

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-months period ended 30 September 2025 (un-audited) (Expressed in Omani Rial)

1 Legal status and

Oman Reinsurance Company SAOG ("the Company") is a publicly listed Omani joint stock company (SAOG) registered with the Ministry of Commerce, Industry and Investment Promotion, in accordance with the provisions of the Commercial Companies Law and Regulations and the Insurance Companies Law of the Sultanate of Oman. The Company was registered on 4 August 2008 and obtained a license to operate reinsurance business on 2 July 2009 from the Financial Services Authority (FSA). The Company is principally engaged in underwriting reinsurance business including fire, engineering, accident, medical, motor and aviation classes. The Company changed its legal structure from a closed Omani joint stock company (SAOC) to an SAOG during the financial year ended 31 December 2021 through an Initial Public Offering (IPO).

The Company's principal place of business is located at Al Khuwair, Muscat, Sultanate of Oman. The Company also has started operations through a Branch in Qatar. The Branch is registered in the Qatar Financial Center (QFC). The Company has also launched its Retakaful Window from January 2025. These financial statements include the combined operations and assets and liabilities of the Company and the Branch.

The condensed interim financial information was approved for issue by the Board of Directors on 29 October 2025.

2 Basis of preparation

(a) Statement of compliance

The condensed interim financial information for the nine-months period ended 30 September 2025 has been presented in accordance with International Accounting Standard 34 - "Interim Financial Reporting". The accounting policies adopted in preparation of the condensed interim financial information are the same that were followed as at, and for the year ended, 31 December 2024. These condensed interim financial information should therefore be read in conjunction with the audited annual financial statements prepared as at, and for the year ended, 31 December 2024, which have been prepared in accordance with the International Financial Reporting Standards (IFRS).

(b) Basis of presentation

The condensed interim financial information for the nine-months period ended 30 September 2025 has been prepared in accordance with IAS 34 "Interim Financial Reporting".

(c) Functional currencies

The condensed interim financial information is presented in Omani Rials (RO) which is the functional and reporting currency for the Company.

3 Adoption of new and revised IFRS

New and amended standards effective and adopted at 1 January 2025

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

4 Significant accounting policies, critical accounting estimates and key source of estimation uncertainty

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual figures may differ from these estimates and judgements. While preparing the unaudited condensed interim financial information, the significant judgements made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited financial statements prepared as at, and for the year ended, 31 December 2024.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual audited financial statements, and should therefore be read in conjunction with the annual audited financial statements prepared as at, and for the year ended, 31 December 2024. There has been no change in the risk management policies since 31 December 2024.

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5 Cash and cash equivalents

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

	30 September 2025 (un-audited)	31 December 2024
Cash on hand	1,647	4,957
Current and call account balances with banks	5,075,511	2,290,973
	<u>5,077,158</u>	<u>2,295,930</u>

The current account balances with banks are non-interest bearing.

Balances in call accounts with local commercial banks earn interest rates ranging between 3.00% to 4.00% (31 December 2024: 3.00% and 4.00% per annum).

6 Bank deposits

	30 September 2025 (un-audited)	31 December 2024
Non-current portion of bank deposits-gross	13,675,000	18,350,000
Impairment of assets at amortised cost	(4,535)	(4,535)
Non-current portion of bank deposits-net of impairment	<u>13,670,465</u>	<u>18,345,465</u>
Current portion of bank deposits	7,325,000	3,633,496
	<u>20,995,465</u>	<u>21,978,961</u>

Bank deposits represent deposits placed with commercial banks in the Sultanate of Oman, which are denominated in Omani Rial and earn interest at commercial rates ranging between 4.00% to 6.00% (31 December 2024: 4.50% and 6.00% per annum).

The movement of the impairment is summarized as follows;

	Period from 1 January 2025 to 30 September 2025 (un-audited)	31 December 2024
Opening balance	4,535	4,988
Reversal for the period	-	(453)
Closing balance	<u>4,535</u>	<u>4,535</u>

7 Investments at fair value through profit or loss

Debt instruments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income are as follows:

	Fair value		Average cost	
	30 September 2025 (un-audited)	31 December 2024	30 September 2025 (un-audited)	31 December 2024
Multi-reverse callable notes	1,644,853	2,195,444	1,684,676	2,170,829
	<u>1,644,853</u>	<u>2,195,444</u>	<u>1,684,676</u>	<u>2,170,829</u>

(a) Movement in investments at fair value through profit or loss can be summarised as below:

	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
At 1 January	2,195,444	1,311,942
Acquisitions during the period/year	225,327	1,054,293
Disposals during the period/year	(831,764)	(194,286)
Net unrealised change in fair value recognised in profit or loss	<u>55,846</u>	<u>23,495</u>
At 30 September/31 December	<u>1,644,853</u>	<u>2,195,444</u>

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8 Investments at fair value through other comprehensive income

	Fair value		Average cost	
	30 September 2025 (un-audited)	31 December 2024	30 September 2025 (un-audited)	31 December 2024
Bonds	48,057,298	43,377,374	46,740,108	43,440,085
Equity securities	7,861,415	4,704,911	6,941,564	4,392,535
	<u>55,918,713</u>	<u>48,082,285</u>	<u>53,681,672</u>	<u>47,832,620</u>

(a) Movement in investments at fair value through other comprehensive income can be summarised as below:

	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
At 1 January	48,082,285	37,096,592
Acquisitions during the period/year	11,051,280	16,487,310
Disposals during the period/year	(5,356,526)	(6,091,818)
Net realised change in fair value	(248,809)	491,279
Net unrealised change in fair value	2,390,483	(36,724)
Amortisation charge for the period/year	-	135,646
At 30 September/31 December	<u>55,918,713</u>	<u>48,082,285</u>

The market value of investment includes provision for impairments on debt securities amounting to OMR 11,225 (31 December 2024: 11,225).
The movement of provision for impairment is charged to profit and loss is as under

	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
Opening balance	11,225	8,983
Add: Charge for the period / year	-	2,242
Closing balance	<u>11,225</u>	<u>11,225</u>

(b) Investment fair value reserve:

Movement in the investment fair value reserve can be summarised as below:

	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
Opening balance	96,027	(492,801)
Net change in fair value during the period/year	2,390,483	(36,724)
Deferred tax charge	-	132,031
Net realised loss / (gain) transferred to retained earnings	(248,809)	491,279
ECL charge for the period/year	-	2,242
Closing balance	<u>2,237,701</u>	<u>96,027</u>

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9 Retrocessionaire contract assets

30 September 2025 (un-audited)

	(Liabilities) / Assets for remaining coverage	(Liabilities) / Assets for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening retrocession contract assets	(21,534,730)	39,668,880	2,211,824	20,345,974
Opening retrocession contract liabilities	(1,275,469)	302,447	9,591	(963,431)
Net opening retrocession contract assets/(liabilities)	(22,810,199)	39,971,327	2,221,415	19,382,543
Retrocession expense	(8,502,227)	-	-	(8,502,227)
Amounts recovered				
Incurred claims and other insurance service expenses	-	1,625,071	161,802	1,786,873
Adjustments to liabilities for incurred claims	-	(549,900)	(496,168)	(1,046,068)
Amounts recovered from retrocessionaires	-	1,075,171	(334,366)	740,805
Retrocession service result	(8,502,227)	1,075,171	(334,366)	(7,761,422)
Retrocession finance income/expense recognized in profit or loss	-	1,419,328	95,585	1,514,913
Total changes in the statement of profit or loss	(8,502,227)	2,494,499	(238,781)	(6,246,509)
Retrocession finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(8,502,227)	2,494,499	(238,781)	(6,246,509)
Cash flows				
Premiums paid	6,954,958	-	-	6,954,958
Recoveries from retrocessionaires	-	(4,669,487)	-	(4,669,487)
Recovered acquisition cash flows	-	-	-	-
Total cash flows	6,954,958	(4,669,487)	-	2,285,471
Net closing retrocession contract assets/(liabilities)	(24,357,468)	37,796,339	1,982,634	15,421,505
Closing retrocession contract assets	(17,500,868)	33,097,955	1,562,453	17,159,540
Closing retrocession contract liabilities	(6,856,600)	4,698,384	420,181	(1,738,035)
Net closing retrocession contract assets/(liabilities)	(24,357,468)	37,796,339	1,982,634	15,421,505

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9 Retrocessionaire contract assets (continued)

31 December 2024

	(Liabilities) / Assets for remaining coverage	(Liabilities) / Assets for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening retrocession contract assets	(15,770,006)	28,331,561	1,545,123	14,106,678
Opening retrocession contract liabilities	(535,474)	282,932	15,305	(237,237)
Net opening retrocession contract assets/(liabilities)	(16,305,480)	28,614,493	1,560,428	13,869,441
Retrocession expense	(12,747,862)	-		(12,747,862)
Amounts recovered				
Incurred claims and other insurance service expenses	-	1,410,503	148,324	1,558,827
Adjustments to liabilities for incurred claims	-	11,877,061	491,642	12,368,703
Amounts recovered from retrocessionaires	-	13,287,564	639,966	13,927,530
Retrocession service result	(12,747,862)	13,287,564	639,966	1,179,668
Retrocession finance income/expense recognized in profit or loss	-	400,597	21,021	421,618
Total changes in the statement of profit or loss	(12,747,862)	13,688,161	660,987	1,601,286
Retrocession finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(12,747,862)	13,688,161	660,987	1,601,286
Cash flows				
Premiums paid	6,243,143	-	-	6,243,143
Recoveries from retrocessionaires	-	(2,331,327)	-	(2,331,327)
Recovered acquisition cash flows	-	-	-	-
Total cash flows	6,243,143	(2,331,327)	-	3,911,816
Net closing retrocession contract assets/(liabilities)	(22,810,199)	39,971,327	2,221,415	19,382,543
Closing retrocession contract assets	(21,534,730)	39,668,880	2,211,824	20,345,974
Closing retrocession contract liabilities	(1,275,469)	302,447	9,591	(963,431)
Net closing retrocession contract assets/(liabilities)	(22,810,199)	39,971,327	2,221,415	19,382,543

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9 Retrocessionaire contract assets (continued)

30 September 2024 (un-audited)

	(Liabilities) / Assets for remaining coverage	(Liabilities) / Assets for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening retrocession contract assets	(15,770,006)	28,331,561	1,545,123	14,106,678
Opening retrocession contract liabilities	(535,474)	282,932	15,305	(237,237)
Net opening retrocession contract assets/(liabilities)	(16,305,480)	28,614,493	1,560,428	13,869,441
Retrocession expense	(7,203,344)	-	-	(7,203,344)
Amounts recovered				
Incurred claims and other insurance service expenses	-	944,498	100,128	1,044,626
Adjustments to liabilities for incurred claims	-	7,777,632	305,724	8,083,356
Amounts recovered from retrocessionaires	-	8,722,130	405,852	9,127,982
Retrocession service result	(7,203,344)	8,722,130	405,852	1,924,638
Retrocession finance income/expense recognized in profit or loss	-	874,653	53,762	928,415
Total changes in the statement of profit or loss	(7,203,344)	9,596,783	459,614	2,853,053
Retrocession finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(7,203,344)	9,596,783	459,614	2,853,053
Cash flows				
Premiums paid	2,761,665	-	-	2,761,665
Recoveries from retrocessionaires	-	(545,974)	-	(545,974)
Recovered acquisition cash flows	-	-	-	-
Total cash flows	2,761,665	(545,974)	-	2,215,691
Net closing retrocession contract assets/(liabilities)	(20,747,159)	37,665,302	2,020,042	18,938,185
Closing retrocession contract assets	323,100	37,665,302	2,020,042	40,008,444
Closing retrocession contract liabilities	(21,070,259)	-	-	(21,070,259)
Net closing retrocession contract assets/(liabilities)	(20,747,159)	37,665,302	2,020,042	18,938,185

10 Accrued income

	30 September 2025 (un-audited)	31 December 2024
Interest accrued on investments	1,799,242	1,375,177

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11 Other receivables	30 September 2025 (un-audited)	31 December 2024
Loans and advances (gross) and prepayments	616,572	360,652
Provision for expected credit losses	(18,380)	(18,380)
Loans and advances (net) and prepayments	<u>598,192</u>	<u>342,272</u>

The movement in impaired loans and advances is as follows:

	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
At 1 January and at 30 September/31 December	<u>18,380</u>	<u>18,380</u>

12 Investment property	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
Cost		
At 1 January	2,100,000	2,100,000
Fair value adjustment on investment property	-	-
As at 30 September/31 December	<u>2,100,000</u>	<u>2,100,000</u>

The carrying amount of the investment properties is the aggregate fair value (Level-3 fair value hierarchy) as determined by an independent property valuer on the basis of unobservable inputs. Fair value was determined as being the most probable price the property can fetch in a competitive open market. The property has been valued by an independent valuer on an open market basis as at 31 December 2024 at RO 2,100,000.

13 Intangible assets	Period ended 30 September 2025 (un-audited)	Year ended 31 December 2024
The movement in intangible assets is as follows:-		
Cost		
As at 1 January	430,426	430,426
Additions during the period/year	-	-
As at 30 September/31 December	<u>430,426</u>	<u>430,426</u>
Accumulated amortisation		
As at 1 January	408,314	349,670
Charge for the period/year	9,602	58,644
As at 30 September/31 December	<u>417,916</u>	<u>408,314</u>
Net book amount		
As at 30 September/31 December	<u>12,510</u>	<u>22,112</u>

Intangible assets comprise of software license fees which are being amortised over a period of 4 years.

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14 Fixtures, furniture and equipment

(a) The movement in property and equipment is as set out below:

2025	Motor vehicles	Furniture and fixtures	Office equipment	Total
Cost				
At 1 January 2025	110,510	299,238	272,728	682,476
Additions during the period	35,238	-	20,758	55,996
Disposals during the period	(30,857)	-	(528)	(31,385)
At 30 September 2025 (un-audited)	<u>114,891</u>	<u>299,238</u>	<u>292,958</u>	<u>707,087</u>
Accumulated depreciation				
At 1 January 2025	76,253	228,631	216,507	521,391
Charge for the period	9,814	15,591	18,404	43,809
Relating to disposals	(30,857)	-	(481)	(31,338)
At 30 September 2025 (un-audited)	<u>55,210</u>	<u>244,222</u>	<u>234,430</u>	<u>533,862</u>
Net book amount				
At 30 September 2025 (un-audited)	<u>59,681</u>	<u>55,016</u>	<u>58,528</u>	<u>173,225</u>
2024	Motor vehicles	Furniture and fixtures	Office equipment	Total
Cost				
At 1 January 2024	81,939	228,013	231,150	541,102
Additions during the year	28,571	71,310	43,549	143,430
Disposals during the year	-	(85)	(1,971)	(2,056)
At 31 December 2024	<u>110,510</u>	<u>299,238</u>	<u>272,728</u>	<u>682,476</u>
Accumulated depreciation				
At 1 January 2024	63,298	219,732	194,197	477,227
Charge for the year	12,955	8,984	24,003	45,942
Relating to disposals	-	(85)	(1,693)	(1,778)
At 31 December 2024	<u>76,253</u>	<u>228,631</u>	<u>216,507</u>	<u>521,391</u>
Net book amount				
At 31 December 2024	<u>34,257</u>	<u>70,607</u>	<u>56,221</u>	<u>161,085</u>

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15 Reinsurance contract liabilities

30 September 2025 (un-audited)

	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	(2,060,943)	1,115,538	100,318	(845,087)
Opening reinsurance contract liabilities	(25,545,575)	81,850,100	6,096,601	62,401,126
Net opening reinsurance contract (assets)/liabilities	(27,606,518)	82,965,638	6,196,919	61,556,039
Reinsurance revenue	(40,245,510)	-	-	(40,245,510)
Reinsurance service expenses				
Incurred claims and other insurance service expenses	-	8,054,967	2,345,320	10,400,287
Amortisation of insurance acquisition cash flows	9,668,172	-	-	9,668,172
Adjustments to liabilities for incurred claims	-	10,729,203	(2,084,849)	8,644,354
Reinsurance service expenses	9,668,172	18,784,170	260,471	28,712,813
Reinsurance service result	(30,577,338)	18,784,170	260,471	(11,532,697)
Reinsurance finance income/expense recognized in profit or loss	-	3,184,294	261,311	3,445,605
Total changes in the statement of profit or loss	(30,577,338)	21,968,464	521,782	(8,087,092)
Reinsurance finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(30,577,338)	21,968,464	521,782	(8,087,092)
Cash flows				
Premiums received	33,053,132	-	-	33,053,132
Claims and other insurance service expenses paid	-	(16,041,177)	-	(16,041,177)
Reinsurance acquisition cash flows	(8,764,280)	-	-	(8,764,280)
Total cash flows	24,288,852	(16,041,177)	-	8,247,675
Net closing reinsurance contract (assets)/liabilities	(33,895,004)	88,892,925	6,718,701	61,716,622
Closing reinsurance contract assets	(1,663,578)	685,004	56,214	(922,360)
Closing reinsurance contract liabilities	(32,231,426)	88,207,921	6,662,487	62,638,982
Net closing reinsurance contract (assets)/liabilities	(33,895,004)	88,892,925	6,718,701	61,716,622

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15 Reinsurance contract liabilities (continued)

31 December 2024

	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	(130,310)	91,220	4,995	(34,095)
Opening reinsurance contract liabilities	(22,053,390)	64,431,751	4,902,463	47,280,824
Net opening reinsurance contract (assets)/liabilities	(22,183,700)	64,522,971	4,907,458	47,246,729
Reinsurance revenue	(49,894,863)	-	-	(49,894,863)
Reinsurance service expenses				
Incurred claims and other insurance service expenses	-	31,388,760	2,972,255	34,361,015
Amortisation of insurance acquisition cash flows	12,069,571	-	-	12,069,571
Adjustments to liabilities for incurred claims	-	3,494,840	(1,783,672)	1,711,168
Reinsurance service expenses	12,069,571	34,883,600	1,188,583	48,141,754
Reinsurance service result	(37,825,292)	34,883,600	1,188,583	(1,753,109)
Reinsurance finance income/expense recognized in profit or loss	-	1,211,008	100,878	1,311,886
Total changes in the statement of profit or loss	(37,825,292)	36,094,608	1,289,461	(441,223)
Reinsurance finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(37,825,292)	36,094,608	1,289,461	(441,223)
Cash flows				
Premiums received	41,133,232	-	-	41,133,232
Claims and other insurance service expenses paid	-	(17,651,941)	-	(17,651,941)
Reinsurance acquisition cash flows	(8,730,758)	-	-	(8,730,758)
Total cash flows	32,402,474	(17,651,941)	-	14,750,533
Net closing reinsurance contract (assets)/liabilities	(27,606,518)	82,965,638	6,196,919	61,556,039
Closing reinsurance contract assets	(2,060,943)	1,115,538	100,318	(845,087)
Closing reinsurance contract liabilities	(25,545,575)	81,850,100	6,096,601	62,401,126
Net closing reinsurance contract (assets)/liabilities	(27,606,518)	82,965,638	6,196,919	61,556,039

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30 September 2024 (un-audited)

	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	(130,310)	91,220	4,995	(34,095)
Opening reinsurance contract liabilities	(22,053,390)	64,431,751	4,902,463	47,280,824
Net opening reinsurance contract (assets)/liabilities	(22,183,700)	64,522,971	4,907,458	47,246,729
Reinsurance revenue	(37,375,580)	-	-	(37,375,580)
Reinsurance service expenses				
Incurred claims and other insurance service expenses	-	10,722,521	2,359,107	13,081,628
Amortisation of insurance acquisition cash flows	8,981,529	-	-	8,981,529
Adjustments to liabilities for incurred claims	-	16,512,614	(1,098,531)	15,414,083
Reinsurance service expenses	8,981,529	27,235,135	1,260,576	37,477,240
Reinsurance service result	(28,394,051)	27,235,135	1,260,576	101,660
Reinsurance finance income/expense recognized in profit or loss	-	2,037,920	164,970	2,202,890
Total changes in the statement of profit or loss	(28,394,051)	29,273,055	1,425,546	2,304,550
Reinsurance finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(28,394,051)	29,273,055	1,425,546	2,304,550
Cash flows				
Premiums received	23,718,468	-	-	23,718,468
Claims and other insurance service expenses paid	-	(10,972,556)	-	(10,972,556)
Reinsurance acquisition cash flows	(5,117,775)	-	-	(5,117,775)
Total cash flows	18,600,693	(10,972,556)	-	7,628,137
Net closing reinsurance contract (assets)/liabilities	(31,977,058)	82,823,470	6,333,004	57,179,416
Closing reinsurance contract assets	(32,871,202)	-	-	(32,871,202)
Closing reinsurance contract liabilities	894,144	82,823,470	6,333,004	90,050,618
Net closing reinsurance contract (assets)/liabilities	(31,977,058)	82,823,470	6,333,004	57,179,416

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Notes to the condensed interim financial information for the nine-months period ended 30 September 2025 (un-Expressed in Omani Rial)

16 Other payables	30 September 2025 (un-audited)	31 December 2024
Other payables	949,433	956,397
	<u>949,433</u>	<u>956,397</u>

17 Share capital

The authorised share capital of the Company is RO 40 million. The issued and fully paid-up share capital of the Company, registered with the Ministry of Commerce, Industry and Investment Promotion, is RO 32,615,926 (2024: RO 32,615,926), comprising of 330,775,600 shares of 98 baiza each (2024: 330,775,600 shares of 98 baiza each).

The shareholders of the Company who own 5% or more of the Company's shares, in their name and the percentage of shares held by them as per Muscat Clearing and Depository Company are as following:

	30 September 2025 (un-audited)	31 December 2024
Trust International Insurance & Reinsurance Company B.S.C. (Bahrain)	44.67%	39.80%
Qatar General Insurance & Reinsurance Company S.A.Q.	22.30%	22.30%
Al Zawawi Trading Company LLC	8.62%	8.62%
Omar Zawawi Establishment LLC	<u>8.36%</u>	<u>8.36%</u>

18 Legal reserve

In accordance with Article 106 of the Commercial Companies Law of the Sultanate of Oman, 10% of the Company's net profit for the year is to be transferred to a non-distributable legal reserve until such time as the amount of the legal reserve becomes equal to one-third of the Company's issued and fully paid-up share capital. During the period from 1 January 2025 to 30 September 2025, the Company has not transferred any amount to the legal reserve as this will be transferred at the year-end (31 December 2024: RO 301,120).

19 Contingency reserve

In accordance with the Financial Services Authority Decision No. 19/2007, issued on 4 June 2007 as authorised by Royal Decree number 34/2007, 10% of the outstanding claims at the reporting date is required to be transferred to a contingency reserve which is not distributable without the prior approval of the FSA. The Company may discontinue such annual transfers when the contingency reserve equals the Company's paid-up share capital.

For the period from 1 January 2025 to 30 September 2025, no amount has been transferred to the contingency reserve as the Company intends to transfer this amount at the year-end (31 December 2024: RO 2,710,079).

20 Related party transactions and balances

Related parties comprise the shareholders, directors, business entities in which they have the ability to control or exercise significant influence in financial and operating decisions and senior management. The Company has entered into transactions with entities related to the shareholders or directors. In the ordinary course of business, such related parties provide services to the Company. The transactions are carried on mutually agreed terms, are at arms length and approved by the management. During the period, the following transactions were carried out with the related parties:

(a) Significant transactions during the period with related parties are as follows:

	Period from 1 January 2025 to 30 September 2025 (un-audited)	Period from 1 January 2024 to 30 September 2024 (un-audited)
Shareholders with significant influence:		
Reinsurance		
Reinsurance Revenue	<u>1,483,409</u>	<u>1,099,926</u>
Reinsurance service expense	<u>972,992</u>	<u>310,224</u>
Retrocession		
Retrocession expense	<u>142,752</u>	<u>(400)</u>
Amounts recovered from retrocessionaires	<u>222,284</u>	<u>786,904</u>

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Notes to the condensed interim financial information for the nine-months period ended 30 September 2025 (un-Expressed in Omani Rial)

20 Related party transactions and balances (continued)	Period from 1 January 2025 to 30 September 2025 (un-audited)	Period from 1 January 2024 to 30 September 2024 (un-audited)
(b) Key management compensation:		
Directors' remuneration		
Directors' sitting fees	31,000	29,400
Key management remuneration		
Salaries and employment benefits	389,725	400,027
(c) Related party balances		
Shareholders with significant influence:	30 June 2025 (un-audited)	31 December 2024
Reinsurance contract liabilities	4,109,529	2,860,500
Retrocessionaire contract assets	(5,619)	140,096
21 Investment and other income - net	Period from 1 January 2025 to 30 September 2025 (un-audited)	Period from 1 January 2024 to 30 September 2024 (un-audited)
Interest on term deposits and bonds	2,799,541	2,440,850
Dividend income	132,152	36,869
Realised gain on sale of investments at fair value through other comprehensive income	9,979	21,830
Unrealised fair value gains / (loss) on investments at fair value through profit or loss	55,846	(47,288)
Gain on sale of property, plant and equipment	10,153	220
Investment expenses	(38,958)	(38,608)
	<u>2,968,713</u>	<u>2,413,873</u>
22 Earnings per share		
Earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.		
	Period from 1 January 2025 to 30 September 2025 (un-audited)	Period from 1 January 2024 to 30 September 2024 (un-audited)
Weighted average number of shares (number)	330,775,600	330,775,600
Net profit for the period	3,216,375	1,416,266
Earnings per share - Basic and diluted	0.010	0.004

As there are no dilutive potential shares issued by the Company, the diluted earnings per share is same as the basic earnings per share.

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23 Net assets per share

The calculation of the net assets per share is based on net assets as at 30 September 2025/31 December 2024 attributable to ordinary shareholders divided by the number of shares outstanding at the period-end.

	30 September 2025 (un-audited)	31 December 2024
Net assets as at the period/year-end (RO)	40,924,519	35,317,661
Number of shares outstanding	330,775,600	330,775,600
Net assets per share (RO)	0.124	0.107

24 Operating Segment

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic units, the Company's Board of Directors and senior management reviews internal management reports on at least a quarterly basis.

The Company has the following operating segments:

	For the period ended 30 September 2025 (un-audited)		
	Facultative	Treaty	Total
Gross classification based on inward business			
Reinsurance revenue	18,791,484	21,454,026	40,245,510
Incurred claims and other insurance service expenses	9,241,705	1,158,582	10,400,287
Amortisation of insurance acquisition cash flows	4,446,412	5,221,760	9,668,172
Adjustments to liabilities for incurred claims	(1,148,286)	9,792,640	8,644,354
Reinsurance service expense	12,539,831	16,172,982	28,712,813
Reinsurance service result before retrocession contracts held	6,251,653	5,281,044	11,532,697
Retrocession expense			8,502,227
Incurred claims and other insurance service expenses			1,786,873
Amortisation of insurance acquisition cash flows			-
Adjustments to liabilities for incurred claims			(1,046,068)
Amounts recovered from retrocessionaires			740,805
Net expense from retrocession			7,761,422
Reinsurance service results			3,771,275

	For the period ended 30 September 2024 (un-audited)		
	Facultative	Treaty	Total
Gross classification based on inward business			
Reinsurance revenue	18,145,846	19,229,734	37,375,580
Incurred claims and other insurance service expenses	9,020,349	4,061,279	13,081,628
Amortisation of insurance acquisition cash flows	4,126,944	4,854,685	8,981,629
Adjustments to liabilities for incurred claims	2,819,378	12,594,705	15,414,083
Reinsurance service expense	15,966,671	21,510,669	37,477,340
Reinsurance service result before retrocession contracts held	2,179,175	(2,280,935)	(101,760)
Retrocession expense			7,203,344
Incurred claims and other insurance service expenses			1,044,626
Amortisation of insurance acquisition cash flows			-
Adjustments to liabilities for incurred claims			8,083,356
Amounts recovered from retrocessionaires			9,127,982
Net expense from retrocession			(1,924,638)
Reinsurance service results			1,822,878

25 Comparative figures

Certain comparative figures of the previous period/year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current period's condensed interim financial information.