by the Group and based on the assessment, the Group has amortised the intangible assets by RO 17,697 (2022: RO 23,596) which has been accounted during the year.

15 Intangible assets (including Goodwill) (continued)**15 Acquisition of Royal & Sun Alliance Insurance (Middle East) now known as "Liva Insurance BSC (c)"**

On 7th July 2022, the Company has completed the purchase of 50.00002% shareholding in Royal & Sun Alliance Insurance (Middle East) (RSA ME) now known as Liva Insurance BSC (c), is a fully owned entity of Royal & Sun Alliance Insurance Limited. The remaining shares in RSA ME owned by Saudi shareholders, was exchanged with the company shares by way of private placement. As a result, RSA ME is the wholly owned subsidiary of the company. The company issued 133,374,342 new shares through private placement which was approved by the shareholders in extra Ordinary meeting held on 26th June 2022. Following are the details of the consideration paid.

Consideration transferred

Unit Price	Units	Unit Price	Amount	Share issue expenses	Net Amount
			RO	RO	RO
Cash			52,060,600	-	52,060,600
Share Issued	133,374,342	0.100	13,337,434	-	13,337,434
Share Premium	133,374,342	0.220	29,342,356	(165,888)	29,176,468
			94,740,390	(165,888)	94,574,502

Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company as at 4th July 2022 of RO 0.320 per share since there was no trade on MSX on 07th July 2022 .

Identifiable assets acquired and liabilities assumed

In accordance with IFRS 3 'Business Combinations', the company required a purchase price allocation (PPA) to be carried out within 12 months from the transaction date, 7 July 2022. At end of FY end 31 December 2022, the company recorded provisional goodwill amount of RO 25,163,527. Subsequently, the purchase price allocation was completed in the third quarter of 2023 and the net result was a goodwill of RO 20,650,602 and Intangible assets of RO 6,839,140. The comparative statement of financial position has been restated to reflect the new goodwill balance. Following table summarizes the recognized amounts of assets acquired, and liabilities assumed at the date of acquisition at 30 June 2022.

Assets	RO
Cash and bank balances	18,881,555
Bank Deposit	101,669,645
Investment at fair value through profit or loss	360,464
Investment at amortized cost	2,604,934
Investments at Fair value through other comprehensive income	42,744,980
Insurance and reinsurance receivables	27,636,455
Other receivables and prepayments	10,119,626
Deferred tax Asset	208,285
Reinsurer's Share of Outstanding Claims	15,494,216
Reinsurer's share of actuarial / mathematical and unexpired risk reserve	5,380,586
Plant and equipment	2,694,253
Intangible assets	1,500,054
	229,295,053

15 Intangible assets (including Goodwill) (continued)

15.3 Acquisition of Royal & Sun Alliance Insurance (Middle East) (continued)

Liabilities	RO
Gross outstanding claims and IBNR reserve	42,440,773
Gross Unearned premiums	36,063,445
Reinsurance payable	10,322,620
Payables, accruals & provisions	34,342,042
	<u>123,168,880</u>
Total identifiable net assets acquired	<u><u>106,126,173</u></u>

Net Cash Flow on acquisition:

	RO
Cash Consideration paid	(52,060,600)
Net Cash Equivalents acquired	18,881,555
Net cash consideration paid	<u><u>(33,179,045)</u></u>

Goodwill

Goodwill & Intangibles arising from the acquisition has been recognised as follows:

	RO
Total consideration transferred	94,574,502
NCI based on their proportionate interest in the recognised amounts of the net assets and liabilities	36,754,025
Carrying value of net identifiable assets	(106,126,173)
	<u>25,202,354</u>

Add : Other Adjustments as on the date of acquisition

Opening Impact of IFRS 17 accounting Standard	1,855,005
Opening Impact of changes in accounting policies in subsidiaries	432,383
Total Allocable Purchase Premium after acquisition adjustments	<u>27,489,742</u>

Less : Identified intangible asset

Customer Relationship	5,152,455
Licenses	1,686,685
Total Identified intangible asset	<u>6,839,140</u>

Goodwill at acquisition	<u><u>20,650,602</u></u>
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Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the nine months ended 30th September 2023

16 Asset Held for sale

On August 7, 2023, the Board of Directors decided to dispose of the Dubai OPUS property. The property has been classified as held for sale and is valued at RO 1.1 million, which is the lower of its carrying amount and fair value less costs to sell.

All necessary actions required to complete the plan to sell the property have been taken . An active program to locate a buyer has been initiated and the sale is highly probable before 31st December 2023.

17 Share capital

	30 September 2023 shares	31 December 2022 Number of shares	30 September 2023 RO (Unaudited)	31 December 2022 RO (Unaudited)
Authorised - shares of RO 0.100 each (2022: RO 0.100 each)	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Issued and fully paid - shares of RO 0.100 each (2022: RO 0.100 each)	<u>398,374,342</u>	<u>398,374,342</u>	<u>39,837,434</u>	<u>39,837,434</u>

Major shareholders

Shareholders of the Company who own 10% or more of the Company's shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

	30 September 2023	31 December 2022
Oman International Development and Investment Company SAOG 48.858% (2022: 48.858%)	<u>194,637,357</u>	<u>194,635,357</u>
Riyad Bank 14.348%	<u>57,160,436</u>	<u>57,160,436</u>
	<u>251,797,793</u>	<u>251,795,793</u>

18 Dividends paid and proposed

Shareholders in annual general meeting of the Company dated 26 March 2023 (2022 - annual general meeting dated 30 March 2022) approved nil cash dividend (31 December 2022 - nil cash dividend).

19 Other liabilities

	Group		Parent Company	
	30 September 2023	31 December 2022	September 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Accrued expenses	13,726,914	5,188,864	4,949,434	4,186,450
Other payables	11,407,209	17,536,745	12,857,839	7,253,302
Employees' end of service benefits	4,212,061	4,623,132	890,893	1,084,457
Lease liabilities	1,716,750	1,424,115	311,957	-
	<u>31,062,934</u>	<u>28,772,856</u>	<u>19,010,123</u>	<u>12,524,209</u>

20 Contingent liabilities**20.1 Contingencies**

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, management does not believe that the outcome of such court cases will have a material impact on the Group's consolidated income or financial position.

At 30 September 2023, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Company amounting to RO 351,958 (2022: RO 359,195) given in the normal course of business from which it is anticipated that no material liabilities will arise.

20.2 Legal claims

The Group, consistent with the majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of the court cases will have a material impact on its separate and consolidated income or financial position.

21 Net assets per share

Net assets per share are calculated by dividing the net assets attributable to the Company at the year-end by the number of shares outstanding at the year end as follows:

	Group		Parent Company	
	30 September 2023	31 December 2022	September 2023	31 December 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net assets (RO)	100,973,605	96,441,608	103,748,889	99,216,883
Number of shares outstanding at 31 December	398,374,342	398,374,342	398,374,342	398,354,342
Net assets per share (RO)	<u>0.253</u>	<u>0.242</u>	<u>0.260</u>	<u>0.249</u>

22 Investment income - net

	Group		Parent Company	
	30 September 2023	30 September 2022	September 2023	30 September 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income on bank deposits and other investments	5,183,930	2,153,432	1,672,847	1,468,787
Interest income on bonds, net of amortisation charge	3,186,134	2,242,745	2,440,306	1,989,227
Interest income on loans to policy holders	2,829	3,852	2,829	3,852
Dividend income	264,062	213,184	237,565	213,184
Net unrealised gain on investment carried at FVTPL	90,463	(263,270)	26,677	(246,675)
Net realised (loss)/gains on disposal of investments carried at fair value through profit or loss	-	(33,304)	-	(33,304)
	<u>8,727,418</u>	<u>4,316,639</u>	<u>4,380,224</u>	<u>3,395,071</u>
Investment acquisition cost and portfolio management fees	(132,855)	(38,970)	(132,855)	(38,970)
	<u>8,594,563</u>	<u>4,277,669</u>	<u>4,247,369</u>	<u>3,356,101</u>

23 Income tax

	Group		Parent Company	
	30 September 2023	30 September 2022	September 2023	30 September 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Statement of comprehensive income				
Current tax				
- For the year	1,144,150	1,049,301	321,975	543,497
- Additional provision / adjustment relating to prior years	(362,524)	-	-	-
Deferred tax	(887,251)	(73,273)	(877,679)	(59,504)
	<u>(105,625)</u>	<u>976,028</u>	<u>(555,704)</u>	<u>483,993</u>

	Group		Parent Company	
	30 September 2023	30 September 2022	September 2023	30 September 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current liability				
Income tax payable	<u>6,898,099</u>	<u>6,900,649</u>	<u>121,983</u>	<u>576,470</u>
Non-current asset				
Deferred tax asset	<u>3,611,910</u>	<u>888,982</u>	<u>3,172,911</u>	<u>656,699</u>

24 Earnings per share - basic and diluted

Earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the year as follows:

Group & Parent Company	
30 September 2023	
(Unaudited)	
Profit for the year (RO)	<u>96,244</u>
Weighted average number of shares outstanding during the year	<u>398,374,342</u>
Basic earnings per share (RO)	<u>0.0002</u>

No figure for diluted earnings per share has been presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

25 Related party transactions

These represent transactions with related parties defined in IAS 24- 'Related Party Disclosures'.

The Company is controlled by Oman International Development and Investment Company SAOG (OMINVEST), which owns 48.858% (2021: 73.448%) and Riyadh Bank which owns 14.348% (2021: Nil) of the Company's shares.

25.1 Group

	Total	Major shareholders and subsidiaries	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
30 September 2023(Unaudited)	RO	RO	RO	RO	RO	RO	RO
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	7,626,039	4,454,791	-	1,961,492	-	-	1,209,756
Claims expense	5,630,759	3,281,844	-	1,586,903	-	-	762,012
Interest income on deposits	1,716,442	564,453	-	846,196	-	-	305,793
Bonds Interest & Dividend Income	505,097	225,543	-	129,811	-	-	149,743
Reinsurance share of claims Paid	49	-	-	49	-	-	-
Commission expense	742,027	254,172	-	113,160	-	-	374,695
Other expenses	1,302,524	414,250	-	577,554	-	-	310,720
Director sitting fees	17,924	-	17,924	-	-	-	-
Directors' remuneration	222,046	-	222,046	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	-	-	-	-	-	-	-
Long Term Loan repayment	-	-	-	-	-	-	-
Investment in Bonds	7,360,964	3,818,649	-	3,542,315	-	-	-
Liquidation of Bonds	7,300,368	3,495,368	-	3,805,000	-	-	-
Placement of Fixed Deposit	16,874,644	16,874,644	-	-	-	-	-
Maturity / liquidation of fixed deposit	23,091,843	22,341,843	-	-	-	-	750,000
Increase in bank balances	10,202,796	9,971,807	-	71,804	-	-	159,185
Decrease in bank balances	186,026	186,026	-	-	-	-	-

Liva Group SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the nine months ended 30th September 2023

25 Related party transactions (continued)

25.1 Group (continued)	Total	Major shareholders and subsidiaries	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 September 2023(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	278,745	3,206	275,539	-	-	-	-
Claims payable to related Parties	8,320,501	6,269,414	-	1,549,571	-	-	501,516
Commission payable	339,689	-	-	5,153	-	-	334,536
Short Term Loan payable	5,000,000	-	-	-	-	-	5,000,000
Long Term Loan payable	11,500,000	-	-	11,500,000	-	-	-
Payable to related parties	3,135,315	1,883,778	-	1,251,537	-	-	-
Receivable from related Parties	9,488,392	3,507,187	-	78,180	2,196	-	5,900,829
Bank balances	10,958,909	10,417,379	-	341,418	-	-	200,112
Fixed deposits balances	30,025,191	9,765,191	-	12,260,000	-	-	8,000,000
Insurance premium receivable from related parties	2,293,527	1,335,637	-	330,882	-	-	627,008
Investment in Bonds	11,581,894	5,154,399	-	3,177,495	-	-	3,250,000
Reinsurance balance receivable	11,329	-	-	11,329	-	-	-
Accrued interest receivable	987,269	555,881	-	313,506	-	-	117,882

25 Related party transactions (continued)

25.1 Group (continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 September 2022(Unaudited)							
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	4,476,751	147,457	-	3,816,856	-	-	512,438
Claims expense	3,326,853	49,327	-	2,931,042	-	-	346,484
Interest income on deposits	855,683	-	-	855,683	-	-	-
Bonds Interest & Dividend Income	314,376	224,817	-	89,559	-	-	-
Reinsurance share of claims Paid	3,201	-	-	3,201	-	-	-
Commission expense	147,556	-	-	123,374	-	-	24,182
Other expenses	2,441,209	-	-	2,272,874	-	-	168,335
Director sitting fees (of Parent Company)	23,721	-	20,863	-	2,858	-	-
Director sitting fees (of Subsidiary Company)	-	-	-	-	-	-	-
Directors' remuneration	112,500	-	112,500	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	200,000	-	-	200,000	-	-	-
Investment in Bonds	1,027,430	-	-	1,027,430	-	-	-
Placement of Fixed Deposit	2,373,615	-	-	2,373,615	-	-	-
Maturity / liquidation of fixed deposit	3,415,000	-	-	3,415,000	-	-	-
Increase in bank balances	449,412	-	-	449,412	-	-	-
Decrease in bank balances	287,697	-	-	287,697	-	-	-

25 Related party transactions (continued)

Group (continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 September 2022(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	117,890	-	115,331	1,517	1,042	-	-
Claims payable to related Parties	12,439,351	19,311	-	12,240,171	-	-	179,769
Commission payable	936,549	-	-	679,983	-	-	246,566
Loan Processing fees	1,017,821	-	-	1,017,821	-	-	-
Short Term Loan payable	3,200,000	-	-	3,200,000	-	-	-
Long Term Loan payable	52,060,600	-	-	52,060,600	-	-	-
Payable to related parties	978,085	-	-	978,085	-	-	-
Receivable from related Parties	14,221	-	-	2,221	12,000	-	-
Bank balances	1,955,578	-	-	1,955,578	-	-	-
Fixed deposits balances	56,173,302	-	-	56,173,302	-	-	-
Insurance premium receivable from related parties	3,398,947	13,250	-	3,098,345	-	-	287,352
Investment in Bonds	7,948,048	5,245,368	-	2,702,680	-	-	-
Reinsurance balance receivable	11,280	-	-	11,280	-	-	-
Accrued interest receivable	2,673,721	28,267	-	2,645,454	-	-	-

25 Related party transactions (continued)

25.1 Parent

	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
30 September 2023(Unaudited)	RO	RO	RO	RO	RO	RO	RO
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	2,832,619	500	-	1,622,363	-	-	1,209,756
Claims expense	2,368,901	19,986	-	1,586,903	-	-	762,012
Interest income on deposits	799,550	-	-	493,757	-	-	305,793
Income on Subsidiaries	-	-	-	-	-	-	-
Bonds Interest & Dividend Income	501,489	221,935	-	129,811	-	-	149,743
Reinsurance share of claims Paid	49	-	-	49	-	-	-
Commission expense	437,498	-	-	62,803	-	-	374,695
Other expenses	838,005	414,250	-	113,035	-	-	310,720
Director sitting fees	16,500	-	16,500	-	-	-	-
Directors' remuneration	112,561	-	112,561	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	-	-	-	-	-	-	-
Long Term Loan repayment	-	-	-	-	-	-	-
Investment in Bonds	5,352,315	1,810,000	-	3,542,315	-	-	-
Liquidation of Bonds	7,300,368	3,495,368	-	3,805,000	-	-	-
Placement of Fixed Deposit	-	-	-	-	-	-	-
Maturity / liquidation of fixed deposit	750,000	-	-	-	-	-	750,000
Increase in bank balances	230,989	-	-	71,804	-	-	159,185
Decrease in bank balances	-	-	-	-	-	-	-

25 Related party transactions (continued)

Parent (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 September 2023(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	112,561	-	112,561	-	-	-	-
Claims payable to related Parties	2,054,266	3,179	-	1,549,571	-	-	501,516
Commission payable	339,689	-	-	5,153	-	-	334,536
Short Term Loan payable	5,000,000	-	-	-	-	-	5,000,000
Long Term Loan payable	11,500,000	-	-	11,500,000	-	-	-
Payable to related parties	5,935	-	-	5,935	-	-	-
Receivable from related Parties	62,918	-	-	51,416	2,196	-	9,306
Bank balances	541,530	-	-	341,418	-	-	200,112
Fixed deposits balances	20,260,000	-	-	12,260,000	-	-	8,000,000
Insurance premium receivable from related parties	961,064	3,174	-	330,882	-	-	627,008
Investment in Bonds	9,573,245	3,145,750	-	3,177,495	-	-	3,250,000
Reinsurance balance receivable	11,329	-	-	11,329	-	-	-
Accrued interest receivable	459,686	28,297	-	313,506	-	-	117,883

During January to September 2023, subsidiary in India (NSSPL) has charged the parent company service fees of RO 643,221. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 65,642. Carrying value of investment as on 30.09.2023 is RO 443,963 and due to NSSPL as at 30.09.2023 is RO 106,098.

The Parent Company has accounted share of profit for Liva Insurance BSC (c) formerly Royal & Sun Alliance Insurance (Middle East), from subsidiary of RO 2,882,105 (pertaining to equity holders of the Parent Company). Carrying value of investment as on 30.09.2023 is RO 101,349,974 and due to RSA as at 30.09.2023 is RO 3,989,489 and dividend received from RSA ME is 3,850,000

The Parent Company has accounted share of profit for Liva Insurance SAOC formerly Al Ahlia Insurance Co. SAOG (Al Ahlia) of RO 673,415. Carrying value of investment as on 30.09.2023 is RO 21,377,377 . Due to Al Ahlia as at 30.09.2023 is RO 3,500,000 and dividend received from AL Ahlia is RO 1,377,500.

During January to September 2023, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 507,610 and paid rental of RO 22,565. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 24,172. Carrying value of investment as on 30.09.2023 is RO 681,573 , it's related intangibles are RO 261,268 and due to Inayah TPA LLC as at 30.09.2023 is RO 161,939.

25 Related party transactions (continued)

25.1 Transactions with related parties of the Parent Company or holders of 10% or more of the Parent company's shares or their family members included in the consolidated statements of profit or loss and other comprehensive income and consolidated statement of financial position are as follows

Parent (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 September 2022(Unaudited)							
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	1,613,629	147,457	-	953,734	-	-	512,438
Claims expense	1,844,368	49,327	-	1,448,557	-	-	346,484
Interest income on deposits	562,241	-	-	562,241	-	-	-
Bonds Interest & Dividend Income	314,376	224,817	-	89,559	-	-	-
Reinsurance share of claims Paid	3,201	-	-	3,201	-	-	-
Commission expense	145,122	-	-	120,940	-	-	24,182
Other expenses	1,322,275	-	-	1,153,940	-	-	168,335
Director sitting fees (of Parent Company)	23,721	-	20,863	-	2,858	-	-
Director sitting fees (of Subsidiary Company)	-	-	-	-	-	-	-
Directors' remuneration	112,500	-	112,500	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	200,000	-	-	200,000	-	-	-
Investment in Bonds	1,027,430	-	-	1,027,430	-	-	-
Placement of Fixed Deposit	2,307,500	-	-	2,307,500	-	-	-
Maturity / liquidation of fixed deposit	3,415,000	-	-	3,415,000	-	-	-
Increase in bank balances	256,947	-	-	256,947	-	-	-
Decrease in bank balances	287,697	-	-	287,697	-	-	-

25 Related party transactions (continued)

Parent (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 September 2022(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	116,373	-	115,331	-	1,042	-	-
Claims payable to related Parties	1,015,264	19,311	-	816,184	-	-	179,769
Commission payable	258,702	-	-	12,136	-	-	246,566
Loan Processing fees	3,200,000	-	-	1,017,821	-	-	-
Short Term Loan payable	3,200,000	-	-	3,200,000	-	-	-
Long Term Loan payable	52,060,600	-	-	52,060,600	-	-	-
Payable to related parties	753,751	-	-	753,751	-	-	-
Receivable from related Parties	12,000	-	-	-	12,000	-	-
Bank balances	1,042,753	-	-	1,042,753	-	-	-
Fixed deposits balances	15,987,570	-	-	15,987,570	-	-	-
Insurance premium receivable from related parties	512,450	13,250	-	211,848	-	-	287,352
Investment in Bonds	7,948,048	5,245,368	-	2,702,680	-	-	-
Reinsurance balance receivable	11,280	-	-	11,280	-	-	-
Accrued interest receivable	202,349	28,267	-	174,082	-	-	-

During January to September 2022, subsidiary in India (NSSPL) has charged the parent company service fees of RO 552,781. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 83,442. Carrying value of investment as on 30.09.2022 is RO 370,678 and due to NSSPL as at 30.09.2022 is RO 38,401.

During January to September 2022, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 548,855 and paid rental of RO 19,279. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 26,136. Carrying value of investment as on 30.09.2022 is RO 647,688 , it's related intangibles are RO 296,662 and due to Inayah TPA LLC as at 30.09.2022 is RO 185,933.

The Parent Company has accounted RSA Share of Profit from subsidiary of RO 596,765 (Excluding Minority share). Carrying value of investment as on 30.09.2022 is RO 96,840,248 (Restated as per IFRS 17).

Oman Arab bank premium booking is net of Group credit life premium refund during H1-2022. Further the Claims booking (Group credit life & Group Medical) during H1-2022 also includes claims of long term polices for which premium was received during the previous years.

25 Related party transactions (continued)

23.2 Compensation of key management personnel

The remuneration of members of key management during the year (salaries, incentives, fees, allowances and other statutory payments) was as follows:

	Group		Parent Company	
	30 September 2023(Unaudited)	30 September 2022(Unaudited)	30 September 2023(Unaudited)	30 September 2022(Unaudited)
	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)
Short-term benefits	1,839,299	1,299,556	485,428	1,299,556
Employees' end of service benefits & leave salary accrual	259,751	146,824	171,385	146,824
	<u>2,099,050</u>	<u>1,446,380</u>	<u>656,813</u>	<u>1,446,380</u>
Number of key management personnel	16	8	6	8

Outstanding balances at the year end arise in the normal course of business.

26 Operating segment

The Group's operating businesses are organised and managed separately according to the nature of the activities and services provided, with each segment representing a strategic business unit that offers different services.

The following table presents premium and profit information and asset and liability information regarding business segments for the year ended 31 December 2023 and 2022.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that have been allocated on a reasonable basis.

Primary reporting format - business segments

	Group				Parent		
	Life	General	Adjustments and eliminations	Total	Life	General	Total
	RO	RO	RO	RO	RO	RO	RO
30 September 2023(Unaudited)							
Insurance revenue	122,395,760	107,271,504	-	229,667,264	118,439,841	12,245,026	130,684,867
Insurance service expense	(117,621,652)	(91,034,066)	-	(208,655,718)	(115,034,291)	(13,205,506)	(128,239,797)
Insurance service result before reinsurance contracts held	4,774,108	16,237,438	-	21,011,546	3,405,550	(960,480)	2,445,070
Allocation of reinsurance premiums	(23,140,092)	(15,670,330)	-	(38,810,422)	(20,214,018)	(847,601)	(21,061,619)
Amounts recoverable from reinsurers for incurred claims	20,515,957	2,095,757	-	22,611,714	18,504,647	388,884	18,893,531
Net expense from reinsurance contracts held	(2,624,135)	(13,574,573)	-	(16,198,708)	(1,709,371)	(458,717)	(2,168,088)
Insurance service result	2,149,973	2,662,865	-	4,812,838	1,696,179	(1,419,197)	276,982
Investment income - net	2,877,152	5,717,411	-	8,594,563	2,877,152	1,370,217	4,247,369
Share of Profit from Subsidiaries	89,814	3,169,086	(3,258,900)	-	89,814	3,169,086	3,258,900
Expected credit losses on financial assets	(426)	(8,167)	-	(8,593)	(426)	(12,165)	(12,591)
Total investment income	2,966,540	8,878,330	(3,258,900)	8,585,970	2,966,540	4,527,138	7,493,678
Insurance finance expenses for insurance contracts issued	(1,284,756)	(1,268,563)	-	(2,553,319)	(1,021,620)	(361,769)	(1,383,389)
Reinsurance finance income for reinsurance contracts held	546,930	405,346	-	952,276	316,063	49,677	365,740
Net insurance financial result	(737,826)	(863,217)	-	(1,601,043)	(705,557)	(312,092)	(1,017,649)
Other operating income - net	55,027	1,709,580	(22,565)	1,742,042	55,027	1,423	56,450
Finance Cost	(307,292)	(2,949,010)	-	(3,256,302)	(307,292)	(2,949,010)	(3,256,302)
Non Attributable Expenses	(3,733,137)	(5,925,122)	(386,434)	(10,044,693)	(3,733,137)	(279,482)	(4,012,619)
(Loss) / profit before tax	393,285	3,513,426	(3,667,899)	238,812	(28,240)	(431,220)	(459,460)
Income tax	-	105,625	-	105,625	-	555,704	555,704
(Loss) / profit for the period	393,285	3,619,051	(3,667,899)	344,437	(28,240)	124,484	96,244
30 September 2023(Unaudited)							

26 Operating segment (continued)

Primary reporting format - business segments (continued)

	Group				Parent		
	Life	General	Adjustments and eliminations	Total	Life	General	Total
	RO	RO	RO	RO	RO	RO	RO
30 September 2022(Unaudited)							
Insurance revenue	103,745,642	42,290,773	-	146,036,415	101,976,762	15,026,321	117,003,083
Insurance service expense	(97,551,072)	(37,303,856)	-	(134,854,928)	(95,598,127)	(16,946,718)	(112,544,845)
Insurance service result before reinsurance contracts held	6,194,570	4,986,917	-	11,181,487	6,378,635	(1,920,397)	4,458,238
Allocation of reinsurance premiums	(14,207,404)	(5,661,570)	-	(19,868,974)	(14,719,593)	(936,330)	(15,655,923)
Amounts recoverable from reinsurers for incurred claims	15,219,629	2,146,690	-	17,366,319	14,289,308	819,866	15,109,174
Net expense from reinsurance contracts held	1,012,225	(3,514,880)	-	(2,502,655)	(430,285)	(116,464)	(546,749)
Insurance service result	7,206,795	1,472,037	-	8,678,832	5,948,350	(2,036,861)	3,911,489
Investment income - net	2,105,913	2,171,756	-	4,277,669	2,105,914	1,250,187	3,356,101
Share of Profit from Subsidiaries	87,596	596,765	-	684,361	87,596	596,765	684,361
Expected credit losses on financial assets	-	(4,070)	-	(4,070)	-	(4,070)	(4,070)
Total investment income	2,193,509	2,764,451	-	4,273,599	2,193,510	1,842,882	4,036,392
Insurance finance expenses for insurance contracts issued	(694,741)	(208,034)	-	(902,775)	(656,910)	(78,575)	(735,485)
Reinsurance finance income for reinsurance contracts held	211,786	77,639	-	289,425	172,747	29,309	202,056
Net insurance financial result	(482,955)	(130,395)	-	(613,350)	(484,163)	(49,266)	(533,429)
Other operating income - net	44,232	11,060	(19,279)	36,013	44,232	(399)	43,833
Finance Cost	-	-	-	-	-	-	-
Non Attributable Expenses	(3,450,257)	(5,067,763)	-	(8,518,020)	(3,450,257)	(385,616)	(3,835,873)
(Loss) / profit before tax	5,511,324	(950,610)	(19,279)	3,857,074	4,251,672	(629,260)	3,622,412
Income tax	(96)	(975,932)	-	(976,028)	(96)	(483,897)	(483,993)
(Loss) / profit for the period	5,511,228	(1,926,542)	(19,279)	2,881,046	4,251,576	(1,113,157)	3,138,419

26 Operating segment (continued)

Primary reporting format - Geographic Information - Group (continued)

The Group has operations in five major geographic locations in Middle East - Oman, UAE, Kuwait, Saudi and Baharin. The businesses are organised and managed separately, with each segment representing a strategic business unit.

The following table presents premium and profit information and asset and liability information regarding business segments for the year ended 31 December 2023 and 2022.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that have been allocated on a reasonable basis.

	Oman	UAE	Kuwait	Saudi	Bahrain	Subsidiaries	Adjustments and eliminations	Total
30 September 2023(Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO
Insurance revenue	63,963,285	120,254,489	4,666,678	39,310,612	1,472,200	-	-	229,667,264
Insurance service expense	(56,935,307)	(111,299,023)	(4,490,312)	(34,716,386)	(1,214,690)	-	-	(208,655,718)
Insurance service result before reinsurance contracts held	7,027,978	8,955,466	176,366	4,594,226	257,510	-	-	21,011,546
Allocation of reinsurance premiums	(6,225,963)	(23,437,432)	(553,128)	(8,487,922)	(105,977)	-	-	(38,810,422)
Amounts recoverable from reinsurers for incurred claims	1,217,736	17,635,861	543,027	3,215,522	(432)	-	-	22,611,714
Net expense from reinsurance contracts held	(5,008,227)	(5,801,571)	(10,101)	(5,272,400)	(106,409)	-	-	(16,198,708)
Insurance service result	2,019,751	3,153,895	166,265	(678,174)	151,101	-	-	4,812,838
Investment income - net	4,268,558	2,377,163	130,715	1,783,106	35,021	-	-	8,594,563
Share of Profit from Subsidiaries	3,258,900	-	-	-	-	-	(3,258,900)	-
Expected credit losses on financial assets	(12,905)	5,072	(760)	-	-	-	-	(8,593)
Total investment income	7,514,553	2,382,235	129,955	1,783,106	35,021	-	(3,258,900)	8,585,970
Insurance finance expenses for insurance contracts issued	(1,366,441)	(606,300)	(23,589)	(539,513)	(17,476)	-	-	(2,553,319)
Reinsurance finance income for reinsurance contracts held	298,446	342,768	4,797	305,994	271	-	-	952,276
Net insurance financial result	(1,067,995)	(263,532)	(18,792)	(233,519)	(17,205)	-	-	(1,601,043)
Other operating income - net	92,204	68,014	426	1,580,656	742	-	-	1,742,042
Finance cost	(3,230,854)	(12,964)	(12,484)	-	-	-	-	(3,256,302)
Non Attributable Expenses	(3,559,879)	(4,434,921)	(182,334)	(1,405,716)	(164,385)	88,976	(386,434)	(10,044,693)
(Loss) / profit before tax	1,767,780	892,727	83,036	1,046,353	5,274	88,976	(3,645,334)	238,812
Income tax	315,702	362,524	-	(549,267)	-	(23,334)	-	105,625
(Loss) / profit for the period	2,083,482	1,255,251	83,036	497,086	5,274	65,642	(3,645,334)	344,437

26 Operating segment (continued)

Primary reporting format - Geographic Information - Group (continued)

30 September 2022(Unaudited)	Oman	UAE	Kuwait	Saudi	Bahrain	Subsidiaries	Adjustments and eliminations	Total
	RO	RO	RO	RO	RO	RO	RO	RO
Insurance revenue	55,572,966	75,848,555	4,639,957	9,491,482	483,455	-	-	146,036,415
Insurance service expense	(51,881,481)	(69,281,062)	(4,787,032)	(8,657,327)	(248,026)	-	-	(134,854,928)
Insurance service result before reinsurance contracts held	3,691,485	6,567,493	(147,075)	834,155	235,429	-	-	11,181,487
Allocation of reinsurance premiums	(4,049,730)	(14,284,856)	(101,969)	(1,389,142)	(43,277)	-	-	(19,868,974)
Amounts recoverable from reinsurers for incurred claims	3,158,562	12,164,943	217,099	1,825,738	(23)	-	-	17,366,319
Net expense from reinsurance contracts held	(891,168)	(2,119,913)	115,130	436,596	(43,300)	-	-	(2,502,655)
Insurance service result	2,800,317	4,447,580	(31,945)	1,270,751	192,129	-	-	8,678,832
Investment income - net	3,222,224	881,753	(160,586)	334,278	-	-	-	4,277,669
Share of Profit from Subsidiaries	684,361	-	-	-	-	-	(684,361)	-
Expected credit losses on financial assets	(6,005)	2,709	(774)	-	-	-	-	(4,070)
Total investment income	3,900,580	884,462	(161,360)	334,278	-	-	(684,361)	4,273,599
Insurance finance expenses for insurance contracts issued	(710,749)	(104,084)	(8,399)	(75,405)	(4,138)	-	-	(902,775)
Reinsurance finance income for reinsurance contracts held	195,968	38,511	906	54,022	18	-	-	289,425
Net insurance financial result	(514,781)	(65,573)	(7,493)	(21,383)	(4,120)	-	-	(613,350)
Other operating income - net	7,027	48,050	215	-	-	-	(19,279)	36,013
Finance cost	-	-	-	-	-	-	-	-
Non Attributable Expenses	(3,428,555)	(2,616,491)	(113,377)	(2,435,095)	(53,359)	109,578	19,279	(8,518,020)
(Loss) / profit before tax	2,764,588	2,698,028	(313,960)	(851,449)	134,650	109,578	(684,361)	3,857,074
Income tax	(658,443)	-	(96)	(295,507)	-	(21,982)	-	(976,028)
Profit for the year	2,106,145	2,698,028	(314,056)	(1,146,956)	134,650	87,596	(684,361)	2,881,046

26 Operating segment (continued)

Primary reporting format - Geographic Information - Parent

30 September 2023(Unaudited)

	Oman RO	UAE RO	Kuwait RO	Total RO
Insurance revenue	47,524,826	78,493,363	4,666,678	130,684,867
Insurance service expense	(45,963,458)	(77,786,027)	(4,490,312)	(128,239,797)
Insurance service result before reinsurance contracts held	1,561,368	707,336	176,366	2,445,070
Allocation of reinsurance premiums	(2,965,327)	(17,543,164)	(553,128)	(21,061,619)
Amounts recoverable from reinsurers for incurred claims	1,774,354	16,576,150	543,027	18,893,531
Net expense from reinsurance contracts held	(1,190,973)	(967,014)	(10,101)	(2,168,088)
Insurance service result	370,395	(259,678)	166,265	276,982
Investment income - net	3,048,670	1,067,984	130,715	4,247,369
Share of Profit from Subsidiaries	3,258,900	-	-	3,258,900
Expected credit losses on financial assets	(12,905)	1,074	(760)	(12,591)
Total investment income	6,294,665	1,069,058	129,955	7,493,678
Insurance finance expenses for insurance contracts issued	(1,039,237)	(320,563)	(23,589)	(1,383,389)
Reinsurance finance income for reinsurance contracts held	178,420	182,523	4,797	365,740
Net insurance financial result	(860,817)	(138,040)	(18,792)	(1,017,649)
Other operating income - net	(12,732)	68,756	426	56,450
Finance cost	(3,243,818)	-	(12,484)	(3,256,302)
Non Attributable Expenses	(2,437,628)	(1,392,657)	(182,334)	(4,012,619)
(Loss) / profit before tax	110,065	(652,561)	83,036	(459,460)
Income tax	555,704	-	-	555,704
Profit for the year	(5,889,226)	(2,114,502)	(130,148)	96,244

26 Operating segment (continued)

Primary reporting format - Geographic Information - Parent (continued)

	Oman	UAE	Kuwait	Total
30 September 2022(Unaudited)	RO	RO	RO	RO
Insurance revenue	50,235,388	62,121,381	4,646,314	117,003,083
Insurance service expense	(48,280,706)	(59,477,108)	(4,787,031)	(112,544,845)
Insurance service result before reinsurance contracts held	1,954,682	2,644,273	(140,717)	4,458,238
Allocation of reinsurance premiums	(3,180,237)	(12,373,717)	(101,969)	(15,655,923)
Amounts recoverable from reinsurers for incurred claims	2,708,651	12,183,425	217,098	15,109,174
Net expense from reinsurance contracts held	(471,586)	(190,292)	115,129	(546,749)
Insurance service result	1,483,096	2,453,981	(25,588)	3,911,489
Investment income - net	2,879,350	637,338	(160,587)	3,356,101
Share of Profit from Subsidiaries	684,361	-	-	684,361
Expected credit losses on financial assets	(6,005)	2,709	(774)	(4,070)
Total investment income	3,557,706	640,047	(161,361)	4,036,392
Insurance finance expenses for insurance contracts issued	(666,637)	(60,449)	(8,399)	(735,485)
Reinsurance finance income for reinsurance contracts held	170,916	30,235	905	202,056
Net insurance financial result	(495,721)	(30,214)	(7,494)	(533,429)
Other operating income - net	(3,005)	46,623	215	43,833
Finance cost	-	-	-	-
Non Attributable Expenses	(2,615,829)	(1,106,667)	(113,377)	(3,835,873)
(Loss) / profit before tax	1,926,247	2,003,770	(307,605)	3,622,412
Income tax	(483,897)	-	(96)	(483,993)
Profit for the year	1,442,350	2,003,770	(307,701)	3,138,419

26 Operating segment (continued)

Insurance and reinsurance contract assets and liabilities - Business segment (Unaudited)

	Group			Parent Company		
	Life	General	Total	Life	General	Total
30 September 2023 (Unaudited)	RO	RO	RO	RO	RO	RO
Insurance contract assets	-	592,944	592,944	-	66,118	66,118
Reinsurance contract assets	9,457,507	17,265,245	26,722,752	6,523,516	1,526,574	8,050,090
Insurance contract liabilities	55,674,110	83,529,741	139,203,851	50,331,219	20,098,243	70,429,462
Reinsurance contract liabilities	1,471,703	9,092,989	10,564,692	1,471,703	1,161,968	2,633,671

	Group			Parent Company		
	Life	General	Total	Life	General	Total
31 December 2022 (Unaudited)	RO	RO	RO	RO	RO	RO
Insurance contract assets	-	457,105	457,105	-	278,426	278,426
Reinsurance contract assets	10,131,770	14,073,920	24,205,690	7,920,571	1,187,187	9,107,758
Insurance contract liabilities	62,744,331	89,734,161	152,478,492	56,018,703	21,162,145	77,180,848
Reinsurance contract liabilities	368,091	5,555,335	5,923,426	368,091	132,055	500,146

Insurance and reinsurance contract assets and liabilities- Geographic Information-Group (Unaudited)

	Oman	UAE	Bahrain	KSA	Kuwait	Total
	RO	RO	RO	RO	RO	RO
30 September 2023 (Unaudited)						
Insurance contract assets	237,399	133,363	382	216,802	4,998	592,944
Reinsurance contract assets	12,102,686	6,986,915	11,626	7,506,199	115,326	26,722,752
Insurance contract liabilities	56,607,473	51,787,814	979,045	27,728,103	2,101,416	139,203,851
Reinsurance contract liabilities	5,047,348	3,591,404	157,772	1,756,525	11,643	10,564,692

	Oman	UAE	Bahrain	KSA	Kuwait	Total
	RO	RO	RO	RO	RO	RO
31 December 2022 (Unaudited)						
Insurance contract assets	409,587	-	41,468	-	6,049	457,104
Reinsurance contract assets	10,454,161	6,566,134	11,841	6,825,368	348,186	24,205,690
Insurance contract liabilities	65,533,601	51,745,858	1,176,914	31,602,236	2,419,884	152,478,493
Reinsurance contract liabilities	2,682,733	2,141,339	170,738	925,817	2,799	5,923,426

Insurance and reinsurance contract assets and liabilities - Geographic Information-Parent (Unaudited)

	Oman	UAE	Kuwait	Total
	RO	RO	RO	RO
30 September 2023 (Unaudited)				
Insurance contract assets	61,120	-	4,998	66,118
Reinsurance contract assets	6,436,070	1,498,695	115,326	8,050,091
Insurance contract liabilities	37,944,543	30,383,503	2,101,416	70,429,462
Reinsurance contract liabilities	1,324,333	1,297,697	11,643	2,633,673
	Oman	UAE	Kuwait	Total
	RO	RO	RO	RO
31 December 2022 (Unaudited)				
Insurance contract assets	272,377	-	6,049	9,107,759
Reinsurance contract assets	6,470,932	2,288,641	348,186	77,180,848
Insurance contract liabilities	46,287,374	28,473,590	2,419,884	500,146
Reinsurance contract liabilities	485,676	11,671	2,799	-

27 Risk management

The Group's activities expose it to a variety of risks: capital management risk, credit risk, reinsurance risk, liquidity risk, financial risks, market risk (includes currency risk interest rate risk and equity price risk), and insurance risks (includes frequency and severity of claims, sources of uncertainty in the estimation of future benefit payments and premium receipts, process used to decide on assumptions and change in assumptions). The interim condensed financial statements do not include all information and disclosures required relating to risk management and should be read in conjunction with the annual financial statements as at 31 December 2022. There have been no material changes in the risk management policies since year ended 31 December 2022.

28 Fair values

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values as of the reporting date.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, the Group grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments recorded at fair value

	Level 1	Level 2	Level 3	Total
30 September 2023 (Unaudited)				
Investments carried at FVTPL and FVOCI	56,553,348	4,179,404	-	60,732,752
	Level 1	Level 2	Level 3	Total
31 December 2022 (Audited)				
Investments carried at FVTPL and FVOCI	87,012,542	152,811	-	87,165,353

There were no transfers between any levels mentioned above.