1 Legal status and principal activities

Liva Group SAOG ("the Group" or "the Parent Company") 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), Kingdom of Saudi Arabia (KSA), Kingdom of Bahrain (Bahrain) and the State of Kuwait (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 Parent 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.

The Parent Company has three fully owned subsidiaries "Liva Insurance BSC (c)" in Bahrain,"NLGIC Support Services Private Limited' in India and "Inayah TPA LLC" in UAE and owns shares totalling 62.5% of "Liva Insurance SAOC" and 37.5% indirectly through Liva Insurance BSC(c), due to which consolidated financial statements comprise of the Parent Company and its subsidiaries (together referred to as the Group). The separate financial statements represent the financial statements of the Parent Company and its branches in UAE on a stand-alone basis. The separate and consolidated financial statements are collectively referred to as "the separate and consolidated financial statements".

On 1 October 2025, Liva Group SAOG completed an internal restructuring through which the operations of its UAE branch (NLG UAE) were transferred to LIVA Insurance B.S.C (c) – UAE Branches, a branch of LIVA Insurance B.S.C (c), a Bahrain joint stock company and a subsidiary of Liva Group SAOG. This restructuring was carried out to enhance operational efficiency within the Group. Further details are disclosed in Note 38.

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

2.1 Statement of compliance

These separate and consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Commercial Companies Law, as amended, Insurance Companies Law, as amended and relevant requirements of the Financial Services Authority of the Sultanate of Oman.

2.2 Basis of measurement

The separate and consolidated financial information has been prepared on the historical cost basis except for the following:

- 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.
- Insurance and reinsurance contract assets and liabilities which are measured on the basis of fulfilment cashflows and contractual service margin.

2.3 Functional and reporting currency

These separate and consolidated financial statements are presented in Rial Omani, which is the Parent Company's functional and presentation currency. The functional currencies of the Group's operations are as follows:

- Sultanate of Oman: Rial Omani
- United Arab Emirates: UAE Dirham
- Kuwait: Kuwaiti Dinar
- India: Indian Rupee
- Saudi Arabia: Saudi Riyal
- Bahrain: Bahraini Dinar

2.4 Use of estimates and judgments

The preparation of these separate and consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, 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 recognised in the period in which the estimates are revised and in the future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the separate and consolidated financial statements are described in note 4.

2.5 New standards and amendments in existing standards

Amendments effective and adopted in the current year

The following amendment to existing standard mandatory for the first-time and have been adopted in the preparation of the financial statements for the year ended 31 December 2025:

Standard or amendments	***Title***	***Effective for annual periods beginning on or***
Amendments to IAS 21	Lack of exchangeability	1 January 2025

The above amendments do not have any material impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

3 Summary of material accounting policies

3.1 Insurance Contracts

3.1.1 Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. The Group does not have these type of contracts as at the reporting date.

The Group issues certain insurance contracts that include investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying investments are part of the Group's investment assets and the Group does not hold distinct investment assets attached to the insurance contracts. The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

Based on Group's assessment, the Group does not issue Insurance contracts with direct participation features which are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. Hence measurement model of Variable Fees Approach (VFA) is not applicable to the Group's insurance contracts.

The Group applies GMM for all its Long term life contracts including investment components in Savings and Participating products which comprises policyholder account values (surrender value) less applicable surrender fees.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant

All references to insurance contracts in these separate and consolidated financial statements apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

3.1.2 Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into Groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a Group of remaining contracts or "Others". These Groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such Groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same Group without performing an individual contract

For Life Risk and Savings product lines, sets of contracts usually correspond to policyholder pricing Groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing Groups.

For Medical and General Insurance contracts measured using the PAA, due to the nature of the business, groups are not bucketed as "contracts that at initial recognition have no significant possibility of becoming onerous subsequently". The Group buckets the group of contracts as (i) onerous or (ii) others at initial recognition, based on the projections for the forthcoming year. The allocation as Onerous or Others is done at the beginning of the year and not revised subsequently based on the actual results.

For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. Similar to Life Risk and Savings contracts, this assessment is performed at a policyholder pricing Groups

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the Grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into Groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio or "Others", if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Group tracks internal management information reflecting historical experiences of such contracts' performance. The Group assumes that reinsurance contracts form part of "Others" category at initial recognition, unless facts and circumstances indicate otherwise.

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Group applies IFRS 17 to all components of the contract. The Group does not have any contracts that require further separation or combination of insurance contracts.

3 **Summary of material accounting policies (continued)**

3.1 Insurance Contracts (Continued)

3.1.3 Recognition and derecognition

3.1.3.1 Insurance Contracts Issued

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- 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 the Group determines that 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 or the date of issuance of the contract (whichever is earlier) as the initial recognition date for groups of contracts.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

3.1.3.2 Reinsurance Contracts held

The Group 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.

The Group recognizes 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 incept on the same date as the beginning of the coverage period for the reinsurance contract (or very approximate to this date), the initial recognition point of such reinsurance contracts is taken as their inception date.

The Group does not recognise a Group of quota share reinsurance contracts held until it has recognised at least one of the underlying insurance contracts.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the Groups. When contracts meet the recognition criteria in the Groups after the reporting date, they are added to the Groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the Groups is not reassessed in subsequent periods.

3.1.3.3 Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a. if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
   i. is not in scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts;

b. □the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract not accounted for under the PAA is derecognised from within a Group of insurance contracts, the Group:

a. Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the Group.

b. Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LFRC of the Group) in the following manner, depending on the reason for the derecognition:

□i. If the contract is extinguished

□ii. If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.

□iii. If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in a. adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.

3 **Summary of material accounting policies (continued)**
3.1 Insurance Contracts (Continued)
3.1.3.3 Accounting for contract modification and derecognition (Continued)

c. Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

a. if the contract is extinguished, any net difference between the derecognised part of the LFRC of the original contract and any other cash flows arising from extinguishment;

b. if the contract is transferred to the third party, any net difference between the derecognised part of the LFRC of the original contract and the premium charged by the third party;

c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LFRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

3.1.4 ***Measurement***

3.1.4.1 Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

a. are based on a probability weighted mean of the full range of possible outcomes;
b. are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
c. reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the Groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

The Group accounts for the credit risk factor of receivables and related changes under insurance revenue in the measurement of Groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to Groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the Group of reinsurance contracts held and such estimates for the Groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of Groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

a. the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

b. both of the following criteria are satisfied:
i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and

□ii. the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.
Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

3 **Summary of material accounting policies (continued)**

3.1 **Insurance Contracts (Continued)**

3.1.4.1 Fulfilment cash flows (Continued)

Contract boundary (Continued)

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For Groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The Group's quota share life reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with a one-year notice period by either party. Thus, the Group treats such reinsurance contracts as a series of annual contracts that cover underlying business issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within one-year's boundary are included in each of the reinsurance contracts' measurement.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a Group of insurance contracts and that are:

(a) costs directly attributable to individual contracts and Groups of contracts; and

(b) costs directly attributable to the portfolio of insurance contracts to which the Group belongs, which are allocated on a reasonable and consistent basis to measure the Group of insurance contracts.

Allowances for claim liabilities

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). Such allowances for claim liabilities are included in the cashflows.

3.1.5 Measurement Model

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

The Group 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.

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

The Group elects to measure all insurance and reinsurance contracts under the PAA wherever the eligibility criteria of para 53(a) & (b) has been fulfilled for its portfolios. Insurance Contracts written by the Group and it's 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 LFRC 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.

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 Group will re-perform the PAA eligibility test.

3.1.6 Best Estimate Liability (BEL)

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

The carrying amount of a Group of insurance contracts issued at the end of each reporting period is the sum of:

a. the Liability for Remaining Coverage (LFRC); and
b. the Liability for Incurred Claims (LIC), comprising the FCF related to past service allocated to the Group at the reporting date.

The carrying amount of a Group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the Assets for remaining coverage (AFRC); and
b. the Assets for incurred claims (AIC), comprising the FCF related to past service allocated to the Group at the reporting date.

3.1.6.1 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

3 Summary of material accounting policies (continued)

3.1 Insurance Contracts (Continued)

3.1.6.1 Liability for Remaining Coverage under GMM (Continued)

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, 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 fulfilment 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.

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 Summary of material accounting policies (continued)

3.1 Insurance Contracts (Continued)

3.1.6.1 Liability for Remaining Coverage under GMM (Continued)

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 Company's functional currency , the impact on the CSM for the Company is nil.

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 LFRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LFRC 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

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.

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.

3 Summary of material accounting policies (continued)

3.1 Insurance Contracts (Continued)

3.1.6.2 Liability for Remaining Coverage under PAA

The Group 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 Group 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 complaint under IFRS 17. As per current assessment, the Group has decided not to discount the LFRC for PAA portfolios based on the fact that the effect of financing component is not material for long tail contracts.

The Group issues 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 Group accounts 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) Onerous contracts – loss component and loss recovery component

If a group of contracts becomes onerous, the Group increases the carrying amount of the LFRC and the AFRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses and it's reinsurance share respectively. Subsequently, the Group amortises the amount of the loss component within the LFRC and the loss recovery component in the AFRC. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous Group. If facts and circumstances indicate that the expected profitability of the onerous Group during the remaining coverage has changed, then the Group remeasures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component and loss recovery component as required until the loss component and loss recovery component are reduced to zero.

3.1.7 Liability for Incurred Claims

The Group calculates the LIC for both GMM and PAA portfolios 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.

3 Summary of material accounting policies (continued)

3.1 Insurance Contracts (Continued)

3.1.8 Discount Rate

Discounting is a part of the LFRC estimates for GMM portfolios of the Group. For it's PAA portfolios, the Group 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 Group has applied discounting to LIC for both GMM and PAA portfolios as some of the claims are settled beyond 12 months from the date they are incurred. The Group 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 Group uses the Bottom-Up approach to determine the required discount rates on yield curve basis.

3.1.9 *Risk Adjustment*

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer. Methods and assumptions

used to determine the risk adjustment for non-financial risk are discussed in note 5.

The risk adjustment is required when calculating:

· the Liability for Incurred Claims (LIC) 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).

3.1.10 *Amounts recognised in comprehensive income*

3.1.10.1 Insurance service result from insurance contracts issued Insurance

revenue

As the Group provides services under the group of insurance contracts, it reduces the LFRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LFRC:

a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

□- amounts related to the loss component;

□- repayments of investment components;

□- amounts of transaction-based taxes collected in a fiduciary capacity; and

□- insurance acquisition expenses;

b.□changes in the risk adjustment for non-financial risk, excluding:

- changes included in insurance finance income (expenses);

- changes that relate to future coverage (which adjust the CSM); and

- amounts allocated to the loss component;

c. amounts of the CSM recognised in profit or loss for the services provided in the period; and

d.□experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

- Insurance 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.

- For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts on straight line method.

3 Summary of material accounting policies (continued)

3.1 Insurance Contracts (Continued)

3.1.10.1 Insurance service result from insurance contracts issued (Continued)

Insurance service

Insurance service expenses include the following:

a. incurred claims and benefits excluding investment components;
b. other incurred directly attributable insurance service expenses;
c. amortisation of insurance acquisition cash flows;
d. changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
e. changes that relate to future service (i.e. losses/reversals on onerous Groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time on straight line method. Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

3.1.8.1 ***Insurance service result from reinsurance contracts held Net income (expenses)***

from reinsurance contracts held

The Group presents financial performance of Groups of reinsurance contracts held segregated between expense and income from reinsurance contracts held, comprising the following amounts:

· Allocation of reinsurance premiums
a. reinsurance expenses (premiums less commission);

· Amounts recoverable from reinsurers for incurred claims
a. incurred
b. other incurred directly attributable insurance service expenses;
c. effect of changes in risk of reinsurer non-performance;
d. for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the Group of underlying insurance contracts); and
e. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

a. insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
b. changes in the risk adjustment for non-financial risk, excluding:
- changes included in finance income (expenses) from reinsurance contracts held; and
- changes that relate to future coverage (which adjust the CSM);
c. amounts of the CSM recognised in profit or loss for the services received in the period; and
d. ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts on straight line method.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

3.1.10.2 ***Expenses***

The majority of costs incurred by the Group 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 Group 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 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 and included within Insurance service expenses.

3 Summary of material accounting policies (continued)

3.1 Insurance Contracts (Continued)

3.1.10.3 Expenses (Continued)

- 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 Group excludes all such costs from insurance contract measurement as required under IFRS 17.

3.1.10.3 ***Insurance finance income or expenses***

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

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a. interest accreted on the FCF and the CSM;
b. the effect of changes in interest rates and other financial assumptions; and
c. foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a. interest accreted on the LIC; and
b. the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the GMM and the PAA, the Group includes all insurance finance income or expenses for the period in profit or loss (i.e. the profit or loss option (the PL option) is applied).

3.2 Basis of consolidation and accounting in separate financial statements

(a) Basis of consolidation

The consolidated financial statements comprise those of the Parent Company and each of its subsidiaries as at 31 December each year. Subsidiaries are all entities (including special purpose entities) over which the Group exercise control. Control is achieved when the Parent Company.

- has power over the investee;
- is exposed, or has rights, to variable returns from is involvement with the investee; and
- has the ability to use its power to affect the Investee's returns

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to relevant facts and circumstance in assessing whether or not the Parent Company's voting rights in an investee are to give it power including:

- The size of the Parent Company's holding of the voting rights relative to the size and dispersion of holding of the other vote holders;
- Potential voting rights held by the parent company, other holders or other parties;
- Rights arising from other contractual arrangements;
- Any facts and circumstances that indicates that the Parent Company has, or does not have, the current ability to direct the relevant activities at the time the decision needs to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owner of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statement of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. When necessary, adjustments are made to the financial statement of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interest and non-controlling interest are adjusted to reflect the changes in their relative interest in subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received directly is equity and attributed to the owners of the Parent Company.

3 Summary of material accounting policies (continued)

3.2 Basis of consolidation and accounting in separate financial statements (continued)

(a) Basis of consolidation (continued)

Non-controlling interests in subsidiaries are identified separately from Group's equity therein. The interests of non-controlling interest's shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by- acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity and impairment of intangible assets. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:
• The aggregate of the fair value of consideration received and the fair value of any retained interest; and
• The carrying amount of assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.
All amounts previously recognised in other comprehensive income in relation to subsidiary are accounted for as if the Group has directly disposed of the assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment as associate or joint venture.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service

(b) Accounting in separate financial statements

In the Parent Company's separate financial statements, the Company has adopted equity method of accounting for its investment in subsidiaries.

Under the equity method adopted in the separate financial statements of the Parent Company, the investment is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the share of net assets of the subsidiary since the acquisition date in the separate financial statements of the Parent Company. The statement of profit or loss and other comprehensive income in the Parent Company's separate financial statements reflects the share of the results of operations of the subsidiary. Any change in other comprehensive income of those investees is presented as part of the Parent Company's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the subsidiary, the Parent Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Parent Company and the subsidiary are eliminated to the extent of the interest in the subsidiary. The financial statements of the subsidiary are prepared for the same reporting period as the Parent Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Parent Company. After application of the equity method, the Parent Company determines whether it is necessary to recognize an impairment loss on its investment in its subsidiary in its separate financial statements. At each reporting date, the Parent Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Parent

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(d) Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(e) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(f) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

3 Summary of material accounting policies (continued)

3.2 Basis of consolidation and accounting in separate financial statements (Continued)

(g) Transactions eliminated on consolidation

Intra Group balances and transactions, and any unrealized income and expenses (except for foreign currency transactions gains or losses) resulting from intra-group transactions are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Group's interest in investee. Unrealized loss are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

3.3 Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in statement of profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVOCI are included in other comprehensive income.

As at the reporting date, the assets and liabilities of the foreign subsidiary entity is translated into the functional currency of the consolidated financial statements (the Rial Omani) at the rate of exchange ruling at the reporting date and its profit or loss is translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a foreign currency translation reserve in other comprehensive income. On disposal of foreign operations, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognized in the statement of profit or loss.

3.4 Loans to policyholders

Loans to policyholders are stated at cost, less any amounts written off and allowance for impairment, if any.

3.5 Financial assets

3.5.1 Classification

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

(a) Financial assets carried at amortised cost;
(b) Financial assets carried at fair value through other comprehensive income (FVOCI); and
(c) Financial assets carried at fair value through profit or loss (FVTPL)

(a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) The asset is held within a "business model" whose objective is to hold assets to collect contractual cash flows;
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below. Further, financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Financing income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

(i) Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(ii) SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial asset to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of profit within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

3 Summary of material accounting policies (continued)
3.5 Financial assets (continued)
3.5.1 Classification (continued)

(b) Financial assets at fair value through other comprehensive income (FVOCI):

(i) Debt instruments at FVOCI

The Group applies the category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Financing income and foreign exchange gains and losses and impairment losses are recognised in statement of profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from equity to profit or loss.

This category only includes debt instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its debt instruments at FVOCI. Debt instruments at FVOCI are subject to an impairment assessment under IFRS 9.

(ii) Equity instruments at FVOCI

Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument by instrument basis.

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

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

3.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value though profit or loss are expensed in the statement of profit or loss.

For debt instruments measured at amortised cost, FVTPL and FVOCI, the interest income, foreign currency gains or losses and impairment gains or losses are recognised in profit and loss. For debt instruments classified as FVTPL, unrealised and realised fair value changes are recognised in profit and loss. For debt instruments measured at FVOCI, the fair value gains or losses are recognised in other comprehensive income until derecognition, when the cumulative gains or losses recognized in Other comprehensive income are reclassified to profit or loss.

The Group subsequently measures all equity investments at fair value. Dividends from such investments are recognised in the statement of profit or loss. The unrealised and realised fair value gains and losses on equity investments that are held for trading are recognized in profit or loss. Where the Group has made an irrevocable election at initial recognition to classify the equity investments through other comprehensive income, the changes in fair value are recognized in other comprehensive income. For all equity investments at FVOCI, there is no subsequent recycling of fair value gains and losses to profit or loss at derecognition.

3.5.3 Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except in the following cases, for which the amount recognised is 12-month expected credit losses:
• debt securities that are determined to have low credit risk at the reporting date; and
• other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, whereas 12-month expected credit losses are the portion of expected credit losses that results from default events that are possible within the 12 months after the reporting date. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

3 Summary of material accounting policies (continued)
3.5 Financial assets (continued)
3.5.3 Impairment of financial assets (Continued)

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses and are measured as follows:
• For financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive; and
• For financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows.

Credit impaired financial assets:
At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset (either partially or in full), the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease is related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed in profit or loss.

Presentation of loss allowances in the statement of financial position:

Loss allowances for expected credit losses are presented as follows:
• financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets; and
• debt investments measured at FVOCI: the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

3.6 Property and equipment

Property and equipment other than land and building is stated at cost less accumulated depreciation and accumulated impairment losses, if any for below class of assets.

Depreciation is charged to the statement of profit or loss on a straight line basis over the estimated useful lives of the assets as follows:

	Years
Building	19-45
Motor vehicles	4
Right-of-use assets	3 to 5
Furniture and equipment	4 to 5
Computer equipment	4

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in statement of profit or loss as the expense is incurred.

Any fixed assets costing less than ﷼ 100 are charged to statement of profit or loss in the year of purchase.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts, are recognised within 'other operating (loss) / income' and are taken into account in determining operating results for the year.

3.7 Intangible assets (including Goodwill)

Goodwill arising on acquisition of subsidiary is measured at cost less accumulated impairment losses.

Intangible asset acquired in a business combination is identified and recognised separately from goodwill where it satisfies the definition of an intangible asset and fair value can be measured reliably. The cost of such intangible asset is its fair value at the acquisition date.

Subsequent to initial recognition, intangible asset acquired is recorded at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately. The Group does impairment testing of goodwill for which the Group estimates the value in use of the cash-generating units to which the goodwill is allocated. The Group makes an estimate of the expected future cash flows from the cash-generating unit and also chooses a suitable discount rate in order to calculate the present value of those cash flows.

The Group does amortization of intangible assets recognized from the purchase price allocation on acquisition of its subsidiary. The Group has estimated the useful life of 10 to 20 years for these intangible assets and amortizes them over the period estimated.

3 Summary of material accounting policies (continued)

3.8 Impairment Non-financial assets

At each reporting date, the Group assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Group estimates the recoverable amount of the asset and recognises an impairment loss in the statement of profit or loss. The Group also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Offsetting

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.10 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with a maturity of three months or less from the date of placement net of outstanding bank overdrafts.

3.11 Provisions

A provision is recognised in the statement of financial position when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of provision can be estimated reliably.

3.12 Employees' end of service benefits

Employees' end of service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law and its amendments, U.A.E. Labour Law -Federal Decree-Law No. 33 of 2021 and its amendments, Kingdom of Bahrain Labour law no. 36 of 2012 and its amendment, Kingdom of Saudi Arabia royal decree no. M/51 of 2005 and its amendment, Private Sector Kuwait Labor Law i.e. Law No. 6 of the year 2010 and the requirements of IAS-19 'Employee benefits'.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law of 1991, for Emirati employees under the Social Security and UAE Pension Fund in accordance with the Federal Law No. (7) of 1999 and Federal Decree Law No. (57) of 2024 for Pension and Social Security, for Bahraini employees under the labour law No. 36 of 2012, for Saudi employees under the Royal Decree No. M/51 of 2005 and for Kuwaiti employees under the Kuwait-Social Security Law No. 61 of 1976 are recognised as an expense in the statement of profit or loss as incurred.

3.13 Other liabilities

Other liabilities are initially measured at fair value and subsequently carried at amortised cost using the effective interest method. Liabilities are recognised for amounts to be paid for goods or services received, whether or not billed to the Group. Other liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

3.14 **Income recognition - Investment income**

Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive dividend is established. For listed securities, this is the date the security is listed as ex dividend.

3.15 Directors' remuneration

The Directors' remuneration is governed as set out by the Commercial Companies Law and the rules prescribed by the Financial Services Authority and are charged as expense in statement of profit or loss.

3.16 Taxation

Corporate tax is calculated as per the income tax regulations applicable in the Sultanate of Oman. The foreign operations are incorporated in the United Arab Emirates, which has implemented a corporate tax regime under Federal Decree-Law No. 47 of 2022, and in Bahrain, which has introduced a 15% tax rate for large multinational corporations applicable from January 2025. Operations in Kuwait and Saudi Arabia have zakat registration. Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in Oman.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 Summary of material accounting policies (continued)

3.17 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.18 Leases

The Group identifies a contract as a lease contract, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the Group is a lessee, at the commencement date, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is measured at cost at commencement date. After the commencement date, the Group shall measure the right-of-use asset using the cost model. To apply the cost model, the right-of-use asset shall be measured at cost less any accumulated depreciation and any impairment losses and shall be adjusted for any remeasurement of lease liability. Depreciation shall be charged to the right-of-use asset in accordance with policy for depreciation of property and equipment. The Group determines whether the right-of-use asset is impaired and accounts for any impairment loss identified. For contracts with lease term greater than 12 months, the lease liability is measured at the present value of the lease payments that are not paid as at the reporting date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. When the Group is a lessor, rental income from operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company has elected to avail exemption benefits under IFRS 16 for short term expected effective lease periods (lease term of 12 months or less) and leases for which the underlying assets have low value. In such cases, the Company recognises the lease payments as an expense on either a straight line basis over the lease term or another systematic basis.

3.19 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

3.20 Dividend on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are approved.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

3.21 Standards and amendments issued but not yet effective in the current year

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting	Various amendments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027

The above standards do not have any material impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

4 Critical accounting judgment and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in note 3, management has made judgements that have the most significant effect on the amounts recognised in the financial statements and applied certain assumptions, and other key sources of estimation uncertainty at the reporting date as discussed below:

Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

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

4.1 Significant judgements and estimates in applying IFRS 17

4.1.1 Judgements

Areas of potential judgement	Applicable to the Group
Definition and classification - Whether contracts are in the scope of IFRS 17 and, for contracts determined to be in scope of IFRS 17, what measurement model is applicable:	
Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk	Applicable to the Company in determining the classification of contracts issued in Participating product lines as insurance or investment contracts.
Whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with DPF.	The Group issues investment contracts with participating features. In assessing whether these are in the scope of IFRS 17, the Group assessed if the discretionary amount is a significant amount of the total benefits.
Whether contracts that were determined to be in the scope of IFRS 17 meet the definition of an insurance contract with direct participation features, particularly: a. whether the pool of underlying items is clearly identified; b. whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and c. whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.	An assessment is performed for universal life contracts and participating contracts issued by the Group to determine whether the proportion to be paid to the policyholders is substantial. For investment contracts with DPF, the Group applied judgement and concluded that these contracts do not meet the definition of an insurance contract with direct participation features since they do not have features such as pool of underlying investments and management charges. Accordingly Variable Fee Approach was not applied to the contracts.
For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment as required by IFRS 17(53)(a),(54),(69) (a),(70) and may involve significant judgement.	PAA applied on Medical and General insurance contracts exceeding one year term and for proportional reinsurance contracts based on results of the PAA eligibility assessment carried out for these contracts. Refer note 3.1.5 for details
Unit of account - Judgements involved in combination of insurance contracts and separation of distinct components	
Combination of insurance contracts - whether the contracts with the same or related counterparty achieve or are designed to achieve an overall commercial effect and require combination. Separation - whether components in IFRS 17(11)-(12) are distinct (i.e. meet the separation criteria). Separation of contracts with multiple insurance coverage - whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.	No respective judgement is applicable to the Group.
Unit of account - Insurance contracts aggregation	
Judgements involved in the identification of portfolios of contracts as required by IFRS 17(14) (i.e. having similar risks and being managed together).	Not an area of significant judgement for the Group. The Group is a multi-line insurer where each product line is managed independently.
Aggregation of insurance contracts issued on initial recognition into Groups of onerous contracts, Groups of contracts with no significant possibility of becoming onerous and Groups of other contracts. Similar Grouping assessment for reinsurance contracts held. Areas of potential judgements include: a. IFRS 17(17) - the determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same Group as required by IFRS 17(16); and b. IFRS 17(18)-(19) - judgements may be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous and other contracts).	Refer to note 3.1.2 for a description of judgements applied by the Group

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

4.1 Significant judgements and estimates in applying IFRS 17 (Continued)

4.1.1 Judgements (Continued)

For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate any changes in the onerous Group's profitability and whether any loss component remeasurement is required.	This area of judgement is potentially applicable to the Group. Certain portfolios were determined to have become onerous in 2024 and 2025 for which Loss Component has been computed as part of the LFRC.
The determination of whether laws or regulations constrain the Group's practical ability to set a different price or level of benefits for policyholders with different risk profiles so the Group may include such contracts in the same Group, disregarding the aggregation requirements set in IFRS 17(14)- (19), is an area of judgement.	The regulatory environment in which the Group operates does not impose any price or other constraints. Thus, no judgement has been applied by the Group.
Recognition and derecognition - Accounting for contract modification and derecognition	
When contracts are modified, judgement might be applied to establish if the modification meets the criteria for derecognition. In particular, after the modification, judgement is applied to determine whether: a. significant insurance risk still exists; b. there are elements that are to be distinct from the contract; c. contract boundaries have changed; d. the contract would have to be included in a different Group subject to aggregation requirements; and e. the contract no longer meets the requirements of the measurement model.	No respective judgement is applicable to the Group in 2024 and 2025.
Measurement - Fulfilment cash flows	
The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of IFRS 17. Judgements might be involved to determine when the Group is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums and when premiums reflect risks beyond the coverage period.	No respective judgement is applicable to the Group.
Where such features as options and guarantees are included in the insurance contracts, judgement may be required to assess the entity's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.	
An entity may use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.	The Group performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts. Refer to note 3.1.10.3.

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

4.1 Significant judgements and estimates in applying IFRS 17 (Continued)

4.1.1 Judgements (Continued)

Financial performance	
The determination of what constitutes an investment component might be an area of judgement significantly affecting amounts of recognised insurance revenue and insurance service expenses as investment components should be excluded from those.	No respective judgement is applicable to the Group.
Insurance revenue and reinsurance expenses - methods and assumptions used in the determination of the CSM to be recognised in profit or loss for the services provided or received in the period. Areas of potential judgement are: a. the determination of the coverage units provided or received in the current period and expected to be provided in future periods, particularly when multiple services are provided under the same insurance contract; b. factoring in the time value of money when determining the equal allocation of the CSM to the coverage units provided or received; and c. the determination of the expected coverage period over which the CSM is allocated into profit or loss for the services provided or received.	The Group applied significant judgements in the following aspects of the determination of the CSM amounts that were recognised in profit or loss: a. for long term life portfolios, the Group made a judgement to consider coverage units based on the fixed death benefits amounts (during the insurance coverage period) i.e. Sum assured as the most appropriate. b. for factoring the time value of money the Group has considered the coverage period corresponding to the period in which insurance services are expected to be provided; The above judgements impact the CSM carrying values and amounts of the CSM allocation recognised in profit or loss for the period.
For contracts measured under the GMM in which the Group has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Group considers its commitment on initial recognition of such contracts. Further, judgement might be required to distinguish subsequent changes in the FCF resulting from changes in the Group's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.	No respective judgement is applicable to the Group.
For contracts measured under the GMM, the OCI option to disaggregate finance income or expenses between profit or loss and OCI requires assessment of whether amounts payable to the policyholders are significantly affected by assumptions that relate to financial risk, which is a potential area of judgement. Further, if amounts payable are considered to be substantially affected by changes in such assumptions, further guidance is provided on how disaggregation should be performed, which might also involve management judgement.	No respective judgement is applicable to the Group as it does not apply the OCI option under IFRS 17(88)(b) for contracts measured under the GMM.

4.1.1 ***Estimates of future cash flows to fulfil insurance contracts***

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.

Included in the measurement of each group of contracts in the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a range of scenarios.

Where estimates of expenses related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis such as activity based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Acquisition cash flows are typically allocated to Groups of contracts based on gross premiums written.

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

4.1 Significant judgements and estimates in applying IFRS 17 (Continued)

4.1.2 Estimates of future cash flows to fulfil insurance contracts (continued)

Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on a combination of activity based costing method and apportioning based on Gross written premium ratios. Directly attributable claims settlement related expenses are allocated to the specific portfolios and common expenses related to claims settlement are allocated to various portfolios based on activity based costing method.

For the Life Risk, Savings and participating contracts, uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of long-term changes in the mortality rates, the variability in the policyholder behaviour and uncertainties regarding future interest rates, inflation rates and expenses growth.

For the other contracts, uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required. Significant

methods and assumptions used are discussed below.

4.1.1 Method for GMM Portfolios:

The present value of future cashflows were estimated using a Gross Premium Valuation methodology. This is determined separately for each insurance contract using a prospective gross premium method of valuation. The entire portfolio (on a policy-by-policy level) is projected until its maturity and all cashflows (benefits, gross premiums) are discounted to compute the reserving figure. The projections take into account all prospective contingencies under which any premiums (by the policyholder) or benefits (to the policyholder/beneficiary) may be payable under the policy in accordance with the product specifications. Under IFRS 4, the Group applied the Net premium Valuation method for arriving at the PVFC. The method has now been changed to gross premium valuation methodology for implementation of IFRS 17 and is acceptable based on current regulations.

The Gross (of Reinsurance) PVFCs are calculated as Expected Present Value (EPV) of Benefits less EPV of Premiums while the Reinsurance PVFCs are calculated as EPV of Reinsurance benefits less EPV of Reinsurance Premiums.

In case of negative gross or net reserves at a policy level, the Group does not set the relevant gross or net policy reserve to zero. This is considered to be the best estimate and in line with the IFRS 17 Standard.

The CSM was estimated at initial recognition at a policy level using the total projected fulfilment cashflows. The CSM at subsequent measurement was estimated using the methodology stated in section 4.1.6.1(ii) above.

Coverage units measure per policy were set as the current sum assured as at the valuation date.

Assumptions:

4.1.4 Mortality - Life Risk, Savings and Participating contracts

The mortality rates are derived from mortality table Permanent Assurances, combined – AMC00 and AMF00 Ultimate table for males and females respectively. 117% of the AMC00 & AMF00 table has been used as best estimate mortality for the insured population in Oman. The best estimate derived has been applied based on a mortality experience study of the portfolio on an amount and life basis for all long term life contracts.

The following mortality assumptions were used:

Long Term Life portfolios	**2025**	2024
Best Estimate - Male	**155% (ICL & GCL) & 101.5% (IL) AMC00**	151.5% (ICL & GCL) AMC00 Ultimate
Best Estimate - Female	**Ultimate**	101.5% (IL) AMC00 Ultimate
Prudence Margin	**Nil**	Nil

A possible increase in mortality rates increases estimates of future cash outflows and thus decreases the CSM. For a sensitivity analysis, refer to note 4.2.1.

4 Critical accounting judgment and key sources of estimation uncertainty (Continued)
4.1 Significant judgements and estimates in applying IFRS 17 (Continued)

4.1.5 Persistency - Life Risk, Savings and Participating contracts (excluding investment contracts without DPF)

The Group derives assumptions about lapse and surrender rates based on the Group's own experience. Historical lapse and surrender rates are derived from the Group's policy administration data. An analysis is then performed of the Group's historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the Group's own experience and any trends in the data to arrive at the probability weighted expected lapse and surrender rates. Analysis is performed and assumptions are set by major product line.

The following assumptions about lapse and surrender rates were used
Long Term Life portfolios

	2025	2024
Individual Life Contracts	**0.5% to 1%**	0.5% to 1%
Individual Credit Life Contracts	**1%**	1%
Group Credit Life Contracts	**1% to 21%**	1% to 21%

A possible increase in lapse rates increases the estimates of future cash outflows and thus decreases the CSM within the LFRC. For a sensitivity analysis, refer to note 4.2.1.

4.1.6 Expenses - Life Risk, Savings and Participating contracts
The expense assumptions used were set such that the expenses could be fully covered as reflected in the financials. The initial expenses were expressed as a percentage of premium whereas the renewal expenses were expressed as a fixed per policy expense. The expense assumptions are detailed below:

	2025		2024	
Long Term Life portfolios (Group)	**Initial Expense (%age Of Premium)**	**Renewal Expense Fixed(⛴)**	**Initial Expense (%age Of Premium)**	Renewal Expense Fixed(⛴)
Individual Life Contracts	**18.25%**	**33**	9.0%	9
Individual Credit Life Contracts	**10.0%**	**7.2**	4.27%	2
Group Credit Life Contracts	**5.0%**	**1.0**	2.64%	2

Possible increases in expense assumptions increase estimates of future cash outflows and thus decrease the CSM within the LFRC for contracts measured under the GMM . For a sensitivity analysis, refer to note 4.2.1.

4.1.7 The ultimate liability arising from claims made under insurance contracts for PAA portfolios

The estimation of the ultimate liability arising from claims made under insurance contracts is a key estimate made in measuring liabilities under insurance contracts and especially under group medical, group life and general insurance contracts. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) is computed for each portfolio separately. Modelling is performed on a monthly or quarterly origin and monthly or quarterly paid as well as incurred development. Modelling is performed on a gross and net of reinsurance basis. Several methods are employed in the estimation of IBNR and IBNER claims provisions. After applying each of the methods, weighting of the results of methods is done for the gross and net incurred models.

For paid triangulations IBNR and IBNER are estimated by subtracting the sum of paid and outstanding claims by monthly origin from our estimated ultimate claims. For incurred triangulations IBNR and IBNER are estimated by subtracting incurred claims by monthly or quarterly origin from the estimated ultimate claims.

The IBNR and IBNER is calculated as the ultimate liability arising from claims (which is based on the ultimate loss ratio assumptions) less the reported claims as at the reporting date.

4 Critical accounting judgment and key sources of estimation uncertainty (Continued)
4.1 Significant judgements and estimates in applying IFRS 17 (Continued)

4.1.7 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 were 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.

4.1.8 Liability for Incurred Claims (LIC)

The Fulfilment Cashflows for LIC comprise the following:
· Best estimate of Unpaid or Outstanding claims, Incurred but Not Reported and Incurred but Not Enough Reported.
· 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 LIC as well as application of Discounting which was developed and applied to LIC within the calculation engine.

4.1.10 Reinsurance Default Adjustment
The reinsurer default adjustment is estimated based on the expected loss given default for the recoverable amounts from the reinsurer's. The company places business only with reinsurers having a minimum rating of "BBB" from Standard & Poor's (S&P) or "+B" from A.M. Best except regional reinsurers. This matrix of reinsurer's recoverable amounts as per the S&P ratings are obtained and the likelihood of default is assessed by mapping them against the S&P default curve.

Below is the reinsurer's recoverable amounts with respect to S&P rating, along with the S&P default curve. Default percentage is calculated at the entity level on annual basis and is applied at the reinsurer recoverable data as at the valuation date and a provision for reinsurer non-performance is booked.

Group and Parent	2025	2024
Oman Personal & Commercial Portfolio	**0.40%**	**0.40%**
Oman Health & Life Portfolio	**0.07%**	**0.01%**
UAE Personal & Commercial Portfolio	**0.08%**	**0.40%**
UAE Health & Life Portfolio	**0.03%**	**0.07%**
KWT	**0.03%**	**0.05%**
KSA	**0.62%**	**0.08%**
Bahrain	**0.08%**	**0.40%**

The expected reinsurer credit default adjustment for a portfolio was then calculated as the ratio of the expected loss (computed based on above assumptions) for a given portfolio divided by the total RI share of outstanding claims cashflows and reinsurer's share of IBNR.

4 Critical accounting judgment and key sources of estimation uncertainty (Continued)
4.1 Significant judgements and estimates in applying IFRS 17 (Continued)

4.1.11 Risk Adjustment

The purpose of the Risk Adjustment ("RA") is to measure the effect of uncertainty in the cash flows that arise from insurance contracts, other than uncertainty arising from financial risk. The total RA is composed of the RA for LIC plus the RA for LFRC of the Group'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 was based on Liva's own experience variability and the Mack method approach. The variability from the mean to the 75th percentile is taken as the RA for the respective aggregate class. The selected RA percentage is determined at a gross of reinsurance level, and the same percentage is applied on the respective RI portfolios.

For GMM portfolios, 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 a blend of Mack method results and Risk Margin Solvency II results.

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

4.1.12 Discount Rates

The Discount rates for GMM portfolios were estimated as follows:

The risk-free yield curve was derived from the OMIBOR rates as at December 2025, adjusted to reflect the trend of the EIOPA yield curve. The ill-liquid premium of 49 bps was then added to this to determine the final yield curve used for the IFRS 17 discounting.

For its GMM portfolios in Oman, the Group has used the following discount rates for its Insurance and Reinsurance portfolios:

Financial period	1 Year	5 Year	10 Year	15 Year	20 Year
31 December 2025	**5.54%**	**5.33%**	**5.67%**	**5.96%**	**5.41%**
31 December 2024	5.80%	5.29%	5.26%	5.31%	5.29%

The Discount rates for PAA portfolios were estimated as follows:

The Group uses the Bottom-Up approach to determine the required discount rates. The Group has relied on the EIOPA spot yield curves as at the reporting period. In certain portfolios, the ill-liquid Premium of 41 bps was used based on the surrender or lapse rates of the portfolios. The Group also uses volatility adjusted USA risk free rates assuming that the volatility adjustment makes adequate allowance for any illiquidity risk premium. The yield curves are further loaded with country risk premium, based on the country risk premium loadings.

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% to discount cash flows.

For its PAA portfolios, the Group has used the following discount rates / range of discount rates for its Insurance and Reinsurance portfolios:

	Group and Parent Company			
Financial period	**2025**		**2024**	
	1 Year	**3 Years**	1 Year	3 Years
Oman	**5.07%**	**4.81%**	6.40%	5.54%-4.92%
UAE	**5.32%**	**4.96%**	5.32%	4.96%
KWT	**4.85%**	**4.59%**	6.60%	5.7%-5.08%
KSA	**4.62%**	**4.53%**	5.62%	5.50%
Bahrain	**6.36%**	**5.99%**	6.36%	5.99%

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

4.2 Sensitivity analysis to underwriting risk variables

4.2.1 GMM portfolios: Life Risk, Savings and Participating contracts

The following tables present information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact product line insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Sensitivity on Liability and Profit (Group)

	2025				2024			
	CSM In Force	**IFRS 17 Profit**	**Change CSM In Force**	**Change IFRS 17 Profit**	CSM In Force	IFRS 17 Profit	Change CSM In Force	Change IFRS 17 Profit
Base	**10,491,778**	**109,514**			11,914,124	(138,269)		
Mortality Loaded By 15%	**10,462,130**	**138,972**	**(29,648)**	**29,458**	11,896,554	(658,991)	(17,570)	(520,723)
Mortality Reduced By 20%	**10,546,530**	**54,572**	**54,752**	**(54,942)**	11,937,663	559,658	23,539	697,927
Disability Loaded By 35% In Year 1, 25% In Year 2 & Reduced By 20% Year 3 Onwards	**10,491,630**	**109,472**	**(148)**	**(42)**	11,914,116	(136,605)	(8)	1,664
Expense Loaded By 10% And Inflation + 1%	**10,533,311**	**67,791**	**41,533**	**(41,723)**	11,912,862	(172,571)	(1,262)	(34,302)
Lapse Loaded By 50%	**10,463,243**	**137,859**	**(28,535)**	**28,345**	11,914,392	(141,896)	268	(3,627)
Lapse Reduced By 50%	**10,520,185**	**80,917**	**28,407**	**(28,597)**	11,914,092	(134,774)	(32)	3,495
Mass Lapse Of 40%	**9,775,081**	**826,022**	**(716,697)**	**716,507**	11,060,341	(1,722,052)	(853,783)	(1,583,783)
Mortality + 0.15% In Year 1	**10,515,125**	**85,978**	**23,347**	**(23,537)**	11,897,955	(585,260)	(16,169)	(446,991)
Yield Curve + 1%	**10,556,301**	**44,801**	**64,523**	**(64,713)**	11,919,509	(420,621)	5,386	(282,352)
Yield Curve - 1%	**10,416,601**	**184,501**	**(75,177)**	**74,987**	11,908,247	176,800	(5,877)	315,068
Risk Adjustment Loaded By 10%	**10,499,705**	**101,397**	**7,927**	**(8,117)**	11,901,503	(147,266)	(12,621)	(8,997)
Risk Adjustment Loaded By 10%	**10,483,471**	**117,631**	**(8,307)**	**8,117**	11,926,745	(129,272)	12,621	8,997

4.2.2 PAA Portfolios: Short term Life, Medical and General insurance contracts

The following table presents information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impacts the insurance liabilities, profit or loss and equity of the Short term Life, Medical and General insurance contracts before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA and, thus, only the LIC component and Loss component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

		Group				Parent Company			
		2025		2024		2025		2024	
Interest rate Sensitivity	**Change in interest rate**	**Impact on profit before tax**	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**
Insurance and reinsurance contracts	+100 BPS	**(65,311)**	-	326,338	-	**-**	-	238,967	-
Insurance and reinsurance contracts	-100 BPS	**(49,455)**	-	(118,336)	-	**-**	-	75,206	-

The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. No changes were made by the Group in the methods and assumptions used in preparing the above analysis.

5 Cash and cash equivalents

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

	Group		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
Deposits with banks for less than 90 days	**6,076,412**	5,229,678	**-**	-
Balances with banks (5(i))	**18,160,525**	20,378,758	**95,537**	5,825,299
Cash in hand	**21,468**	37,901	**100**	1,146
Cash and cash equivalents	**24,258,405**	25,646,337	**95,637**	5,826,445
Less: ECL on cash and bank balances (5(ii))	**(82,170)**	(94,049)	**(246)**	(28,442)
Cash and cash equivalents - net of ECL	**24,176,235**	25,552,288	**95,391**	5,798,003

5 (i) Included in balances with banks are balances of ﷼ 15,231,810 (2024: ﷼ 19,321,640) with commercial banks in Oman, India and other GCC Countries, which are denominated in US Dollars, Indian Rupee and various GCC currencies.

5 (ii) The ECL amounted to ﷼ 82,170 (2024: ﷼ 94,049) as at 31 December 2025 resulting in ECL release on group cash and bank balances of ﷼ 11,879 (2024: ﷼ 35,608) for the year ended 31 December 2025.

6 Bank deposits

	Group		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
Deposits	**143,625,874**	139,209,334	**3,505,000**	25,033,352
Less: ECL on bank deposits	**(100,621)**	(142,101)	**(8,278)**	(18,286)
	143,525,253	139,067,233	**3,496,722**	25,015,066

6 (i) Deposits are held with commercial banks in the Sultanate of Oman, United Arab Emirates, Kingdom of Saudi Arabia, the State of Kuwait and Kingdom of Bahrain, denominated in Rial Omani of ﷼ 46,512,246 (2024: ﷼ 55,221,210), UAE Dirhams of ﷼ 54,814,096 (2024: ﷼ 39,468,392), Saudi Riyal of ﷼ 33,297,264 (2024: ﷼ 40,335,986), Kuwaiti dinar of ﷼ 3,269,359 (2024: ﷼ 3,216,850) and Bahraini Dinar of ﷼ 966,896 (2024: ﷼ 966,896) and carry effective annual interest rates ranging between 3.25% to 6.50% per annum (2024: ranging between 1.75% to 6.50% per annum).

6 (ii) The ECL amounted to ﷼ 100,621 (2024: ﷼ 142,101) as at 31 December 2025 resulting in ECL release on bank deposits balances of ﷼ 41,480 (2024: ﷼ 43,572) for the year ended 31 December 2025.

6 (iii) The maturities of deposits at the reporting date are as follows:

	Group		Parent Company	
	2025	2024	**2025**	2024
Over three months but less than or equal to one year from the date of placement	**58,093,726**	43,227,945	**-**	2,888,159
More than one year from the date of placement	**85,532,148**	95,981,389	**3,505,000**	22,145,193
	143,625,874	139,209,334	**3,505,000**	25,033,352

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

7 (a) Investment in securities

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Investments carried at FVTPL (7(a)(i))	42,370,080	9,451,353	72,914	81,075
Investments carried at amortised cost (7(a)(ii))	39,619,003	60,861,649	-	192,885
Investment carried at FVOCI (7(a)(iii))	102,203,064	66,358,293	82,810	29,178,445
	184,192,147	136,671,295	155,724	29,452,405

7 (a)(i) Investments carried at fair value through profit or loss (FVTPL)

	Group			
	2025		2024	
	Fair value	Cost	Fair value	Cost
	﷼	﷼	﷼	﷼
Local				
Quoted				
Equity & mutual funds	9,599,713	4,564,864	61,140	35,864
Bonds	8,781,443	8,778,495	8,546,744	8,200,324
	18,381,156	13,343,359	8,607,884	8,236,188
Foreign				
Quoted				
Equity & mutual funds	23,988,924	23,527,103	843,469	557,937
Bonds	-	-	-	-
	23,988,924	23,527,103	843,469	557,937
Total	42,370,080	36,870,462	9,451,353	8,794,125

Investments carried at FVTPL	Parent Company			
	2025		2024	
	Fair value	Cost	Fair value	Cost
	﷼	﷼	﷼	﷼
Foreign				
Quoted				
Equity & mutual funds	72,914	46,725	81,075	46,086
	72,914	46,725	81,075	46,086

(i) Movement in investments carried at FVTPL :

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
At the beginning of the year	9,451,353	29,600,128	81,075	310,406
Acquired through acquisition of subsidiary	-	-	-	-
Additions during the year	43,012,212	-	-	-
Disposals during the year-net	(10,896,340)	(20,244,125)	-	(250,566)
Realised gain / (loss) on disposal (note 27)	312,076	(55,464)	-	13,711
Fair value changes-net (note 27)	189,444	150,814	(8,161)	7,524
Amortisation during the year	301,335	-		
At the end of the year	42,370,080	9,451,353	72,914	81,075

7 (a) Investment in securities (continued)

7 (a)(ii) Investments carried at amortised cost

	Group	
	2025	2024
	﷼	﷼
Bonds	**39,629,739**	60,894,090
Less: Expected credit losses on Investments carried at amortised cost	**(10,736)**	(32,441)
	39,619,003	60,861,649

The Company holds various corporates bonds having carrying interest rate of 1.6% to 6.75%p.a. (2024:1.45% to 7.00%p.a.). These bonds are held till maturity.

	Parent Company	
	2025	2024
	﷼	﷼
Bonds	**-**	192,886
Less: Expected credit losses on Investments carried at amortised cost	**-**	(1)
	-	192,885

(i) Movement in investments carried at amortised cost:

	Group		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
At the beginning of the year	**60,861,649**	58,146,262	**192,885**	192,427
Portfolio transfer of assets and liabilities net of ECL	**-**	-	**(192,386)**	-
Additions during the year	**6,173,244**	10,583,406	**-**	-
Matured /sold during the year	**(27,851,022)**	(7,825,200)	**-**	-
Amortisation during the year	**(402,962)**	(39,260)	**(500)**	458
Realised profit on disposal-net (note 27)	**816,389**	77	**-**	-
Movement in expected credit losses	**21,705**	(3,636)	**1**	-
At the end of the year	**39,619,003**	60,861,649	**-**	192,885

The ECL amounted to ﷼ 10,736 (2024: ﷼ 32,441) as at 31 December 2025 resulting in ECL release on investments carried at amortised cost of ﷼ 21,705 (2024: charge of ﷼ 3,636) for the year ended 31 December 2025.

7 (a) Investment in securities (continued)

7 (a)(iii) Investment carried at fair value through other comprehensive income (FVOCI)

	Group			
	2025		2024	
	Fair value	Cost	Fair value	Cost
	﷼	﷼	﷼	﷼
Local				
Unquoted - Equity & mutual funds	363,288	71,429	71,429	71,429
Quoted - Equity & mutual funds	8,839,978	7,947,335	1,842,923	1,806,363
Unquoted -Bonds				
Quoted-Bonds	23,442,508	23,506,628	31,983,287	22,101,704
	32,645,774	31,525,392	33,897,639	23,979,496
Foreign				
Unquoted - Equity & mutual funds	7,469,821	637,772	6,278,477	637,772
Quoted - Equity & mutual funds	82,810	301,685	6,126,173	4,505,152
Unquoted -Bonds				
Quoted-Bonds	62,004,659	61,887,045	20,056,004	24,171,041
	69,557,290	62,826,502	32,460,654	29,313,965
Local and Foreign	102,203,064	94,351,894	66,358,293	53,293,461

	Parent Company			
	2025		2024	
Investment carried at fair value through other comprehensive income	Fair value	Cost	Fair value	Cost
	﷼	﷼	﷼	﷼
Foreign				
Unquoted	-	442,500	-	442,500
Quoted	82,810	301,685	29,178,445	27,446,227
	82,810	744,185	29,178,445	27,888,727

(i) Movement in investments carried at FVOCI:

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
At the beginning of the year	66,358,293	35,921,741	29,178,445	27,114,527
Portfolio transfer of assets and liabilities (note 38)	-	-	(34,561,999)	-
Additions during the year	61,788,972	40,865,683	9,072,750	4,240,400
Disposals during the year	(31,235,339)	(13,193,905)	(5,056,030)	(2,697,162)
Realised gain on disposal of Bonds (note 27)	1,353,418	602	737,867	-
Fair value change-net	3,937,720	2,764,172	711,777	520,680
At the end of the year	102,203,064	66,358,293	82,810	29,178,445

The Group does not hold any investment in which its holdings exceed 10% of the market value of its investment portfolio at 31 December 2025 and 31 December 2024.

The ECL amounted to ﷼ 7,416 (2024: ﷼ 29,706) as at 31 December 2025 resulting in ECL release on investments carried at FVOCI of ﷼ 22,314 (2024: charge of ﷼ 16,454) for the year ended 31 December 2025. Out of the quoted investments, ﷼ 85,447,166 (2024: ﷼ 60,659,153) pertains to debt securities and ﷼ 8,922,788 (2024: ﷼ 7,895,978) pertains to equity securities. Unquoted investments includes substantially equity investments.

7 (b) Investment in subsidiaries

		Country of Incorporation	Group 2025 Holding %	Group 2025 Carrying value	Group 2024 Holding %	Group 2024 Carrying value
(i)	NLGIC Support Services Pvt. Ltd. (NSSPL)	India	100	399,122	100	341,244
(ii)	Inayah TPA LLC	UAE	100	521,042	100	737,224
(iii)	Liva Insurance BSC (C)	Bahrain	100	138,409,295	100	102,083,898
(iv)	Liva Insurance SAOC*	Oman	100	42,135,722	100	41,036,621
				181,465,181		144,198,987

Movement in investments in subsidiaries:	Parent Company 2025	2024
At 1 January	144,198,987	145,516,034
Share of profit / (loss) of subsidiaries	15,052,221	(1,891,659)
Additional investment in subsidiary on portfolio transfer of assets and liabilities (note 38)	20,107,448	-
Movement in other comprehensive income	2,384,521	802,432
Investment in subsidiary transfer to Liva Insurance BSC	(268,770)	-
Dividend from subsidiaries	-	(228,984)
Exchange differences on translation of foreign operations	(9,226)	1,164
At the end of the year	181,465,181	144,198,987

* Liva Group SAOG holds a 62.5% interest in Liva Insurance SAOC. The remaining 37.5% interest is held by Liva Insurance BSC (c), hence Liva Group SAOG effectively owns 100% of Liva Insurance SAOC

7 (b) Investment in subsidiaries

(i) The Parent Company has a fully owned subsidiary in India since 2016. NSSPL is engaged in the business of services and undertake activities relating to back office and support services for transaction processing for the Group.

(ii) In 2017 the Parent Company initially acquired a 49% shareholding in Inayah TPA LLC, a third party administration company in UAE and accounted it as an associate. The parent company acquired control over Inayah TPA LLC by entering into an arrangement to gain beneficial ownership of the balance 51% shareholding of the company. Management has concluded that the Parent Company controls Inayah TPA LLC.

(iii) The Parent Company holds a controlling stake in Liva Insurance SAOC, having increased its ownership from 47.5% to 62.5% following an additional investment in 2023. The remaining 37.5% is held by Liva Insurance BSC (c), a wholly owned subsidiary of the Group.

(iv) Effective from 1 October 2025, Liva Group SAOG completed an internal restructuring whereby the operations of its UAE branch (NLG UAE) were transferred to LIVA Insurance B.S.C (c) - UAE Branches, which is a branch of LIVA Insurance B.S.C, a Bahrain joint stock company and a subsidiary of Liva Group SAOG. This restructuring was undertaken to streamline operations within the Group. (note 38)

8 Insurance Contract Assets and Liabilities

	Group 2025							
	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 2025	55,346,657	2,581,760	10,416,093	111,551	3,248,780	120,440,545	6,436,730	198,582,116
Insurance contract assets as at 01 January 2025	(676,181)	-	-	-	-	461,225	10,806	(204,150)
Net insurance contract liabilities as at 01 January 2025	**54,670,476**	**2,581,760**	**10,416,093**	**111,551**	**3,248,780**	**120,901,770**	**6,447,536**	**198,377,966**
Insurance revenue	(403,896,156)	-	(4,366,380)	-	-	-	-	(408,262,536)
Insurance service expenses	73,817,681	(667,334)	(621,833)	290,728	3,538,526	273,604,964	(3,083,385)	346,879,347
Incurred claims and other expenses	-	-	-	(42,645)	2,907,764	290,533,414	2,388,974	295,787,507
Amortisation of insurance acquisition cash flows	73,817,681	-	33,049	-	-	-	-	73,850,730
Losses on onerous contracts	-	(352,627)	-	333,373	-	-	-	(19,254)
Reversals of losses on onerous contracts	-	(314,707)	-	-	-	(9,049,270)	(1,951,502)	(11,315,479)
Changes to liabilities for incurred claims	-	-	-	-	(24,120)	(7,879,180)	(3,520,857)	(11,424,157)
Investment components	-	-	(654,882)	-	654,882	-	-	-
Insurance service result before reinsurance contracts held	**(330,078,475)**	**(667,334)**	**(4,988,213)**	**290,728**	**3,538,526**	**273,604,964**	**(3,083,385)**	**(61,383,189)**
Insurance finance expenses	-	-	843,441	7,818	26,204	5,000,550	346,938	**6,224,951**
Effect of movements in exchange rates	(53,452)	(3,730)	-	-	-	(90,847)	(9,380)	(157,409)
Total changes in the statement of profit or loss and OCI	**(330,131,927)**	**(671,064)**	**(4,144,772)**	**298,546**	**3,564,730**	**278,514,667**	**(2,745,827)**	**(55,315,647)**
Cash flows								
Premiums received	427,540,139	-	4,900,660	-	-	-	-	432,440,799
Claims and other expenses paid	-	-	-	-	(2,446,300)	(279,659,092)	-	(282,105,392)
Insurance acquisition cash flows	(75,863,448)	-	(258,055)	-	-	416,187	-	(75,705,316)
Total cash flows	**351,676,691**	**-**	**4,642,605**	**-**	**(2,446,300)**	**(279,242,905)**	**-**	**74,630,091**
Net insurance contract liabilities as at 31 December 2025	**76,215,240**	**1,910,696**	**10,913,926**	**410,097**	**4,367,210**	**120,173,532**	**3,701,709**	**217,692,410**
Insurance contract liabilities as at 31 December 2025	76,548,327	1,910,696	10,913,926	410,097	4,367,210	120,014,578	3,693,799	217,858,633
Insurance contract assets as at 31 December 2025	(333,087)	-	-	-	-	158,954	7,910	(166,223)
Net insurance contract liabilities as at 31 December 2025	**76,215,240**	**1,910,696**	**10,913,926**	**410,097**	**4,367,210**	**120,173,532**	**3,701,709**	**217,692,410**

8 Insurance Contract Assets and Liabilities (Continued)

	Parent Company 2025							
	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 2025	11,657,238	654,994	-	-	-	21,914,737	1,936,276	36,163,245
Insurance contract assets as at 01 January 2025	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 01 January 2025	**11,657,238**	**654,994**	**-**	**-**	**-**	**21,914,737**	**1,936,276**	**36,163,245**
Insurance revenue	(109,318,051)	-	-	-	-	-	-	(109,318,051)
Insurance service expenses	14,464,058	(352,627)	-	-	-	89,484,809	550,442	104,146,682
Incurred claims and other expenses	-	-	-	-	-	91,409,333	2,276,688	93,686,021
Amortisation of insurance acquisition cash flows	14,464,058	-	-	-	-	-	-	14,464,058
Losses on onerous contracts	-	(352,627)	-	-	-	-	-	(352,627)
Changes to liabilities for incurred claims	-	-	-	-	-	(1,924,524)	(1,726,246)	(3,650,770)
Insurance service result before reinsurance contracts held	**(94,853,993)**	**(352,627)**	**-**	**-**	**-**	**89,484,809**	**550,442**	**(5,171,369)**
Insurance finance expenses	-	-	-	-	-	502,346	76,389	578,735
Effect of movements in exchange rates	(66,360)	(3,730)	-	-	-	(124,753)	(11,022)	(205,865)
Total changes in the statement of profit or loss and OCI	**(94,920,353)**	**(356,357)**	**-**	**-**	**-**	**89,862,402**	**615,809**	**(4,798,499)**
Cash flows								
Premiums received	110,747,644	-	-	-	-	-	-	110,747,644
Claims and other expenses paid	-	-	-	-	-	(82,808,006)	-	(82,808,006)
Insurance acquisition cash flows	(15,257,328)	-	-	-	-	-	-	(15,257,328)
Total cash flows	**95,490,316**	**-**	**-**	**-**	**-**	**(82,808,006)**	**-**	**12,682,310**
Other movements	-	-	-	-	-	-	-	-
Portfolio transfer of assets and liabilities	**(12,227,201)**	**(298,637)**	**-**	**-**	**-**	**(28,969,133)**	**(2,552,085)**	**(44,047,056)**
Net insurance contract liabilities as at 31 December 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance contract liabilities as at 31 December 2025	-	-	-	-	-	-	-	-
Insurance contract assets as at 31 December 2025	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 31 December 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

8 Insurance Contract Assets and Liabilities (Continued)

	Group 2024							
	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 2024	33,514,140	3,388,622	11,113,244	25,856	2,570,337	93,759,488	4,223,321	148,595,008
Insurance contract assets as at 01 January 2024	(1,327,403)	3	-	-	-	373,540	64,164	(889,696)
Net insurance contract liabilities as at 01 January 2024	32,186,737	3,388,625	11,113,244	25,856	2,570,337	94,133,028	4,287,485	147,705,312
Insurance revenue	(326,708,992)	-	(2,750,684)	-	-	-	-	(329,459,676)
Insurance service expenses	62,562,593	(806,865)	(401,808)	83,882	2,880,734	286,077,990	1,888,071	352,284,597
Incurred claims and other expenses	-	-	-	(10,347)	2,426,491	287,600,497	5,249,503	295,266,144
Amortisation of insurance acquisition cash flows	62,562,593	-	13,801	-	-	-	-	62,576,394
Losses on onerous contracts	-	122,445	-	94,229	-	-	-	216,674
Reversals of losses on onerous contracts	-	(929,310)	-	-	-	-	-	(929,310)
Changes to liabilities for incurred claims	-	-	-	-	38,634	(1,522,507)	(3,361,432)	(4,845,305)
Investment components	-	-	(415,609)	-	415,609	-	-	-
Insurance service result before reinsurance contracts held	(264,146,399)	(806,865)	(3,152,492)	83,882	2,880,734	286,077,990	1,888,071	22,824,921
Insurance finance expenses	-	-	573,688	1,813	23,588	1,168,468	271,980	2,039,537
Total changes in the statement of profit or loss and OCI	(264,146,399)	(806,865)	(2,578,804)	85,695	2,904,322	287,246,458	2,160,051	24,864,458
Cash flows								
Premiums received	348,582,634	-	2,125,477	-	-	-	-	350,708,111
Claims and other expenses paid	-	-	-	-	(2,225,879)	(260,477,716)	-	(262,703,595)
Insurance acquisition cash flows	(61,952,496)	-	(243,824)	-	-	-	-	(62,196,320)
Total cash flows	286,630,138	-	1,881,653	-	(2,225,879)	(260,477,716)	-	25,808,196
Net insurance contract liabilities as at 31 December 2024	54,670,476	2,581,760	10,416,093	111,551	3,248,780	120,901,770	6,447,536	198,377,966
Insurance contract liabilities as at 31 December 2024	55,346,657	2,581,760	10,416,093	111,551	3,248,780	120,440,545	6,436,730	198,582,116
Insurance contract assets as at 31 December 2024	(676,181)	-	-	-	-	461,225	10,806	(204,150)
Net insurance contract liabilities as at 31 December 2024	54,670,476	2,581,760	10,416,093	111,551	3,248,780	120,901,770	6,447,536	198,377,966

8 Insurance Contract Assets and Liabilities (Continued)

	Parent Company 2024							
	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 2024	11,661,175	532,549	-	-	-	19,466,105	1,219,810	32,879,639
Insurance contract assets as at 01 January 2024	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 01 January 2024	11,661,175	532,549	-	-	-	19,466,105	1,219,810	32,879,639
Insurance revenue	(116,621,868)	-	-	-	-	-	-	(116,621,868)
Insurance service expenses	15,237,295	122,445	-	-	-	104,605,747	640,978	120,606,465
Incurred claims and other expenses	-	-	-	-	-	98,771,786	1,661,959	100,433,745
Amortisation of insurance acquisition cash flows	15,237,295	-	-	-	-	-	-	15,237,295
Losses on onerous contracts	-	122,445	-	-	-	-	-	122,445
Changes to liabilities for incurred claims	-	-	-	-	-	5,833,961	(1,020,981)	4,812,980
Insurance service result before reinsurance contracts held	(101,384,573)	122,445	-	-	-	104,605,747	640,978	3,984,597
Insurance finance expenses	-	-	-	-	-	149,897	75,488	225,385
Total changes in the statement of profit or loss and OCI	(101,384,573)	122,445	-	-	-	104,755,644	716,466	4,209,982
Cash flows								
Premiums received	118,162,443	-	-	-	-	-	-	118,162,443
Claims and other expenses paid	-	-	-	-	-	(102,307,012)	-	(102,307,012)
Insurance acquisition cash flows	(16,781,807)	-	-	-	-	-	-	(16,781,807)
Total cash flows	101,380,636	-	-	-	-	(102,307,012)	-	(926,376)
Net insurance contract liabilities as at 31 December 2024	11,657,238	654,994	-	-	-	21,914,737	1,936,276	36,163,245
Insurance contract liabilities as at 31 December 2024	11,657,238	654,994	-	-	-	21,914,737	1,936,276	36,163,245
Insurance contract assets as at 31 December 2024	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 31 December 2024	11,657,238	654,994	-	-	-	21,914,737	1,936,276	36,163,245

9 Additional Notes for GMM

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

	Group 2025			
	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	(1,375,017)	824,808	14,326,633	13,776,424
Net balance as at 01 January	(1,375,017)	824,808	14,326,633	13,776,424
CSM recognised in profit or loss for the services provided	-	-	(2,073,326)	(2,073,326)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(142,693)	-	(142,693)
Experience adjustments - relating to insurance service expenses	(385,592)	-	-	(385,592)
Changes that relate to current service	(385,592)	(142,693)	(2,073,326)	(2,601,611)
Changes in estimates that adjust the CSM	773,784	(47,114)	(726,670)	-
Changes in estimates that result in onerous contract losses or reversal of losses	23,582	(21,821)	-	1,761
Experience adjustments - arising from premiums received in the period that relate to future service	3,780,732	(259,447)	(3,322,075)	199,210
Contracts initially recognised in the period	(670,089)	155,068	620,427	105,406
Changes that relate to future services	3,908,009	(173,314)	(3,428,318)	306,377
Changes that relate to past service - Changes in the FCF relating to the LIC	1,091,322	44,954	-	1,136,276
Changes that relate to past service	1,091,322	44,954	-	1,136,276
Insurance service result	4,613,739	(271,053)	(5,501,645)	(1,158,959)
Finance expenses from insurance contracts issued	73,210	56,802	747,451	877,463
Total amounts recognised in comprehensive income	4,686,949	(214,251)	(4,754,194)	(281,496)
Cash flows				
Premiums received	4,900,660	-	-	4,900,660
Claims and other directly attributable expenses paid	(2,446,300)	-	-	(2,446,300)
Insurance acquisition cash flows paid	(258,055)	-	-	(258,055)
Total cash flows	2,196,305	-	-	2,196,305
Net balance as at 31 December	5,508,237	610,557	9,572,439	15,691,233
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	5,508,237	610,557	9,572,439	15,691,233

9 Additional Notes for GMM (Continued)

	Group 2024			
	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	7,769,457	236,597	5,703,383	13,709,437
Net balance as at 01 January	7,769,457	236,597	5,703,383	13,709,437
CSM recognised in profit or loss for the services provided	-	-	(2,148,460)	(2,148,460)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(43,930)	-	(43,930)
Experience adjustments - relating to insurance service expenses	1,090,111	-	-	1,090,111
Changes that relate to current service	1,090,111	(43,930)	(2,148,460)	(1,102,279)
Changes in estimates that adjust the CSM	800,627	321,152	(1,121,779)	-
Changes in estimates that result in onerous contract losses or reversal of losses	43,471	4,418	-	47,889
Experience adjustments - arising from premiums received in the period that relate to future service	(11,082,183)	238,566	10,897,137	53,520
Contracts initially recognised in the period	(673,868)	27,664	684,721	38,517
Changes that relate to future services	(10,911,953)	591,800	10,460,079	139,926
Changes that relate to past service - Changes in the FCF relating to the LIC	751,372	23,105	-	774,477
Changes that relate to past service	751,372	23,105	-	774,477
Insurance service result	(9,070,470)	570,975	8,311,619	(187,876)
Finance expenses from insurance contracts issued	270,222	17,236	311,631	599,089
Total amounts recognised in comprehensive income	(8,800,248)	588,211	8,623,250	411,213
Cash flows				
Premiums received	2,125,477	-	-	2,125,477
Claims and other directly attributable expenses paid	(2,225,879)	-	-	(2,225,879)
Insurance acquisition cash flows paid	(243,824)	-	-	(243,824)
Total cash flows	(344,226)	-	-	(344,226)
Net balance as at 31 December	(1,375,017)	824,808	14,326,633	13,776,424
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(1,375,017)	824,808	14,326,633	13,776,424

9 Additional Notes for GMM (Continued)

9.2 Impact of contracts recognised for the period ended

	Group 2025		
	Non-onerous contracts originated	Onerous contracts originated	Total
Insurance contracts issued			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	107,711	14,130	121,841
Claims and other directly attributable expenses	2,086,748	472,296	2,559,044
Total estimates of the present value of future cash outflows	2,194,459	486,426	2,680,885
Estimates of the present value of future cash inflows	(2,942,313)	(408,661)	(3,350,974)
Contracts initially recognised in the period	(747,854)	77,765	(670,089)
Risk adjustment for non-financial risk	127,039	28,029	155,068
CSM	620,427	-	620,427
Increase in insurance contract liabilities from contracts recognised in the year	(388)	105,794	105,406

	Group 2024		
	Non-onerous contracts originated	Onerous contracts originated	Total
Insurance contracts issued			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	20,997	61,502	82,499
Claims and other directly attributable expenses	560,080	93,310	653,390
Total estimates of the present value of future cash outflows	581,077	154,812	735,889
Estimates of the present value of future cash inflows	(1,285,565)	(124,192)	(1,409,757)
Contracts initially recognised in the year	(704,488)	30,620	(673,868)
Risk adjustment for non-financial risk	19,767	7,897	27,664
CSM	684,721	-	684,721
Increase in insurance contract liabilities from contracts recognised in the year	-	38,517	38,517

10 Reinsurance contract assets and liabilities

	Group 2025							
	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	Total
Reinsurance contract assets as at 01 January 2025	(22,930,295)	218,984	(489,930)	1,570,473	3,751,287	91,270,981	2,058,725	75,450,225
Reinsurance contract liabilities as at 01 January 2025	(49,056,347)	152,327	-	-	-	28,343,255	404,720	(20,156,045)
Net reinsurance contract assets as at 01 January 2025	**(71,986,642)**	**371,311**	**(489,930)**	**1,570,473**	**3,751,287**	**119,614,236**	**2,463,445**	**55,294,180**
An allocation of reinsurance premiums	(74,392,632)	-	(2,330,437)	-	-	-	-	(76,723,069)
Amounts recoverable from reinsurers for incurred claims	-	(370,275)	(10,975)	222,347	1,677,432	28,280,905	(731,419)	29,068,015
Amounts recoverable for incurred claims and other expenses	-	-	-	(41,963)	1,289,320	43,001,994	503,319	44,752,670
Reinsurer's share of losses on onerous contracts	-	83,423	-	-	-	-	-	83,423
Reinsurer's share of reversals of losses on onerous contracts	-	(453,698)	(10,975)	264,310	-	(1,323,701)	123,194	(1,400,870)
Changes to amounts recoverable for incurred claims	-	-	-	-	388,112	(13,493,834)	(1,357,932)	(14,463,654)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	96,446	-	96,446
Net income or (expense) from reinsurance contracts held	**(74,392,632)**	**(370,275)**	**(2,341,412)**	**222,347**	**1,677,432**	**28,280,905**	**(731,419)**	**(47,655,054)**
Reinsurance finance income	-	-	265,528	14,900	16,221	6,674,376	132,133	7,103,158
Effect of movements in exchange rates	225,597	(1,036)	-	-	-	(216,894)	(3,028)	4,639
Total changes in the statement of comprehensive income	**(74,167,035)**	**(371,311)**	**(2,075,884)**	**237,247**	**1,693,653**	**34,738,387**	**(602,314)**	**(40,547,257)**
Cash flows								
Premiums paid	44,247,428	-	490,753	-	-	-	-	44,738,181
Amounts received	(507)	-	-	-	(7,309)	(27,598,223)	-	(27,606,039)
Total cash flows	**44,246,921**	-	**490,753**	-	**(7,309)**	**(27,598,223)**	-	**17,132,142**
Other movements	(13,374)	-	-	-	-	41,676	1,001	29,303
Net reinsurance contract assets as at 31 December 2025	**(101,920,130)**	**1**	**(2,075,061)**	**1,807,720**	**5,437,631**	**126,796,076**	**1,862,132**	**31,908,369**
Reinsurance contract assets as at 31 December 2025	(15,065,869)	1	(2,075,061)	1,807,720	5,437,631	60,036,657	1,587,115	51,728,194
Reinsurance contract liabilities as at 31 December 2025	(86,854,261)	-	-	-	-	66,759,419	275,017	(19,819,825)
Net reinsurance contract assets as at 31 December 2025	**(101,920,130)**	**1**	**(2,075,061)**	**1,807,720**	**5,437,631**	**126,796,076**	**1,862,132**	**31,908,369**

10 Reinsurance contract assets and liabilities (Continued)

	Parent Company 2025							
	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	Total
Reinsurance contract assets as at 01 January 2025	(12,117,335)	29,595	-	-	-	12,923,955	201,468	1,037,683
Reinsurance contract liabilities as at 01 January 2025	(27,534,766)	152,327	-	-	-	25,191,194	330,939	(1,860,306)
Net reinsurance contract assets as at 01 January 2025	**(39,652,101)**	**181,922**	**-**	**-**	**-**	**38,115,149**	**532,407**	**(822,623)**
An allocation of reinsurance premiums	(25,049,782)	-	-	-	-	-	-	(25,049,782)
Amounts recoverable from reinsurers for incurred claims	-	**(107,121)**	-	-	-	**21,994,956**	**129,708**	**22,017,543**
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	23,458,150	614,970	24,073,120
Reinsurer's share of losses on onerous contracts	-	(107,121)	-	-	-	-	-	(107,121)
Changes to amounts recoverable for incurred claims	-	-	-	-	-	(1,463,482)	(485,262)	(1,948,744)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	288	-	288
Net income or (expense) from reinsurance contracts held	**(25,049,782)**	**(107,121)**	-	-	-	**21,994,956**	**129,708**	**(3,032,239)**
Reinsurance finance income	-	-	-	-	-	746,066	21,004	767,070
Effect of movements in exchange rates	225,724	(1,036)	-	-	-	(216,975)	(3,031)	4,682
Total changes in the statement of comprehensive income	**(24,824,058)**	**(108,157)**	**-**	**-**	**-**	**22,524,047**	**147,681**	**(2,260,487)**
Cash flows								
Premiums paid	1,672,882	-	-	-	-	-	-	1,672,882
Amounts received	-	-	-	-	-	(673,621)	-	(673,621)
Total cash flows	**1,672,882**	-	-	-	-	**(673,621)**	**-**	**999,261**
Other movements	-	-	-	-	-	-	-	-
Portfolio transfer of assets and liabilities	**62,803,277**	**(73,765)**	**-**	**-**	**-**	**(59,965,575)**	**(680,088)**	**2,083,849**
Net reinsurance contract assets as at 31 December 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reinsurance contract assets as at 31 December 2025	-	-	-	-	-	-	-	-
Reinsurance contract liabilities as at 31 December 2025	-	-	-	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

10 Reinsurance contract assets and liabilities

	Group 2024							
	Assets for remaining coverage - PAA		Assets for remaining coverage - GMM		Amounts recoverable on incurred under GMM	Amounts recoverable on incurred under PAA claims		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 2024	(8,064,057)	155,132	276,764	1,506,347	2,701,649	31,256,016	841,120	28,672,971
Reinsurance contract liabilities as at 01 January 2024	(30,758,786)	128,721	-	-	-	17,090,250	340,155	(13,199,660)
Net reinsurance contract assets as at 01 January 2024	(38,822,843)	283,853	276,764	1,506,347	2,701,649	48,346,266	1,181,275	15,473,311
An allocation of reinsurance premiums	(75,395,964)	-	(1,309,330)	-	-	-	-	(76,705,294)
Amounts recoverable from reinsurers for incurred claims	-	87,457	(188)	60,474	1,321,199	91,207,277	1,209,785	93,886,004
Amounts recoverable for incurred claims and other expenses	-	-	-	(6,665)	1,120,769	91,198,559	2,260,640	94,573,303
Reinsurer's share of losses on onerous contracts	-	154,596	-	-	-	-	-	154,596
Reinsurer's share of reversals of losses on onerous contracts	-	(67,139)	(188)	67,139	-	-	-	(188)
Changes to amounts recoverable for incurred claims	-	-	-	-	200,430	148,893	(1,050,855)	(701,532)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	(140,175)	-	(140,175)
Net income or (expense) from reinsurance contracts held	(75,395,964)	87,457	(1,309,518)	60,474	1,321,199	91,207,277	1,209,785	17,180,710
Reinsurance finance income	-	-	136,996	3,652	14,443	(43,670)	72,385	183,806
Total changes in the statement of comprehensive income	(75,395,964)	87,457	(1,172,522)	64,126	1,335,642	91,163,607	1,282,170	17,364,516
Cash flows								
Premiums paid	42,232,165	-	405,828	-	-	-	-	42,637,993
Amounts received	-	-	-	-	(286,004)	(19,895,637)	-	(20,181,641)
Total cash flows	42,232,165	-	405,828	-	(286,004)	(19,895,637)	-	22,456,352
Net reinsurance contract assets as at 31 December 2024	(71,986,642)	371,311	(489,930)	1,570,473	3,751,287	119,614,236	2,463,445	55,294,180
Reinsurance contract assets as at 31 December 2024	(22,930,295)	218,984	(489,930)	1,570,473	3,751,287	91,270,981	2,058,725	75,450,225
Reinsurance contract liabilities as at 31 December 2024	(49,056,347)	152,327	-	-	-	28,343,255	404,720	(20,156,045)
Net reinsurance contract assets as at 31 December 2024	(71,986,642)	371,311	(489,930)	1,570,473	3,751,287	119,614,236	2,463,445	55,294,180

10 Reinsurance contract assets and liabilities (Continued)

	Parent Company 2024							
	Assets for remaining coverage - PAA		Assets for remaining coverage - GMM		Amounts recoverable on incurred under GMM	Amounts recoverable on incurred under PAA claims		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 2024	(6,191,223)	49,786	-	-	-	7,742,271	115,371	1,716,205
Reinsurance contract liabilities as at 01 January 2024	(18,217,684)	126,323	-	-	-	16,879,671	233,181	(978,509)
Net reinsurance contract assets as at 01 January 2024	(24,408,907)	176,109	-	-	-	24,621,942	348,552	737,696
An allocation of reinsurance premiums	(26,823,086)	-	-	-	-	-	-	(26,823,086)
Amounts recoverable from reinsurers for incurred claims	-	5,813	-	-	-	26,191,532	163,016	26,360,361
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	25,166,679	510,111	25,676,790
Reinsurer's share of losses on onerous contracts	-	5,813	-	-	-	-	-	5,813
Changes to amounts recoverable for incurred claims	-	-	-	-	-	1,027,385	(347,095)	680,290
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	(2,532)	-	(2,532)
Net income or (expense) from reinsurance contracts held	(26,823,086)	5,813	-	-	-	26,191,532	163,016	(462,725)
Reinsurance finance income	-	-	-	-	-	272,904	20,839	293,743
Total changes in the statement of comprehensive income	(26,823,086)	5,813	-	-	-	26,464,436	183,855	(168,982)
Cash flows								
Premiums paid	11,579,892	-	-	-	-	-	-	11,579,892
Amounts received	-	-	-	-	-	(12,971,229)	-	(12,971,229)
Total cash flows	11,579,892	-	-	-	-	(12,971,229)	-	(1,391,337)
Net reinsurance contract assets as at 31 December 2024	(39,652,101)	181,922	-	-	-	38,115,149	532,407	(822,623)
Reinsurance contract assets as at 31 December 2024	(12,117,335)	29,595	-	-	-	12,923,955	201,468	1,037,683
Reinsurance contract liabilities as at 31 December 2024	(27,534,766)	152,327	-	-	-	25,191,194	330,939	(1,860,306)
Net reinsurance contract (liabilities) as at 31 December 2024	(39,652,101)	181,922	-	-	-	38,115,149	532,407	(822,623)

11 Additional Notes for GMM

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

	Group 2025			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts issued				
Opening reinsurance contract assets	1,810,689	608,631	2,412,511	4,831,831
Opening reinsurance contract liabilities	-	-	-	-
Net balance as at 01 January	1,810,689	608,631	2,412,511	4,831,831
CSM recognised in profit or loss for the services provided	-	-	(866,680)	(866,680)
Change in the risk adjustment for non financial risk for the risk expired	-	(89,053)	-	(89,053)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(1,409,358)	-	-	(1,409,358)
Changes that relate to current service	(1,409,358)	(89,053)	(866,680)	(2,365,091)
Changes in estimates that adjust the CSM	95,837	(30,593)	(65,245)	(1)
Changes in estimates that do not adjust the CSM	35,232	(18,889)	-	16,343
Contracts initially recognised in the period	(329,873)	75,593	327,768	73,488
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	486,131	(214,563)	(108,063)	163,505
Changes that relate to future services	287,327	(188,452)	154,460	253,335
Changes that relate to past service -				
Changes in the FCF relating to incurred claims recovery	1,637,428	32,695	-	1,670,123
Changes that relate to past service	1,637,428	32,695	-	1,670,123
Net income / (expenses) from reinsurance contracts held	515,397	(244,810)	(712,220)	(441,633)
Finance income from reinsurance contracts held	121,125	39,664	135,860	296,649
Total amounts recognised in comprehensive income	636,522	(205,146)	(576,360)	(144,984)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	490,753	-	-	490,753
Recoveries from reinsurance	(7,309)	-	-	(7,309)
Total cash flows	483,444	-	-	483,444
Net balance as at 31 December	2,930,654	403,485	1,836,151	5,170,290
Closing reinsurance contract assets	2,930,654	403,485	1,836,151	5,170,290
Closing reinsurance contract liabilities	-	-	-	-

11 Additional Notes for GMM (Continued)

	Group 2024			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts issued				
Opening reinsurance contract assets	3,433,787	116,579	934,394	4,484,760
Opening reinsurance contract liabilities	-	-	-	-
Net balance as at 01 January	3,433,787	116,579	934,394	**4,484,760**
Portfolio transfer of assets and liabilities	-	-	(533,934)	(533,934)
CSM recognised in profit or loss for the services provided	**-**	**-**	**(533,934)**	(533,934)
Change in the risk adjustment for non financial risk for the risk expired	-	(14,202)	-	(14,202)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(481,857)	-	-	(481,857)
Changes that relate to current service	(481,857)	(14,202)	(533,934)	(1,029,993)
Changes in estimates that adjust the CSM	1,523,828	328,347	(1,852,175)	-
Changes in estimates that do not adjust the CSM	20,384	1,187	-	21,571
Contracts initially recognised in the period	(259,135)	11,261	271,079	23,205
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	(3,652,948)	141,922	3,533,201	22,175
Changes that relate to future services	(2,367,871)	482,717	1,952,105	66,951
Changes that relate to past service -	1,019,999	15,197	-	1035196
Changes that relate to past service	**1,019,999**	**15,197**	**-**	**1,035,196**
Net income / (expenses) from reinsurance contracts held	(1,829,729)	483,713	1,418,171	72,155
Finance income from reinsurance contracts held	86,807	8,339	59,945	155,091
Total amounts recognised in comprehensive income	(1,742,922)	492,052	1,478,116	227,246
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	405,828	-	-	405,828
Recoveries from reinsurance	(286,004)	-	-	(286,004)
Total cash flows	119,824	-	-	119,824
Net balance as at 31 December	1,810,689	608,631	2,412,510	4,831,830
Closing reinsurance contract assets	1,810,689	608,631	2,412,510	4,831,830
Closing reinsurance contract liabilities	-	-	-	-

11 Additional Notes for GMM (Continued)

11.2 Impact of contracts recognised for the year ended

	Group 2025		
	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Total
Reinsurance contracts held			
Estimates of the present value of future cash inflows	150,838	1,626,490	1,777,328
Estimates of the present value of future cash outflows	(152,297)	(1,295,158)	(1,447,455)
Risk adjustment for non-financial risk	(8,190)	(67,403)	(75,593)
CSM	(63,839)	(263,929)	(327,768)
Increase in reinsurance contract assets from contracts recognised in the year	(73,488)	-	(73,488)

	Group 2024		
	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Total
Reinsurance contracts held			
Estimates of the present value of future cash inflows	3,145	655,594	658,739
Estimates of the present value of future cash outflows	(8,387)	(391,217)	(399,604)
Risk adjustment for non-financial risk	(275)	(10,986)	(11,261)
CSM	(17,688)	(253,391)	(271,079)
Increase in reinsurance contract assets from contracts recognised in the year	(23,205)	-	(23,205)

12 Expected recognition of the contractual service margin

12 (a) An analysis of the expected recognition of the CSM remaining at the end of the reporting period for contracts not measured under PAA, in profit or loss is provided in the following table (number of years until expected to be recognised)

Group

31 December 2024	1 year	2 year	3 year	4 year	5 year	>6 year	Total
Total CSM for insurance contracts issued	1,614,211	1,365,942	1,145,799	962,127	804,710	3,679,650	9,572,439
Total CSM for reinsurance contracts held	(433,050)	(323,238)	(242,550)	(183,320)	(129,420)	(524,573)	(1,836,151)
Total	1,181,161	1,042,704	903,249	778,807	675,290	3,155,077	7,736,288

Group

31 December 2024	1 year	2 year	3 year	4 year	5 year	>6 year	Total
Total CSM for insurance contracts issued	2,057,618	1,836,427	1,628,878	1,428,811	1,245,902	6,128,997	14,326,633
Total CSM for reinsurance contracts held	(504,852)	(409,948)	(313,438)	(252,111)	(199,652)	(732,509)	(2,412,510)
Total	1,552,766	1,426,479	1,315,440	1,176,700	1,046,250	5,396,488	11,914,123

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

	Group 2025			Parent Company 2025		
	PAA	GMM	Total	PAA	GMM	Total
Insurance contract assets	166,223	-	166,223	-	-	-
Insurance contract liabilities	(202,167,400)	(15,691,233)	(217,858,633)	-	-	-
Reinsurance contract assets	46,557,905	5,170,289	51,728,194	-	-	-
Reinsurance contract liabilities	(19,819,825)	-	(19,819,825)	-	-	-
	(175,263,097)	(10,520,944)	(185,784,041)	-	-	-

	Group 2024			Parent Company 2024		
	PAA	GMM	Total	PAA	GMM	Total
Insurance contract assets	204,150	-	204,150	-	-	-
Insurance contract liabilities	(184,805,690)	(13,776,426)	(198,582,116)	(36,163,245)	-	(36,163,245)
Reinsurance contract assets	70,618,394	4,831,831	75,450,225	1,037,683	-	1,037,683
Reinsurance contract liabilities	(20,156,045)	-	(20,156,045)	(1,860,306)	-	(1,860,306)
	(134,139,191)	(8,944,595)	(143,083,786)	(36,985,868)	-	(36,985,868)

*During the year 2025, the Parent Company has transferred all insurance related assets and liabilities of UAE branch portfolio to Liva Insurance BSC (c).

13 Other receivables and prepayment

	Group		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
Other receivables	**15,269,041**	14,700,190	**5,288,163**	2,581,017
Accrued interest	**7,546,123**	6,229,708	**64,379**	919,190
	22,815,164	20,929,898	**5,352,542**	3,500,207
Fully provided doubtful debts	**(109,430)**	(109,430)	**(109,430)**	(109,430)
Expected credit losses of other receivables	**(43,885)**	(28,368)	**(72)**	(594)
	22,661,849	20,792,100	**5,243,040**	3,390,183

14 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% (2024: 9.5%). The loans are secured against the cash values of the respective policies, and do not have specific repayment terms.

15 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 Financial Services Authority certain specific bank deposits, investments and loans to policyholders included in the separate and consolidated statement of financial position of ﷼ 79,794,521 (2024: ﷼ 77,968,656). The Group can transfer these assets with the prior approval of the Financial Services Authority. The Group has provided bank guarantee of ﷼ 50,000 (2024: ﷼ 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, State of Kuwait, Kingdom of Saudi Arabia and Kingdom of Bahrain the Group has identified to the Central Bank of the United Arab Emirates, The Ministry of Commerce and Industry, Kuwait, Saudi Central Bank and Central Bank of Bahrain respectively, fixed deposits of ﷼ 1,693,119 (2024: ﷼ 1,764,418), ﷼ 3,270,395 (2024: ﷼ 3,216,850), ﷼ 4,106,667 (2024: ﷼ 4,520,003) and ﷼ 165,861 (2024: 157,078) which can be used by the Group with the prior approval of the respective authorities.

16 Property and equipment

	Group						
	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Work-in-Progress	Total
Cost							
At 1 January 2025	3,997,888	4,955,862	312,688	5,575,963	10,604,002	28,494	25,474,897
Additions	-	651,504	-	324,739	305,889	229,283	1,511,415
Disposals/Reclassification and write offs	-	(238)	(15,910)	148	(422,617)	(64,494)	(503,111)
At 31 December 2025	3,997,888	5,607,128	296,778	5,900,850	10,487,274	193,283	26,483,201
Accumulated depreciation							
At 1 January 2025	540,501	3,407,444	306,601	4,149,204	9,028,436	-	17,432,186
Charge for the year	85,092	746,691	3,679	403,498	687,856	-	1,926,816
Disposals and write offs	-	441	(15,946)	(118)	(300,942)	-	(316,565)
At 31 December 2025	625,593	4,154,576	294,334	4,552,584	9,415,350	-	19,042,437
Net book amount							
At 31 December 2025	3,372,295	1,452,552	2,444	1,348,266	1,071,924	193,283	7,440,764

	Group						
	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Work-in-Progress	Total
Cost							
At 1 January 2024	3,997,888	4,292,225	312,688	4,411,768	9,980,217	256,562	23,251,348
Additions	-	668,482	-	1,168,227	623,785	373,933	2,834,427
Disposals and write offs	-	(4,845)	-	(4,032)	-	(602,001)	(610,878)
At 31 December 2024	3,997,888	4,955,862	312,688	5,575,963	10,604,002	28,494	25,474,897
Accumulated depreciation							
At 1 January 2024	455,409	2,844,541	302,950	3,863,389	8,148,715	-	15,615,004
Charge for the year	85,092	562,903	3,651	289,847	879,721	-	1,821,214
Disposals and write offs	-	-	-	(4,032)	-	-	(4,032)
At 31 December 2024	540,501	3,407,444	306,601	4,149,204	9,028,436	-	17,432,186
Net book amount							
At 31 December 2024	3,457,387	1,548,418	6,087	1,426,759	1,575,566	28,494	8,042,711

16 Property and equipment (continued)

	Parent Company					
	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Total
	﷼	﷼	﷼	﷼	﷼	﷼
Cost						
At 1 January 2025	3,799,175	68,135	47,677	273,734	805,654	4,994,375
Portfolio transfer of assets	-	(68,135)	(47,677)	(80,827)	(537,279)	(733,918)
Additions	-	-	-	8,318	1,718	10,036
Disposals and write offs	-	-	-	-	(118,017)	(118,017)
At 31 December 2025	3,799,175	-	-	201,225	152,076	4,152,476
Accumulated depreciation						
At 1 January 2025	529,850	29,201	47,676	88,410	498,503	1,193,640
Charge for the year	84,372	21,776	-	40,243	28,736	175,127
Portfolio transfer of assets	-	(50,977)	(47,676)	(76,417)	(505,742)	(680,812)
Disposals and write offs	-	-	-	-	(14,849)	(14,849)
At 31 December 2025	614,222	-	-	52,236	6,648	673,106
Net book amount						
At 31 December 2025	3,184,953	-	-	148,989	145,428	3,479,370

	Parent Company					
	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Total
	﷼	﷼	﷼	﷼	﷼	﷼
Cost						
At 1 January 2024	3,799,175	-	47,677	80,827	566,592	4,494,271
Additions	-	68,135	-	192,907	239,062	500,104
Disposals and write offs	-	-	-	-	-	-
At 31 December 2024	3,799,175	68,135	47,677	273,734	805,654	4,994,375
Accumulated depreciation						
At 1 January 2024	445,478	-	47,676	72,881	435,929	1,001,964
Charge for the year	84,372	29,201	-	15,529	62,574	191,676
At 31 December 2024	529,850	29,201	47,676	88,410	498,503	1,193,640
Net book amount						
At 31 December 2024	3,269,325	38,934	1	185,324	307,151	3,800,735

17 Intangible assets (including Goodwill)

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Intangible Assets (note 17.1)	2,426,786	2,712,997	208,177	231,773
Goodwill	24,864,231	24,864,231	-	-
	27,291,017	27,577,228	208,177	231,773

17.1 Movement in Intangible assets

Intangible	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Cost				
At 1 January	4,946,660	4,781,992	373,349	373,349
Additions/Reclassification	838,949	164,668	-	-
At 31 December 2025	5,785,609	4,946,660	373,349	373,349
Accumulated depreciation				
At 1 January	2,233,663	1,338,326	141,576	117,980
Charge for the period / year	1,125,160	895,337	23,596	23,596
At 31 December 2025	3,358,823	2,233,663	165,172	141,576
Net book amount				
At 31 December 2025	2,426,786	2,712,997	208,177	231,773

Upon completion of purchase price allocation for the acquisition of Inayah TPA LLC, intangible assets amounting to ﷼ 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 ﷼ 23,596 (2024: ﷼ 23,596) which has been accounted during the period.

Impairment testing

At the reporting date, the Group performed an impairment assessment of the Cash Generating Unit ("CGU") by determining its recoverable amount using a value-in-use model. The valuation was derived from discounted cash flow projections prepared from Board approved financial budgets covering a five-year forecast horizon. Key assumptions included a terminal growth rate of 2% (2024: 3.1%) and a discount rate of 10.63% (2024: 10.59%), which is consistent with the long-term average growth rate for the insurance industry. Based on this assessment, management concluded that no impairment of the CGU was required for the year.

In accordance with the disclosure requirements of IAS 36 the Group performed sensitivity analyses on the key assumptions used in the value-in-use calculations of the CGU. A rise in the discount rate beyond 10.63% (an increase of 7.88 percent) and a reduction in the long-term growth rate to 1.5% percent would result in the carrying amount exceeding the recoverable amount, assuming all other assumptions remain unchanged.

18 Share capital

	2025 Number of shares	2024 Number of shares	2025 ﷼	2024 ﷼
Authorised - shares of ﷼ 0.100 each (2024: ﷼ 0.100 each)	**1,000,000,000**	1,000,000,000	**100,000,000**	100,000,000
Issued and fully paid - shares of ﷼ 0.100 each (2024: ﷼ 0.100 each)	**265,000,000**	265,000,000	**26,500,000**	26,500,000
Issued and fully paid - shares of ﷼ 0.320 each (2024: ﷼ 0.320 each)*	**133,374,342**	133,374,342	**42,513,902**	42,513,902
Share capital	**398,374,342**	398,374,342	**69,013,902**	69,013,902

* The issued share capital amounting to ﷼ 42,513,902 is net of share capital issuance cost amounting to ﷼ 165,888.

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:

	2025	2024
Oman International Development and Investment Company SAOG 48.858% (2024: 48.858%)	**194,635,357**	194,635,357
Riyad Bank 14.348% (2024: 14.348%)	**57,160,436**	57,160,436
	251,795,793	251,795,793

19 Legal reserve

As required by the Commercial Companies Law of the Sultanate of Oman, 10% of the profit for the year has to be transferred to a legal reserve until such legal reserve amounts to, at least, one third of the company's share capital. The reserve is not available for distribution.

20 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 amounting to ﷼ Nil (2024: Nil) and 1% of the life assurance premiums for the year in case of life insurance business amounting to ﷼ Nil (2024: Nil) at the reporting date is transferred from retained earnings to a contingency reserve. The Parent 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 from the retained profits. The reserves shall not be used except by prior approval of the Financial Services Authority.

21 (a) Revaluation reserve

The revaluation reserve relates to revaluation of the land and building. As at 31 December 2025, the fair value of ﷼ 3.5 million is based on an independent valuation performed by a qualified external valuer. The fair value is not materially different from the carrying amount, and therefore no adjustment to the carrying value has been recorded.

21 (b) Mandatory convertible bonds

In the Annual General Meeting of the Company on 27 March 2024, the Company declared non cash dividends by issuing ﷼ 4,700,000 in the form of mandatory convertible bonds having a face value of 0.100 per bond, that are convertible into new ordinary shares at the end of the third year from the date of issue being 14 April 2024 ("Issue Date"). The bonds bear interest at a fixed rate of 6% per annum, payable at the discretion of the company semi-annually, commencing on 14 October 2024 until the conversion date. The bonds are unsecured and subordinated and not guaranteed by the Group.

22 Bank borrowings

	Group		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
Short term loan	**-**	6,292,000	**-**	-
Long term loan	**62,015,796**	62,943,997	**62,015,796**	44,643,997
Total	**62,015,796**	69,235,997	**62,015,796**	44,643,997

Movement in Bank borrowings

	Group		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
At the beginning of the year	**69,235,997**	71,706,010	**44,643,997**	71,706,010
Proceeds from loans and borrowings	**68,299,361**	28,451,000	**62,240,333**	-
Amortised processing fees for long term loan - net	**267,825**	223,845	**267,825**	223,845
Repayment of loans and borrowings	**(75,787,387)**	(31,144,858)	**(45,136,359)**	(27,285,858)
At the end of the year	**62,015,796**	69,235,997	**62,015,796**	44,643,997

The finance cost for availing long term loans was at floating market rate of interest. Rate of interest for the long term loans outstanding as at 31 December 2025 was 5.35% (2024: 5.81%). The long term loan rates are subject to reset based on market prevailing rates and the agreed reset clause with the lender. Long-term loans are secured by pledge of investment and investment in subsidiaries.
During the year 2025, the Group also availed short term loans from commercial banks. As at 31 December 2025, there is no outstanding short-term loan. The finance cost for availing short term loans was at floating market rate of interest.

The maturity profile of Bank borrowings net of unamortised processing fees and including interest payable is as follows:

	Group Company		Parent Company	
	2025	2024	**2025**	2024
	﷼	﷼	﷼	﷼
Due within one year	**4,825,101**	19,172,260	**4,825,101**	9,467,024
Due in more than one year	**71,010,630**	60,673,906	**71,010,630**	41,865,223
	75,835,731	79,846,166	**75,835,731**	51,332,247

23 Other liabilities

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Accrued expenses	**6,666,366**	4,728,852	**1,957,198**	1,304,368
Other payables	**7,211,889**	8,029,348	**11,207,104**	24,878,769
Employees' end of service benefits	**4,810,591**	4,527,045	**389,370**	718,529
Lease liabilities	**1,439,933**	1,488,678	**-**	28,875
	20,128,779	18,773,923	**13,553,672**	26,930,541

23.1 Movement in the liability for Employees' end of service benefits is as follows:

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
At 1 January	**4,527,045**	4,191,545	**718,529**	432,463
Portfolio transfer of liabilities	**-**	-	**(308,137)**	-
Charge for the year (note 30)	**1,030,466**	1,202,762	**288,192**	397,992
Paid during the year	**(758,932)**	(867,262)	**(309,214)**	(111,926)
Remeasurement gain on end-of-service benefits	**12,012**	-	**-**	-
At 31 December	**4,810,591**	4,527,045	**389,370**	718,529

24 Contingent liabilities

24.1 Contingencies

At 31 December 2025, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group of ﷼ 469,951 (2024: ﷼ 272,955) given in the normal course of business from which it is anticipated that no material liabilities will arise.

The Group has provided a bank guarantee to the Financial Services Authority of ﷼ 300,000 (2024: ﷼ 300,000) to comply with the requirements of Article 51 of the Insurance Companies Law of the Sultanate of Oman.

As required under Article 50 of United Arab Emirates Federal Decree-Law No. (48) of 2023 regarding the regulation of insurance Activities, the Branches have placed Bank guarantee of ﷼ 21,785,765 (2024: ﷼ 21,808,286) to the CBUAE. This guarantee is against lien on Fixed deposits of the Branches.

24.2 Legal claims

The Group, 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.

25 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	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Net assets (﷼)	**117,191,723**	101,634,979	**119,960,753**	104,410,254
Number of shares outstanding at 31 December	**398,374,342**	398,374,342	**398,374,342**	398,374,342
Net assets per share (﷼)	**0.294**	0.255	**0.301**	0.262

26 Insurance service result

	Group					
	2025			2024		
	GMM	PAA	Total	GMM	PAA	Total
Insurance revenue						
Contracts not measured under the PAA						
Amounts relating to the changes in the LRC						
- Expected incurred claims and other expenses after loss component allocation	2,119,792	-	2,119,792	545,436	-	545,436
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	140,214	-	140,214	42,988	-	42,988
- CSM recognised in profit or loss for the services provided	2,073,326	-	2,073,326	2,148,460	-	2,148,460
Insurance acquisition cash flows recovery	33,048	-	33,048	13,800	-	13,800
Insurance revenue from contracts not measured under the PAA	4,366,380	-	4,366,380	2,750,684	-	2,750,684
Insurance revenue from contracts measured under the PAA	-	403,896,156	403,896,156	-	326,708,992	326,708,992
Total insurance revenue	4,366,380	403,896,156	408,262,536	2,750,684	326,708,992	329,459,676
Insurance service expenses						
Incurred claims and other directly attributable expenses	(2,865,119)	(292,922,388)	(295,787,507)	(2,416,144)	(292,850,000)	(295,266,144)
Changes that relate to past service - adjustments to the LIC	24,120	11,400,037	11,424,157	(38,634)	4,883,939	4,845,305
Reversals of losses on onerous contracts	-	352,627	352,627	-	(122,445)	(122,445)
Losses on onerous contracts	(333,373)	11,315,479	10,982,106	(94,229)	929,310	835,081
Insurance acquisition cash flows amortization	(33,049)	(73,817,681)	(73,850,730)	(13,801)	(62,562,593)	(62,576,394)
Total insurance service expenses	(3,207,421)	(343,671,926)	(346,879,347)	(2,562,808)	(349,721,789)	(352,284,597)
Net income (expenses) from reinsurance contracts held						
Reinsurance expenses - contracts not measured under the PAA						
Amounts relating to the changes in the remaining coverage						
- Expected claims and other expenses recovery	(1,377,318)	-	(1,377,318)	(761,381)	-	(761,381)
- Changes in the risk adjustment recognised for the risk expired	(86,440)	-	(86,440)	(14,015)	-	(14,015)
- CSM recognised for the services received	(866,679)	-	(866,679)	(533,934)	-	(533,934)
Reinsurance expenses - contracts not measured under the PAA	(2,330,437)	-	(2,330,437)	(1,309,330)	-	(1,309,330)
Reinsurance expenses - contracts measured under the PAA	-	(74,392,632)	(74,392,632)	-	(75,395,964)	(75,395,964)
Total reinsurance expense	(2,330,437)	(74,392,632)	(76,723,069)	(1,309,330)	(75,395,964)	(76,705,294)
Amounts recoverable from reinsurers for incurred claims						
Claims recovered	1,500,692	-	1,500,692	286,003	-	286,003
Changes that relate to past service - adjustments to incurred claims	388,112	-	388,112	1,095,482	-	1,095,482
Amounts recoverable from reinsurers for incurred claims - contracts not measured under the PAA	1,888,804	-	1,888,804	1,381,485	-	1,381,485
Amounts recoverable from reinsurers for incurred claims - contracts measured under the PAA	-	27,179,211	27,179,211	-	92,504,519	92,504,519
Total net income from reinsurance contracts held	1,888,804	27,179,211	29,068,015	1,381,485	92,504,519	93,886,004
Total insurance service result	717,326	13,010,809	13,728,135	260,031	(5,904,242)	(5,644,211)

26 Insurance service result (Continued)

	Parent Company					
	2025			2024		
	GMM	PAA	Total	GMM	PAA	Total
	﷼	﷼	﷼	﷼	﷼	﷼
Insurance revenue						
Contracts not measured under the PAA						
Amounts relating to the changes in the LRC						
- Expected incurred claims and other expenses after loss component allocation	-	-	-	-	-	-
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	-	-	-	-	-	-
- CSM recognised in profit or loss for the services provided	-	-	-	-	-	-
Insurance acquisition cash flows recovery	-	-	-	-	-	-
Insurance revenue from contracts not measured under the PAA	-	-	-	-	-	-
Insurance revenue from contracts measured under the PAA	-	109,318,051	109,318,051	-	116,621,868	116,621,868
Total insurance revenue	-	109,318,051	109,318,051	-	116,621,868	116,621,868
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(93,686,021)	(93,686,021)	-	(100,433,745)	(100,433,745)
Changes that relate to past service - adjustments to the LIC	-	3,650,770	3,650,770	-	(4,812,980)	(4,812,980)
Reversals of losses on onerous contracts	-	352,627	352,627	-	(122,445)	(122,445)
Losses on onerous contracts	-	-	-	-	-	-
Insurance acquisition cash flows amortization	-	(14,464,058)	(14,464,058)	-	(15,237,295)	(15,237,295)
Total insurance service expenses	-	(104,146,682)	(104,146,682)	-	(120,606,465)	(120,606,465)
Net income (expenses) from reinsurance contracts held						
- Expected claims and other expenses recovery	-	-	-	-	-	-
- Changes in the risk adjustment recognised for the risk expired	-	-	-	-	-	-
- CSM recognised for the services received	-	-	-	-	-	-
Reinsurance expenses - contracts not measured under the PAA	-	-	-	-	-	-
Reinsurance expenses - contracts measured under the PAA	-	(25,049,782)	(25,049,782)	-	(26,823,086)	(26,823,086)
Total reinsurance expense	-	(25,049,782)	(25,049,782)	-	(26,823,086)	(26,823,086)
Amounts recoverable from reinsurers for incurred claims						
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	-
Amounts recoverable from reinsurers for incurred claims - contracts not measured under the PAA	-	-	-	-	-	-
Amounts recoverable from reinsurers for incurred claims - contracts measured under the PAA	-	22,017,543	22,017,543	-	26,360,361	26,360,361
Total net income / (expenses) from reinsurance contracts held	-	22,017,543	22,017,543	-	26,360,361	26,360,361
Total insurance service result	-	2,139,130	2,139,130	-	(4,447,322)	(4,447,322)

27 Investment income - net

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Interest income on bank deposits and other investments	7,345,543	7,699,940	1,105,894	1,341,031
Interest income on bonds, net of amortisation charge	6,818,349	6,177,873	1,062,101	1,297,332
Interest income on loans to policy holders	3,827	4,315	-	-
Dividend income	488,694	424,957	273,527	345,395
Net unrealised gain/(loss) on investment carried at FVTPL	189,444	150,814	(8,161)	7,524
Net realised gain / (loss) on disposal of investments carried at fair value through profit or loss	312,076	(55,464)	-	13,711
Net realised gain on investment carried at FVOCI - debt instruments	1,353,418	602	737,867	-
Net realised gain on disposal of investment carried at amortised cost	816,389	77	-	-
	17,327,740	14,403,114	3,171,228	3,004,993
Investment acquisition cost and portfolio management fees	(192,568)	(93,790)	(27,420)	(72,541)
Investment Income recognised in the Profit and Loss	17,135,172	14,309,324	3,143,808	2,932,452
Investment Income recognised in the OCI	3,897,909	2,293,143	3,297,056	1,186,855
Total Investment Income	21,033,081	16,602,467	6,440,864	4,119,307

27(a) Insurance finance income / (expenses) from insurance contracts issued- GMM Portfolios - net of reinsurance

Interest accreted to insurance contracts				
Interest accreted to CSM	(611,592)	(251,686)	-	-
Interest expense on last period PV to P&L	204,616	(188,736)	-	-
Interest expense on last period PV for Incurred claims PAA to P&L	(6,602)	(6,009)	-	-
Interest expense on RA to P&L	(13,752)	(5,802)	-	-
Interest Expense on Risk Adj for Incurred Claims PAA to P&L	(3,387)	(3,093)	-	-
(A) ---->	(430,717)	(455,326)	-	-
Effect of differences between current rates and locked-in rates when measuring changes in estimates				
Diff in change in estimate on inception & last val disc rate on PV to P&L	(103,559)	20,144	-	-
(B) ---->	(103,559)	20,144	-	-
				-
Effect of changes in interest rates and other financial assumptions				-
Effect of change in discount rate on PV to P&L	-	(8,774)	-	-
Effect of change in discount rate on PV to Incurred claims to P&L	(46,544)	(41)	-	-
Effect of change in discount rate on RA to P&L	6	-	-	-
Effect of change in discount rate on RA to Incurred claims to P&L	-	(2)	-	-
(C) ---->	(46,538)	(8,817)	-	-
Insurance finance income / (expenses) from insurance contracts issued- GMM Portfolios - net of reinsurance (D = A+B+C)	(580,814)	(443,999)	-	-
Insurance finance income / (expenses) from insurance contracts issued- PAA Portfolios - net of reinsurance				
Interest accreted to insurance contracts- PAA Portfolios				
Interest accreted to insurance contracts using current financial assumptions	(1,885,130)	(1,210,963)	(556,657)	285,746
Interest accreted to insurance contracts using locked-in rate	4,541,078	-	738,373	-
Due to changes in interest rates and other financial assumptions	(1,196,927)	(200,769)	6,619	(217,388)
Insurance finance income / (expenses) from insurance contracts issued- PAA Portfolios (E) ---->	1,459,021	(1,411,732)	188,335	68,358
Insurance finance income / (expenses) from insurance contracts issued- GMM+PAA Portfolios - net of reinsurance (D+E)	878,207	(1,855,731)	188,335	68,358
Represented by:				
Amounts recognised in profit or loss	878,207	(1,855,731)	188,335	68,358

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

28 Other operating income

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Miscellaneous income	727,637	2,464,908	69,965	2,256,727
Exchange gain	9,930	8,469	(5,229)	14,335
	737,567	2,473,377	64,736	2,271,062

29 Finance Cost

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Interest on long term loan	4,546,017	3,817,524	3,650,356	2,925,694
Interest on short term loan & others	322,149	460,157	31,352	210,047
Finance cost on lease	51,585	67,004	499	1,443
	4,919,751	4,344,685	3,682,207	3,137,184

30 General, administrative and selling expenses

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Commission expense	44,723,590	36,238,354	12,085,383	11,954,013
Third party administration fees	2,455,783	2,328,435	3,947,334	3,704,012
Wages, salaries and other benefits	21,237,801	20,186,297	3,181,915	4,296,227
Rent and utility expenses	2,253,322	1,788,582	220,973	63,243
Depreciation (note 16)	1,926,816	1,821,214	175,127	191,676
Director's remuneration and sitting fees	524,680	230,575	325,200	28,600
Professional and consultants fees	6,924,300	5,440,782	1,347,036	388,558
Information Technology and related expenses	4,886,271	4,109,995	149,233	157,776
Company registration & membership costs	433,471	481,622	300,803	479,161
Social security benefits	824,282	641,869	51,639	39,842
Employees' end of service benefits (note 23.1)	1,030,466	1,202,762	288,192	397,992
Advertisement and publicity	1,420,211	1,257,638	52,257	8,198
Recruitment and training expenses	37,760	194,932	16,923	43,237
Amortisation of Intangible Assets (note 17)	1,125,160	895,337	23,596	23,596
Other expenses and fees	4,573,478	4,330,252	193,715	528,654
	94,377,391	81,148,646	22,359,326	22,304,785

Above General, administrative and selling expenses have been classified as following:

Insurance acquisition costs (part of Insurance service expenses)	72,925,413	58,059,576	16,644,373	18,149,420
Claims handling expenses and Administrative costs (part of Insurance Service expenses)	10,310,047	12,578,076	1,734,691	967,649
Non Attributable Expenses	11,141,931	10,510,994	3,980,262	3,187,716
	94,377,391	81,148,646	22,359,326	22,304,785

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

31 Corporate tax

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Statement of profit or loss				
Current tax				
- Current tax	1,430,765	981,529	198,236	-
- Additional provision / adjustment relating to prior years	(130,926)	-	-	-
- Deferred tax	973,001	(1,542,059)	(10,444)	(771,557)
	2,272,840	(560,530)	187,792	(771,557)

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Current liability				
Corporate tax payable	3,963,139	7,168,025	28,031	28,031
Non-current asset				
Deferred tax asset	1,877,351	2,236,808	1,414,647	1,111,539

Movement for Corporate tax payable is as follows:

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
At 1 January	7,168,025	7,022,765	28,031	28,031
Charge for the year	1,629,001	981,529	198,236	-
Paid during the year	(4,770,192)	(969,442)	-	-
Refund / other adjustment	(63,695)	133,173	(198,236)	-
At 31 December	3,963,139	7,168,025	28,031	28,031

Reconciliation of Corporate tax expenses

The tax rate applicable to the Parent Company is 15% (2024: 15%). For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

The following is the reconciliation of Corporate taxes calculated at the applicable tax rate with the Corporate tax expenses:

	Group		Parent Company	
	2025	2024	2025	2024
	﷼	﷼	﷼	﷼
Profit before corporate tax	16,487,810	(5,577,797)	12,957,918	(7,392,363)
Corporate tax as per rates mentioned above	2,350,367	(836,670)	1,943,688	(1,108,854)
Non-deductible expenses	273,356	205,214	-	1,859
Tax exempt revenue	(246,429)	204,782	(1,796,588)	8,442
Additional provision relating to prior years	21,333	-	-	-
Others	(125,787)	(133,856)	40,692	326,996
Tax expense for the year	2,272,840	(560,530)	187,792	(771,557)

Status of tax assessment

The Parent Company's tax assessments up to tax year 2020 have been completed by the tax authorities. The assessment for tax years 2021 and 2022 is in process. The management believes that any tax assessed, if any, in respect of the unassessed tax years would not be material to the separate and consolidated financial position of the Group as at 31 December 2025.

31 Corporate tax (Continued)

Deferred tax

2025	Group			Parent Company		
	At 1 January	Movement during the year	As on 31 December	At 1 January	Movement during the year	As on 31 December
Amortisation of goodwill	(17,041)	1,735	(15,306)	(17,041)	1,735	(15,306)
Provision for doubtful debts	264,827	4,882	269,709	211,898	4,882	216,780
Depreciation and revaluation of property and equipment	1,759	(12,679)	(10,920)	(80,643)	(1,011)	(81,654)
Current year tax losses	2,018,196	(967,209)	1,050,987	1,257,160	4,568	1,261,728
Unrealised loss on FVTPL	(4,198)	270	(3,928)	(4,198)	270	(3,928)
Revaluation reserve	(62,179)	-	(62,179)	(62,179)	-	(62,179)
	2,201,364	(973,001)	1,228,363	1,304,997	10,444	1,315,441
Fair value through other comprehensive income reserve	35,444	613,544	648,988	(193,458)	292,664	99,206
Net deferred tax asset	2,236,808	(359,457)	1,877,351	1,111,539	303,108	1,414,647

2024	Group			Parent Company		
	At 1 January	Movement during the year	As on 31 December	At 1 January	Movement during the year	As on 31 December
Amortisation of goodwill	(18,776)	1,735	(17,041)	(18,776)	1,735	(17,041)
Provision for doubtful debts	263,911	916	264,827	210,982	916	211,898
Depreciation and revaluation of property and equipment	21,572	(19,813)	1,759	(51,364)	(29,279)	(80,643)
Current year tax losses	459,615	1,558,581	2,018,196	459,615	797,545	1,257,160
Unrealised loss on FVTPL	(4,838)	640	(4,198)	(4,838)	640	(4,198)
Revaluation reserve	(62,179)	-	(62,179)	(62,179)	-	(62,179)
	659,305	1,542,059	2,201,364	533,440	771,557	1,304,997
Fair value through other comprehensive income reserve	(141,926)	177,370	35,444	(141,926)	(51,532)	(193,458)
Net deferred tax asset	517,379	1,719,429	2,236,808	391,514	720,025	1,111,539

Deferred tax asset / liability has been computed at the tax rate of 15% (2024: 15%).

On 31 December 2024, Oman issued Royal Decree No. 70/2024, introducing global minimum tax rules aligned with the OECD Base Erosion and Profit Shifting (BEPS) Pillar Two framework. Under Pillar Two, multinational enterprise (MNE) groups with consolidated annual revenues exceeding EUR 750 million in at least two of the preceding four years are required to be subject to a minimum effective tax rate of 15% in each jurisdiction in which they operate. The enacted legislation includes the Domestic Minimum Top-up Tax (DMTT) and the Income Inclusion Rule (IIR), both of which apply to fiscal years beginning on or after 1 January 2025.

OECD has also issued additional guidance on providing administrative ease to companies impacted by Pillar Two which allows for exceptions to calculating and paying top-up taxes if they meet certain safe harbour reliefs utilizing data obtained from the Company's Country-by-Country (CbC) Report. This exception is applicable for a transitional period which is the first three years of GloBE Rules implementation (i.e. 2024-2026). Liva Group SAOG adheres to the CbC Report filing requirements and anticipates benefiting from the Transitional CbC Safe Harbour (TCSH) relief.

For Oman Jurisdiction, the Group did not recognize any current tax expense related to Pillar two income taxes, on the basis that the effective tax rate of the Group in Oman jurisdiction exceeds the minimum threshold of 15%.

For UAE jurisdiction, the Group recognized current tax expense of RO 0.3 million (USD 1.3 million) in respect of Pillar Two income taxes. This amount is included within income tax expense in the consolidated statement of profit or loss.

In accordance with the mandatory temporary exception under the amendments to IAS 12, the Group has not recognised deferred tax assets or liabilities arising from Pillar Two taxes in these financial statements.
The Group continues to monitor legislative developments across relevant jurisdictions and will update its disclosures as required in future reporting periods.

32 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 and Parent Company	
	2025	2024
Profit / (loss) for the year	12,770,126	(6,620,806)
Number of shares outstanding at 31 December	398,374,342	398,374,342
47,000,000 mandatory convertible bonds into ordinary shares (one ordinary share for every three bonds held)	15,666,667	15,666,667
Weighted average number of ordinary shares	414,041,009	414,041,009
Basic and diluted earnings / (loss) per share	0.031	(0.016)

The bonds will mature after 3 years from the date of issuance and will be converted into ordinary shares (note 21(b)).

33 Related party transactions

These represent transactions with related parties defined in IAS 24- 'Related Party Disclosures' as well as defined under Ninth Principle: Rules for Related Party Transactions in Code of Corporate Governance for Public Listed Companies issued by Financial Services Authority, Sultanate of Oman.

The Company is a subsidiary of Oman International Development and Investment Company SAOG (OMINVEST). The Group has entered into these transactions with related parties which were made on the same terms, as those prevailing at the same time for comparable transactions with third parties.

*Other related parties includes List of any companies/ enterprises held by the director or his First Degree Relatives either jointly or severally at minimum of 25% of voting rights; as well as enterprises the director has the right to direct their resolutions or have significant control thereof.

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 separate and consolidated statements of profit or loss and other comprehensive income and separate and consolidated statement of financial position are as follows:

33.1 Group

2025	Total	Major shareholders	Directors & Management Personnel	Subsidiaries & associates of major shareholder	Management Personnel	*Other related parties
Consolidated statement of profit or loss and other comprehensive income						
Gross insurance premium	8,661,680	1,108,671	-	3,129,839	-	4,423,170
Insurance claims expense	6,208,175	635,482	-	1,855,998	-	3,716,695
Interest income on deposits	2,056,898	517,851	-	1,539,047	-	-
Bonds Interest & Dividend Income	652,543	341,760	-	270,257	-	40,526
Other Income	322,419	-	-	-	-	322,419
Other expense	219,779	-	-	68,243	-	151,536
Commission expense	1,283,926	105,849	-	-	-	1,178,077
Interest Expense	2,915,625	-	-	2,846,534	-	69,091
Director sitting fees-Subsidiaries	30,488	-	30,488	-	-	-
Director sitting fees	25,200	-	25,200	-	-	-
Directors' remuneration-Subsidiaries	168,992		168,992	-	-	-
Directors' remuneration	300,000	-	300,000	-	-	-
Other Transactions:						
Short term loan repayments-net	1,992,000	-	-	1,992,000	-	-
Long term loan repayments-net	63,436,360	-	-	63,436,360	-	-
Maturity / liquidation of Bonds	945,000	-	-	945,000	-	-
Placement of Fixed Deposit	14,746,002	-	-	13,889,988	-	856,014
Maturity / liquidation of fixed deposit	12,385,000	-	-	12,385,000	-	-
Increase in bank balances	814,820	-	-	814,820	-	-
Decrease in bank balances	4,510,867	-	-	4,138,829	-	372,038

33 Related party transactions (continued)

33.1 Group (continued)

2025	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Management Personnel	*Other related parties
	﷼	﷼	﷼	﷼	﷼	﷼
Consolidated statement of financial position:						
Payable to Directors	602,143	-	602,143	-	-	-
Claims payable	4,207,509	164,195	-	2,981,500	-	1,061,814
Commission payable	451,331	-	-	5,367	-	445,964
Payable to related parties	1,727	-	-	-	-	1,727
Receivable from related parties	46,752	22,668	-	4,310	15,196	4,578
Bank balances	6,018,421	4,363,231	-	1,655,190	-	-
Fixed deposits balances	30,944,031	9,388,867	-	21,555,164	-	-
Insurance premium receivable	825,241	87,812	-	194,782	-	542,647
Investment in Bonds	14,807,832	5,375,716	-	8,118,228	-	1,313,888
Accrued interest receivable	1,825,041	787,659	-	1,037,382	-	-

33 Related party transactions (continued)

33.1 Group (continued)

2024	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Management Personnel	*Other related parties
Consolidated statement of profit or loss and other comprehensive income						
Gross insurance premium	4,287,872	533,334	-	2,262,432	-	1,492,106
Insurance claims expense	5,118,173	1,227,590	-	2,507,991	-	1,382,592
Interest income on deposits	2,979,441	886,116	-	1,657,555	-	435,770
Bonds Interest & Dividend Income	1,391,851	330,819	-	854,857	-	206,175
Other Income	13,064	-	-	13,064	-	-
Other expense	285,106	-	-	226,833	-	58,273
Commission expense	829,825	24,537	-	6,815	-	798,473
Interest Expense	4,206,467	-	-	4,004,451	-	202,016
Director sitting fees-Subsidiaries	32,555	-	32,555	-	-	
Director sitting fees	28,600	-	28,600	-	-	-
Directors' remuneration-Subsidiaries	169,420	-	169,420	-	-	
Directors' remuneration	-	-	-	-	-	-
Other Transactions:						
Short term loan (Net of repayments)	26,292,000	-	-	10,192,000	-	16,100,000
Long term loan repayment	14,085,858	-	-	14,085,858	-	-
Investment in Bonds	8,538,357	3,162,040	-	5,376,317	-	-
Maturity / liquidation of Bonds	7,925,950	3,162,040	-	4,754,004	-	9,906
Placement of Fixed Deposit	64,302,818	39,967,818	-	16,335,000	-	8,000,000
Maturity / liquidation of fixed deposit	58,305,823	37,370,823	-	12,935,000	-	8,000,000
Increase in bank balances	4,587,435	-	-	1,861,495	-	2,725,940
Decrease in bank balances	6,646,106	-	-	6,646,106	-	-
Consolidated statement of financial position:						
Payable to Directors	315,371	-	315,371	-	-	-
Claims payable	4,178,220	1,148,370	-	2,502,184	-	527,666
Commission payable	1,150,268	-	-	5,367	-	1,144,901
Payable to related parties	14,482	-	-	14,482	-	-
Receivable from related parties	385,658	-	-	358,674	14,756	12,228
Short Term Loan payable	6,292,000	-	-	1,992,000	-	4,300,000
Long Term Loan payable	63,436,360	-	-	63,436,360	-	-
Bank balances	9,435,309	234,799	-	6,102,532	-	3,097,978
Fixed deposits balances	49,268,115	12,302,951	-	28,965,164	-	8,000,000
Insurance premium receivable	623,007	61,350	-	206,893	-	354,764
Investment in Bonds	15,832,753	5,168,800	-	7,942,743	-	2,721,210
Accrued interest receivable	1,649,724	369,805	-	1,173,617	-	106,302

33 Related party transactions (continued)
33.1 Parent Company

2025	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Management Personnel	*Other related parties
Separate statement of profit or loss and other comprehensive income						
Interest income on deposits	153,212	-	-	153,212	-	-
Interest Expense	1,950,573	-	-	1,950,573	-	-
Director sitting fees	25,200	-	25,200	-	-	-
Directors' remuneration	300,000	-	300,000	-	-	-
Other Transactions:						
Long Term Loan repayment-net	45,136,359	-	-	45,136,359	-	-
Maturity / liquidation of fixed deposit	5,400,000	-	-	5,400,000	-	-
Decrease in bank balances	3,610,225	-	-	3,238,187	-	372,038

33 Related party transactions (continued)

33.1 Parent Company (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Management Personnel	*Other related parties
2025	﷼	﷼	﷼	﷼	﷼	﷼
Separate statement of financial position:						
Payable to Directors	325,000	-	325,000	-	-	-
Receivable from related parties	15,196	-	-	-	15,196	-
Bank balances	43,669	-	-	43,669	-	-
Fixed deposits balances	305,000	-	-	305,000	-	-
Accrued interest receivable	33,168	-	-	33,168	-	-

During January to December 2025, subsidiary in India (NSSPL) has charged the parent company service fees of ﷼ 845,780 (2024: ﷼ 858,504). The Parent Company has accounted NSSPL share of profit from subsidiary of ﷼ 67,103 (2024: ﷼ 106,197) . Carrying value of investment as on 31 December 2025 is ﷼ 399,122 (2024: ﷼ 341,244).

The Parent Company has accounted Liva Insurance BSC (c) share of profit from subsidiary of ﷼ 14,779,656 (2024: loss of ﷼ 3,899,025). Carrying value of investment as on 31 December 2025 is ﷼ 138,409,295 (2024: ﷼ 102,083,898).

The Parent Company has accounted share of profit for Liva Insurance SAOC of ﷼ 152,874 (2024: profit of ﷼ 2,886,710). Carrying value of investment as on 31 December 2025 is ﷼ 42,135,722 (2024: ﷼ 41,036,621).

During January to December 2025, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of ﷼ 1,132,937 (2024: ﷼ 943,872). The Parent Company has accounted Inayah share of profit from subsidiary of ﷼ 52,588 (2024: ﷼ 44,947). Carrying value of investment as on 31 December 2025 is ﷼ 521,042 (2024: ﷼ 737,224).

33 Related party transactions (continued)

33.1 Parent Company (Continued)

2024	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Management Personnel	*Other related parties
	﷼	﷼	﷼	﷼	﷼	﷼
Separate statement of profit or loss and other comprehensive income						
Interest income on deposits	273,197	-	-	273,197	-	-
Other Income	13,064	-	-	13,064	-	-
Interest Expense	3,130,355	-	-	3,124,625	-	5,730
Director sitting fees	28,600	-	28,600	-	-	-
Other Transactions:						
Short term loan (Net of repayments)	20,000,000	-	-	8,200,000	-	11,800,000
Long term loan repayment	14,085,858	-	-	14,085,858	-	-
Maturity / liquidation of Bonds	1,305,000	-	-	1,305,000	-	-
Placement of Fixed Deposit	5,400,000	-	-	5,400,000	-	-
Increase in bank balances	1,132,348	-	-	1,132,348	-	-
Separate statement of financial position:						
Payable to Directors	31,119	-	31,119	-	-	-
Payable to related parties	14,482	-	-	14,482	-	-
Receivable from related parties	306,671	-	-	291,915	14,756	-
Long Term Loan payable	45,136,360	-	-	45,136,360	-	-
Bank balances	3,653,894	-	-	3,281,856	-	372,038
Fixed deposits balances	5,705,000	-	-	5,705,000	-	-
Insurance premium receivable	2,768	2,768	-	-	-	-
Accrued interest receivable	215,499	-	-	215,499	-	-

33 Related party transactions (continued)

33.1 Parent Company (Continued)

During the year, subsidiary in India (NSSPL) has charged the parent company service fees of ﷼ 858,504. The Parent Company has accounted NSSPL Share of Profit from subsidiary of ﷼ 106,197. Carrying value of investment as on 31.12.2024 is ﷼ 341,244.

The Parent Company has accounted Liva Insurance BSC (c) share of loss from subsidiary of ﷼ 3,899,025 Carrying value of investment as on 31.12.2024 is ﷼ 102,083,898.

The Parent Company has accounted share of profit for Liva Insurance SAOC of ﷼ 2,886,710. Carrying value of investment as on 31.12.2024 is ﷼ 41,036,621.

During the year, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of ﷼ 943,872. The Parent Company has accounted Inayah Share of Profit from subsidiary of ﷼ 44,947. Carrying value of investment as on 31.12.2024 is ﷼ 737,224, it's related intangibles are ﷼ 243,571.

33 Related party transactions (continued)

33.2 Compensation of key management personnel

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

	Group		Parent Company	
	2025 ﷼	2024 ﷼	2025 ﷼	2024 ﷼
Short-term benefits	**1,516,499**	1,442,657	**1,516,499**	1,442,657
Employees' end of service benefits & leave salary accrual	**224,186**	82,414	**224,186**	82,414
	1,740,685	1,525,071	**1,740,685**	1,525,071
Number of key management personnel	**8**	9	**8**	9

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

34 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 insurance revenue and profit information for the year ended 31 December 2025 and 2024 and asset and liability information regarding business segments for the year ended 31 December 2025 and December 2024.

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		
2025	Life and Medical	General	Total
	₼	₼	₼
Insurance revenue	218,978,730	189,283,806	408,262,536
Insurance service expense	(211,129,664)	(135,749,683)	(346,879,347)
Insurance service result before reinsurance contracts held	7,849,066	53,534,123	61,383,189
Allocation of reinsurance premiums	(42,736,726)	(33,986,343)	(76,723,069)
Amounts recoverable from reinsurers for incurred claims	34,157,274	(5,089,259)	29,068,015
Net expense from reinsurance contracts held	(8,579,452)	(39,075,602)	(47,655,054)
Insurance service result	(730,386)	14,458,521	13,728,135
Insurance finance expenses for insurance contracts issued	(1,985,891)	(4,239,060)	(6,224,951)
Reinsurance finance income for reinsurance contracts held	3,225,504	3,877,654	7,103,158
Net financial result	1,239,613	(361,406)	878,207
Investment income - net			17,135,172
Expected credit losses on financial assets			70,411
Total investment income			17,205,583
Net insurance and investment result			31,811,925
Other operating income - net			737,567
Finance Cost			(4,919,751)
Non attributable expenses			(11,141,931)
Profit before tax			16,487,810
Corporate tax			(2,272,840)
Profit for the year			14,214,970

34 Operating segment (continued)

Primary reporting format - business segments (continued)

2024	Group		
	Life and Medical	General	Total
	﷼	﷼	﷼
Insurance revenue	167,954,461	161,505,215	329,459,676
Insurance service expense	(167,396,585)	(184,888,012)	(352,284,597)
Insurance service result before reinsurance contracts held	557,876	(23,382,797)	(22,824,921)
Allocation of reinsurance premiums	(32,910,139)	(43,795,155)	(76,705,294)
Amounts recoverable from reinsurers for incurred claims	31,217,018	62,668,986	93,886,004
Net expense from reinsurance contracts held	(1,693,121)	18,873,831	17,180,710
Insurance service result	(1,135,245)	(4,508,966)	(5,644,211)
Insurance finance expenses for insurance contracts issued	(1,019,668)	(1,019,869)	(2,039,537)
Reinsurance finance income for reinsurance contracts held	413,858	(230,052)	183,806
Net financial result	(605,810)	(1,249,921)	(1,855,731)
Investment income - net			14,309,324
Expected credit losses on financial assets			(4,877)
Total investment income			14,304,447
Net insurance and investment result			6,804,505
Other operating income - net			2,473,377
Finance Cost			(4,344,685)
Non attributable expenses			(10,510,994)
Loss before tax			(5,577,797)
Corporate tax			560,530
Loss for the year			(5,017,267)

Segment assets and liabilities

	31 December 2025			31 December 2024		
	Life and Medical	General	Total	Life	General	Total
Segment assets	**152,978,348**	**310,104,559**	**463,082,907**	146,020,263	289,602,149	435,622,412
Segment liabilities	**107,852,080**	**215,934,092**	**323,786,172**	142,273,777	171,642,329	313,916,106

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

34 Operating segment (continued)
Primary reporting format - Geographic Information - Group (continued)

The Group operates in five geographic locations in the Middle East, with the major ones being Oman, UAE, and Saudi Arabia. The businesses are organised and managed separately, with each segment representing a strategic business unit.
The following table presents insurance revenue and profit information for the year ended 31 December 2025 and 2024 and asset and liability information regarding business segments for the year ended 31 December 2025 and 2024.
Segment results, assets and liabilities include items directly attributable to a segment as well as those that have been allocated on a reasonable basis.

2025	Oman	UAE	Saudi Arabia	Other geographies	Oman-Parent	Adjustments and eliminations	Total
Insurance revenue	89,653,170	253,253,877	59,036,233	6,319,256	-	-	408,262,536
Insurance service expense	(80,583,545)	(214,559,669)	(46,739,764)	(4,996,369)	-	-	(346,879,347)
Insurance service result before reinsurance contracts held	9,069,625	38,694,208	12,296,469	1,322,887	-	-	61,383,189
Allocation of reinsurance premiums	(11,757,000)	(49,437,479)	(13,847,591)	(1,680,999)	-	-	(76,723,069)
Amounts recoverable from reinsurers for incurred claims	678,329	25,190,818	2,096,491	1,102,377	-	-	29,068,015
Net expense from reinsurance contracts held	(11,078,671)	(24,246,661)	(11,751,100)	(578,622)	-	-	(47,655,054)
Insurance service result	(2,009,046)	14,447,547	545,369	744,265	-	-	13,728,135
Investment income - net	6,729,847	5,540,453	3,585,736	278,093	1,001,043	-	17,135,172
Share of profit from subsidiaries	-	-	-	-	15,052,221	(15,052,221)	-
Expected credit losses on financial assets	48,463	(7,137)	-	1,232	27,853	-	70,411
Total investment income	6,778,310	5,533,316	3,585,736	279,325	16,081,117	(15,052,221)	17,205,583
Insurance finance expenses for insurance contracts issued	(2,547,066)	(3,134,649)	(470,508)	(72,728)	-	-	(6,224,951)
Reinsurance finance income for reinsurance contracts held	993,402	5,822,969	142,206	144,581	-	-	7,103,158
Net financial result	(1,553,664)	2,688,320	(328,302)	71,853	-	-	878,207
Net insurance and investment result	3,215,600	22,669,183	3,802,803	1,095,443	16,081,117	(15,052,221)	31,811,925
Other operating income - net	346,660	128,350	195,477	14,296	52,784	-	737,567
Finance cost	(1,203,999)	(20,755)	-	(13,289)	(3,681,708)	-	(4,919,751)
Non attributable expenses	(2,531,952)	(4,245,408)	(846,591)	(423,103)	(2,579,631)	(515,246)	(11,141,931)
Profit before tax	(173,691)	18,531,370	3,151,689	673,347	9,872,562	(15,567,467)	16,487,810
Corporate tax	111,245	(2,353,417)	(257,951)	(67,776)	295,059	-	(2,272,840)
Profit for the year	(62,446)	16,177,953	2,893,738	605,571	10,167,621	(15,567,467)	14,214,970
Segment assets	141,929,000	242,844,185	108,517,977	10,435,593	195,558,252	(236,202,100)	463,082,907
Segment liabilities	83,486,310	83,122,331	59,194,856	5,691,041	75,597,499	16,694,135	323,786,172

34 Operating segment (continued)

Primary reporting format - Geographic Information - Group (continued)

2024	Oman	UAE	Saudi Arabia	Other geographies	Oman-Parent	Adjustments and eliminations	Total
	﷼	﷼	﷼	﷼	﷼	﷼	﷼
Insurance revenue	78,014,258	199,029,343	45,802,463	6,613,612	-	-	329,459,676
Insurance service expense	(68,765,929)	(240,454,908)	(36,241,015)	(6,822,745)	-	-	(352,284,597)
Insurance service result before reinsurance contracts held	9,248,329	(41,425,565)	9,561,448	(209,133)	-	-	(22,824,921)
Allocation of reinsurance premiums	(9,214,953)	(56,126,327)	(9,848,706)	(1,515,308)	-	-	(76,705,294)
Amounts recoverable from reinsurers for incurred claims	4,176,279	85,634,050	2,823,792	1,251,883	-	-	93,886,004
Net expense from reinsurance contracts held	(5,038,674)	29,507,723	(7,024,914)	(263,425)	-	-	17,180,710
Insurance service result	4,209,655	(11,917,842)	2,536,534	(472,558)	-	-	(5,644,211)
Investment income - net	5,741,217	4,718,986	3,207,223	296,450	345,448	-	14,309,324
Share of loss from subsidiaries	-	-	-	-	(1,891,659)	1,891,659	-
Expected credit losses on financial assets	(8,831)	17,430	(205)	266	(13,537)	-	(4,877)
Total investment income	5,732,386	4,736,416	3,207,018	296,716	(1,559,748)	1,891,659	14,304,447
Insurance finance expenses for insurance contracts issued	(1,206,909)	(547,142)	(258,523)	(26,963)	-	-	(2,039,537)
Reinsurance finance income for reinsurance contracts held	(39,154)	192,656	53,108	(22,804)	-	-	183,806
Net financial result	(1,246,063)	(354,486)	(205,415)	(49,767)	-	-	(1,855,731)
Net insurance and investment result	8,695,978	(7,535,912)	5,538,137	(225,609)	(1,559,748)	1,891,659	6,804,505
Other operating income - net	(9,313)	8,342	209,645	1,983	2,262,720	-	2,473,377
Finance cost	(1,191,674)	2,235	-	(19,505)	(3,135,741)	-	(4,344,685)
Non attributable expenses	(1,622,625)	(5,283,320)	(2,310,325)	(377,375)	(402,103)	(515,246)	(10,510,994)
Loss before tax	5,872,366	(12,808,655)	3,437,457	(620,506)	(2,834,872)	1,376,413	(5,577,797)
Corporate tax	(717,307)	1,153,311	(225,880)	(28,876)	379,282	-	560,530
Loss for the year	5,155,059	(11,655,344)	3,211,577	(649,382)	(2,455,590)	1,376,413	(5,017,267)
Segment assets	157,363,600	213,699,091	104,425,460	9,885,789	157,894,445	(207,645,973)	435,622,412
Segment liabilities	113,592,257	115,770,249	59,372,839	7,961,163	54,851,904	(37,632,306)	313,916,106

34 Operating segment (continued)

Primary reporting format - Geographic Information - Parent Company

2025	Oman	UAE	Other geographies	Total
	﷼	﷼	﷼	﷼
Insurance revenue	-	109,318,051	-	109,318,051
Insurance service expense	-	(104,146,682)	-	(104,146,682)
Insurance service result before reinsurance contracts held	-	5,171,369	-	5,171,369
Allocation of reinsurance premiums	-	(25,049,782)	-	(25,049,782)
Amounts recoverable from reinsurers for incurred claims	-	22,017,543	-	22,017,543
Net expense from reinsurance contracts held	-	(3,032,239)	-	(3,032,239)
Insurance service result	-	2,139,130	-	2,139,130
Investment income - net	1,001,043	2,142,765	-	3,143,808
Share of Profit from Subsidiaries	15,052,221	-	-	15,052,221
Expected credit losses on financial assets	27,853	4,304	-	32,157
Total investment income	16,081,117	2,147,069	-	18,228,186
Insurance finance expenses for insurance contracts issued	-	(578,735)	-	(578,735)
Reinsurance finance income for reinsurance contracts held	-	767,070	-	767,070
Net financial result	-	188,335	-	188,335
Net insurance and investment result	16,081,117	4,474,534	-	20,555,651
Other operating income - net	52,784	11,952	-	64,736
Finance cost	(3,681,708)	(499)	-	(3,682,207)
Non attributable expenses	(2,579,631)	(1,400,631)	-	(3,980,262)
(Loss) / profit before tax	9,872,562	3,085,356	-	12,957,918
Corporate tax	295,059	(482,851)	-	(187,792)
(Loss)/profit for the year	10,167,621	2,602,505	-	12,770,126
Segment assets	195,558,252	-	-	195,558,252
Segment liabilities	75,597,499	-	-	75,597,499

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

34 Operating segment (continued)

Primary reporting format - Geographic Information - Parent Company (continued)

2024	Oman	UAE	Other geographies	Total
	﷼	﷼	﷼	﷼
Insurance revenue	-	116,621,868	-	116,621,868
Insurance service expense	-	(120,606,465)	-	(120,606,465)
Insurance service result before reinsurance contracts held	-	(3,984,597)	-	(3,984,597)
Allocation of reinsurance premiums	-	(26,823,086)	-	(26,823,086)
Amounts recoverable from reinsurers for incurred claims	-	26,360,361	-	26,360,361
Net expense from reinsurance contracts held	-	(462,725)	-	(462,725)
Insurance service result	-	(4,447,322)	-	(4,447,322)
Investment income - net	345,448	2,587,004	-	2,932,452
Share of Profit from Subsidiaries	(1,891,659)	-	-	(1,891,659)
Expected credit losses on financial assets	(13,537)	13,183	-	(354)
Total investment income	(1,559,748)	2,600,187	-	1,040,439
Insurance finance expenses for insurance contracts issued	-	(225,385)	-	(225,385)
Reinsurance finance income for reinsurance contracts held	-	293,743	-	293,743
Net financial result	-	68,358	-	68,358
Net insurance and investment result	(1,559,748)	(1,778,777)	-	(3,338,525)
Other operating income - net	2,262,720	8,342	-	2,271,062
Finance cost	(3,135,741)	(1,443)	-	(3,137,184)
Non attributable expenses	(402,103)	(2,785,613)	-	(3,187,716)
Loss before tax	(2,834,872)	(4,557,491)	-	(7,392,363)
Corporate tax	379,282	392,275	-	771,557
Loss for the year	(2,455,590)	(4,165,216)	-	(6,620,806)
Segment assets	157,894,445	56,141,929	-	214,036,374
Segment liabilities	54,851,904	54,774,216	-	109,626,120

ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 23-02-2026

35 Risk management

35.1 Underwriting and financial risk management

Risk taking is integral to the business model of the Group. The Group has developed and implemented a risk management structure that is designed to identify, assess, control and monitor the risks associated with its business. Adhering to this structure, the Group aims to meet its obligations to policyholders and other customers and creditors, manage its capital efficiently and comply with applicable laws and regulations.

The Group's Board and Risk Committee has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board and Risk Committee is responsible for defining, installing and monitoring the risk management organisation in order to ensure its control systems are effective. The Board and Audit Committee approves all risk management policies as well as the quantitative and qualitative elements of the Group's risk appetite and tolerance framework.

The Group manages its assets and liabilities within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at operating segment and product levels that are circulated to the Group's key management personnel. The principal technique of the Group's ALM is to match assets to liabilities arising from insurance and investment contracts by product line.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment contract liabilities.

The following tables reconcile the consolidated balance sheet to the investment classes and product lines used in the Group's ALM framework:

Group	2025			2024		
	Life and Medical	General	Total	Life and Medical	General	Total
Investments						
Cash and cash equivalents	9,525,603	14,650,632	24,176,235	7,629,653	17,922,635	25,552,288
Government bonds & Corporate bonds	62,404,129	71,443,484	133,847,613	44,506,505	76,941,179	121,447,684
Bank deposits	36,658,242	106,867,011	143,525,253	40,465,280	98,601,953	139,067,233
Equity securities	21,773,617	28,570,917	50,344,534	7,046,171	8,177,440	15,223,611
Total investment assets and cash and cash equivalents	130,361,591	221,532,044	351,893,635	99,647,609	201,643,207	301,290,816
Insurance contract balances						
Insurance contract assets	-	166,223	166,223	-	204,150	204,150
Reinsurance contract assets	13,722,325	38,005,869	51,728,194	6,900,423	68,549,802	75,450,225
Insurance contract liabilities	(85,523,843)	(132,334,790)	(217,858,633)	(60,529,412)	(138,052,704)	(198,582,116)
Reinsurance contract liabilities	(4,919,172)	(14,900,653)	(19,819,825)	(2,166,238)	(17,989,807)	(20,156,045)
Total insurance contract balances	(76,720,690)	(109,063,351)	(185,784,041)	(55,795,227)	(87,288,559)	(143,083,786)

35 Risk management (Continued)

35.1 Underwriting and financial risk management (Continued)

	2025			2024		
	Life and Medical	General	Total	Life and Medical	General	Total
Other assets and liabilities						
Other assets	8,894,432	50,400,423	59,294,855	39,472,231	19,204,990	58,677,221
Other liabilities	(17,409,065)	(6,682,853)	(24,091,918)	(18,252,485)	(7,689,463)	(25,941,948)
Bank borrowings	-	(62,015,796)	(62,015,796)	(61,325,642)	(7,910,355)	(69,235,997)
Total other assets and liabilities	(8,514,633)	(18,298,226)	(26,812,859)	(40,105,896)	3,605,172	(36,500,724)

35.1.1 Underwriting risk management

Underwriting risk comprises insurance risk, policyholder persistency risk and expense risk. The Group manages its underwriting risk based on the underwriting policy as approved by the Board and Audit Committee. The Risk Management team monitors the adequate application of the policy and reviews the trends in pricing, loss ratios and underwriting risks. The Risk Management team is also involved in decisions made by the Board and Audit Committee on underwriting, pricing and market strategy.

The risk under insurance contracts is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random; however, it can be predicted with a certain disclosed level of reliability.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur because the frequency or severity of claims and benefits or the amount of future expenses are greater than estimated. Insurance events are random, and the actua number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. The goal of the statistical methods is to minimise the deviation of actual figures from the expected figures.

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

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk covered.

Long-term insurance contracts (individual life and credit life portfolios)

(a) Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. Given that the Group's portfolio is small, large individual claims may also significantly impact the gross loss ratio.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The Group also manages mortality and disability risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants.

35 Risk management (Continued)

35.1 Underwriting and financial risk management (Continued)

35.1.1 Underwriting risk management (Continued)

(b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour especially with respect to continued payment of premiums. The Group uses international mortality tables or reinsurance risk premium rates as estimates of mortality, given the absence of any published tables for insured lives in Oman.

In carrying out the liability adequacy test the Group uses estimates of the pattern of discontinuance of policies based on its experience in the past. The Group regularly measures and monitors the pattern of lapses and persistency.

Short-duration life insurance contracts

(a) Frequency and severity of claims

These contracts are mainly issued to:

- Employers, providing cover against death, disability or (in the case of group medical policies) health of their employees.
- Financial institutions, providing cover against death of their borrowers.

In the case of group life contracts issued to employers, the risk is affected by the nature of the industry in which the employer operates. The risk of death and disability will vary by industry. Undue concentration of risk by industry will therefore increase the risk of a change in the underlying average mortality or morbidity of employees in a given industry, with significant effects on the overall insurance risk.

For short term group life and group credit life contracts the Group guarantees the premium rate for a period of one year and has a right to change these rates thereafter. In such contracts it therefore minimises its exposure to mortality risk. Mortality risk includes risk of death due to epidemics.

Insurance risk under disability contracts is also dependent on economic conditions in the industry. Historical data indicates that recession and unemployment in an industry will increase the number of claims for disability benefits as well as reducing the rate of recovery from disability.

The Group attempts to manage this risk through its underwriting, claims handling and reinsurance policy.

35 Risk management (Continued)

35.1 Underwriting and financial risk management (Continued)

35.1.1 Underwriting risk management (Continued)

(b) Sources of uncertainty in the estimation of future claim payments

Other than for the testing of the adequacy of the liability representing the unexpired risk at the reporting date, there is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration.

Underwriting risk management - Health and General Insurance

The frequency and severity of claims can be affected by several factors. The most significant are the level of awards for morbidity risk (e.g. health recovery and incapacity for work) and the number of cases coming to court, especially for bodily injuries. This can be summarised as legislation risk. The amount of awards and the time for court settlement is set by the legislation. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

The Group manages these risks through its underwriting strategy (two of the techniques that are pivotal for automobile insurance are product pricing and portfolio segmentation), adequate reinsurance arrangements and proactive claims handling. The objective of the underwriting strategy is to ensure that the underwritten risks are well diversified in terms of type and amount of risk. The variability of risks is improved by the careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

The Group has limited its exposure by imposing maximum claim amounts on certain contracts as well as using reinsurance arrangements in order to limit its exposure to aggregate amount of claims (e.g. third party liability claims). The effect of such reinsurance arrangements is that the Group should not suffer total insurance losses above a certain level.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, to re-price the risk on renewal, to impose deductibles and to reject the payment of a fraudulent claim. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

The Group has specialised claims units dealing with the mitigation of risks surrounding known claims. This unit investigates and adjusts all material or suspicious claims. The claims are reviewed individually at least annually and adjusted to reflect the latest information on the underlying facts, current law, contractual terms and conditions and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

35.1.2 Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

35.1.3. Methods used and assumptions made

Methods used and assumptions made for insurance liabilities assessment are disclosed in note 4

35.2 Claims Development Table

Claims development table

The tables below show the gross and net estimates of cumulative claims at the end of the initial accident year and how these have developed over time. The cumulative claims paid represents the cumulative claims paid for each accident year in the subsequent years. The current year provision for each accident year is calculated as the estimate of cumulative claims at the end of the current year less the cumulative claims paid.

Claims development table of past three years - Group

	Accident Year				
Gross	**2022 & Prior**	**2023**	**2024**	**2025**	**Total**
Estimate of cumulative claims					
At the end of accident year	736,474,561	145,707,806	165,780,794	193,370,485	193,370,485
One year later	745,680,456	102,724,337	193,725,315	-	193,725,315
Two year later	681,688,979	150,610,624	-	-	150,610,624
Three year later	1,048,800,995	-	-	-	1,048,800,995
Current estimate of incurred claims	1,048,800,995	150,610,624	193,725,315	193,370,485	1,586,507,419
Cumulative payments to date	(1,042,991,139)	(144,960,290)	(165,370,491)	(106,124,406)	(1,459,446,326)
Liability recognised	5,809,856	5,650,334	28,354,824	87,246,079	127,061,093
Risk Adjustment					4,026,942
Discounting					(2,830,466)
Claims Debtors and Creditors					(15,118)
Total LIC included in the statement of financial position					128,242,451

	Accident Year				
Net	**2022 & Prior**	**2023**	**2024**	**2025**	**Total**
Estimate of cumulative claims					
At the end of accident year	539,914,462	126,241,069	87,005,722	168,133,405	168,133,405
One year later	549,740,404	87,972,779	130,372,228	-	130,372,228
Two year later	507,249,699	136,075,961	-	-	136,075,961
Three year later	866,080,607	-	-	-	866,080,607
Current estimate of incurred claims	866,080,607	136,075,961	130,372,228	168,133,405	1,300,662,201
Cumulative payments to date	(862,883,481)	(131,173,650)	(117,856,005)	(99,018,839)	(1,210,931,975)
Liability recognised	3,197,126	4,902,311	12,516,223	69,114,566	89,730,226
Risk Adjustment					1,960,595
Discounting					(1,439,743)
Claims Debtors and Creditors					(96,104,466)
Total LIC less AIC included in the statement of financial position					(5,853,388)

35 Risk management (Continued)

35.3 Financial risk management

Market risk management and exposures

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Group is exposed to market risk with respect to its investments. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in international and local equity and bond markets. In addition, the Group actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees. Market risk comprises three types of risk: market interest rates (interest rate risk), market prices (equity price risk) and foreign exchange rates (currency risk).

35.3.1 Interest rate risk

The Group has availed long and short term loans which are on floating interest risk and is thereby exposed to interest rate risk. Change of interest rate on loans availed will have the following impact on the Group's results.

	Group & Parent Company					
Year	2025			2024		
	Principal Outstanding	Rate Change	Impact	Principal Outstanding	Rate Change	Impact
	﷼		﷼	﷼		﷼
Short Term loan	-	1%	-	6,292,000	1%	62,920
Long Term loan	62,015,796	1%	620,158	62,943,997	1%	629,440
Total	62,015,796		620,158	69,235,997		692,360

The Group invests in securities and has deposits that are subject to interest rate risk. The Group's bank deposits of ﷼ 143,625,874 (2024: ﷼ 139,209,334) carry fixed rate of interest and therefore, are exposed to repricing risk at maturity. The Group holds subordinated interest bearing investments at FVTPL and FVOCI with face value of ﷼ 101,644,459 (2024: ﷼ 78,693,585) which are subject to interest rate reset as per below table.

Group							
Year of Reset	2025			Year of Reset	2024		
	Face Value	Rate Change	Impact		Face Value	Rate Change	Impact on profit
	﷼		﷼		﷼		﷼
Year 2026	11,738,451	1%	117,385	Year 2024	-	1%	-
Year 2027	8,417,389	1%	84,174	Year 2025	10,217,836	1%	102,178
2028 to 2054	113,577,009	1%	1,135,770	2026 to 2052	68,476,022	1%	684,760
Total	133,732,849		1,337,329		78,693,858		786,938

Parent Company							
Year of Reset	2025			Year of Reset	2024		
	Face Value	Rate Change	Impact		Face Value	Rate Change	Impact on profit
	﷼		﷼		﷼		﷼
Year 2026	-	1%	-	Year 2024	-	1%	-
Year 2027	-	1%	-	Year 2025	1,342,786.00	1%	13,428
2028 to 2054	-	1%	-	2026 to 2052	22,743,747	1%	-
Total	-		-	Total	24,086,533		13,428

35 Risk management (Continued)
35.3 Financial risk management (Continued)
35.3.1 Interest rate risk (Continued)

An interest rate sensitivity analysis of investment assets and insurance and reinsurance contract assets and liabilities by product lines is included in table below

		Group				Parent Company			
		2025		2024		2025		2024	
	Rate Change	Exposure	Impact	Exposure	Impact	Exposure	Impact	Exposure	Impact
Insurance and reinsurance contract assets									
Insurance contract assets and liabilities	1%	217,692,410	49,665	198,377,966	(366,328)	-	-	36,163,245	245,958
Reinsurance contract assets and liabilities	1%	31,908,369	(70,175)	55,294,180	272,045	-	-	822,623	(6,991)
Debt instruments at FVOCI & amortised cost	1%	133,732,849	1,337,328	78,693,858	786,939	-	-	24,086,533	-

35.3.2 Financial Instruments price risk

Financial Instruments price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market.

The Group is exposed to market risk with respect to its investments. The Group limits financial instruments price risk by maintaining a diversified portfolio and by continuous monitoring of the market. Various regulatory limits for exposure to single issuer or equity are followed to minimise risk. In addition, the Group monitors actively the key factors that affect stock market movements.

29% (2024: 54%) of the Group's investments at the reporting date are within the Sultanate of Oman.

The following table demonstrates the sensitivity of the investment income to reasonably possible changes in equity prices, with all other variables held constant. The effect of 10% decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Group				Parent Company			
	Effect on equity		Effect on profit		Effect on equity		Effect on profit	
	2025	2024	2025	2024	2025	2024	2025	2024
Financial instruments at FVTPL	-	-	4,237,008	945,135	-	-	7,291	8,108
Financial instruments at FVOCI	10,220,306	6,635,829	-	-	8,281	2,917,845	-	-

35 Risk management (Continued)

35.3 Financial risk management (Continued)

35.3.3 Currency risk

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

The Group enters into major agreements in Rial Omani, UAE Dirhams, Saudi Riyal, Bahraini Dinars and US Dollars. As GCC currencies are pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

64% (2024: 62%) of the Group's deposits and cash and bank balances are denominated in foreign currencies, mainly US Dollars, Saudi Riyal and UAE Dirhams. The Group's investments carried at FVTPL and FVOCI amounting to ﷼ 92,896,060 (2024: ﷼ 40,765,385) are denominated in currencies other than Rial Omani.

35.3.4 Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to meet their contractual obligations. The Group has significant credit risk arising from investments, insurance contract assets and reinsurance contract assets as described below.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- The Group only enters into insurance and reinsurance contracts with recognised, credit worthy third parties.
- The Group's investments carried at amortised cost and debt securities carried at FVOCI are managed by the investment officer in accordance with the investment policy established by the Board of Directors.
- The Group's loan to policy holders is secured against the cash values of the respective policies.
- The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers or intermediaries and monitoring outstanding receivables. Insurance receivables comprise a large number of customers in Oman, UAE, Kuwait, Saudi and Bahrain.
- The Group's bank balances are maintained with a range of international and local banks which are approved by the Board of Directors.
- Other receivables are not considered past due.

	2025				2024			
Group	High grade (Rated A & above)	Standard grade (Rated below A upto B)	Not rated	Total	High grade (Rated A & above)	Standard grade (Rated below A upto B)	Not rated	Total
	﷼	﷼	﷼	﷼	﷼	﷼	﷼	﷼
Cash and cash equivalents	13,855,608	10,225,236	95,391	24,176,235	16,146,626	9,405,662	-	25,552,288
Bank Deposits	68,485,280	71,543,251	3,496,722	143,525,253	74,649,740	64,417,493	-	139,067,233
Financial instruments at FVTPL	33,588,637	8,781,443	-	42,370,080	-	9,451,353	-	9,451,353
Financial instruments at FVOCI	51,889,511	50,313,553	-	102,203,064	27,526,728	32,553,088	6,278,477	66,358,293
Financial instruments at amortised cost	32,423,573	7,195,430	-	39,619,003	48,673,730	12,187,919	-	60,861,649
Loans to policyholders	-	-	23,874	23,874	-	-	28,374	28,374
Insurance contract assets	-	97,847	68,376	166,223	13,371	-	190,779	204,150
Reinsurance contract assets	26,385,812	25,342,382	-	51,728,194	60,495,854	-	14,954,371	75,450,225
Other receivables (excluding prepayments)	-	-	20,499,232	20,499,232	-	6,262,766	22,778,481	29,041,247
Total credit risk exposure	226,628,421	173,499,142	24,183,595	424,311,158	227,506,049	134,278,281	44,230,482	406,014,812

35 Risk management (Continued)

35.3 Financial risk management (Continued)

35.3.4 Credit risk (Continued)

Parent Company	2025				2024			
	High grade (Rated A & above)	Standard grade (Rated below A upto B)	Not rated	Total	High grade (Rated A & above)	Standard grade (Rated below A upto B)	Not rated	Total
Cash and cash equivalents	-	95,391	-	95,391	5,695,913	102,090	-	5,798,003
Bank Deposits	-	3,496,722	-	3,496,722	18,657,762	6,357,304	-	25,015,066
Debt instruments at FVTPL	-	72,914	-	72,914	-	81,075	-	81,075
Debt instruments at FVOCI	-	82,810	-	82,810	22,944,081	6,234,364	-	29,178,445
Debt instruments at amortised cost	-	-	-	-	192,885	-	-	192,885
Loans to policyholders	-	-	-	-	-	-	-	-
Insurance contract assets	-	-	-	-	-	-	-	-
Reinsurance contract assets	-	-	-	-	1,037,683	-	-	1,037,683
Other receivables (excluding prepayments)	-		4,928,605	4,928,605	-	700,472	2,437,076	3,137,548
Total credit risk exposure	-	3,747,837	4,928,605	8,676,442	48,528,324	13,475,305	2,437,076	64,440,705

35 Risk management (Continued)
35.3 Financial risk management (Continued)

35.3.5 Reinsurance risk

Consistent with other insurance companies, in order to minimise financial exposure arising from large claims, the Group, in the normal course of business, enters into contracts with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks including Catastrophic events , and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty and facultative placements including excess-of-loss reinsurance contracts.

To minimise credit risk on reinsurance counterparties, the Group evaluates the financial condition of its reinsurers. The Group primarily deals with reinsurers as mandated under the board approved Group Reinsurance Policy .

The Group places business only with reinsurers having a minimum rating of "BBB" from Standard & Poor's or "B+" from A. M. Best except regional reinsurers

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements. The Group's reinsurance contract assets risk exposure based on rating of reinsures is shown in table provided in note 36.3 Credit risk.

35.3.6 Debt securities and Bank Deposits

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating from recognized credit rating agencies.

The Group monitors changes in credit risk by tracking published external credit ratings to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings. The Group supplements this by reviewing changes in bond yields together with available press and regulatory information about issuers.

12-month and lifetime probabilities of default are based on historical data supplied by Rating Agency Moody's for each credit rating. Loss given default (LGD) parameters are described in detail in note 3 - Key sources of estimation uncertainty.

Balances at bank and bank deposits

The Group held balances at bank and bank deposits with banks and financial institution counterparties, which are rated A1 to Baa3, based on Moody's ratings.

The Group has used both simplified and generalized approach. For Bank Deposits and debt securities, the generalized approach has been used and for the other portfolios, the simplified approach was used. Under the generalized approach the counterparties are required to be classified in stages based on the significant increase in credit risk however, under the simplified approach, no staging is done and lifetime expected credit losses are calculated for all the counterparties.

	Group				Parent Company			
2025	Stage 1	Stage 2	Assets/ ECL under simplified approach	Total	Stage 1	Stage 2	Assets/ ECL under simplified approach	Total
Exposure (carrying value) subject to ECL at 1 January 2025								
Due from banks and deposits	139,209,334	-	25,608,436	164,817,770	25,033,352	-	5,825,299	30,858,651
Financial investments - Debt	102,619,004	-	-	102,619,004	23,136,967	-	-	23,136,967
Other receivables	-	-	6,623,667	6,623,667	-	-	1,434,173	1,434,173

35 Risk management (Continued)
35.3 Financial risk management (Continued)
Balances at bank and bank deposits (Continued)

	Group				Parent Company			
	Stage 1	Stage 2	Assets/ ECL under simplified approach	Total	Stage 1	Stage 2	Assets/ ECL under simplified approach	Total
Movement in the exposure (carrying value) subject to ECL during the year								
Due from banks and deposits	24,594,582	-	(21,549,541)	3,045,041	(21,528,352)	-	(5,729,762)	(27,258,114)
Financial investments - Debt	13,756,075	-	23,898	13,779,973	(23,136,967)	-	-	(23,136,967)
Other receivables	-	-	6,496,449	6,496,449	-	-	891,983	891,983
Exposure (carrying value) subject to ECL at 31 December 2025								
Due from banks and deposits	163,803,916	-	4,058,895	167,862,811	3,505,000	-	95,537	3,600,537
Financial investments - Debt	116,375,079	-	23,898	116,398,977	-	-	-	-
Other receivables	-	-	13,120,116	13,120,116	-	-	2,326,156	2,326,156
Opening balance of ECL as at 1 January 2025								
Due from banks and deposits	142,101	-	94,049	236,150	18,286	-	28,442	46,728
Financial investments - Debt	62,147	-	-	62,147	2,280	-	-	2,280
Other receivables	-	-	28,368	28,368	-	-	594	594
ECL as at 1 January 2025	204,248	-	122,417	326,665	20,566	-	29,036	49,602
Charge for the year (net)								
Due from banks and deposits	(41,480)	-	(11,879)	(53,359)	(10,008)	-	(28,196)	(38,204)
Financial investments - Debt	(44,019)	-	24	(43,995)	(2,280)	-	-	(2,280)
Other receivables	-	-	15,517	15,517	-	-	(522)	(522)
ECL charge for the year (net)	(85,499)	-	3,662	(81,837)	(12,288)	-	(28,718)	(41,006)
Closing balance of ECL as at 31 December 2025								
Due from banks and deposits	100,621	-	82,170	182,791	8,278	-	246	8,524
Financial investments - Debt	18,128	-	24	18,152	-	-	-	-
Other receivables	-	-	43,885	43,885	-	-	72	72
ECL as at 31 December 2025	118,749	-	126,079	244,828	8,278	-	318	8,596

35 Risk management (Continued)

35.3 Financial risk management (Continued)

Balances at bank and bank deposits (Continued)

	Group				Parent Company			
2024	Stage 1	Stage 2	Assets/ ECL under simplified approach	Total	Stage 1	Stage 2	Assets/ ECL under simplified approach	Total
Exposure (carrying value) subject to ECL at 1 January 2024								
Due from banks and deposits	122,938,827	-	54,019,269	176,958,096	19,196,267	-	11,306,524	30,502,791
Financial investments - Debt	85,166,733	-	-	85,166,733	10,656,273	-	-	10,656,273
Other receivables	-	-	6,549,478	6,549,478	-	-	1,359,984	1,359,984
Movement in the exposure (carrying value) subject to ECL during the year								
Due from banks and deposits	16,270,507	-	(28,410,833)	(12,140,326)	5,837,085	-	(5,481,225)	355,860
Financial investments - Debt	17,452,271	-	-	17,452,271	12,480,694	-	-	12,480,694
Other receivables	-	-	74,189	74,189	-	-	74,189	74,189
Exposure (carrying value) subject to ECL at 31 December 2024								
Due from banks and deposits	139,209,334	-	25,608,436	164,817,770	25,033,352	-	5,825,299	30,858,651
Financial investments - Debt	102,619,004	-	-	102,619,004	23,136,967	-	-	23,136,967
Other receivables	-	-	6,623,667	6,623,667	-	-	1,434,173	1,434,173
Opening balance of ECL as at 1 January 2024								
Due from banks and deposits	185,673	-	58,441	244,114	22,912	-	22,797	45,709
Financial investments - Debt	42,057	-	-	42,057	2,218	-	-	2,218
Other receivables	-	-	35,617	35,617	-	-	1,321	1,321
ECL as at 1 January 2024	227,730	-	94,058	321,788	25,130	-	24,118	49,248
Charge for the year (net)								
Due from banks and deposits	(43,572)	-	35,608	(7,964)	(4,626)	-	5,645	12,733
Financial investments - Debt	20,090	-	-	20,090	62	-	-	1,903
Other receivables	-	-	(7,249)	(7,249)	-	-	(727)	333
ECL charge for the year (net)	(23,482)	-	28,359	4,877	(4,564)	-	4,918	14,969
Closing balance of ECL as at 31 December 2024								
Due from banks and deposits	142,101	-	94,049	236,150	18,286	-	28,442	46,728
Financial investments - Debt	62,147	-	-	62,147	2,280	-	-	2,280
Other receivables	-	-	28,368	28,368	-	-	594	594
ECL as at 31 December 2024	204,248	-	122,417	326,665	20,566	-	29,036	49,602

35 Risk management (Continued)

35.4 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with financial liabilities when they fall due. The Group's liquidity management process, as carried out within the Group and monitored by the Group, includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flows. Liquidity risk is also a significant consideration when the Group evaluates its overall ALM profile. Liquidity requirements are monitored on monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. The Group considers their liquidity position to be satisfactory and also has committed overdraft and short term loan facilities of ﷼ NIL as at 31 December 2025 (2024: ﷼ 6,292,000) as well as the Group is in a position to generate cash by way of selling quoted investments or liquidating bank deposits in case of urgent cash requirements.

The Group maintains sufficient cash and cash equivalents to cater its day to day working capital needs.

The table below summarises the maturities of the principal position of the Group's financial assets and financial liabilities at the reporting date, based on contractual payment dates.

	Group				Parent Company			
	Less than one year	More than one year	No fixed term	Total	Less than one year	More than one year	No fixed term	Total
2025	﷼	﷼	﷼	﷼	﷼	﷼	﷼	﷼
Financial liabilities								
Insurance contract liabilities	186,264,777	31,593,856	-	217,858,633	-	-	-	-
Reinsurance contract liabilities	18,767,349	1,052,476	-	19,819,825	-	-	-	-
Bank borrowings	1,556,008	60,459,788	-	62,015,796	1,556,008	60,459,788	-	62,015,796
Other liabilities (excluding contractual staff benefits)	18,343,738	4,588,608	-	22,932,346	13,164,302	-	-	13,164,302
Total financial liabilities	224,931,872	97,694,728	-	322,626,600	14,720,310	60,459,788	-	75,180,098
Financial assets								
Cash and bank balances	24,176,235	-	-	24,176,235	95,391	-	-	95,391
Bank deposits	114,096,672	29,428,581	-	143,525,253	-	3,496,722	-	3,496,722
Insurance contract assets	100,166	66,057	-	166,223	-	-	-	-
Reinsurance contract assets	44,748,452	6,979,741	-	51,728,193	-	-	-	-
Other receivables (excluding prepayments and advances)	14,112,469	1,605,986	4,780,777	20,499,232		-	4,928,605	4,928,605
Investment carried at fair value through profit or loss	10,913,892	-	19,264,111	30,178,003	72,914	-		72,914
Investments carried at amortised cost	9,494,679	42,316,503	-	51,811,182	-	-	-	-
Investment carried at FVOCI	3,809,981	56,355,218	41,746,006	101,911,205	-	-	82,810	82,810
Loans to policyholders	-	-	23,874	23,874	-	-	-	-
Total financial assets	221,452,546	136,752,086	65,814,768	424,019,400	168,305	3,496,722	5,011,415	8,676,442

35 Risk management (Continued)
35.4 Liquidity risk management (Continued)

	Group				Parent Company			
	Less than one year	More than one year	No fixed term	Total	Less than one year	More than one year	No fixed term	Total
2024	﷼	﷼	﷼	﷼	﷼	﷼	﷼	﷼
Financial liabilities								
Insurance contract liabilities	143,440,139	55,141,977	-	198,582,116	31,348,948	4,814,297	-	36,163,245
Reinsurance contract liabilities	10,048,726	10,107,319	-	20,156,045	2,877,484	(1,017,178)	-	1,860,306
Bank borrowings	15,680,504	53,555,493	-	69,235,997	7,101,004	37,542,993	-	44,643,997
Other liabilities (excluding contractual staff benefits)	19,628,306	2,346,955	-	21,975,261	26,212,012	-	-	26,212,012
Total financial liabilities	188,797,675	121,151,744	-	309,949,419	67,539,448	41,340,112	-	108,879,560
Financial assets								
Cash and bank balances	25,552,288	-	-	25,552,288	5,798,003	-	-	5,798,003
Bank deposits	91,919,757	47,147,476	-	139,067,233	25,015,066	-	-	25,015,066
Insurance contract assets	242,773	(38,623)	-	204,150	-	-	-	-
Reinsurance contract assets	68,015,099	7,435,126	-	75,450,225	465,005	572,678	-	1,037,683
Other receivables (excluding prepayments)	19,921,968	3,508,246	5,611,033	29,041,247	2,868,777	-	268,770	3,137,547
Investment carried at fair value through profit or loss	904,609	-	-	904,609	81,075	-	-	81,075
Investments carried at amortised cost	11,107,365	49,754,284	-	60,861,649	-	192,885	-	192,885
Investment carried at FVOCI	-	25,598,371	49,306,666	74,905,037	-	-	29,178,445	29,178,445
Loans to policyholders	-	-	28,374	28,374	-	-	-	-
Total financial assets	217,663,859	133,404,880	54,946,073	406,014,812	34,227,926	765,563	29,447,215	64,440,704

* Bank deposits of ﷼ 143,625,874 (2024: ﷼ 139,481,288) also include bank deposits which have maturity date of more than one year amounting to ﷼ 85,532,148 (2024: ﷼ 61,020,988) as these are highly liquid in nature and can liquidated on demand whenever required.

35.5 Liquidity risks - Maturity analysis

The following tables present the maturity analyses of the cashflows from the portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities for each of the first five years after the reporting date and in aggregate beyond the first five years based on present value of future cashflows:

Group - 2025	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
GMM portfolios (PVFC for LFRC):	﷼	﷼	﷼	﷼	﷼	﷼	﷼
Insurance contract liabilities	1,093,182	564,167	619,835	178,637	132,534	(1,229,863)	1,358,492
Reinsurance contract liabilities (held)	(612,416)	(359,389)	(231,496)	(147,170)	(82,017)	335,509	(1,096,979)
	480,766	204,778	388,339	31,467	50,517	(894,354)	261,513
PVFC for LFIC of all portfolios:							
Insurance contract liabilities	102,705,562	17,585,103	3,537,860	1,379,624	599,374	494,524	126,302,047
Reinsurance contract liabilities (held)	3,939,067	(24,871)	(2,519)	(1,388)	(239)	(2)	3,910,048
	106,644,629	17,560,232	3,535,341	1,378,236	599,135	494,522	130,212,095

35 Risk management (Continued)
35.5 Liquidity risks - Maturity analysis (Continued)

Group - 2024	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
GMM portfolios (PVFC for LFRC):							
Insurance contract liabilities	179,007	(236,188)	(365,631)	(131,149)	(408,289)	(3,605,677)	(4,567,927)
Reinsurance contract liabilities (held)	(166,284)	(114,324)	(69,463)	(30,540)	6,294	769,756	395,439
	12,723	(350,512)	(435,094)	(161,689)	(401,995)	(2,835,921)	(4,172,488)
PVFC for LFIC of all portfolios:							
Insurance contract liabilities	121,011,651	16,767,217	4,115,612	1,847,415	995,213	562,640	145,299,748
Reinsurance contract liabilities (held)	2,215,743	36,148	-	-	-	-	2,251,891
	123,227,394	16,803,365	4,115,612	1,847,415	995,213	562,640	147,551,639

Parent Company - 2025	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
PVFC for LFIC of all portfolios:							
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities (held)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Parent Company - 2024	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
PVFC for LFIC of all portfolios:							
Insurance contract liabilities	19,036,717	1,861,377	1,082,038	896,202	581,085	393,592	23,851,011
Reinsurance contract liabilities (held)	97,926	-	-	-	-	-	97,926
	19,134,643	1,861,377	1,082,038	896,202	581,085	393,592	23,948,937

35 Risk management (Continued)

35.6 Underwriting risk concentration

The table below presents the concentration of underwriting risk by geography and by business types. The benefits insured figures are shown gross and net of reinsurance contracts.

Geographic concentration	2025			2024		
Group	Insurance Contracts	Reinsurance contracts held	Net	Insurance Contracts	Reinsurance contracts held	Net
	﷼	﷼	﷼	﷼	﷼	﷼
Oman	62,459,027	(7,361,345)	55,097,682	53,755,295	(9,198,420)	44,556,875
UAE	106,492,032	(20,755,415)	85,736,617	106,600,946	(43,061,787)	63,539,159
Kuwait	1,844,405	(189,754)	1,654,651	2,365,039	(470,356)	1,894,683
Bahrain	850,167	(89,209)	760,958	855,974	33,230	889,204
KSA	46,046,779	(3,512,646)	42,534,133	34,800,712	(2,596,847)	32,203,865
	217,692,410	(31,908,369)	185,784,041	198,377,966	(55,294,180)	143,083,786

Business Type Concentration	2025			2024		
Group	Insurance Contracts	Reinsurance contracts held	Net	Insurance Contracts	Reinsurance contracts held	Net
	﷼	﷼	﷼	﷼	﷼	﷼
Life- Long term	22,141,678	(11,604,103)	10,537,575	13,776,426	(4,831,832)	8,944,594
Life- Short term	785,141	(555,418)	229,723	1,168,715	(383,371)	785,344
Health	62,597,024	3,356,368	65,953,392	45,584,271	481,016	46,065,287
General	132,168,567	(23,105,216)	109,063,351	137,848,554	(50,559,993)	87,288,561
	217,692,410	(31,908,369)	185,784,041	198,377,966	(55,294,180)	143,083,786

Geographic concentration	2025			2024		
Parent Company	Insurance Contracts	Reinsurance contracts held	Net	Insurance Contracts	Reinsurance contracts held	Net
	﷼	﷼	﷼	﷼	﷼	﷼
Oman	-	-	-	-	-	-
UAE	-	-	-	36,163,245	822,623	36,985,868
Kuwait	-	-	-	-	-	-
	-	-	-	36,163,245	822,623	36,985,868

Business Type Concentration	2025			2024		
Parent Company	Insurance Contracts	Reinsurance contracts held	Net	Insurance Contracts	Reinsurance contracts held	Net
	﷼	﷼	﷼	﷼	﷼	﷼
Life- Long term	-	-	-	-	-	-
Life- Short term	-	-	-	1,168,715	(383,371)	785,344
Health	-	-	-	34,994,530	1,205,994	36,200,524
General	-	-	-	-	-	-
	-	-	-	36,163,245	822,623	36,985,868

35 Risk management (Continued)

35.7 Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Further, a Group policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Group.

The Board of Directors approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

35.8 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit other stakeholders. The management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and may make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Capital management framework

Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholder and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group within the Sultanate of Oman are subject to regulatory requirements of the Sultanate of Oman. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions such as solvency requirements and assignment of deposits to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as they arise. The Group's policy is to deal only with reputed and highly rated reinsurers.

In accordance with the Insurance Companies Law of the Sultanate of Oman, the Group is required to maintain a minimum solvency margin at the reporting date in compliance with the solvency requirements. The Group has met these requirements for the financial year 2025.

Insurance Authority for United Arab Emirates has also issued financial regulations during 2015 which prescribe requirements for accounting, reporting, investments and solvency requirements. These regulations are to be implemented over a time frame of one to three years. The Group has met these requirements for the financial year 2025.

Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels (by each regulated entity) on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Group is equity shareholders' funds. The capital requirements are routinely forecast on a periodic basis, and assessed against both the forecast available capital and the expected internal rate of return including risk and sensitivity analyses.

The Group has a surplus over the required solvency margin as per the Insurance Group Law.

35.10 Other risk management disclosures

The methods used and assumptions made for insurance liabilities assessment are disclosed in note 4. A sensitivity analysis relating to underwriting risk variables is disclosed in note 4.2. Equity risk exposures and investment asset credit risk exposures and sensitivity analysis relating to interest rate and equity risk variables is disclosed in note 36.3.

36 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 major 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
2025				
Investments carried at FVTPL and FVOCI	**137,020,513**	**82,810**	**7,469,821**	**144,573,144**

	Level 1	Level 2	Level 3	Total
2024				
Investments carried at FVTPL and FVOCI	69,094,661	73,117	6,641,868	75,809,646

37 Comparative Information

Parents's results for the year ended 31 December 2025 excludes insurance business in UAE branch for the last quarter 2025 as the branch was transferred to its fully owned subsidiary in Bahrain, Liva Insurance BSC (C) dated 1 October 2025. Consequently, comparative amounts for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not entirely comparable. Certain comparative information has been represented to confirm to the current year information.

38 Transfer of Parent's UAE insurance related assets and liabilities to Liva Insurance BSC (C)

On 1 October 2025, Liva Group SAOG completed an internal restructuring whereby the operations of its UAE branch (NLG UAE) were transferred to LIVA Insurance B.S.C (c) - UAE Branches, which is a branch of LIVA Insurance B.S.C (c), a Bahrain joint stock company and a subsidiary of Liva Group SAOG. This restructuring was undertaken to streamline operations within the Group.

The transfer was approved by the Central Bank of the UAE on 10 January 2025 and by the Central Bank of Bahrain on 14 July 2025. The transfer included all assets, liabilities, contracts, and obligations of the Dubai branch. The legal transfer was completed on 1 October 2025.

As this transaction occurred between entities under common control, it has been accounted for using the predecessor accounting method at book values as at 30 September 2025. No goodwill has been recognized at the Group level.

LIVA Insurance B.S.C will issue shares equal in value to the net assets transferred as at 30 September 2025, in accordance with the predecessor accounting method applied for this common-control transaction. The share issuance represents the capital contribution by Liva Group SAOG to LIVA Insurance B.S.C in settlement of the net asset transfer.

Assets and Liabilities Transfer to Liva Insurance BSC (C) as on 1 October 2025

Assets	
Cash and cash balances	8,649,430
Bank deposits	21,309,473
Investments carried at amortised cost	192,386
Investments at Fair value through other comprehensive income	34,561,999
Reinsurance contract assets	1,191,948
Other receivables and prepayments	4,840,517
Property & Equipment	53,106
Deferred tax asset	42,127
Total Assets Transferred	70,840,986
Liabilities	
Insurance contract liabilities	(44,047,056)
Reinsurance contract liabilities	(3,422,353)
Accounts Payables and other liabilities	(2,955,992)
Retirement benefit obligation	(308,137)
Total Liabilities Transferred	(50,733,538)
Consideration from Liva Insurance BSC (c)	20,107,448

39 PROPOSED MERGER

Liva Insurance Company SJSC, a subsidiary of Liva Group SAOG, signed a non-binding Memorandum of Understanding (the "MOU") with Malath Cooperative Insurance on 21 August 2024 (corresponding to 17 Safar 1446H) to evaluate a potential merger between the two companies (the "Proposed Transaction"). Liva Insurance Company SJSC announced the appointment of SNB Capital as its financial advisor in connection with this proposed merger.

On 2 December 2024, both Companies agreed, on a non-binding and preliminary basis, that the Potential Merger structure will be through merging Liva (as the merged company) into Malath (as the merging company), noting that the Potential Merger is under consideration and no binding agreement has been reached to date on the Potential Merger and the structure.

On 20 August 2025 (corresponding to 26 Safar 1447H), both Companies announced that they agreed to extend the MOU for an additional six months, under the same previous terms and conditions. During this period, both companies have been updating the technical, financial, legal, and actuarial due diligence and engage in non-binding discussions on the terms and conditions of the Proposed Transaction. Both companies will then sign a binding agreement after which the Potential Merger will be subject to the approvals of the Insurance Authority, the Capital Market Authority and the Saudi Exchange, as well as obtaining the requisite approvals of the shareholders of both companies.