

1. Corporate information

Falcon Insurance Company SAOC ("the Company") was incorporated on 29 September 2005 as a closely held Omani Joint Stock Company in the Sultanate of Oman and is primarily engaged in the underwriting of general insurance business within the Sultanate of Oman. The Company commenced the underwriting of group and individual life insurance business with effect from 22 September 2008.

Pursuant to a Business Transfer Agreement dated 22 December 2016 signed by the Company with Arabia Insurance Company SAL and Arabia SAL (Holding Company), effective 27 March 2017, the Company acquired business, assets and liabilities of Oman branches of Arabia Insurance Company S.A.L ("the branches").

Subsequent to the above acquisition, the name of the Company was changed to "Arabia Falcon Insurance SAOC" which was approved by the Ministry of Commerce and Industry on 16 May 2017.

As required by Royal Decree (RD) 39/2014 dated 17 August 2014, all insurance companies registered under Commercial Companies Law should be a Public Joint Stock Company with a minimum paid up share capital of RO 10 million within 3 years from the date of the RD. In order to comply with the RD, the shareholders of the Company approved the transformation of the company from a closed stock company to (SAOC) to General Omani joint stock company (SAOG) in the year 2018. It was further resolved that transformation would be part of the process, selling a portion of existing shareholders' interest to the general public through "Initial Public offer" (IPO) in the Muscat Securities Market (the "MSM"). Accordingly, the Company has completed the IPO process and the Company's shares were listed on the MSM on 16 May 2018.

2. Statement of compliance

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to each of the years presented in these financial statements, unless otherwise stated.

3. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), the relevant requirements of the Commercial Companies Law of the Sultanate of Oman and the relevant Rules and Guidelines on Disclosure requirements applicable for licensed companies as issued by the Financial Services Authority (FSA).

The interim condensed financial statements for the nine-months ended 30 September 2025 have been prepared under the historical cost convention and going concern assumption, modified by the inclusion of certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

The interim-condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024.

In addition, results for the nine-month period ending 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The following are new and revised standards, which became effective for annual periods beginning 01 January 2023, have been adopted in this condensed interim financial information.

3. Basis of preparation (continued)

Standard/ Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback	1 January 2024

3.1 Significant changes in accounting policies

The Company applied IFRS 17 for the first time in the condensed financial information for the third quarter of 2023. The nature and measurement model summarized below:

Classification and measurement changes.

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

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA and GMM.

The measurement principles of the PAA and GMM differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

Portfolio	Product Classification	Measurement Model
Motor Warranty	Direct Contracts Issued	PAA
Motor	Direct Contracts Issued	PAA
Group Medical	Direct Contracts Issued	PAA
Marine Cargo	Direct Contracts Issued	PAA
Marine Hull	Direct Contracts Issued	PAA
General Accident	Direct Contracts Issued	PAA
Liability	Direct Contracts Issued	PAA
Engineering	Direct Contracts Issued	PAA
Fire	Direct Contracts Issued	PAA
Individual Life	Direct Contracts Issued	GMM
Group Life	Direct Contracts Issued	PAA
Group Credit Life	Direct Contracts Issued	GMM

Reinsurance contracts held

Reinsurance contracts held	Type of reinsurance	Portfolio	Measurement Model
Reinsurance contracts held Motor	Proportional	Treaty - Motor	PAA
	Non-Proportional	XOL Motor	
Engineering	Proportional	Quota - Engineering (incl FAC)	PAA
	Non-Proportional	XOL - Engineering	
Fire	Proportional	Quota - Fire (incl FAC)	PAA
	Non-proportional	XOL - Fire	
Group Life	Proportional	Treaty - Group Life	PAA
Group Medical	Proportional	Treaty - Group Medical	PAA
Individual Life	Proportional	Treaty - Individual Life	GMM
General Accident	Proportional	Quota - General Accident (incl FAC)	PAA
	Non-Proportional	XOL - General Accident	
Liability	Proportional	Quota - Liability (incl FAC)	GMM
	Non-Proportional	XOL - Liability	

3. Basis of preparation (continued)

The key principles of IFRS 17 under the different measurement models, where applicable, are that the Company:

- Identifies insurance contracts as those under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards.
- Divides the insurance and reinsurance contracts into groups it will recognize and measure.
- Recognizes profit from a group of insurance contracts over each period the Company provides insurance contract services, as the Company is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Company recognizes the loss immediately.
- Recognizes an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognized. Such an asset is derecognized when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

The premium allocation approach (PAA) simplifies the measurement of insurance contracts in comparison with the general measurement model (GMM) in IFRS 17. The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognized in revenue for insurance services provided (insurance revenue for each period is the amount of expected premium receipts for providing services in the period).
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for nonfinancial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

Under the GMM, recognizes and measures groups of insurance contracts at:

- i) A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; and
- ii) An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM)

The VFA is a mandatory modification of the GMM regarding the treatment of the CSM in order to accommodate direct participating contracts.

The Company capitalizes insurance acquisition cash flows for all insurance groups of contracts. The Company allocates the acquisition cash flows to groups of insurance contracts issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group.

3.2 Changes to presentation and disclosure

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

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

3. Basis of preparation (continued)

The line items in profit and loss and other comprehensive income have been changed significantly compared to IFRS4 presentation. The presentation of IFRS 4 and IFRS17 as follows: -

IFRS4	IFRS17
Gross insurance premium	Insurance revenue
Net retained premium	Insurance service expense
Net changes in premium reserves	Income or expenses from reinsurance contracts held
Net earned insurance premium	Insurance finance income or expenses
Gross claims settled	Reinsurance finance income or expenses
Net claims settled	Net insurance finance income or expenses
Change in incurred insurance contract liabilities	
Net claims incurred	
Net commission and other underwriting income	

4. IFRS 9 recognition**Financial assets – Classification**

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which financial assets are managed and the underlying cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: (a) measured at Amortised Cost (AC), Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Profit or Loss (FVTPL). Under IFRS 9, derivatives embedded in contracts where the host is a financial asset are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets – Impairment

Financial assets will be categorized into the following three stages in accordance with the IFRS 9 methodology:

Stage 1 – Performing assets: Financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance will be recorded based on 12 months Probability of Default (PD).

Stage 2 – Underperforming assets: Financial assets that have significantly deteriorated in credit quality since origination. The impairment allowance will be recorded based on lifetime PD.

Stage 3 – Impaired assets: For Financial assets that are impaired, the Company will recognize the impairment allowance based on lifetime PD.

The Company has created an ECL model that complies with IFRS 9 and assessed the impact for 01 January 2022.

The Company will apply a provisions matrix, which is a permitted practical expedient, and will result in the recognition of lifetime credit losses.

Financial Liabilities

As per the requirements in IAS 39 for classification and measurement of financial liabilities, they will be carried forward unchanged under IFRS 9. There is no impact for the Company in respect of its financial liabilities.

5. Investments fair value through other comprehensive income

	30 September	30 September	30 September	30 September	31 December	31 December
	2025	2025	2024	2024	2024	2024
	Cost	Fair value	Cost	Fair value	Cost	Fair value
Quoted investments -bonds (RO)	5,105,551	5,295,230	1,300,525	1,442,096	1,800,775	1,962,288
Quoted investments-bonds USD)	11,956,049	12,542,877	9,553,202	9,912,141	10,323,202	10,416,920
Unquoted investments-Equity (RO)	72,910	322,426	72,910	289,712	72,910	295,712
	17,134,510	18,160,533	10,926,637	11,643,949	12,196,887	12,674,920

a) The movement investments at fair value through other comprehensive income is as follows:

	30 September 2025	30 September 2024	31 December 2024
At the beginning of the period	12,674,920	7,706,473	7,706,473
Purchases during the period	5,615,030	4,768,649	6,038,899
Disposals during the period	(693,000)	(1,200,000)	(1,200,000)
Realized profit /(loss) on sale of investments	15,593	-	-
Unrealized gain – net	547,990	368,827	118,530
Loss allowance (charge/ release)	-	-	11,018
At the end of the period	18,160,533	11,643,949	12,674,920

6. Investments at fair value through profit or loss

	30 September 2025	30 September 2024	31 December 2024
At the beginning of the period	4,978,672	2,530,150	2,530,150
Purchases	9,788,006	4,082,049	5,953,942
Disposals	(10,071,354)	(3,647,436)	(3,637,787)
Realized profit	114,869	64,491	74,734
Unrealized income/loss) (note 17)	336,704	41,644	57,633
At the end of the period	5,146,897	3,070,898	4,978,672

- (a) At 30 September 2025, financial assets carried at fair value through profit or loss amounting to RO 5,146,897 (2024 – RO 3,070,898) are measured using level 1 fair value hierarchy.
- (b) At 30 September 2025 none (2024 - none) of the Company's investment in fair value through profit or loss represents 10% or more of the company's share capital.
- (c) At 30 September 2025, financial assets carried at fair value through profit or loss includes bonds, equity and hedge funds held in overseas market amounting to RO 2,074,410 (2024- RO 927,742).

7. Term deposits

The term deposits are placed with commercial banks and approved non-banking financial institutions in the Sultanate of Oman and carry effective interest rates ranging between 4.50% and 6.95% per annum (2024 – between 3.25% and 6.95% per annum).

These deposits have original maturity periods ranging from 1 year to 3 years from the date of placement (2024 - 1 year to 5 years).

(a) Restriction on transfer of assets

In accordance with the law governing the operations of insurance companies within the Sultanate of Oman, the Company has identified to the FSA certain deposits and investments included on 30 September 2025 at a total carrying value of RO 32,649,378 (30 September 2024- RO 30,863,795) These assets can only be transferred with the prior approval of the FSA.

8. Reinsurance contract assets and liabilities

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (PAA)

	30 September 2025					
	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LRC	LRC		PVCF	RA	
Opening reinsurance contract assets	(3,269,574)	51,647	-	14,434,245	684,253	11,900,571
Opening reinsurance contract liabilities	(1,108,221)	-	-	504,639	89,248	(514,334)
	(4,377,795)	51,647	-	14,938,884	773,501	11,386,237
Net income or expense from reinsurance contracts held	-	-	-	-	-	-
- Allocation of reinsurer premium	(9,639,592)	-	-	-	-	(9,639,592)
- Amounts recoverable for claims and other expenses	-	-	-	2,716,960	206,352	2,923,312
- Changes that relate to past service - adjustments to LfIC	-	-	-	2,266,996	(34,824)	2,232,172
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	(23,605)	-	-	-	(23,605)
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	(111,712)	-	(111,712)
Reinsurance finance income through profit and loss	-	-	-	255,279	-	255,279
Reinsurance finance income through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	(9,639,592)	(23,605)	-	5,127,523	171,528	(4,364,146)
Premiums paid to reinsurer net of commission	10,419,461	-	-	-	-	10,419,458
Directly attributable expenses paid	-	-	-	111,712	-	111,712
Recoveries from reinsurance	-	-	-	(2,742,194)	-	(2,742,194)
Total cash flows	10,419,461	-	-	(2,630,482)	-	7,788,977
Closing reinsurance contract assets	1,336,599	-	-	13,854,430	779,216	15,970,245
Closing reinsurance contract liabilities	(4,934,526)	28,042	-	3,581,495	165,813	(1,159,176)
	(3,597,927)	28,042	-	17,435,925	945,029	14,811,069

(b) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (GMM)

	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		30 September 2025
	Excl. LRC	LRC		PVCF	RA	Total
Opening reinsurance contract assets	181,152	170,422	2,894,716	-	-	3,246,290
Opening reinsurance contract liabilities	-	-	-	-	-	-
	181,152	170,422	2,894,716	-	-	3,246,290
Net income or expense from reinsurance contracts held						
- Allocation of reinsurer premium	(1,491,960)	-	-	-	-	(1,491,960))
- Amounts recoverable for claims and other expenses	-	-	1,567,671	-	-	1,567,671
- Changes that relate to past service - adjustments to LfIC	-	-	(6,463)	-	-	(6,463)
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	(1,421)	-	-	-	(1,421)
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	-	-	-
Reinsurance finance income through profit and loss	238,087	-	25,361	-	-	263,448
Reinsurance finance income through OCI	61,646	-	6,650	-	-	68,296
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	(1,192,226)	(1,421)	1,593,218	-	-	399,572
Premiums paid to reinsurer net of commission	6,849,510	-	-	-	-	6,849,510
Directly attributable expenses paid	-	-	14,875	-	-	14,875
Recoveries from reinsurance	-	-	(1,081,480)	-	-	(1,081,480)
Total cash flows	6,849,510	-	(1,066,606))	-	-	5,782,905
Closing reinsurance contract assets	5,838,437	169,002	3,421,329	-	-	9,428,768
Closing reinsurance contract liabilities	-	-	-	-	-	-
	5,838,437	169,002	3,421,329	-	-	9,428,768

Reinsurance contract assets and liabilities- net

Reinsurance contract assets	7,175,035	169,002	3,421,329	13,854,430	779,216	25,399,013
Reinsurance contract liabilities	(4,934,527)	28,042	-	3,581,495	165,813	(1,159,176)

8. Reinsurance contract assets and liabilities (continued)**a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (PAA)**

						30-Sep-2024
	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LRC	LRC		PVCF	RA	
Opening reinsurance contract assets	(499,370)	51,613	-	9,441,258	214,248	9,207,750
Opening reinsurance contract liabilities	(4,806,993)	-	-	3,232,119	264,606	(1,310,268)
	(5,306,363)	51,613	-	12,673,377	478,854	7,897,481
Net income or expense from reinsurance contracts held						
- Allocation of reinsurer premium	(9,430,494)	-	-	-		(9,430,494)
- Amounts recoverable for claims and other expenses	-	-	-	4,883,784	219,474	5,103,258
- Changes that relate to past service - adjustments to LfIC	-	-	-	1,056,556	(218,272)	838,284
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	7,815	-	-		7,815
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	(110,569)		(110,569)
Reinsurance finance income through profit and loss	-	-	-	174,157		174,157
Reinsurance finance income through OCI	-	-	-			
Net foreign exchange income or expense			-			
Investment components	-		-			
Total changes in statement of profit and loss and OCI	(9,430,494)	7,815	-	6,003,928	1,202	(3,417,549)
Premiums paid to reinsurer net of commission	9,801,065					9,801,065
Directly attributable expenses paid	-	-	-	110,569		110,569
Recoveries from reinsurance	-	-	-	(4,244,537)		(4,244,537)
Total cash flows	9,801,065		-	(4,133,968)	-	5,667,097
Closing reinsurance contract assets	(3,810,550)	59,429	-	13,933,658	443,043	10,625,579
Closing reinsurance contract liabilities	(1,125,242)	-	-	609,679	37,013	(478,550)
	(4,935,793)	59,429	-	14,543,338	480,056	10,147,029

8. Reinsurance contract assets and liabilities (continued)**(b) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (GMM)**

	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		30-Sep-2024
	Excl. LRC	LRC		PVCF	RA	Total
Opening reinsurance contract assets	1,061,238	56,670	1,193,815	-	-	2,311,723
Opening reinsurance contract liabilities	(2,317,351)	3,383	1,348,608	-	-	(965,359)
	(1,256,112)	60,054	2,542,423	-	-	1,346,364
Net income or expense from reinsurance contracts held						
- Allocation of reinsurer premium	(1,135,048)	-		-	-	(1,135,048)
- Amounts recoverable for claims and other expenses	-	-	1,243,066	-	-	1,243,066
- Changes that relate to past service - adjustments to LfIC	-	-	(160,419)	-	-	(160,419)
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	51,196				51,196
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-		-	-	-	-
Reinsurance finance income through profit and loss	17,668		22,956	-	-	40,624
Reinsurance finance income through OCI	(2,604)	-	853	-	-	(1,751)
Net foreign exchange income or expense	-		-	-	-	-
Investment components	-		-	-	-	-
Total changes in statement of profit and loss and OCI	(1,119,984)	51,196	1,106,456	-	-	37,668
Premiums paid to reinsurer net of commission	1,231,500			-	-	1,839,105
Directly attributable expenses paid			13,833	-	-	13,833
Recoveries from reinsurance			(798,862)	-	-	(798,862)
Total cash flows	1,839,105	-	(785,029)	-	-	1,054,077
Closing reinsurance contract assets	(536,991)	111,250	2,863,851	-	-	2,438,109
Closing reinsurance contract liabilities	-	-	-	-	-	-
	(536,991)	111,250	2,863,851	-	-	2,438,109
Closing reinsurance contract assets	(4,347,542)	170,678	2,863,851	13,933,658	443,043	13,063,688
Closing reinsurance contract liabilities	(1,125,242)	-	-	609,679	37,013	(478,550)

8. Reinsurance contract assets and liabilities (continued)**(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (PAA)**

	31 Dec 2024					
	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LRC	LRC		PVCF	RA	
Opening reinsurance contract assets	(499,370)	51,613	-	9,441,258	214,248	9,207,749
Opening reinsurance contract liabilities	(4,806,993)	-	-	3,232,119	264,606	(1,310,268)
	(5,306,363)	51,613	-	12,673,377	478,854	7,897,481
Net income or expense from reinsurance contracts held	-	-	-	-	-	-
- Allocation of reinsurer premium	(12,892,587)	-	-	-	-	(12,892,587)
- Amounts recoverable for claims and other expenses	-	-	-	5,433,782	452,086	5,885,868
- Changes that relate to past service - adjustments to LfIC	-	-	-	1,454,666	(157,439)	1,297,227
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	34	-	-	-	34
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	(145,212)	-	(145,212)
Reinsurance finance income through profit and loss	-	-	-	113,141	-	113,141
Reinsurance finance income through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	(12,892,587)	34	-	6,856,377	294,647	(5,741,529)
Premiums paid to reinsurer net of commission	13,821,156	-	-	-	-	13,821,156
Directly attributable expenses paid	-	-	-	145,212	-	145,212
Recoveries from reinsurance	-	-	-	(4,736,082)	-	(4,736,082)
Total cash flows	13,821,156	-	-	(4,590,870)	-	9,230,286
Closing reinsurance contract assets	(3,269,574)	51,647	-	14,434,245	684,253	11,900,571
Closing reinsurance contract liabilities	(1,108,221)	-	-	504,639	89,248	(514,334)
	(4,377,795)	51,647	-	14,938,884	773,501	11,386,237

8. Reinsurance contract assets and liabilities (continued)

(b) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (GMM)

						31 Dec 2024
	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LRC	LRC		PVCF	RA	
Opening reinsurance contract assets	1,061,238	56,670	1,193,815	-	-	2,311,723
Opening reinsurance contract liabilities	(2,317,351)	3,384	1,348,608	-	-	(965,359)
	(1,256,113)	60,054	2,542,423	-	-	1,346,364
Net income or expense from reinsurance contracts held	-	-	-	-	-	-
- Allocation of reinsurer premium	(988,307)	-	-	-	-	(988,307)
- Amounts recoverable for claims and other expenses	-	-	1,470,506	-	-	1,470,506
- Changes that relate to past service - adjustments to LfIC	-	-	47,471	-	-	47,471
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	110,369	-	-	-	110,369
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	-	-	-
Reinsurance finance income through profit and loss	73,472	-	24,390	-	-	97,862
Reinsurance finance income through OCI	(111,461)	-	8,302	-	-	(103,159)
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	(1,026,296)	110,369	1,550,669	-	-	634,742
Premiums paid to reinsurer net of commission	2,463,561	-	-	-	-	2,463,561
Directly attributable expenses paid	-	-	19,597	-	-	19,597
Recoveries from reinsurance	-	-	(1,217,973)	-	-	(1,217,973)
Total cash flows	2,463,561	-	(1,198,376)	-	-	1,265,185
Closing reinsurance contract assets	181,152	170,423	2,894,716	-	-	3,246,291
Closing reinsurance contract liabilities	-	-	-	-	-	-
	181,152	170,423	2,894,716	-	-	3,246,291
Reinsurance contract assets and liabilities- net						
Reinsurance contract assets	(3,088,422)	222,070	2,894,716	14,434,245	684,253	15,146,862
Reinsurance contract liabilities	(1,108,221)	-	-	504,639	89,248	(514,334)

9. Insurance contract liabilities**(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts (PAA)**

	LfRC			LfiC for contracts measured under GM	LfIC for contracts measured under PAA		30 September 2025
	Excl. LC	ACQ	LC		PVCF	RA	Total
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	(4,245,947)	-	(176,482)	-	(20,127,327)	(966,396)	(25,516,152)
	(4,245,947)	-	(176,482)	-	(20,127,327)	(966,396)	(25,516,152)
Insurance revenue	14,369,409	-	-	-	-	-	14,369,409
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses	-	-	-	-	(2,962,255)	(167,881)	(3,130,136)
- Changes that relate to past service - adjustments to LfiC	-	-	-	-	(4,812,625)	(30,203)	(4,842,828)
- Losses on onerous contracts and reversal of those losses	-	-	71,704	-	-	-	71,704
- Amortization of insurance acquisition cash flows	(1,770,558)	-	-	-	-	-	(1,770,558)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	-	-	-	-	(405,225)	-	(405,225)
Insurance finance expenses through OCI	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	0	-	(0)	-	(0)
Investment components	-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	12,598,851	-	71,704	-	(8,180,105)	(198,084)	4,292,366
Premiums received	(14,152,082)	-	-	-	-	-	(14,152,082)
Claims paid	-	-	-	-	2,032,384	-	2,032,384
Directly attributable expenses paid	-	-	-	-	882,404	-	882,404
Acquisition cost paid	1,662,811	-	-	-	-	-	1,662,811
Total cash flows	(12,489,271)	-	-	-	2,914,788	-	(9,574,483)
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(4,136,367)	-	(104,778)	-	(25,392,644)	(1,164,480)	(30,798,269)
	(4,136,367)	-	(104,778)	-	(25,392,644)	(1,164,480)	(30,798,269)

9. Insurance contract liabilities (continued)**(b) Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts (GMM)**

							30 September 2025
	LfRC			LfIC for contracts measured under GMM	LfIC for contracts measured under GMM		Total
	Excl. LC	ACQ	LC		PVCF	RA	
Opening insurance contract assets	-		-	-	-	-	-
Opening insurance contract liabilities	(15,005,218)	-	(358,507)	1,078,581	-	-	(14,285,144)
	(15,005,218)	-	(358,507)	1,078,581	-	-	(14,285,144)
Insurance revenue	3,149,086	-	-	-	-	-	3,149,086
Insurance service expenses	-		-	-	-	-	-
- Incurred benefits and expenses	-			2,461,230			2,461,230
- Changes that relate to past service - adjustments to LfIC	-		-	(4,587,427)	-	-	(4,587,427)
- Losses on onerous contracts and reversal of those losses	-		85,933	-	-	-	85,933
- Amortization of insurance acquisition cash flows	(736,548)		-	-	-	-	(736,548)
- Impairment of acquisition cost asset	-		-	-	-	-	-
Insurance finance expenses through profit and loss	(539,551)		(14,186)	(17,856)	-	-	(571,593)
Insurance finance expenses through OCI	(379,798)		(6,636)	(3,489)	-	-	(389,923)
Net foreign exchange income or expense	-		-	-	-	-	-
Investment components	-		-	-	-	-	-
Total changes in statement of profit and loss and OCI	1,493,189		65,111	(2,147,542)	-	-	(589,242)
Premiums received	(7,067,285)						(7,067,285)
Claims paid	-		-	(1,513,800)	-	-	(1,513,800)
Directly attributable expenses paid	-		-	116,919	-	-	116,919
Acquisition cost paid	2,531,351		-	-	-	-	2,531,351
Total cash flows	(4,535,934)		-	(1,396,881)	-	-	(5,932,815)
Closing insurance contract assets	-		-	-	-	-	-
Closing insurance contract liabilities	(18,047,963)		(293,397)	(2,465,842)	-	-	(20,807,201)
	(18,047,963)		(293,397)	(2,465,842)	-	-	(20,807,201)

Insurance contract liabilities- net

Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(22,184,330)	-	(398,175)	(2,465,842)	(25,392,644)	(1,164,480)	(51,605,471)
	(22,184,330)	-	(398,175)	(2,465,842)	(25,392,644)	(1,164,480)	(51,605,471)

9. Insurance contract liabilities (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts (PAA)

	LfRC			LfIC for contracts measured under GM	LfIC for contracts measured under PAA		30-Sep-2024
	Excl. LC	ACQ	LC		PVCF	RA	Total
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	(3,534,870)		(187,991)		(14,122,753)	(616,392)	(18,462,006)
	(3,534,870)		(187,991)		(14,122,753)	(616,392)	(18,462,006)
Insurance revenue	14,564,706	-	-	-	-	-	14,564,706
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses					(3,238,605)	(244,014)	(3,482,619)
- Changes that relate to past service - adjustments to LfIC					(5,822,149)	242,649	(5,579,500)
- Losses on onerous contracts and reversal of those losses			(30,943)	-	-	-	(30,943)
- Amortisation of insurance acquisition cash flows	(1,297,927)	-	-	-	-	-	(1,297,927)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	-	-	-	-	(203,336)	-	(203,336)
Insurance finance expenses through OCI	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	13,266,780		(30,943)		(9,264,089)	(1,366)	3,970,381
Premiums received	(14,388,333)	-	-	-	-	-	(14,388,333)
Claims paid	-	-	-	-	7,804,309	-	7,804,309
Directly attributable expenses paid	-	-	-	-	1,327,618	-	1,327,618
Acquisition cost paid	1,541,229	-	-	-	-	-	1,541,229
Total cash flows	(12,847,104)			-	9,131,928		(3,715,176)
Closing insurance contract assets	-	-	-				

Closing insurance contract liabilities	(3,115,194)	-	(218,933)		(14,254,915)	(617,758)	(18,393,523)
	(3,115,194)		(218,933)		(14,254,915)	(617,758)	(18,393,523)

9. Insurance contract liabilities (continued)**(b) Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts (GMM)**

							30-Sep-24
	LfRC			LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ	LC		PVCF	RA	
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	(10,345,453)	-	(92,852)	(3,025,115)			(13,463,420)
	(10,345,453)	-	(92,852)	(3,025,115)	-	-	(13,463,420)
Insurance revenue	2,187,346		-	-	-	-	2,187,346
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses	-	-	-	(1,591,224)	-	-	(1,591,224)
- Changes that relate to past service - adjustments to LfIC	-	-		131,019	-	-	131,019
- Losses on onerous contracts and reversal of those losses			(168,808)		-	-	(168,808)
- Amortisation of insurance acquisition cash flows	(389,300)	-	-	-	-	-	(389,300)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	(450,048)	-	(5,582)	(27,232)	-	-	(482,862)
Insurance finance expenses through OCI	188,967	-	1,866	(6,468)	-	-	184,365
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	126,466	-	-	(126,466)	-	-	
Total changes in statement of profit and loss and OCI	1,663,431	-	(172,524)	(1,620,372)	-	-	(129,464)
Premiums received	(5,241,329)	-	-	-	-	-	(5,241,329)
Claims paid	-	-	-	1,052,898	-	-	1,052,898
Directly attributable expenses paid	-	-	-	112,166	-	-	112,166
Acquisition cost paid	756,688	-	-	-	-	-	756,688
Total cash flows	(4,484,641)	-	-	1,165,064	-	-	(3,319,577)
Closing insurance contract assets	-	-	-		-	-	
Closing insurance contract liabilities	(13,166,663)		(265,376)	(3,480,422)	-	-	(16,912,462)
	(13,166,663)		(265,376)	(3,480,422)	-	-	(16,912,462)

Total - PAA and GMM							
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(16,281,857)	-	(484,309)	(3,480,422)	(14,254,915)	(617,758)	(35,305,984)
	(16,281,857)	-	(484,309)	(3,480,422)	(14,254,915)	(617,758)	(35,305,984)

9. Insurance contract liabilities (continued)**(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts (PAA)**

	31 December 2024						
	LfRC		LfIC for contracts measured under GMM		LfIC for contracts measured under PAA	Total	
	Excl. LC	ACQ	LC	GMM	PVCF	RA	
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	(3,534,870)	-	(187,991)	-	(14,122,753)	(616,392)	(18,462,006)
	(3,534,870)		(187,991)		(14,122,753)	(616,392)	(18,462,006)
Insurance revenue	19,241,269	-	-	-	-	-	19,241,269
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses	-	-	-	-	(5,907,738)	(594,648)	(6,502,386)
- Changes that relate to past service - adjustments to LfIC	-	-	-	-	(4,981,415)	244,644	(4,736,771)
- Losses on onerous contracts and reversal of those losses	-	-	11,509	-	-	-	11,509
- Amortisation of insurance acquisition cash flows	(1,697,533)						(1,697,533)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	-	-	-	-	(101,887)	-	(101,887)
Insurance finance expenses through OCI	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	17,543,736	-	11,509	-	(10,991,040)	(350,004)	6,214,201
Premiums received	(20,156,818)	-					(20,156,818)
Claims paid	-	-	-	-	3,563,771		3,563,771
Directly attributable expenses paid	-	-	-	-	1,422,695	-	1,422,695
Acquisition cost paid	1,902,005	-	-	-	-	-	1,902,005

Total cash flows	(18,254,813)	-	-	-	4,986,466	-	(13,268,347)
Closing insurance contract assets	-		-	-	-	-	-
Closing insurance contract liabilities	(4,245,947)		(176,482)		(20,127,327)	(966,396)	(25,516,152)
	(4,245,947)		(176,482)		(20,127,327)	(966,396)	(25,516,152)

9. Insurance contract liabilities**(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts (GMM)**

	31 December 2024						
	LfRC			LfIC for contracts measured under GMMM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ	LC		PVCF	RA	
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	(10,345,454)	-	(92,852)	(3,025,115)			(13,463,421)
	(10,345,454)	-	(92,852)	(3,025,115)			(13,463,421)
Insurance revenue	2,520,368						2,520,368
Insurance service expenses	-						
- Incurred benefits and expenses				(1,863,659)	-	-	(1,863,659)
- Changes that relate to past service - adjustments to LfIC				(180,462)	-	-	(180,462)
- Losses on onerous contracts and reversal of those losses			(268,061)	-	-	-	(268,061)
- Amortisation of insurance acquisition cash flows	(515,946)	-	-	-	-	-	(515,946)
- Impairment of acquisition cost asset							
Insurance finance expenses through profit and loss	(501,087)	-	(9,939)	(28,885)	-	-	(539,911)
Insurance finance expenses through OCI	640,478	-	12,344	(9,044)	-	-	643,778
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	162,715	-	-	(162,715)	-	-	-
Total changes in statement of profit and loss and OCI	2,306,528		(265,656)	(2,244,765)			(203,893)
							-
Premiums received	(7,911,588)						(7,911,588)
Claims paid				6,190,474	-	-	6,190,474
Directly attributable expenses paid				157,988			157,988
Acquisition cost paid	945,296			-			945,296
Total cash flows	(6,966,292)	-	-	6,348,462	-	-	(617,830)
Closing insurance contract assets							

Closing insurance contract liabilities	(15,005,218)		(358,508)	1,078,582			(14,285,144)
	(15,005,218)		(358,508)	1,078,582			(14,285,144)
Closing insurance contract assets							
Closing insurance contract liabilities	(19,251,165)		(534,990)	1,078,582	(20,127,327)	(966,396)	(39,801,296)
	(19,251,165)		(534,990)	1,078,582	(20,127,327)	(966,396)	(39,801,296)

10. Share capital

- (a) The Company's authorized share capital at the reporting date is RO 15 million comprising 150 million shares of 100 baiza each (2024 - RO 15 million comprising 150 million shares of 100 baiza each). The issued and fully paid-up share capital as of 30 September 2025 is RO 10,330,166 comprising 103,301,660 shares of 100 baiza each (2024- RO 10,330,166 comprising 103,301,660 shares of 100 baiza each).
- (b) At the reporting date, shareholders of the Company who own 1.85% or more of the Company's shares, whether in their name or through a nominee account, and the percentage of shares held by them are as follows:

	30 September 2025		30 September 2024		31 Dec 2024	
	%	Number of shares	%	Number of shares	%	Number of shares
Arabia Holding SAL	50.10	51,754,140	50.10	51,754,140	50.10	51,754,140
Lawrence Investment LLC	19.43	20,075,157	14.62	15,097,520	14.60	15,097,520
Al Anwar Investments SOAG	17.62	18,202,894	17.62	18,202,894	17.62	18,202,894
Mr. George Antonis Chidiac	5.81	6,000,000	5.81	6,000,000	5.81	6,000,000
Ameen Mohammed Al Sharif	-	-	2.90	3,000,000	2.90	3,000,000
Al Anwar International Investment Co. LLC	2.50	2,582,500	2.50	2,582,500	2.50	2,582,500
Al Anwar Taleem LLC (formerly Al Anwar Development Co LLC)	2.50	2,582,500	2.50	2,582,500	2.50	2,582,500
Jabreen International Development Co. SAOC	-	-	1.85	1,916,151	1.85	1,916,151

11. Legal reserve

The statutory reserve which is not available for distribution is calculated in accordance with the Commercial Companies Law of the Sultanate of Oman. The annual appropriation is 10% of the net profit for the year after tax, until such time as the legal reserve equals at least one-third of the issued and paid-up share capital of the Company.

During the period, the Company has transferred share premium of RO 1,749,442 to legal reserve as approved in the AGM held on 27 March 2025.

12. Contingency reserve

In accordance with article 10(bis) (2)(c) and 10(bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, 10% of the net outstanding claims in case of the general insurance business and 1% of the life assurance premiums for the period in case of life insurance business, The Company may discontinue this transfer when the reserve equals to the issued share capital. No dividend shall be declared in any year until the deficit in the reserve is covered by the retained profits. The reserves shall not be used except with the prior approval of the Financial Services Authority (FSA).

13. Insurance revenue

	30 September 2025		
	PAA	GMM	Total
Amounts relating to changes in LfRC			
- Expected benefits incurred	-	1,451,810	1,451,810
- Expected expenses incurred	-	154,122	154,122
- Change in the risk adjustment	-	42,333	42,333
- CSM recognized	-	885,912	885,912
Recovery of acquisition cash flows	-	736,547	736,547
Experience adjustments	-	(121,637)	(121,637)
Contracts not measured under PAA	-	3,149,087	3,149,087
Contracts measured under PAA	14,369,409	-	14,369,409
	14,369,409	3,149,086	17,518,495

	30 September 2024		
	PAA	GMM	Total
Amounts relating to changes in LfRC			
- Expected benefits incurred	-	930,571	930,571
- Expected expenses incurred	-	233,126	233,126
- Change in the risk adjustment	-	47,886	47,886
- CSM recognized	-	592,905	592,905
Recovery of acquisition cash flows	-	389,300	389,300
Experience adjustments	-	-	-
Contracts not measured under PAA	-	2,193,788	2,193,788

Contracts measured under PAA	14,564,706	-	14,564,706
	14,564,706	2,193,788	16,758,494

14. Insurance service Expense

	30 September 2025		
	PAA	GMM	Total
Incurring benefits	(2,247,732)	2,578,149	330,418
Incurring directly attributable expenses	(882,404)	(116,919)	(999,323)
Losses on onerous contracts and reversal of those losses	71,704	85,932	157,636
Changes that relate to past service - adjustments to LfIC	(4,842,828)	(4,587,427)	(9,430,256)
Insurance acquisition costs	(1,770,558)	(736,547)	(2,507,105)
Total insurance service expense	(9,671,818)	(2,776,812)	(12,448,630)

	30 September 2024		
	PAA	GMM	Total
Incurring benefits	(2,603,824)	(1,477,936)	(4,081,760)
Incurring directly attributable expenses	(878,795)	(113,289)	(992,084)
Losses on onerous contracts and reversal of those losses	(30,943)	(168,808)	(199,750)
Changes that relate to past service - adjustments to LfIC	(5,579,500)	131,020	(5,448,481)
Insurance acquisition costs	(1,297,927)	(389,300)	(1,687,227)
Total insurance service expense	(10,390,989)	(2,018,313)	(12,409,302)

15. Net income or expense from reinsurance contracts held

	30 September 2025		
	PAA	GMM	Total
Reinsurance service revenue	(9,639,592)	(1,491,960)	(11,131,552)
Amounts recovered for claims and other expenses	2,923,312	1,567,671	4,490,983
Incurring directly attributable expenses	(111,712)	-	(111,712)
Changes that relate to past service - recoverable claims and other expenses	2,232,172	(6,463)	2,225,709
Changes in fulfilment cash flows that do not adjust underlying CSM	(23,605)	(1,421)	(25,026)
	(4,619,425)	67,827	(4,551,598)

	30 September 2024		
	PAA	GMM	Total
Reinsurance service revenue	(9,430,494)	(1,135,048)	(10,565,542)
Amounts recovered for claims and other expenses	5,103,258	1,243,066	6,346,324
Incurring directly attributable expenses	(110,569)	-	(110,569)
Changes that relate to past service - recoverable claims and other expenses	838,284	(160,419)	677,865
Changes in fulfilment cash flows that do not adjust underlying CSM	7,815	51,196	59,011
	(3,591,706)	(1,205)	(3,592,911)

16. Insurance finance expenses

	30 September 2025		
	PAA	GMM	Total
Insurance finance expenses through profit and loss	(405,225)	(571,594)	(976,819)
	(405,225)	(571,594)	(976,819)
	30 September 2024		
	PAA	GMM	Total
Insurance finance expenses through profit and loss	(203,335)	(482,862)	(686,197)
	(203,335)	(482,862)	(686,197)

17. Reinsurance finance income

	30 September 2025			
	PAA		GMM	Total
Reinsurance Finance income	255,279		263,448	518,727
	255,279		263,448	518,727

	30 September 2024			
	PAA		GMM	Total
Reinsurance Finance income	174,158		40,624	214,782
	174,158		40,624	214,782

18. Investment income - net

	Unaudited		Unaudited
	30 September 2025		30 September 2024
	RO		RO
Interest income	838,324		946,043
Other investment income	774,829		475,394
Dividend income	24,567		23,072
Realized income	130,462		41,644
Unrealized gain/loss) on financial assets at fair value through profit or loss - net	336,704		64,494
	2,104,886		1,550,647

19. General and administration expenses

	Unaudited		Unaudited
	30 September 2025		30 September 2024
	RO		RO
Staff costs	1,615,518		1,595,649
Rent on short term leases	97,966		75,660
Depreciation	61,066		80,525
Legal and professional charges	126,020		141,786
Computer expenses	105,032		87,232
Communication costs	26,956		27,296
Amortization of right-of-use asset	0		19,602
Amortization of intangible assets	51,500		66,750
Directors sitting fees	9,450		13,325
Printing and stationery	13,636		19,047
Other operating expenses	233,192		280,176
	2,340,336		2,407,048

Allocation of General and administrative expenses:

	30 September 2025		30 September 2024
Attributable expense	1,459,520		1,654,857
Non attributable expense	880,816		752,191

The Company employed 118 employees as at 30 September 2025 (30 September 2024 - 119 employees).

20. Basic and diluted earnings per share

Earnings per share is calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year as follows:

	Unaudited		Unaudited
	30 September 2025		30 September 2024
Profit for the period – RO	1,369,136		1,145,437
Weighted average number of outstanding shares – numbers	103,301,660		103,301,660
Earnings per share - basic and diluted – RO	0.013		0.011

The diluted earnings per share is the same as basic earnings per share as the Company does not have any instruments having potential dilutive effects.

21. Net assets per share

Net assets per share is calculated by dividing the net assets at the end of the period by the number of shares outstanding at end of the period as follows:

	Unaudited		Unaudited		Unaudited
	30 September 2025		30 September 2024		31 December 2024
Net assets value – RO	22,773,827		21,663,745		22,211,344
Number of ordinary shares outstanding at the end of the period/ year	103,301,660		103,301,660		103,301,660
Net assets per share – RO	0.220		0.210		0.215

22. Related party transactions and balances

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

The Company enters into transactions in the normal course of business with shareholders, directors, key management personnel and entities in which certain shareholders and directors have the ability to control or exercise significant influence in financial and operating decisions. These transactions are entered into on mutually agreed terms.

(a) Transactions with related parties

Transactions with related parties or holders of 10% or more of the Company's shares or their family members included in the statement of profit or loss are as follows. These are related to directors and other companies where the Directors of the Company have shareholding:

	Unaudited		Unaudited
	30 September 2025		30 September 2024
With directors:	RO		RO
Gross premiums written	23,347		1,316
Gross claims paid	3,733		440
With other related parties			

Gross premiums written	775	21,186
Premiums ceded	3,590,399	3,208,003
Reinsurance commission earned	442,574	359,171
Gross claims paid	135	1,290
Reinsurance recovery on claims paid	983,624	1,451,698
Software license related expenses for new project	180,950	-

22. Related party transactions and balances (continued..)

(b) Balances with related parties included under the following heads are as follows:

	Unaudited 30 September r 2025	Unaudited 30 September r 2024	Audited 31 December 2024
From directors:	RO	RO	RO
Insurance and other receivables	2,830	145	4,827
Claims payable	600		4,543
Premium received in advance	1,446		
With other related parties:			
Insurance and other receivables	1,125	10,852	3,021
Reinsurance and other payable	5,002,944	4,076,374	4,477,001
Reinsurance recovery on outstanding claims	1,903,709	1908,954	1,956,650
Directors' remuneration and sitting fee payable	9,000	35,450	100,000
Claims payable	135	1,770	3,470

The reinsurance recovery on outstanding claims on run-off portfolio of ex-Arabia Insurance branches and other running portfolios. These recoveries are made once claims are settled fully.

(c) Compensation of the key management personnel

The key management personnel compensation for the period comprises:

	Unaudited 30 September 2025 RO	Unaudited 30 September 2024 RO
Short-term employment benefits	336,869	320,339
End of service benefits	10,499	15,579
Directors' sitting fees	9,450	13,325
Social security benefits	8,689	7,949
	365,507	357,192

23. Contingent liabilities and commitments

(a) The Company has a guarantee issued by a commercial bank in favor of the Omani Unified Bureau for Orange Card SAOC on behalf of the Company for an amount of RO 50,000 (2024 - RO 50,000) and RO 204,227 (2024 – RO 151,525) issued by a commercial bank on behalf of the Company for tender purpose from which it is anticipated that no material liabilities will arise.

(b) The Company, commonly with most cases, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's profit or financial position.

24. Comparatives

Previous period/ year figures have been reclassified wherever necessary to conform to the presentation adopted in the current period.