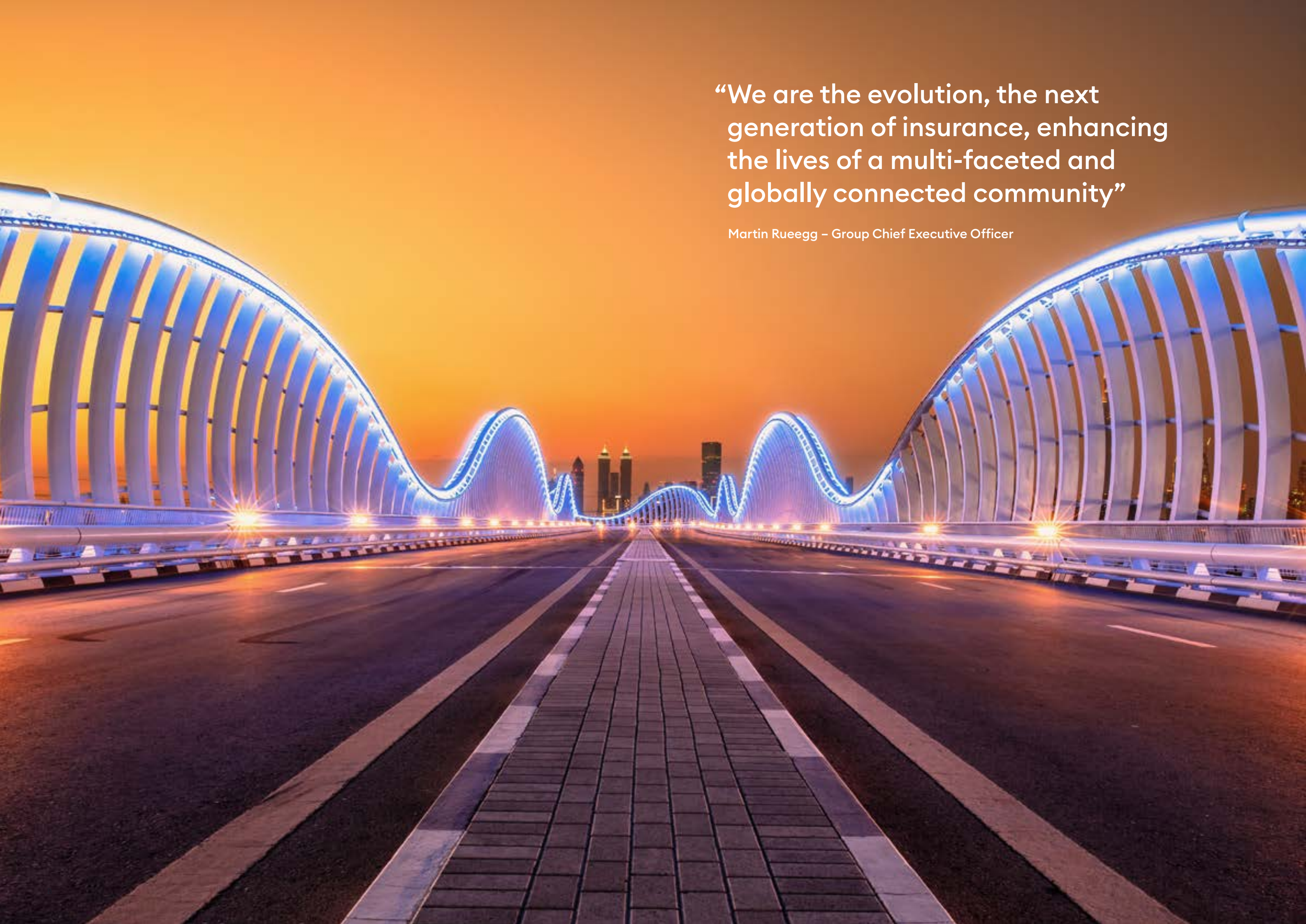




Annual Report 2024





“We are the evolution, the next generation of insurance, enhancing the lives of a multi-faceted and globally connected community”

Martin Rueegg – Group Chief Executive Officer



His Majesty Sultan Haitham bin Tariq Al Said

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Chairman's Report

(For the Year Ended 31 December 2024)

Khalid Al Zubair
Chairman

Dear Shareholders,

On behalf of the Board of Directors of Liva Group (the "Group" or "Company"), I am pleased to present the consolidated results of the Group for the year ended 31 December 2024.

Economic Overview

The GCC region is poised for strong growth in 2025, with a projected GDP increase of 3.9%, significantly exceeding global forecasts. This robust growth is fuelled by strong domestic spending, government-led diversification initiatives, and a growing population of expatriates and tourists, creating a larger market for insurance products. While inflation has stabilised, operational costs remain a concern for insurers, necessitating technological advancements and automation.

Significant infrastructure development continues across the GCC, with Kingdom of Saudi Arabia (KSA) leading major transformational projects and the UAE focusing on sustainable energy and enhanced utilities. Regional investments in social infrastructure, including healthcare and education, are also crucial. Saudi Arabia's Vision 2030, the UAE's decarbonisation efforts, Oman's diversification into technology, Kuwait's extensive development programme, and Bahrain's focus on digitisation all contribute to a rapidly expanding pool of insurable assets, driving increased demand for insurance across the GCC.

Oman, Qatar, and Bahrain are preparing to launch new mandatory health insurance programs. Notably, Oman's Dhamani initiative, which will progressively cover employees, dependents, tourists, and visitors, is expected to be fully operational by late 2025, creating a significant market expansion for insurers.

Financial Performance

Liva Group navigated the demanding conditions of 2024, marked by extreme weather events, by reinforcing its fundamental business operations. We successfully advanced our strategic goals of diversification and expansion, demonstrating resilience and forward momentum.

The Group reported a 6% year-on-year increase in insurance revenue in 2024, achieving OMR 329 million, driven by the successful implementation of key growth initiatives across its core markets of Oman, UAE, and KSA. The growth in revenue reflects the Group's continued efforts to achieve consistent year-on-year improvements whilst expanding its regional presence.

The Group reported an investment income of OMR 14.3 million in 2024, reflecting an increase of 11% from OMR 12.8 million in 2023. This growth is attributed to the optimisation of the portfolio through a more proactive investment strategy. The Group maintains a diversified investment portfolio, combining debt and equity instruments to strike a balance between risk mitigation and maximising returns.

While the Group reported a loss after tax of OMR 15.9 million in the first half of 2024 due to extreme weather, performance in the second half of the year was strong. The Group reported a Profit After Tax of RO 10.9 million, a 47% increase compared to the second half of 2023. This reduced the full-year loss after tax to OMR 5.0 million as of 31 December 2024.

Outlook

Financial and strategic

The Group’s strategy for 2025 focuses on accelerating organic and inorganic growth to capture a larger market share in core markets. The Group aims to further enhance underwriting performance by expanding profitable segments, improving operational efficiency, and executing targeted expense rationalisation.

Growth in both Personal and Commercial Lines will be driven by strategic partnerships, enhanced digital customer experience, the expansion of our product suite, and entry into new segments. The Group will also leverage strategic international partnerships to further accelerate growth across core markets.

Expansion of Health and Life will be driven through diversification into profitable segments and capitalisation of mandatory health regulatory changes. These initiatives are designed to build upon the already established foundations for continuous, scalable, and profitable growth in the years ahead.

The Group continues to strengthen its strategic partnerships by leveraging digital capabilities. In 2024, the Group partnered with Salik, the UAE’s electronic toll system, offering motor insurance products to their customer base. The Group significantly enhanced its digital distribution channels in line with its customer focused ambition, improving transparency, accessibility and education around Liva’s motor insurance products..

2024 saw the expansion of mandatory health insurance throughout the UAE. A significant milestone for Liva’s UAE operations was achieving Participating Insurer status with the Dubai Health Authority in December 2024. This allows us to extend health insurance coverage to Low Salary Band (LSB) workers, greatly improving accessibility and convenience for our clients.

Regional Growth

Growth in KSA represents a strategic opportunity for the Group, and a Memorandum of Understanding (MoU) has been signed with Malath Cooperative Insurance, as disclosed on the Saudi Arabian Stock Exchange (Tadawul). This potential merger is one of the key steps being explored to help deliver value for our customers and generate sustainable returns for shareholders. A comprehensive due diligence process is currently underway to ensure optimal outcomes for all stakeholders ahead of any formal agreements.

Environmental, Social, and Governance (ESG)

At Liva, Environmental, Social, and Governance (ESG) is integral to our strategy, driving long-term value for stakeholders. In 2024, we advanced our ESG strategy, established a robust framework, and prepared our inaugural ESG report, due for publication in April 2025.

Our ESG approach aligns with our purpose in instilling confidence in people while also reflecting local priorities such as Oman Vision 2040 and regulatory requirements. ESG strengthens resilience, financial security, and risk management, allowing us to address key challenges and provide security for our stakeholders in a dynamic world.

Other Achievements

Liva maintained its AM Best ‘A-’ (Excellent) financial strength rating, underpinned by a robust balance sheet, prudent investment strategy, and diversified GCC presence. Ongoing operational enhancements support this strong rating. Additionally, AM Best officially assigned Financial Strength Ratings of ‘A-’ (Excellent), and Long-Term Issuer Credit Rating of ‘A-’ (Excellent) to our subsidiaries – Liva Bahrain and Liva Oman, including their branches.

Liva Group has received numerous accolades in recognition of its excellence, innovation, and commitment to stakeholders. Awards include The Oman Forum, Insurance Company of the Year at the AIWA (Alam Al Iqtisad Wal Aamal) Awards and Rebranding Campaign of the Year at Oman Leadership Awards and Best Marketing Video Concept at the TOMI (The Oman Marketing Impact) Awards.

Other accolades included three recognitions from Transform MEA Awards: gold for Best Visual Identity in the Lifestyle and Wellbeing Sector, and silver for Best Naming Strategy (Rename) and Best Corporate Rebrand Following a Merger or Acquisition.

Acknowledgements

We are grateful to our inspirational leader His Majesty Sultan Haitham bin Tariq Al Said for his vision and initiatives as he continues to lead the country on the path of development, peace, and enduring prosperity.

On behalf of the Board of Directors, I would like to thank the Financial Services Authority of Oman, Muscat Stock Exchange, Central Banks of UAE, and Bahrain, Insurance Authority of Saudi Arabia, Insurance Regulatory Unit of Kuwait and the Qatar Financial Centre Regulatory Authority for their continued support and guidance. I would also like to thank our dedicated teams at Liva Group and across our Group companies for their commitment and hard work. As we move forward into the next chapter of Liva’s journey, we remain focused on our core mission of delivering exceptional insurance solutions to our customers while generating strong returns for our shareholders. We are excited about the opportunities that lie ahead and are committed to maintaining the trust you have placed in us.



Khalid Al Zubair
Chairman

2024 Board of Directors

Chair persons



Khalid Al Zubair
Chairman



Yousef Al Quraishi
Vice Chairman

Members



Al Sayyid Zaki Al Busaidi



Mohamed Al Jamalani



Abdulaziz Al Balushi



Sanjay Kawatra



Abdullah Al-Oraini



Adnan Bogary



Saeid Binzagr



Alwadhah Al Adawi



Aliya Al Rashdi

Group Chief Executive Report

Martin Rueegg
Group Chief Executive Officer

In 2024, Liva Group drew on deep regional insight and global industry experience to challenge conventional thinking and reshape the future of insurance across the GCC.



Impact of unprecedented storms and strengthening the business for the long term

The UAE and other GCC countries experienced unprecedented storms, leading to widespread flooding and a spike in claims, which significantly impacted our financial performance. We absorbed these impacts during H1 2024, resulting in a loss after tax of OMR 5.1 million for the year.

The UAE and other GCC countries experienced unprecedented storms, leading to widespread flooding and a surge in claims that significantly impacted our financial performance. These pressures were absorbed during the first half of 2024, resulting in a loss after tax of OMR 5.1 million for the period.

In response, we continued to implement a reinsurance strategy and underwriting enhancements that had already been underway prior to the storms. These initiatives, including refined risk engineering practices and stronger portfolio discipline, were part of a broader transformation designed to reinforce resilience and long-term sustainability.

As a result of these pre-existing strategic efforts, we delivered a strong recovery in the second half of the year, posting a profit after tax of OMR 10.9 million, a 47% increase compared to H2 2023.

Strong underlying performance

Our core business segments, particularly Commercial Lines in the UAE and Oman, continued to perform robustly. We also saw growth in KSA and optimised our Health and Life portfolios in the UAE. A proactive investment strategy led to an 11% increase in investment income, while improved underwriting fundamentals and cost optimisation aided our profitability recovery in H2 2024.

Delivering on our strategy

2024 was pivotal in advancing our long-term strategy to diversify and scale the business. We achieved Participating Insurer status in the UAE and partnered with Salik. These strategic initiatives helped drive our Insurance Revenue for the Group to OMR 329 million in 2024, a 6% increase year-on-year.

Looking ahead

Our focus remains on growth in our core markets of Oman, the UAE, and KSA, and expanding our presence across the GCC. We are committed to enhancing underwriting results and operational efficiency, with a strong focus on customer centricity, leveraging digital transformation, and driving top-line growth. Supported by increased domestic demand, government investment, rising expat populations, and our strategic product and market expansion plans, we are well-positioned to capture emerging opportunities – especially in mandatory health insurance and infrastructure development. We will also continue to seek out partnerships with like-minded companies whose skills and experience enable us to increase our scale and diversify our offer.

We aim to build on our strong foundations, continuing our trajectory of growth and market diversification.

Acknowledgements

We extend our sincere gratitude to His Majesty Sultan Haitham bin Tariq Al Said for his visionary leadership, all government bodies and regulators in the GCC, and our investors, directors, partners, and employees for their unwavering support and dedication.

Conclusion

While the first half of 2024 posed significant challenges, our disciplined and strategic response has not only mitigated these impacts but also strengthened our business. We remain dedicated to unlocking our customer advantage and fulfilling our commitments to shareholders.

2024 Highlights

“Despite the challenges faced in the first half of 2024, driven by unforeseen weather events in the GCC that resulted in a loss, we were pleased to report a strong performance in the second half. Our focus remains on strengthening operational resilience, with a strategy centred on enhancing efficiency, mitigating risks, and driving long-term value. We are confident that these efforts will position us for recovery and sustained profitability in the future.”

Ravikanth Petluri
Group Chief Financial Officer

Insurance Revenue

329.5m OMR

6% year-on-year increase



Memorandum of Understanding

Liva KSA has signed an MoU with Malath Insurance to evaluate a potential merger of the two companies. The merger represents a strategic opportunity to strengthen Liva’s market position in Saudia Arabia by:

- Expanding Liva’s customer base in KSA.
- Enhancing operational efficiencies and profitability.
- Positioning Liva as a leading multi-line insurer in the Kingdom.



Strategic Expansion Initiatives

Liva advanced its strategic agenda through focused digital enablement, customer-centric innovation, and disciplined growth. We expanded our product lines and became a participating insurer in the UAE, unlocking access to new geographies and health demographics. Strategic partnerships accelerated our digital distribution, while ongoing portfolio optimisation enhanced profitability and positioned us for sustainable, diversified expansion.



Investment Portfolio Optimisation

A more proactive investment strategy resulted in an 11% growth in investment income.

Insurance Service Result

(5.6)m OMR

Investment Income

14.3m OMR

11% growth from 2023

Net Financial Result

(1.9)m OMR

Net Loss After Tax

5.0m OMR

Reduced from a loss of (15.9)m OMR



Adverse Weather Events

Liva’s financial results in 2024 reflect the strength of our core business and the disciplined execution of our strategy. Despite the impact of exceptional weather events in the first half of the year, which contributed to a temporary loss of OMR 15.9 million, our strong underwriting discipline, cost management, and portfolio actions supported a solid recovery. These fundamentals drove a profit after tax of OMR 10.9 million in H2, a 47% increase compared to H2 2023, demonstrating the resilience and effectiveness of our long-term strategic approach.



Operational Efficiencies

The Group continued to implement underwriting improvements and expense optimisation, enhancing profitability in the second half of the year.

Liva Group Management

Team Members



Martin Rueegg
Group Chief Executive Officer



Dr. Dhafar Al Shanfari
Group Chief Operating Officer



Ravikanth Petluri
Group Chief Financial Officer



Hanaa Al Hinai
Chief Executive Officer –
Liva Insurance Oman



Kamran Jaffrey
Chief Executive Officer –
Liva Insurance KSA



Addal Sarwar
Group Chief Personal
Lines Officer



Guido Zagatti
Group Chief Commercial Lines
and Reinsurance Officer

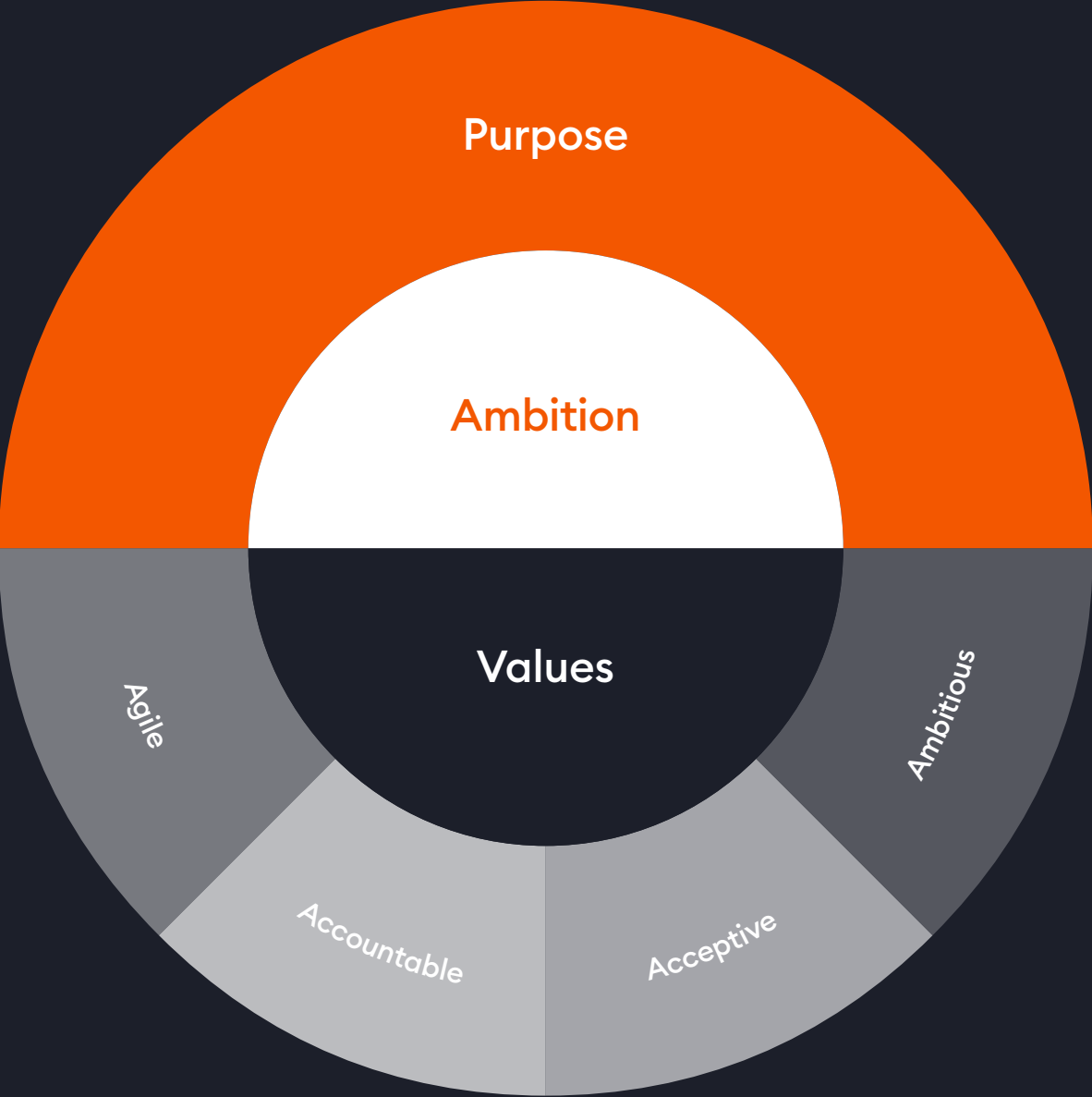


Eugenie Molyneux
Group Chief Risk Officer



Shagen Ganason
Group Chief Auditor





Purpose ————— Why we exist

To instill confidence in people to live the life they want, well prepared for the unexpected.

Ambition ————— What we want to achieve

To be a leading regional multi-line insurance company delivering value to customers, beyond insurance, and sustainable and profitable earnings to our shareholders.

Values ————— What guides everything we do, how we behave

Agile

We are flexible in how we work, fast in our decision-making, quick to pivot and to embrace change.

Acceptive

We collaborate and communicate transparently and fairly with each other, with our partners, and with our customers, encouraging diverse point-of-views and respecting different ways of working.

Ambitious

We don't believe good enough is enough. We aim for the highest standards, not the market standard. Not just in innovation and product development but as importantly, in empathy and integrity.

Accountable

We have a responsibility, not just a job. We are dependable, not just available. We must advocate and consistently show up for our customers. And for each other.

Our markets

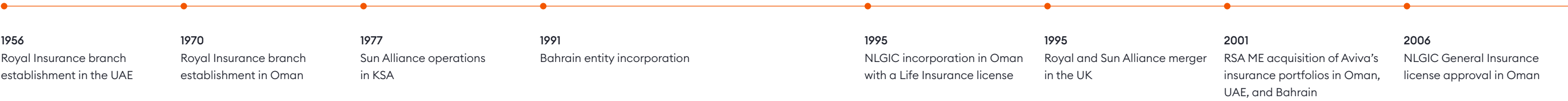
Strong regional presence serving 1.5M + customers across the region



TOTAL GROUP
INSURANCE REVENUE

OMR 329.5M

Our roots



Oman

OMR 78.0M
(FY2024)

Oman continued to be a major success story for Liva, where integrated operations and product innovation delivered record-breaking growth.

- Achieved a 300% YoY increase in Gross Written Premium to RO 49.9M, driven by the merger with Kuwait operations and expanded offerings.
- Doubled Profit After Tax (RO 2M vs. RO 1M YoY), supported by disciplined execution and enhanced distribution reach.
- Recognised as the market leader with top scores in claims resolution and customer satisfaction.
- Continued to lead the market by delivering innovative solutions that protect our customers, maintaining our position as the number one provider in the country – Oman Insurer of Choice.



UAE

OMR 199.0M
(FY2024)

Liva has strengthened its leadership position in the UAE through strategic marketing and improved operational efficiency. The year saw key milestones that enhanced brand recognition and customer experience.

- Increased market share through targeted marketing.
- Streamlined operations for better efficiency and cost management.
- Boosted brand recognition and customer satisfaction
- Strengthened customer loyalty through improved service.



Saudi Arabia
(KSA)

OMR 45.8M
(FY2024)



Liva expanded its footprint in KSA, recording major wins that showcased its capability to execute complex, high-value contracts.

- Signed an MOU with Malath Cooperative to support nationwide expansion and service diversification.
- Achieved a 470% YoY increase in Profit After Tax and FY2024 insurance revenue of OMR 45.8M, driven by strategic partnerships and operational focus.
- These achievements solidified Liva’s emergence as a competitive force in the Saudi insurance market.



Bahrain

OMR 1.5M
(FY2024)



Bahrain saw Liva sharpen its technical capabilities, achieving stronger profitability and laying the foundation for future expansion.

- Successfully implemented technical pricing models to enhance underwriting quality and sustainable revenue generation.
- Recorded OMR 1.5m in insurance revenue for FY2024, driven by improved portfolio performance and pricing discipline.
- Reinforced its position as a precision-driven insurer, leveraging analytics to navigate a competitive market effectively.



Kuwait

OMR 5.1M
(FY2024)



Liva diversified its offerings to building on its early market entry momentum.

- Expanded business lines to include commercial insurance, driving a broader, more resilient portfolio.
- Delivered OMR 5.1M in insurance revenue for FY2024, with a 383% increase in Insurance.
- Service Results and 33% YoY growth in Investment Income.
- Operational synergies with Oman and deep local insight supported scalable growth and improved cost efficiency.

Qatar

Marking the next chapter in regional expansion, Liva entered Qatar with a strong exploratory approach, setting the stage for future growth.

- Liva Insurance has opened a representation office in Qatar to explore the market, aligning with its objective to extend its reach within the GCC.
- This initiative is a pivotal part of Liva’s regional expansion strategy, aimed at tapping into Qatar’s growing insurance sector, which is bolstered by the nation’s robust economic outlook and significant infrastructure projects.
- Liva’s approach to the Qatari market focuses on leveraging its established strengths in health, life, and commercial insurance lines to offer differentiated and high-quality insurance products.
- The company plans to implement its proven business models that emphasise customer-centric services and digital innovation, which have driven success in other GCC countries, subject to obtaining the relevant licences and regulatory approvals.



2007-11
NLGIC entry to Dubai with Medical and Life Insurance

2009
Al Alamiya is incorporated in KSA and transferred to RSA ME portfolio

2012-15
NLGIC expansion into Abu Dhabi and market leader status achievement in Oman

2018
NLGIC entry to Kuwait

2019
Al Ahlia acquisition and integration

2020
Intact acquisition of RSA Group

2022
NLGIC and RSA ME merger agreement signing

2023
Liva brand launch



The Group's purpose is to instil confidence in people to live the life they want, well prepared for the unexpected.

Sustainability strategy




One of our Group’s main focuses in 2024, was to integrate sustainability into our core business activities. Driven by our Risk function, we developed an ESG Framework to deliver our Sustainability Strategy.

Aligned with Oman vision 2040, we developed an ESG framework that emphasises sustainable growth and diversification.

The framework provides a systematic approach to risk identification, opportunity optimisation, and resilience enhancement while ensuring adherence to ethical governance standards. It supports our mission to empower individuals with reliable, future-ready solutions.



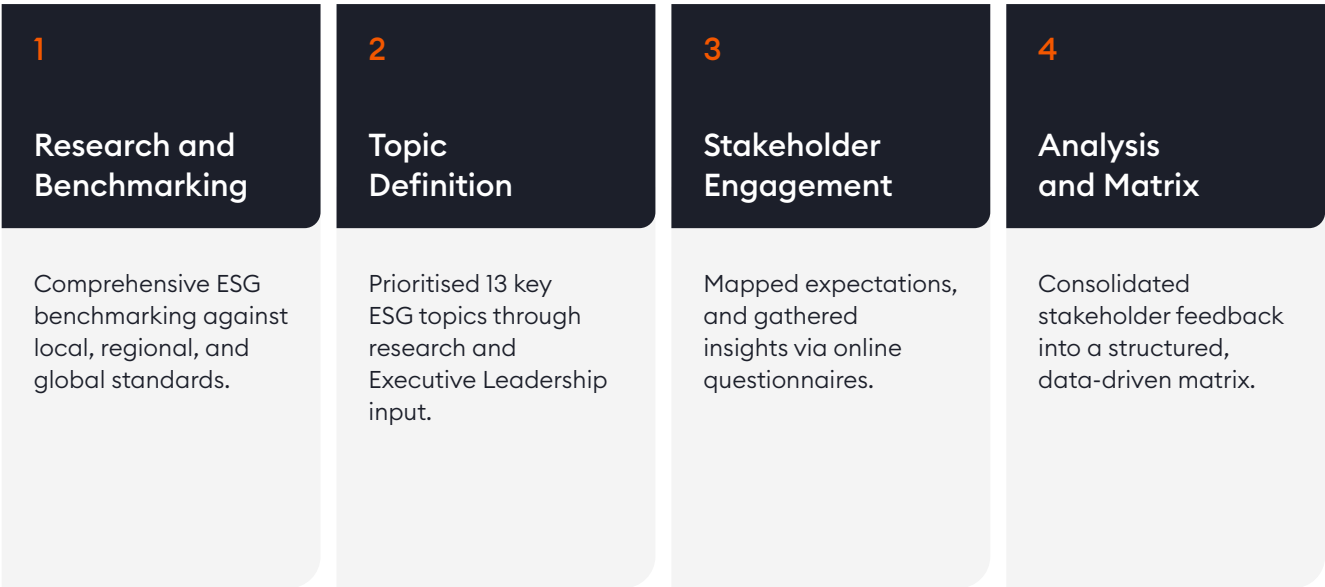
Our approach focuses on three pillars:

Environment	Social	Governance
<p>We prioritise climate resilience by actively reducing our carbon footprint.</p> 	<p>We support communities by enhancing their well-being, promoting financial literacy, and ensuring the welfare of our employees.</p> 	<p>We uphold transparency, integrity, and accountability through robust governance frameworks that integrate ESG principles into strategy and risk management.</p> 

Materiality assessment

We recognise that aligning our sustainability strategy with stakeholder expectations is essential. To define our priorities, we conducted a structured materiality assessment through the following steps:

Materiality Assessment Process



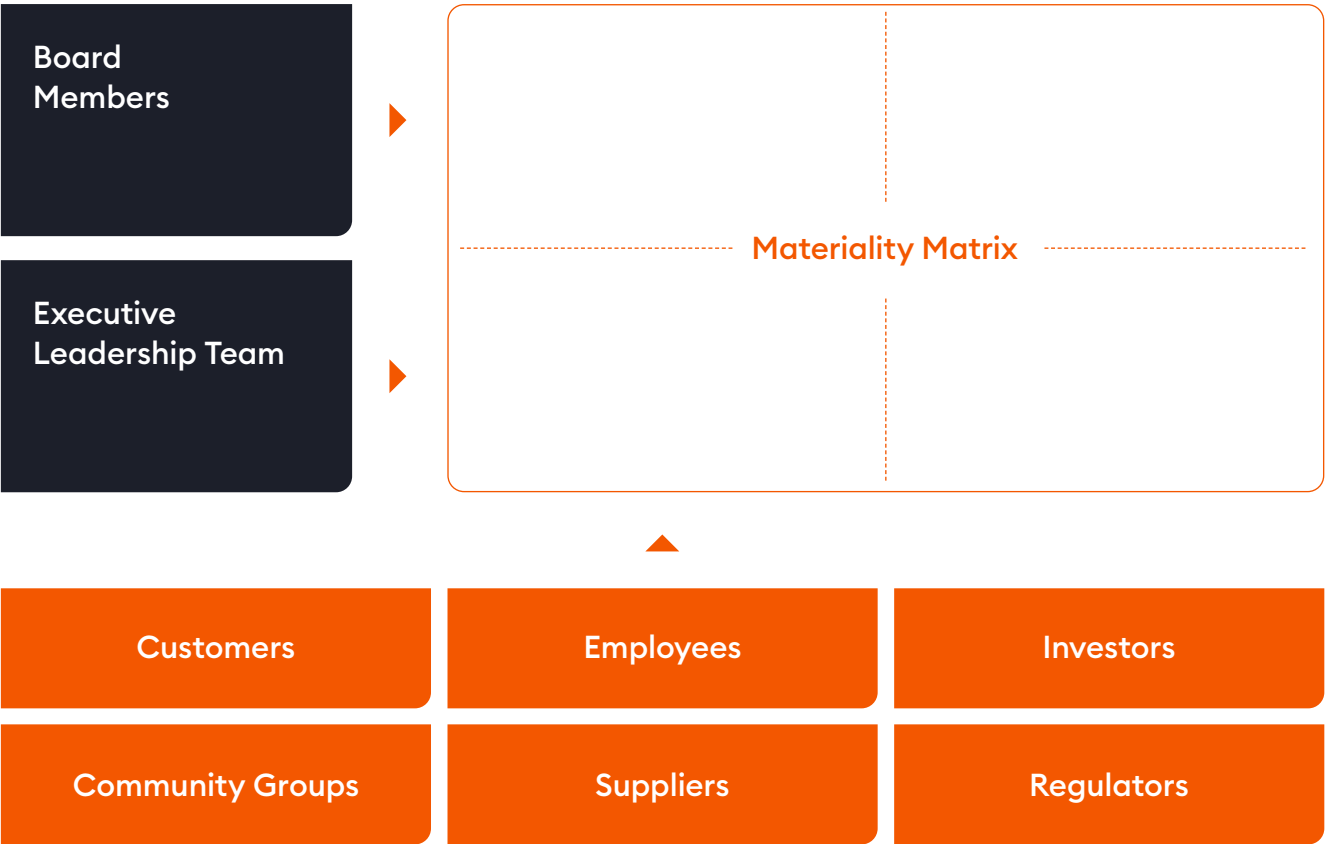
Stakeholder engagement

For our first materiality assessment, we gathered insights through tailored digital questionnaires distributed across existing communication channels. Feedback was collected from key stakeholder groups, including:

- Customers
- Employees
- Investors
- Community Groups
- Suppliers
- Regulators

This process provided clarity on stakeholder priorities based on their relationship with the Group.

Stakeholder Engagement Groups



Materiality Matrix

The Materiality Matrix was developed by aggregating scores from internal and external stakeholders.

Scores were calculated separately for each group:

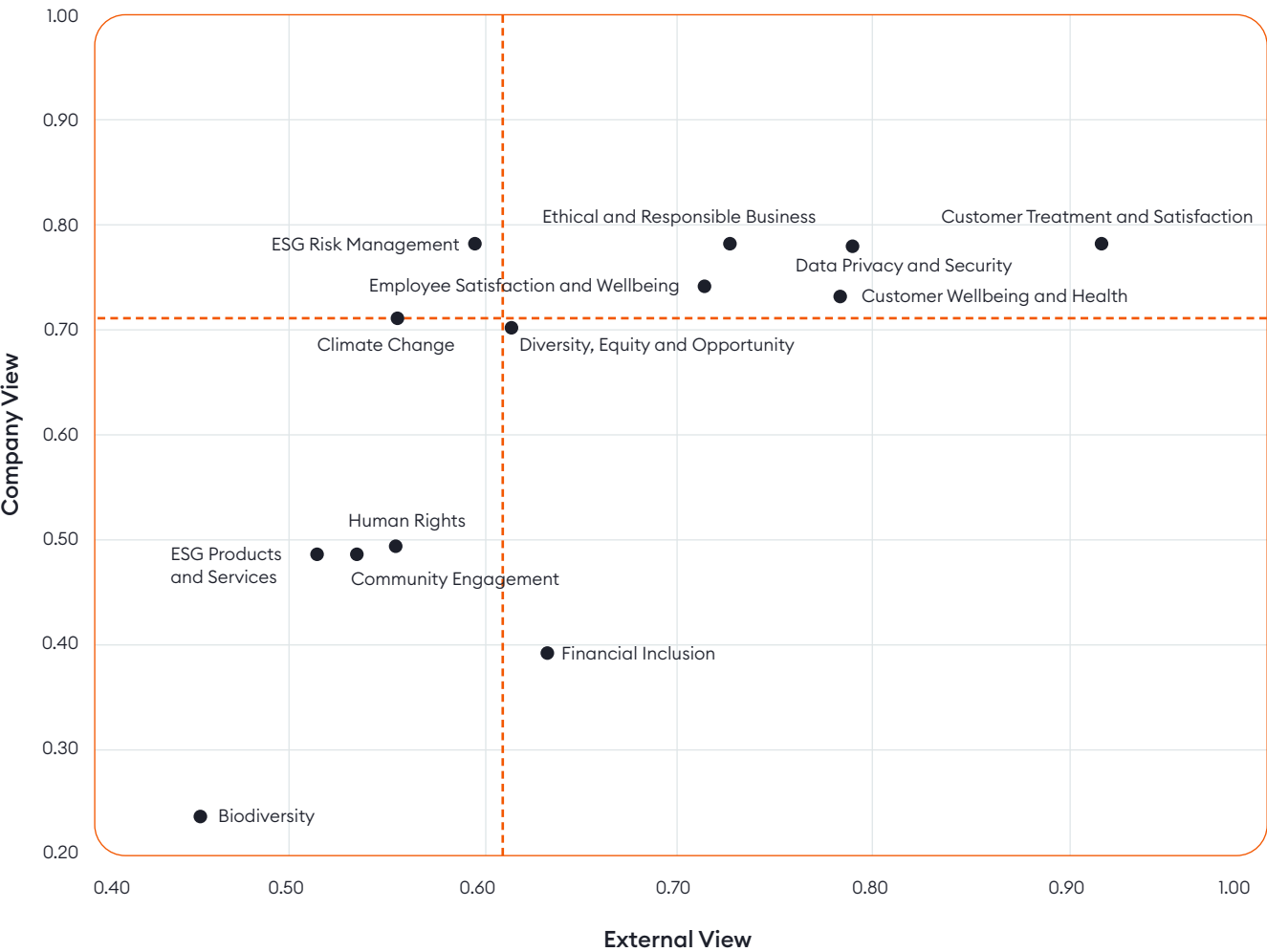
- The Company View reflects inputs from the Board and Executive Leadership Team.
- The External View includes customers, employees, regulators, and other stakeholders.

Key Findings:

- Customer Treatment and Satisfaction was the top-rated item across most external stakeholders, followed by Data Privacy and Security and Customer Wellbeing and Health.
- Ethical and Responsible Business and ESG Risk Management ranked highest among the Board and Leadership, along with Data Privacy and Security and Customer Treatment and Satisfaction.

The matrix underscores the alignment between external expectations and internal priorities.

The Materiality Matrix



Environment	Social	Governance
<p>Climate Change: Minimise emissions, conserve resources, and enhance resilience against climate impacts.</p> <p>ESG Products and Services: Integrate sustainability into insurance offerings to promote ethical practices.</p> <p>Biodiversity: Preserve ecosystems through conservation and partnerships with environmental organisations.</p>	<p>Customer Treatment and Satisfaction: Ensure accessible, high-quality services with wellness programmes.</p> <p>Customer Wellbeing and Health: Provide comprehensive health insurance solutions.</p> <p>Employee Satisfaction and Wellbeing: Attract, retain, and engage talent through positive work environments.</p> <p>Diversity, Equity and Opportunity: Promote inclusivity and eliminate discrimination.</p> <p>Financial Inclusion: Enhance accessibility for underserved populations and promote financial literacy.</p> <p>Human Rights: Uphold fair working conditions and prevent labour exploitation.</p> <p>Community Engagement: Partner with communities for positive social impact.</p>	<p>Data Privacy and Security: Protect data with rigorous policies and cybersecurity measures.</p> <p>Ethical and Responsible Business: Ensure integrity through anti-bribery, anti-corruption, and transparency standards.</p> <p>ESG Risk Management: Identify, assess, and manage ESG risks with structured frameworks and reporting.</p>



2024 Highlights

Our first sustainability report provides a clear, data-driven overview of our 2024 ESG initiatives and performance. It reflects our commitment to transparency, accountability, and continuous improvement.

Planet	People and Communities	Governance
<ul style="list-style-type: none">Planted 1,200 Ghaf trees with Saeed (UAE).Optimised resources: recycling, reduced plastic use, smart lighting.Completed Scope 1, 2, and 3 emissions reporting.	<ul style="list-style-type: none">Promoted road safety during Gulf Traffic Week (Oman).Distributed winter clothing to underprivileged individuals (Saudi Arabia).Continued investment in community initiatives.Improved complaint resolution and localisation in Oman and KSA.Enhanced workforce diversity.	<ul style="list-style-type: none">Launched digital initiatives across personal and commercial lines.Achieved zero data breaches.Completed Liva's first Materiality Matrix and ESG Strategy.Published Liva's first Sustainability Highlights.
		

Sustainable Insurance Products
We integrate environmental considerations into our insurance offerings to promote sustainability across our markets. By providing tailored solutions and competitive products, we support eco-conscious clients and encourage the adoption of green practices.

Initiative	Description
Competitive EV Insurance	Customised products for electric vehicles with refined pricing strategies to address higher claim frequencies.
Underwriting Solutions for Green Clients	Specialised coverage for eco-conscious clients in property, marine, and engineering sectors.



Corporate Governance Report



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C.R. No. 1224013
PR No. HMH/15/2015; HMA/9/2015

AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE TO THE SHAREHOLDERS OF LIVA GROUP SAOG IN RESPECT OF THE BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT OF LIVA GROUP SAOG

Scope and purpose

We have performed the procedures enumerated below, agreed with you pursuant to the Financial Services Authority's (FSA) circular no. E/4/2015, dated 22 July 2015, with respect to the Board of Directors' Corporate Governance Report (the "Report") of Liva Group SAOG (the "Company" or the "Engaging Party") as at and for the year ended 31 December 2024 and its application of the corporate governance practices in accordance with amendments to FSA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code") ("Subject Matter").

Restricted use

This agreed-upon procedures report ("AUP Report") is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of the Company to be included in its annual report for the year ended 31 December 2024 and does not extend to any financial statements of the Company, taken as a whole.

Responsibilities of the Board of Directors

The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and are responsible for identifying and ensuring that the contents of the Report comply with the Code on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company and its Board of Directors.

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Up Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our independence and quality control

In performing the Agreed-Up Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements in accordance with the relevant independence requirements. We are the independent auditor of the Company and therefore we also complied with the independence requirements of the IESBA Code that apply in the context of the financial statement audit.



AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE TO THE SHAREHOLDERS OF LIVA GROUP SAOG IN RESPECT OF THE BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT OF LIVA GROUP SAOG(continued)

Our independence and quality control (continued)

EY applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

We have performed the procedures described below, which were agreed upon with you on the compliance of the Report with the Code for the year ended 31 December 2024.

Our procedures and findings included:

No.	Procedures	Findings
(a)	We obtained the Corporate Governance Report issued by the Board of Directors and compared its contents to the minimum requirements of the FSA as set out in Annexure 3 of the Code.	No exceptions noted.
(b)	We obtained from the Company details of the areas of non-compliance with the Code identified by the Company, as set out in its Board minutes and in its non-compliance checklist, and compared these with those included in the Report in the section "Details of non-compliance", together with the reasons for such non-compliance for the year ended 31 December 2024. Additionally, we obtained written representations from the directors that there were no other areas of non-compliance with the Code for the year ended 31 December 2024 of which they were aware.	We draw attention to the paragraph of non-compliance in the Corporate Governance Report that identifies the non-compliance with respect to the Code.

Ernst & Young

2 March 2025
Muscat



Corporate Governance Report

Corporate governance is the foundation of a company’s management and strategic direction, defining the authorities and responsibilities of key stakeholders, including shareholders, the Board of Directors, management, committees, and employees. The Governance Management Framework provides a structured approach to oversight, decision-making, and accountability across the organization.

The Board and Management of Liva Group (the “Company”) are committed to upholding strong corporate governance based on ethical business practices and core values. The governance framework clarifies the Company’s purpose and values, ensures strategic alignment, and fosters sustainable value creation for all stakeholders. It establishes clear protocols and procedures for decision-making, sets objectives and strategies for achieving corporate goals, and defines performance evaluation criteria to ensure effective oversight and accountability.

The Board and management of the Company are committed to adopting the best practices of corporate governance that promote values and ethical business conduct. This report details how the Company adheres to the principles and provisions of Code of Corporate Governance for Insurance Companies as set out in the Financial Services Authority (FSA)’s circular 7/1/2005 dated August 1, 2005, and amendments thereof during 2016 as well as the principles set out in the FSA’s Code of Corporate Governance for Public Listed Companies (“The Code”).

1. Shareholder Meetings during 2024

The Company held one general meeting during the year i.e. Annual General Meeting (AGM) on 27 March 2024 for approval of annual statutory agenda items.

2. Board of Directors

At the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. The Board monitors the Company’s strategy, Company’s performance against strategic and business plans, policies and the control systems to develop and incorporate best practices and maintain highest standards in governance.

Nomination of the Board

The Articles of Association of the Company provides for eleven (11) directors. The Board of Directors are elected in the General Meeting amongst the shareholders or non-shareholders, provided that in the case of shareholders, each shareholder owns at least 200,000 shares in the Company. Through the nomination, remuneration, investment and executive committee (NRIEC), the Board assists with the nomination of proficient directors. Approval of election of nominated directors is done via General Assembly / Meeting. The election of a director is subject to approval by the regulatory authorities based on the nomination form filed by the proposed director who meets the minimum qualification requirements as per FSA guidelines.

The Company follows the process of nomination and election of the Board of Directors as governed by the provisions of the Company’s Articles of Association, Commercial Company’s Law and the regulations of FSA. The shareholders of the Company at an Annual/ Ordinary General Meeting elect the Board of Directors. The Board is elected for a three-year term. The last election for the Board of Directors was held at the Annual General Meeting (AGM) held on 27 March 2024 for three years with eleven members. Next election of Board members is due to be held at the AGM in 2027.

Key Duties and Responsibilities of the Board include:

- Identifying a strategic vision of the Company based on its mission and purpose and setting viable performance indicators that can be measured objectively.
- Adopting business and financial policies pertinent to the performance of the Company’s business, meeting its objectives and reviewing them periodically to ensure the policies remain optimised.
- Adopting internal regulations and bylaws pertinent to steering and management of the affairs of the Company and ensuring the efficacy of systems and polices of the Company.
- Ensuring the quality of Directors’ performance and the accomplishment of their objectives by devising accountability measures vis-vis Directors to ensure their attendance of meetings, effective participation and performance of their roles.
- Identifying necessary competences and authority required for the executive management, appointing key executive officers and monitoring the work of the executive management to ensure the business is effectively managed according to the Company’s objective and ensuring compliance with the laws and regulations.
- Forming specialised committees including names of committee members, their duties, rights and obligations and evaluating, at least annually, the performance of specialised committees emanating from the Board.
- Approving quarterly and annual financial statements and reviewing related-party transactions.
- The functions of the Board of Directors also include policy formulation, approving the Corporate Business Plan, establishing the Risk Assessment and Management Strategy, approving the Underwriting and Pricing Policy, approving the Reinsurance Management Strategy, approving the Investment Management Policy, establishing the Management Structure and Responsibilities, establishing the Standards of Customer Service and Fair Dealings, approving the Information Technology Systems, overseeing the policy and strategy implementation and operational performance, establishing systems for internal controls, establishing the Internal Audit Function, establishing the Code of Corporate Ethics, approving and implementing the Disclosure Policy and ensuring compliance.

Composition of the Board

The composition and independence of the Board is in accordance with Article 3 of the Code of Corporate Governance for Public Listed Companies. The Board members bring a range of experience and collectively exercise independent and objective judgment. The Board is supported by several sub-committees, including the Audit Committee (AC), Nomination, Remuneration, Investment and Executive Committee (NREC), and the Risk Committee (RC). On 27 March 2024, the Audit and Risk Committee was split into two distinct committees: the Audit Committee and the Risk Committee, following which the Nomination, Remuneration, and Executive Committee (NREC) was merged with the Investment Committee (IC) to form the new Nomination, Remuneration, Investment and Executive Committee (NRIEC).

Details of membership of the Board and Board Sub-Committees during the year 2024 is set out below:

Directorship prior to the AGM held on 27 March 2024:

- All directors including the chairman are non-executive. Seven out of the eleven directors are independent, which complies with existing regulations.
- All eleven directors were elected by the shareholders in their individual capacities and do not represent institutional investors.
- Aligned with the FSA definition, ten out of the eleven directors are non-shareholders while one director is a shareholder.

Details of director appointments, duration, position, status of independence, memberships of sub-committees and the number of Board meetings attended is given below:

Sl No	Name	Date of Appointment / election	Membership Duration up to	Position	Independent	Membership of other committees	Whether attended last AGM
1	Khalid Al Zubair	28.03.2021	Mar 2024	Chairman	No	NREC	Yes
2	Mohamed Al Jamalani	28.03.2021	Mar 2024	Deputy Chairman	Yes	ACC	Yes
3	Abdulaziz Al Balushi	28.03.2021	Mar 2024	Member	No	IC, NREC	Yes
4	Al Sayyid Zaki Al Busaidi	28.03.2021	Mar 2024	Member	Yes	IC, NREC	Yes
5	Anwar Hilal Hamdoon Al Jabri	28.03.2021	Mar 2024	Member	No	IC	Yes
6	Mohammed Ali Said Al Qassabi	28.03.2021	Mar 2024	Member	Yes	ACC	
7	Sanjay Kawatra	28.03.2021	Mar 2024	Member	No	ACC, NREC	Yes
8	Adnan Bogary	24.07.2022	Mar 2024	Member	Yes	ACC	
9	Saeid Binzagr	24.07.2022	Mar 2024	Member	Yes	IC	Yes
10	Tareq Abdulrahman Al Sadhan	24.07.2022	Mar 2024	Member	Yes	NREC	
11	Yousef Al Quraishi	24.07.2022	Mar 2024	Member	Yes	-	Yes

Notes:

- i. Mr. Tareq Abdulrahman Al Sadhan resigned from his position as the board member w.e.f. 31 January 2024 and his office was vacant till the next election in March 2024, and he did not attend any board meetings in 2024.
- ii. Mr. Anwar Hilal Hamdoon Al Jabri and Mr. Mohammed Ali Said Al Qassabi completed their term of Board membership and were directors of the company till the AGM held on 27 March 2024. They attended one board meeting during the period January – December 2024.
- iii. All the other 8 members were re-elected during the board elections held in the AGM on 27 March 2024.

Directorship Post the AGM held on 27 March 2024

- i. All directors including the chairman are non-executive. Seven out of the eleven directors are independent, which complies with existing regulations.
- ii. All eleven directors were elected by the shareholders in their individual capacities and do not represent institutional investors.
- iii. Ten out of the eleven directors are non-shareholders while one director is a shareholder.

Details of director appointments, duration, position, status of independence, memberships of sub-committees and the number of Board meetings attended is given below:

Sl No	Name	Date of Appointment / election	Membership Duration up to	Position	Independent	Membership of other committees	Board Meetings Attended
1	Khalid Al Zubair	27.03.2024	Mar 2027	Chairman	No	NRIEC	6
2	Yousef Al Quraishi	27.03.2024	Mar 2027	Deputy Chairman	Yes	NRIEC	6
3	Mohamed Al Jamalani	27.03.2024	Mar 2027	Deputy Chairman	Yes	AC	6
4	Abdulaziz Al Balushi	27.03.2024	Mar 2027	Member	No	NRIEC	6
5	Al Sayyid Zaki Al Busaidi	27.03.2024	Mar 2027	Member	Yes	RC	5
6	Sanjay Kawatra	27.03.2024	Mar 2027	Member	No	NRIEC RC	6
7	Adnan Bogary	27.03.2024	Mar 2027	Member	No		6
8	Saeid Binzagr	27.03.2024	Mar 2027	Member	Yes		5
9	Al Wadah Sulaiman Mohammad Al Adawi	27.03.2024	Mar 2027	Member	Yes	AC RC	5
10	Abdullah Ali Abdullah Al Oraini	27.03.2024	Mar 2027	Member	Yes	NRIEC	4
11	Aliya Hamad Mohammed Al Rashdi	27.03.2024	Mar 2027	Member	Yes	AC	5

No Director is a member of the Board of more than four public joint stock companies whose principal place of business is in the Sultanate of Oman or is a chairman of more than two such companies. Particulars of directorships of other joint stock companies and memberships of other Board Committees are set out in Appendix I of this Report. None of the directors is a member of the board of directors of a joint stock company which has similar objectives to the Company and whose principal place of business is in the Sultanate of Oman.

Corporate Governance Report

Details of Meetings

During the 12 months period ending 31 December 2024, the Board met Six times. The details of which are as follows:

Month	Date of Meeting
February-24	28-Feb-24
March-24	27-Mar-24
May-24	13-May-24
August-24	12-Aug-24
November – 24	11-Nov-24
December-24	09-Dec-24

The maximum interval between any two meetings was 91 days. This is in compliance with “the Code” which requires meetings to be held within a maximum time gap of four months. All meetings were held with physical attendance and virtual attendance in accordance with Article 191 of the Commercial Companies Law.

Board Procedure

The annual Board Meetings calendar is agreed upon at the start of the year. The agenda is circulated well in advance to the Board members to take appropriate decisions. The items on the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is always kept informed of major events/items and approvals taken wherever necessary. The Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of the Company attend the Board Meetings and keep the Board apprised of the overall performance of the Company.

Board Evaluation

As advised by the FSA, the appointment of an independent entity for the evaluation of the Board and approval of criteria for evaluation should be conducted once during the board’s term. For the previous Board term, the shareholders of the Company appointed consultants “Protiviti” to appraise the performance of the Board of Directors (including its Sub-committees) and approved the benchmark and standards i.e., the evaluation criteria for the appraisal of their performance in the Annual General Meeting held on 30th March 2022 impartially and independently. The details of the evaluation conducted by the consultants were placed to the shareholders in the Annual General Meeting held on 26th March 2023 and approved by the shareholders accordingly. Next evaluation of the board will be conducted during this tenure.

3. Board Committees

The Board sub-committees, namely - the Audit Committee (AC), Nomination, Remuneration, Investment and Executive Committee (NRIEC) and the Risk Committee (RC) assist the Board to perform its duties and responsibilities effectively.

Sub Committee Evaluation

As per the Code, the Board must evaluate the performance of the Specialised Board Sub-committees annually. Towards this, the board has evaluated the performance of the Specialised Board Sub-committees for the year 2024. The details of the evaluation conducted by the consultants are provided to the Board.

Details of the roles and responsibilities of each of the Board Sub-Committees, their memberships, meetings held during the year and the attendance of members are as given below:

Audit Committee (AC)

The Audit Committee’s main function is to assist the Board in fulfilling its oversight responsibilities in ensuring Management has in place a robust internal controls system aimed at safeguarding shareholders’ interest and Company assets.

The AC comprises of non-executive directors who are knowledgeable in investments, finance, industry laws and regulations for SAOG companies. All three directors (including the Chairman of the AC) are independent. All three members of the AC have finance and accounting expertise. During 2024, the sub-committee met five times.

The attendance details and the membership details of the AC are as below:

Sl No	Name	Position	1ACC 22-Feb-24	2ACC 26-Mar-24	3AC 06-May-24	4AC 06-Aug-24	5AC 5-Nov-24
1	Mohammed Taqi Ibrahim	Chairman	Yes	Yes	Yes	Yes	Yes
2	Al Wadah Sulaiman Mohammad Al Adawi	Member	NA	NA	Yes	Yes	No
3	Aliya Hamad Mohammed Al Rashdi	Member	NA	NA	Yes	Yes	Yes
4	Mohammed Ali Said Al Qassabi		Yes	Yes	NA	NA	NA
5	Sanjay Kawatra		Yes	Yes	NA	NA	NA
6	Adnan Bogary		Yes	Yes	NA	NA	NA

The Committee receives reports on the findings of internal and external audits and on actions taken by the management in response to these. The Committee reviews the scope, findings and cost effectiveness of the Company’s statutory audit and the independence and objectivity of the external auditors. The committee also reviews the actuarial and reserving adequacy by the external actuaries. It reviews changes to the accounting policies and reviews the audited annual and unaudited quarterly financial statements, related party transactions and recommends for Board approval. In addition, the Committee periodically reviews and reports to the Board on the effectiveness of the Company’s system of internal control and internal audit function.

Nomination, Remuneration Executive Committee (NREC)

The NREC plays a pivotal role in ensuring the company’s leadership is well-equipped and aligned with its strategic objectives. The committee is responsible for nominating qualified directors and recommending executives for Board approval. It develops key policies regarding succession planning, remuneration, and organisational structure, and ensures the effective appointment of senior management. Additionally, the NREC oversees employee compensation and localisation initiatives, reviews long-term business strategies, budgets, and new product proposals, and provides critical recommendations to the Board to guide its decisions.

In 2024, the committee was restructured and renamed as NREIC. Before the election of the new Board on 27 March 2024, the Nomination, Remuneration, and Executive Committee held a single meeting during the year. It is also worth noting that, throughout 2024, the NREC and the Investment Committee (IC) functioned as separate committees, each with distinct roles and responsibilities.

Corporate Governance Report

The attendance details and the membership details of the Committee are as below:

Sl No	Name	Position	INREC 18 - Feb-24
1	Khalid Al Zubair	Chairman	Yes
2	Abdulaziz Al Balushi	Member	Yes
3	Al Sayyid Zaki Al Busaidi	Member	Yes
4	Sanjay Kawatra	Member	Yes
5	Tareq Abdulrahman Al Sadhan	Member	No

Investment Committee (IC)

The main function of the Investment Committee is to assist the Board of directors to discharge certain responsibilities such as oversight of investment management team, recommendation of the investment strategy for board approval, review investment policy and investment guidelines, reviewing / monitoring the Investment Portfolio, review strategic

investment initiatives, review of compliance with investment related regulations and the adequacy and efficiency of the investment policies, procedures, practices and controls.

Prior to the election of the new board on 27 March 2024 the committee met once during the year.

The attendance details and the membership details of the Committee are as below:

Sl No	Name	Position	IIC 28-Feb-24
1	Al Sayyid Zaki Al Busaidi	Chairman	Yes
2	Abdulaziz Al Balushi	Member	Yes
3	Anwar Hilal Hamdoon Al Jabri	Member	Yes
4	Saeid Binzagr	Member	Yes

On 27 March 2024, post-election of Board, the Board reconstituted its sub-committees consequent to which, the Nomination, Remuneration and Executive Committee (NREC) was merged with the Investment Committee (IC) forming the Nomination, Remuneration, Investment and Executive Committee (NRIEC). Membership, functions and meeting details of the NRIEC are detailed in the next section.

Nomination, Remuneration, Investment and Executive Committee (NRIEC)

The Nomination, Remuneration, Investment and Executive Committee was formed on 27 March 2024 and comprises of five directors. Its functions include

all the functions of the NREC and IC detailed in the prior sections.

The committee met four times since its formation. The attendance details and the membership details of the Committee are as below:

Sl No	Name	Position	1NRIEC 05-May-24	2NRIEC 05-Aug-24	3NRIEC 04-Nov-24	4NRIEC 03-Dec-24
1	Khalid Al Zubair	Chairman	Yes	Yes	Yes	Yes
2	Yousef Al Quraishi	Member	Yes	Yes	Yes	Yes
3	Abdulaziz Al Balushi	Member	Yes	Yes	Yes	Yes
4	Abdullah Ali Abdullah Al Oraini	Member	Yes	Yes	Yes	No
5	Sanjay Kawatra	Member	Yes	Yes	Yes	Yes

Risk Committee (RC)

The main function of the Risk Committee is to assist the Board of directors to discharge certain responsibilities such as overseeing the Enterprise risk management framework, Environment Social and governance Framework (ESG), ensuring the identification, assessment, and mitigation of key risks. It monitors compliance with risk policies, evaluates

the effectiveness of controls, and ensures alignment with the organisation’s strategic objectives. The committee also reviews emerging risks and provides recommendations to the board on risk-related matters.

The committee consists of three members and the committee met three times during the year.

The attendance details and the membership details of the Committee are as below:

Sl No	Name	Position	1RC 13-May-24	2RC 06-Aug-24	3RC 05-Nov-24
1	Al Sayyid Zaki Al Busaidi	Chairman	Yes	Yes	Yes
2	Sanjay Kawatra	Member	Yes	No	Yes
3	Aliya Hamad Mohammed Rashdi	Member	Yes	Yes	Yes

4. Remuneration of Directors

The Directors were paid remuneration of OMR 300,000 for 2023 which was paid in 2024 as approved by the shareholders in the AGM held on 27 March 2024. During the year 2024, Board members were paid sitting fees

of OMR 28,600, OMR 300 per Board meeting attended and OMR 200 per Board sub-committee. There is no director’s remuneration proposed for 2024.

Remuneration for 2023 paid in 2024 and the sitting fees for 2024 paid to the Board members during the 12-month period ended 31 December 2024 is detailed below:

Ro Name of Director	Sitting fees for 2024						Total Sitting fees for 2024	Remuneration for 2023 paid in 2024
	BOD	AC	NREC	IC	NRIEC	RC		
1 Khalid Al Zubair	1,800	-	200	-	800	-	2,800	34,090
2 Mohamed Al Jamalani	1,800	1,000	-	-	-	-	2,800	26,591
3 Abdulaziz Al Balushi	1,800	-	200	200	800	-	3,000	26,591
4 Al Sayyid Zaki Al Busaidi	1,500	-	200	200	-	600	2,500	26,591
5 Anwar Hilal Hamdoon Al Jabri	300	-	-	200	-	-	500	26,591
6 Mohammed Ali Said Al Qassabi	300	400	-	-	-	-	700	26,591
7 Sanjay Kawatra	1,800	400	200	-	800	400	3,600	26,591
8 Adnan Bogary	1,800	200	-	-	-	-	2,000	26,591
9 Saeid Binzagr	1,500	-	-	200	-	-	1,700	26,591
10 Tareq Abdulrahman Al Sadhan	-	-	-	-	-	-	-	26,591
11 Yousef Al Quraishi	1,800	-	-	-	800	-	2,600	26,591
12 Al Wadah Sulaiman Mohammad Al Adawi	1,500	400	-	-	-	600	2,500	-
13 Abdullah Ali Abdullah Al Oraini	1,200	-	-	-	600	-	1,800	-
14 Aliya Hamad Mohammed Al Rashdi	1,500	600	-	-	-	-	2,100	-
Total	18,600	3,000	800	800	3,800	1,600	28,600	300,000

There was no other remuneration paid by the Company to the Directors in their capacity as Board members.

5. Internal Control Review

The Code requires that the directors should, at least annually, review the effectiveness of the Company’s system of internal controls and report to the shareholders that they have done so. The Board attaches significant importance to maintaining a strong control environment and confirms that its review has covered the financial statements, all controls, including financial, operational, compliance and risk management. The Board ensures this by implementing internal control policies and procedures and other forms of analytical reviews, reconciliations and automatic controls in the IT systems. The internal control process is followed up by the Audit Committee and the Internal Audit function with clearly defined Audit Committee Annual Plan and Internal Audit Risk Assessment and Annual Internal Audit Plan. In addition to this, the Company also has a Quality and Internal Control Department which reviews the Company’s internal controls. The Board is satisfied that appropriate procedures are in place to implement the Code’s requirement.

As required under Article 173 of Regulation for Public Joint Stock Companies, the Company must conduct a comprehensive external review of the internal audit unit’s work at least once every 4 years. Accordingly, audit firm, ‘KPMG’ was appointed by the Company’s Board of Directors to conduct External Independent Quality Assurance Assessment of Liva Internal audit units for the year 2024. KPMG has completed the agreed upon procedures, in accordance with International Professional Practices Framework (IPPF), issued a Quality Review Report and presented it to Audit Committee and Board of Directors. The next review is due in 2028.

6. Management

Management Discussion and Analysis

A copy of the Management Discussion and Analysis is included in the annual report.

Management Remuneration

On 31 December 2024, the Group employed 998 employees (2023: 990 employees). The Gross remuneration accrued to Nine key management personnel (salaries, incentives and allowances and other statutory payments) during 2024 is OMR 1,525,072 (2023: OMR 1,883,992) to eight key management personnel). The above remuneration is disclosed in Note for Related party transactions in the financial statements.

The performance incentive pool is approved by the NRIEC based on Company’s performance and is distributed amongst employees based on their individual performances. This is in accordance with the Board approved policies of the Company.

Employment Contract

Employment contracts are for an unlimited period for nationals after the first year of service while they are for a period of two years for expats, which is subject to auto renewal at the time of expiry based on terms and conditions agreed between the parties. The notice period is one month to three months depending on the position or salary in lieu thereof.

Profiles of Key Management during 2024

Martin Rueegg
Group Chief Executive Officer

Martin was the Regional CEO for RSA Middle East before he was appointed Group CEO of Liva. He has over 30 years of robust experience in the Insurance industry having held various C-suite positions in Europe and in both emerging and mature markets in Asia for the past 15 years. In his current role Martin is committed to growing Liva Group’s businesses across the Gulf region, fostering strong relationships with customers and partners, and building innovative insurance propositions. His strategic acumen, visionary thinking, and entrepreneurial spirit will be fundamental in advancing the Group’s business and growth in the region.

Honourable Dr Dhafir Al Shanfari
Group Chief Operating Officer

Dr. Dhafir was previously Chief Operating Officer of NLGIC, in charge of supporting functions of the company. Post integration, he became the Group Chief Operating Officer for Liva Group, leading functional governance and operational practices including HR, IT and Change, Legal, Brand and Communications, Risk, and Compliance functions. Dr. Dhafir was also recently appointed as a member of the State Council of the Sultanate of Oman. Prior to joining Liva, Dhafir was the CEO of the Public Authority of Privatization and Partnership and held various leadership roles in the public and academic sectors as well. He has a strong leadership acumen across multiple industries and is a key member of several reputable councils and committees in Oman.

Corporate Governance Report

Ravikanth Petluri
Group Chief Financial Officer

Mr. Ravikanth is responsible for group finance and business planning, capital and funding, treasury and investment operations. Prior to joining Liva, he was heading financial services practice for KPMG. He brings over 25 years of expertise in financial strategy and management, showcasing a distinguished career in leadership roles within the financial services industry in the region. Specialising in financial reporting aligned with International Financial Reporting Standards (IFRS), he excels in Internal Control over Financial Reporting. With a focus on corporate governance and due diligence, he strategically navigates the financial landscape of the insurance business in GCC.

Addal Sarwar
Group Chief Personal Lines Officer

Addal was the Middle East Personal Lines Director RSA before being appointed Group Chief Personal Lines Officer. In his role Addal sets portfolio standards and technical/underwriting guidelines as well as develops strategy for Personal Lines across the business. Addal's focus is on expanding Liva's partnerships across the Middle East while enhancing our digital products and services, to drive truly customer centric solutions.

Guido Zagatti
Group Chief Commercial Lines and Reinsurance Officer

Guido was Deputy CEO of Liva UAE/Bahrain before he was appointed as Group Chief Commercial Lines and Reinsurance Officer. Prior to this, Guido served as the Group Chief Technical Director – Commercial Lines and Reinsurance for Liva Group. Guido is an experienced Global Insurance and Reinsurance Officer with diverse business experience in Underwriting, Claims, Business Development, Reinsurance, and Technical Governance. Guido has navigated through various International Hubs, his career spanning from the UAE to the UK and Italy, most recently serving as Group Head of P&C Facultative Reinsurance at Assicurazioni Generali S.p.A. prior to joining Liva. His business strategy focuses on growth, expanding the group's offerings across the region, launching new products, and strengthening the underwriting/pricing processes.

Kamran Mazhar
Country CEO Liva Insurance Company (KSA)

Mr. Kamran Mazhar Jaffery joined Liva KSA in March 2023 as CEO with over 21 years of knowledge and expertise in Insurance. Additionally, Kamran has held various leadership positions in the insurance industry such as his role as CEO for CHUBB Arabia. Kamran holds a Master's degree in Business Administration from HEC Paris in France , and a Bachelor's degree in Economics from the University of Texas at Austin , USA.

Hanaa Al Hinai
Country CEO Liva Insurance SAOC (Oman)

Hanaa Al Hinai is the CEO of Liva Insurance in Oman. In 2021, she transitioned to RSA Middle East as Deputy CEO for UAE and Bahrain operations before becoming CEO of Al Ahlia Insurance in Oman. Her career began in banking with Australia's Westpac, followed by 13 years in Oman's banking sector. This experience provided a solid foundation in retail banking, investments, strategy implementation, product innovation, and regulatory frameworks.

Eugenie Molyneux
Group Chief Risk Officer

Eugenie was appointed as Group Chief Risk Officer for Liva Group on May 2024. Prior to this, she most recently served as Chief Risk Officer for Commercial Insurance and Zurich Global Venture at Zurich Insurance. Before that, she held several key leadership roles at Zurich Insurance, including CFO for Global Corporate in North America and Chief of Staff for the Group CFO. Additionally, she has 10 years of experience from her time at PwC in audit and business advisory services.

Shagen Ganason
Group Chief Auditor

Shagen, a seasoned professional with 33 years of experience, began his career in technology before transitioning to audit. He holds internal audit qualifications from the Institute of Internal Auditors. His diverse expertise spans government, banking, technology, and insurance sectors across four countries (New Zealand, Malaysia, Indonesia, and Korea). Notably, Shagen served as CFO in Indonesia for three years and currently represents the Institute of Internal Auditors as a speaker and Board member, shaping global audit strategies.

7. Details of Penalties and Non-Compliance by the Company

During 2024, there have been no instances of non-compliance on any matter relating to FSA's Code of Corporate Governance for Insurance Companies and FSA's Code of Corporate Governance for Public Companies. The Company also follows the Commercial Companies Law No. 184/2019, the MSX listing agreements for Oman and other applicable FSA regulations. Similarly, for its overseas operations the Company follows Federal Law 6 of 2007, Financial Regulations for Insurance Companies in the UAE, The

Insurance Law no. 125 of 2019 on Insurance Companies as well as other applicable overseas regulations.

During 2024, Company has paid penalties equivalent to OMR 525 (2023 – OMR 5,776) for non-compliance with Department of Health Abu Dhabi for delay in submission of Financial Reports

During 2022 and 2021, the Company did not pay any fines / penalties.

8. Shareholders

Distribution of shareholding

Shareholder distribution as of 31 December 2024 is as given below:

Number of Shares	% Held	Number of shareholders	Total Shares	% of Share Capital
Above 39,837,434	Above 10%	2	251,797,793	63.21%
Between 19,918,717 and 39,837,434	5% - 10%	2	50,809,274	12.75%
Between 3,983,743 and 19,918,717	1% - 5%	6	76,158,327	19.12%
Below 3,983,743	Below 1%	122	19,608,948	4.92%
GRAND TOTAL		132	398,374,342	100.00%

The following shareholders have 10% or more of the voting power in the Company as of 31 December 2024:

Shareholder	% of Share Capital
Oman International Development and Investment Company SAOG (OMINVEST)	48.86%
Riyad Bank	14.35%

Means of Communication

The notice and agenda for the AGM, annual audited accounts and Chairman's report are made available to all the shareholders as per regulatory guidelines. Further the Company has been communicating regularly on all material matters to the Financial Services Authority. The Company also uses additional means of communication such as disclosures on the MSX website, publishing of extracts of financial reports represents the press release done in the newspapers.

Statements in Arabic and English newspaper, making available financial statements in Arabic and English at the Company's offices during the Company's business hours and posting of the quarterly and annual financial statements and press releases on the Company's website - <https://www.livagroup.co>. Investor and analyst meetings are also conducted to discuss the results through the Muscat Stock Exchange platform.

9. Statutory Auditors

The shareholders of the Company appointed Ernst and Young (EY) as its auditors for 2024. EY is a global leader in assurance, tax, strategy and transactions, and consulting services. The MENA practice of EY has been operating in the region since 1923. For over 100 years, they have grown to over 8,500 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY’s EMEIA practice. Globally, EY operates in more than 150 countries and employs 400,000 professionals in 700 offices. Please visit ey.com for more information about EY.

For FY 2024, Statutory audit fees of OMR 119,550 (2023: OMR 155,590) have been provided by the Parent Company including NLG UAE branch.

10. Legal Advisor

Curtis, Mallet-Prevost, Colt and Mosle LLP

For twenty-six years, Curtis Oman has been helping Omani and international companies, financial institutions and governments to do business in the Sultanate of Oman. Curtis remains the only US-headquartered law firm licensed to practice in Oman. The Muscat office is the hub of their wider Middle East practice and offers a full range of international and domestic legal services. Curtis has been lead adviser on some of the largest and most significant projects in Oman and is regularly recognised as one of the country’s foremost law firms. Curtis has in depth experience in banking and financial services, the firm advises on all aspects of contentious issues and regulatory compliance involving the banking, capital markets and investment fund sectors. The firm develops strategies that safeguard its clients’ assets and reputations, enabling them to focus on pursuing their business objectives with confidence.

11. Market Price Data

The performance of the Company’s share price (total returns) in 2024 versus MSX-30 Index and details of the Company’s high, low and closing share prices for the period 01 January 2024 to 31 December 2024 are shown below:

Performance	Liva				MSX 30			
	High	Low	Close	%age movement	High	Low	Close	%age movement
Dec-23	0.335	0.335	0.335	-4.3%	4,684	4,470	4,514	-3.1%
Jan-24	0.335	0.335	0.335	0.0%	4,642	4,514	4,562	1.1%
Feb-24	0.335	0.335	0.335	0.0%	4,645	4,506	4,555	-0.2%
Mar-24	0.335	0.335	0.335	0.0%	4,833	4,555	4,636	1.8%
Apr-24	0.335	0.335	0.335	0.0%	4,813	4,634	4,784	3.2%
May-24	0.335	0.335	0.335	0.0%	4,865	4,749	4,846	1.3%
Jun-24	0.335	0.335	0.335	0.0%	4,850	4,593	4,687	-3.3%
Jul-24	0.335	0.335	0.335	0.0%	4,723	4,623	4,662	-0.5%
Aug-24	0.330	0.329	0.330	-1.5%	4,750	4,598	4,746	1.8%
Sep-24	0.330	0.330	0.330	0.0%	4,798	4,678	4,710	-0.8%
Oct-24	0.330	0.330	0.330	0.0%	4,832	4,665	4,749	0.8%
Nov-24	0.330	0.330	0.330	0.0%	4,758	4,511	4,563	-3.9%
Dec-24	0.320	0.288	0.320	-3.0%	4,588	4,464	4,577	0.3%
Annual Performance	0.335	0.288	0.320	-4.5%	4,865	4,464	4,577	1.4%

During the period 01 January 2024 to 31 December 2024, a volume of 25.5 million shares of the Company have been traded at MSX.

Liva Group SAOG on 14 April 2024 distributed one Mandatory Convertible Bond (MCB) of 100 baiza issued for every 8.5 ordinary shares held by its shareholders on the date of AGM. A total of 47 million MCBs were issued by the Company amounting to OMR 4.70 million. These MCBs are listed on Muscat Stock Exchange (MSX) and carry an annual coupon of 6.00% (on the discretion of the company) and form part of the company’s equity. For every three MCB held on 13 April 2027, one ordinary share will be issued without any option to either company or bondholders. On the date of conversion 15.67 million ordinary shares will be issued to the bond holders.

12. Acknowledgement

The Board of Directors acknowledges confirmation of:

- It’s responsibility for the preparation of the financial statements in accordance with the applicable standards and rules.
- Review of the efficiency and adequacy of internal control systems of the Company and that they comply with internal rules and regulations.
- There are no material matters that affect the continuation of the Company and its ability to continue its operations during the next financial year.

Khalid Al Zubair
Chairman

Appendix I

Particulars of Directorships of other Public Joint Stock Companies and memberships of their committees as of 31 December 2024

Director	Other Directorships			
	Company	Position	Committee	Position
Khalid Al Zubair	Oman International Development and Investment Company SAOG	Chairman	Nomination, Remuneration, and Executive Committee	Chairman
Yousef Al Quraishi	Nil	NA	NA	NA
Abdulaziz Al Balushi	Oman Arab Bank SAOG	Director	Selection and Remuneration Committee	Member
			Credit Committee	Member
	National Finance Company SAOG	Director	Nomination, Remuneration and Executive Committee	Member
			Risk Committee	Chairman
Al Sayyid Zaki Al Busaidi	Oman Telecommunications Co SAOG	Director	Audit and Risk Committee	Member
			Tender Committee	Member
Al Wadah Sulaiman Mohammad Al Adawi	Nil	NA	NA	NA
Mohamed Al Jamalani	Galfar Engineering and Contracting SAOG	Director	Audit Committee	Vice Chairman
Aliya Hamad Mohammed Al Rashdi	Nil	NA	NA	NA
Sanjay Kawatra	National Finance Company SAOG	Director	Nomination, Remuneration and Executive Committee	Member
			Risk Committee	Member
Adnan Bogary	Nil	NA	NA	NA
Saeid Binzagr	Nil	NA	NA	NA
Abdullah Ali Abdullah Al Oraini	Nil	NA	NA	NA

Management Discussion and Analysis Report

Management Discussion and Analysis Report
For the Year Ended 31 December 2024

Group Overview

2024 was a challenging year as a result of severe weather events, however Liva Group SAOG (the “Group” or “Liva”) continued to strengthen the underlying business of the Group and its subsidiaries, advancing our strategy to diversify and scale the business, both in terms of segments and geographies.

The extreme April rainfall, particularly in the United Arab Emirates (UAE), presented significant challenges, however, the Group demonstrated resilience and adaptability in the face of these unprecedented storms. We are confident in our ability to significantly improve results in 2025, as demonstrated by the strong performance in the second half of 2024, which delivered a notable increase in Profit After Tax and a growth in the Insurance Service Result. Liva reaffirmed its commitment to customers, adhering to its mission of transparency through timely recognition, booking, and handling all claims.

The second half of 2024 was particularly robust, with the Group reporting a Profit After Tax of OMR 10.9 million delivered in the last 6 months, up 47% compared to the same period in 2023. The Group’s insurance service result also experienced substantial growth during the second half of 2024, reaching OMR 12.6 million, an improvement of 79% compared to the same period in 2023. This underscores the effectiveness of ongoing technical improvements and growth initiatives and demonstrates commitment to Liva’s ambition to being a leading multi-line insurer.

Looking ahead, the Group remains committed to further elevating business discipline in pursuit of growth opportunities to maximise value for shareholders.

Financial Performance

Profit and Loss (OMR millions)

Profit and Loss (OMR millions)	FY 2024	FY 2023	Change
Insurance Revenue	329.5	310.8	6%
Insurance Service Result	(5.6)	9.0	(162%)
Investment Income (Net)	14.3	12.8	11%
Profit After Tax	(5.0)	6.4	(179%)

Insurance Revenue

The Group reported a 6% year-on-year increase in insurance revenue for 2024, achieving OMR 329 million. This growth was driven by the successful implementation of strategic initiatives, including new partnerships, innovative products, and cross-selling in targeted segments. The revenue increase reflects the Group’s continued efforts to strengthen its presence in desired markets.

In the first half of the year, the focus was on enhancing profitability by managing pricing and improving technical resilience in key sectors. The second half saw further growth, driven by the acquisition of new business, increased pricing strategies, and a response to extreme weather events earlier in the year.

The Group remains committed to refining its portfolio by leveraging its technical expertise, focusing on profitable segments. This strategy has resulted in a balanced portfolio, positioning the Group for long-term sustainable growth.

Insurance Service Result

Despite the strong performance during the second half of 2024, the Group reported a loss in Insurance Service Result of OMR 5.6 million. The weather events during the first half of 2024 led to a net loss in Insurance Service Result of OMR 18.2 million for that period. However, the second half of 2024 witnessed strong performance, with an Insurance Service Result of OMR 12.6m, significantly reducing the overall loss for 2024.

Profitability

The Group focused on improving profitability and operational efficiency in all segments by enhancing technical fundamentals. This included stronger risk selection to maintain a well-balanced portfolio, continuous claims monitoring, regular pricing reviews aligned with market dynamics, and targeted expense rationalisation.

Investment Income

The Group reported an 11% year-on-year increase in investment income, rising to OMR 14.3 million in 2024 from OMR 12.8 million in 2023. This growth resulted from the optimisation of our portfolio through a more proactive investment strategy supported by favourable market conditions.

Capital Position (OMR millions)

Capital Position (OMR millions)	Dec 2024	Dec 2023
Total Assets	435.6	398.4
Share Capital	69.0	69.0
Total Shareholder’s Equity	101.6	107.2
Net Asset per Share	0.255	0.269

Portfolio Mix

Portfolio Mix – Segment	FY 2024	FY 2023	Change
Health and Life	48.5%	50.2%	(1.8%)
Personal Lines	26.7%	29.2%	(2.4%)
Commercial Lines	24.8%	20.6%	4.2%

Portfolio Mix - Geography	FY 2024	FY 2023	Change
UAE	60.4%	53.4%	7.0%
KSA	13.9%	17.0%	(3.1%)
Oman	23.7%	27.1%	(3.4%)
Kuwait	1.5%	2.0%	(0.4%)
Bahrain	0.5%	0.6%	(0.2%)

The Group’s ongoing efforts to balance its portfolio through diversified growth across markets and business lines has strengthened our resilience. As a composite insurer, the strategic enhancement of the portfolio provides a competitive edge. This rebalancing will continue through the expansion of Life offerings, the forging of growth-driven partnerships, and scaling of ongoing initiatives.

Market Conditions

Economic Impacts

The GCC states are well-positioned to navigate a challenging global economic environment, with 2025 GCC GDP growth projected at 3.9%, outpacing the global forecast of 2.7%. Regional growth continues to be driven by robust domestic demand, ambitious government investments aligned with economic diversification agendas, and an expanding expatriate and tourist population. These factors contribute to an enlarged addressable market for diverse insurance products, including life, health, and specialised lines. New industries are emerging, and job creation remains a priority, particularly in the UAE and KSA, further supporting economic resilience.

Inflation across the GCC has largely stabilised, with 2025 levels expected to average 2.1%, slightly down from 2.3% in 2024. This reflects the long-term impact of monetary tightening and supply chain stabilisation. While declining inflation is a positive sign, operational cost pressures persist for insurers, emphasising the need for technological adoption and automation to enhance efficiency and maintain competitive pricing.

Investment and Infrastructure Development

Infrastructure development in the GCC remains a cornerstone of economic growth, with KSA leading transformational projects and the UAE maintaining momentum through strategic investments. Beyond physical structural systems, the region is heavily investing in social infrastructure to improve healthcare, education, and overall living standards.

KSA continues its ambitious Vision 2030 agenda, which includes the development of megaprojects such as NEOM and The Line. The UAE is advancing its decarbonisation efforts with large-scale renewable energy projects, while simultaneously enhancing utilities and transportation networks. Oman’s Vision 2040 strategy is driving the diversification of manufacturing into technology-focused and knowledge-driven sectors. Meanwhile, Kuwait’s 2023–2027 development programme, with more than 100 major projects, emphasises economic, social, and entertainment growth. Bahrain is building on its 2023 initiatives, with continued investments in digitisation, healthcare, and education.

These large-scale projects are expected to significantly expand the volume of insurable assets, driving demand for insurance across the region.

Management Discussion and Analysis Report

For the Year Ended 31 December 2024

Mandatory Health

The healthcare landscape in the GCC is undergoing substantial reform, reflecting government efforts to meet the demands of growing populations and rising healthcare standards. Mandatory health insurance continues to be a focal point, with new schemes expanding coverage across the region.

As of 2024, mandatory health insurance schemes in the UAE have extended beyond Abu Dhabi and Dubai to include the Northern Emirates, significantly increasing the insured population. In December 2024, the Group was granted Participating Insurer status by Dubai Health Authority, enabling the Group to offer health insurance to Low Salary Band (LSB) workers for the first time, a significant milestone for the UAE business. The strategic advantage provides customers and clients with numerous benefits, making the process of obtaining coverage even more convenient and straightforward.

Meanwhile, in Oman, Qatar, and Bahrain, new mandatory health initiatives are set to launch imminently including Oman’s Dhamani programme expected to roll out progressively, covering employees, dependents, tourists, and foreign visitors. The programme’s full implementation is anticipated by late 2025, presenting a considerable opportunity for insurers to address the expanded market.

Strengthening Government Regulation

Regulatory reforms across the GCC continue to shape the insurance industry, fostering transparency, accountability, and innovation. The adoption of IFRS 17 has standardised insurance contract accounting, improving comparability and investor confidence.

KSA’s regulatory measures in the motor insurance sector have had a transformative impact, with third-party insurance mandates substantially reducing the uninsured vehicle population. These regulations are projected to drive increased demand for motor insurance throughout 2025, offering new opportunities for insurers.

Looking ahead, regulatory developments will remain fundamental to the industry’s evolution, encouraging product innovation while ensuring client protection. The continued implementation of customer-centric regulations is expected to further enhance consumer trust and enable the development of more tailored insurance solutions.

Outlook and Growth Plans

Financial and Strategic Outlook

The Group strategy for 2025 focuses on accelerating growth, continuing the momentum delivered in the second half of 2024. The Group aims to enhance underwriting performance by expanding profitable segments and reducing the expense ratio, through targeted automation and digitisation efforts and process improvements.

Personal Lines

Growth in Personal Lines will be delivered through successful collaborative partnerships across core markets and enhanced digital customer experience. The focus will be on scaling the business through the expansion of non-motor products to increase market share, with improved customer retention and digital distribution channels.

Commercial Lines

The Commercial Lines strategy focuses on expanding the product suite, entering new segments, and establishing a stronger presence in wider GCC markets. The Group will leverage strategic partnerships with international companies to further drive growth while managing volatility and profitability.

Health and Life

Growth of Health and Life will be driven through diversification into profitable segments and capitalisation of mandatory health regulatory changes. The strategy aims to optimise the portfolio mix for better loss ratios, enhance claims management, and leverage digital transformation to improve efficiency.

Digital Transformation and Innovation

The Group continues to advance its strategic partnerships by harnessing digital capabilities. In 2024, we partnered with Salik, the UAE’s electronic toll system, to introduce motor insurance products tailored to its customer base. At the same time, we significantly enhanced our digital distribution channels, simplifying access and improving customer education around motor products. In parallel, we continued to strengthen our medical claims management capabilities, adopting new technologies and expanding resources to streamline processes and deliver greater efficiency in claims handling.

In Oman, the Group became one of the few companies to integrate with the Dhamani platform, a regulatory initiative aimed at reforming medical insurance services. This unified platform connects all medical service providers, enabling integrated coordination and service delivery for customers.

Recent Events

The Group is pleased to announce that it has received formal approval from the Central Bank of the United Arab Emirates to transfer the existing Life and Health business from National Life and General Insurance Company’s UAE branches (“NLGIC”) to Liva Insurance BSC UAE branches, subject to approval from the Central Bank of Bahrain. This enables the consolidation of all insurance-related assets and liabilities from NLGIC, allowing the Group to operate as a fully integrated entity in the UAE. The integration, expected to be completed in the first half of 2025, will unify employees, technology systems, customers, and strategic partnerships under one brand identity. This is an exciting opportunity for The Group to extend high service standards and support driving additional value to all the stakeholders.

Liva retained its AM Best’s Financial Strength Rating of A- (Excellent), and Long-Term Issuer Credit Rating of a- (Excellent). The Group has implemented several corrective initiatives to further enhance the operating performance. The reaffirmation of the rating was supported by a strong balance sheet, conservative proactive investment strategy, and diversified presence across Oman, the UAE, and the GCC region.

Upcoming Events

KSA has signed a Memorandum of Understanding (MoU) with Malath Cooperative Insurance, as disclosed on the Saudi Arabian Stock Exchange (Tadawul). This potential merger is a strategic step toward achieving the Group’s ambition to become a leading multi-line insurance provider, delivering significant value to customers and generating sustainable, profitable returns for shareholders. The MoU reinforces the Group’s strong commitment to growth in KSA, the largest and most opportune market in the region. While no formal agreement has been reached, a thorough due diligence process is being undertaken to ensure the best outcomes for all stakeholders.

Recognition

The Group has achieved several accolades and industry recognition, reflecting its relentless pursuit of excellence, innovation, and commitment to customers and stakeholders. Corporate achievements include:

- Brand of the Year – Awarded by both the TAS Awards (The Arabian Stories) and the Oman Forum, affirming Liva’s strong and trusted brand presence.
- Insurance Company of the Year – Honoured by AIWA (Alam Al Iqtisad Wal Aamal) Awards, recognising exceptional performance and customer-centric approach.
- Top Insurance Merchant Award - Bestowed by BankMuscat, highlighting strength in financial services and customer trust.
- Rebranding Campaign of the Year – Recognised by the Oman Leadership Awards, underscoring successful brand revitalisation efforts.
- Best Marketing Video Concept – Awarded by the TOMI (The Oman Marketing Impact) Awards, showcasing innovative and impactful marketing strategies.
- Transform MEA Awards.
 - Gold for Best Visual Identity in the Lifestyle and Wellbeing Sector
 - Silver for Best Naming Strategy (Rename)
 - Silver for Best Corporate Rebrand Following a Merger or Acquisition

These prestigious awards are a testament to the outstanding efforts of the team and unwavering commitment to excellence.

Management Discussion and Analysis Report

For the Year Ended 31 December 2024

Environmental, Social and Governance

In 2024, the Group made significant progress in developing its ESG (Environmental, Social, and Governance) framework through a structured two-phase programme aligned with national visions and regulations. Key achievements include the development of a strategic roadmap through materiality assessments and stakeholder mapping, enhancing organisational readiness with stakeholder engagement and capacity-building initiatives, and strengthening transparency by aligning with global best practices in sustainability reporting.

Strategic Outlook on ESG reporting

Looking ahead, the Group remains committed to embedding sustainability into core operations. Following the Principles of Sustainable Insurance and GRI standards, it aims to finalise its ESG framework by April 2025, in time for the MSX submission. This will ensure compliance while reinforcing its commitment to responsible business practices and positive societal impact.

Risk and Controls

The Group follows a comprehensive risk management approach, with a framework in place to address risks inherent to strategies, operations, finance and compliance, and their resulting impact. The framework has been designed to outline the mechanism for identification, assessment, treatment, monitoring and reporting of risks, including any emerging risks. Risk management also includes an IT security governance review that assesses the preparedness and precautions taken against various cyber threats.

Management places strong importance on a robust internal control environment responsible for safeguarding the Company’s assets and the interests of its shareholders. Controls exist across all areas of the organisation to prevent, identify, and adjust errors or deviations. The Group is assisted by the Audit committee and Risk committee in this task.

The Audit Committee reviews the Company’s internal controls and reports to the Board on their effectiveness following the completion of internal and external auditor reports. Liva’s Enterprise Risk Management process, guided by the Risk Committee and Board, ensures adherence to risk frameworks by overseeing risk activities and evaluating their effectiveness to support overall organisational performance.

Acknowledgements

On behalf of the Company and all our staff, I express our sincere gratitude and appreciation to His Majesty Sultan Haitham bin Tarik on his dynamic leadership as he leads the Sultanate towards sustainable development, the achievement of Vision 2024, growth, and prosperity.

I would like to thank all the regulators, government bodies and ministries in the Sultanate of Oman and the GCC for their ongoing support, specifically the unwavering commitment related to our integration efforts. I would like to express my gratitude and appreciation to our investors, the Board of Directors, customers, business partners, reinsurers, and staff of the Company for their unwavering support.



Martin Rueegg
Group Chief Executive Officer
Liva Group SAOG



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C.R. No. 1224013
PR No. HMM/15/2015; HMA/9/2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVA GROUP SAOG

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of Liva Group SAOG (the "Company") and its subsidiaries (the "Group") which comprise the separate and consolidated statement of financial position as at 31 December 2024, and the separate and consolidated statement of profit or loss and other comprehensive Income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Company and the Group as at 31 December 2024, and its separate and consolidated financial performance and separate and consolidated cash flows of the Company and the Group, respectively, for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The separate and consolidated financial statements of Liva Group SAOG (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those separate and consolidated financial statements on 3 March 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVA GROUP SAOG (CONTINUED)

Report on the audit of the separate and consolidated financial statements (continue)

Key audit matters (continue)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the separate and consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities - estimation of present value of cashflows and risk adjustment for non-financial risk	

Liva Group SAOG has liabilities related to insurance contracts of OMR 198.4 million representing 63 % of the group's total liabilities. Out of this amount, OMR 13.8 million has been measured under the general measurement model ('GMM'), and OMR 184.6 million under the premium allocation approach ('PAA', the simplified measurement model).

The measurement of liabilities related to insurance contracts involves judgment over uncertain future outcomes including setting of various assumptions regarding the total settlement value of insurance liabilities which requires the use of complex (actuarial) models and other computational tools.

The use of different actuarial techniques and assumptions could produce materially different estimates of liabilities related to insurance contracts. In this relation, we consider the possibility of management override of controls, and that management can influence the financial reporting process in other unauthorised manners.

Our audit procedures included, among others, evaluation of the appropriateness of the Company and the Group's accounting policies related to the measurement of insurance contract liabilities according to IFRS 17 Insurance contracts and whether assumptions and the methods for making the accounting estimates are appropriate and have been applied consistently.

We involved our actuaries to assist us in performing audit procedures in this area. Our key audit procedures included evaluating the Company and the Group's methodology for calculating the insurance contract liabilities and obtaining understanding and evaluating the design of internal controls in this respect. Furthermore, we performed the following procedures:

- Assessed the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilised by the management's expert in estimating the present value of the future cashflows and the risk adjustment for non-financial risk by comparing it to the underlying;



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVA GROUP SAOG (CONTINUED)

Report on the audit of the separate and consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities - estimation of present value of cashflows and risk adjustment for non-financial risk (continued)	
We therefore consider the estimates used in the calculation of liabilities related to insurance contracts a key audit matter.	<ul style="list-style-type: none"> Evaluated whether the Company's and the Group's actuarial methodologies were consistent with generally accepted actuarial practices and with prior years. We sought sufficient justification for any significant differences; Evaluated the competence, capabilities and objectivity of the internal and external experts used by the management; Challenged the assumptions used in valuation of insurance contract liabilities based on the Company and the Group's and market data and also the nature, timing and completeness of changes in key assumptions, models and methods, including their impact on financial reporting; Assessed the completeness and accuracy of disclosures within the separate and consolidated financial statements considering the disclosure requirements of IFRS 17.

Other information included in the Company's and the Group's 2024 Annual Report

Other information consists of the information included in the Company's and the Group's 2024 Annual Report other than the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. We obtained the following information prior to the date of our auditor's report, and we expect to obtain the published 2024 Annual Report after the date of our auditor's report:

- Chairman's report
- Corporate governance report
- Management discussion and analysis

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVA GROUP SAOG (CONTINUED)

Report on the audit of the separate and consolidated financial statements (continue)

Responsibilities of management and Audit Committee for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 and the Financial Services Authority (the "FSA") of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVA GROUP SAOG (CONTINUED)

Report on the audit of the separate and consolidated financial statements (continue)

Auditor's responsibilities for the audit of the separate and consolidated financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated Audit Committee, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LIVA GROUP SAOG (CONTINUED)**

Report on other legal and regulatory requirements

We report that the separate and consolidated financial statements comply, in all material respects, with the relevant requirements of the Commercial Companies Law of 2019 and FSA of the Sultanate of Oman.

Ernst & Young *Imtiaz*

Imtiaz Ibrahim
2 March 2025
Muscat, Oman



Financial Statements

Separate and consolidated statement of financial position

For the year ended 31 December 2024

	Notes	Group		Parent Company	
		2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Assets					
Cash and bank balances	5	25,552,288	54,003,295	5,798,003	11,285,718
Bank deposits	6	139,067,233	122,753,154	25,015,066	19,173,355
Investment in securities	7 (a)	136,671,295	123,668,132	29,452,405	27,617,360
Investment in subsidiaries	7 (b)	-	-	144,198,987	145,516,034
Insurance contract assets	8	204,150	889,696	-	-
Reinsurance contract assets	10	75,450,225	28,672,971	1,037,683	1,716,205
Other receivables and prepayment	13	20,792,100	31,883,319	3,390,183	22,506,901
Loans to policyholders	14	28,374	31,634	-	-
Property and equipment	16	8,042,711	7,636,344	3,800,735	3,492,307
Deferred tax asset	31	2,236,808	517,379	1,111,539	391,514
Intangible assets (including goodwill)	17	27,577,228	28,307,897	231,773	255,369
Total assets		435,622,412	398,363,821	214,036,374	231,954,763
Equity and Liabilities					
Equity					
Share capital	18	69,013,902	69,013,902	69,013,902	69,013,902
Legal reserve	19	9,775,095	9,775,095	9,775,095	9,775,095
Contingency reserve	20	17,576,121	17,576,121	17,576,121	17,576,121
Revaluation reserve	21 (a)	352,345	352,345	352,345	352,345
Mandatory convertible bonds	21 (b)	4,700,000	-	4,700,000	-
Fair value reserve		4,714,625	3,336,100	4,714,625	3,336,100
Foreign exchange reserve		(59,528)	(60,693)	(59,528)	(60,693)
Retained earnings		(4,437,581)	7,220,268	(1,662,306)	9,995,543
Total equity attributable to shareholders of the Parent		101,634,979	107,213,138	104,410,254	109,988,413
Non-controlling interests		20,071,327	17,361,561	-	-
Total equity		121,706,306	124,574,699	104,410,254	109,988,413
Liabilities					
Insurance contract liabilities	8	198,582,116	148,595,008	36,163,245	32,879,639
Reinsurance contract liabilities	10	20,156,045	13,199,660	1,860,306	978,509
Other liabilities	23	18,773,923	33,265,679	26,930,541	16,374,161
Bank borrowings	22	69,235,997	71,706,010	44,643,997	71,706,010
Corporate tax payable	31	7,168,025	7,022,765	28,031	28,031
Total liabilities		313,916,106	273,789,122	109,626,120	121,966,350
Total equity and liabilities		435,622,412	398,363,821	214,036,374	231,954,763
Net assets per share	25	0.255	0.269	0.262	0.276

The attached notes from 1 to 39 form part of these separate and consolidated financial statements.

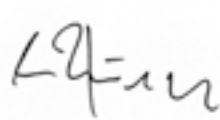
The separate and consolidated financial statements were authorised for issue in accordance with a resolution of the board of directors on 24 February 2025.



Khalid Al Zubair
Chairman



Ravikanth Petluri
Group Chief Financial Officer



Martin Rueegg
Group Chief Executive Officer

Separate and consolidated statement of profit or loss and other comprehensive Income

For the year ended 31 December 2024

	Note	Group		Parent Company	
		2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Insurance revenue	8	329,459,676	310,756,743	116,621,868	159,041,827
Insurance service expense	8	(352,284,597)	(279,207,234)	(120,606,465)	(159,374,834)
Insurance service result before reinsurance contracts held		(22,824,921)	31,549,509	(3,984,597)	(333,007)
Allocation of reinsurance premiums	10	(76,705,294)	(51,359,635)	(26,823,086)	(27,567,102)
Amounts recoverable from reinsurers for incurred claims	10	93,886,004	28,852,971	26,360,361	25,965,744
Net income/expense from reinsurance contracts held		17,180,710	(22,506,664)	(462,725)	(1,601,358)
Insurance service result		(5,644,211)	9,042,845	(4,447,322)	(1,934,365)
Investment income – net	27	14,309,324	12,821,941	2,932,452	4,667,635
Share of (loss) / profit from subsidiaries	7 (b)	-	-	(1,891,659)	10,251,896
Expected credit losses on financial assets		(4,877)	51,179	(354)	(14,969)
Total investment income		14,304,447	12,873,120	1,040,439	14,904,562
Insurance finance expenses for insurance contracts issued	8	(2,039,537)	(3,409,702)	(225,385)	(1,451,901)
Reinsurance finance income for reinsurance contracts held	10	183,806	1,191,676	293,743	358,338
Net financial result		(1,855,731)	(2,218,026)	68,358	(1,093,563)
Other operating income	28	2,473,377	4,752,583	2,271,062	2,860,611
Finance cost	29	(4,344,685)	(4,449,163)	(3,137,184)	(4,391,815)
Non attributable Expenses	30	(10,510,994)	(12,500,237)	(3,187,716)	(4,757,746)
(Loss) / profit before tax		(5,577,797)	7,501,122	(7,392,363)	5,587,684
Corporate tax	31	560,530	(1,124,613)	771,557	172,953
(Loss) / profit for the year		(5,017,267)	6,376,509	(6,620,806)	5,760,637
(Loss) / profit for the period attributable to:		(6,620,806)	5,760,637	(6,620,806)	5,760,637
Equity holders of the Parent Company		1,603,539	615,872	-	-
Non-controlling interests		(5,017,267)	6,376,509	(6,620,806)	5,760,637
Other comprehensive income (Items that are or may be reclassified subsequently to profit or loss):					
Exchange differences on translation of foreign operations		1,165	(4,130)	1,165	(4,130)
Changes in fair value of debt instruments at fair value through other comprehensive income – net		1,457,920	880,917	(450,800)	892,020
(Items that will not be reclassified to profit or loss):					
Share of FVOCI from subsidiaries		-	-	802,432	(146,758)
Change in value of investments carried at fair value through other comprehensive income (unrealised gain – Equity investments)		835,223	256,327	835,223	403,085
Movement in other reseves		-	(10,457)	61	(11,103)
Other comprehensive income		2,294,308	1,122,657	1,188,081	1,133,114
Total comprehensive (loss) / income for the year		(2,722,959)	7,499,166	(5,432,725)	6,893,751
Total comprehensive Loss for the period attributable to:					
Equity holders of the Parent Company		(5,432,725)	6,893,751	(5,432,725)	6,893,751
Non-controlling interests		2,709,766	605,415	-	-
		(2,722,959)	7,499,166	(5,432,725)	6,893,751
Earnings per share	32	(0.016)	0.014	(0.016)	0.014

The attached notes from 1 to 39 form part of these separate and consolidated financial statements.

Separate and consolidated statement of changes in shareholders' equity

For the year ended 31 December 2024

	Share capital (RO)	Share premium (RO)	Legal reserve (RO)	Contingency reserve (RO)	Revaluation reserve (RO)	Fair value reserve (RO)	Foreign exchange reserve (RO)	Retained earnings (RO)	Non controlling Interest (RO)	Total (RO)
Group										
At 1 January 2023	39,837,434	29,176,468	9,199,031	17,531,397	352,345	2,472,315	(45,460)	1,795,857	16,756,146	117,075,533
Profit for the year	-	-	-	-	-	-	-	5,760,637	615,872	-
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	1,148,347	-	-	(10,457)	6,376,509
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(15,233)	-	-	1,137,890
Total comprehensive income for the year:	-	-	-	-	-	1,148,347	(15,233)	5,760,637	605,415	(15,233)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(284,562)	-	284,562	-	-
Transfer to legal reserve	-	-	576,064	-	-	-	-	(576,064)	-	-
Transfer to contingency reserve	-	-	-	44,724	-	-	-	(44,724)	-	-
At 31 December 2023	39,837,434	29,176,468	9,775,095	17,576,121	352,345	3,336,100	(60,693)	7,220,268	17,361,561	124,574,699

	Share capital (RO)	Share premium (RO)	Legal reserve (RO)	Contingency reserve (RO)	Revaluation reserve (RO)	Fair value reserve (RO)	Foreign exchange reserve (RO)	Retained earnings (RO)	Mandatory convertible bonds (RO)	Non controlling Interest (RO)	Total (RO)
Group											
At 1 January 2024	39,837,434	29,176,468	9,775,095	17,576,121	352,345	3,336,100	(60,693)	7,220,268	-	17,361,561	124,574,699
Loss for the period	-	-	-	-	-	-	-	(6,620,806)	-	1,603,539	(5,017,267)
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	1,186,855	-	-	-	1,106,227	2,293,082
Cumulative Impairment of debt instruments under FVOCI	-	-	-	-	-	61	-	-	-	-	61
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	1,165	-	-	-	1,165
Total comprehensive income for the period:	-	-	-	-	-	1,186,916	1,165	(6,620,806)	-	2,709,766	(2,722,959)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	191,609	-	(191,609)	-	-	-
Interest on mandatory convertible bonds	-	-	-	-	-	-	-	(145,434)	-	-	(145,434)
Dividends paid through issue of mandatory convertible bonds (Note 22)	-	-	-	-	-	-	-	(4,700,000)	4,700,000	-	-
At 31 December 2024	39,837,434	29,176,468	9,775,095	17,576,121	352,345	4,714,625	(59,528)	(4,437,581)	4,700,000	20,071,327	121,706,306

The attached notes from 1 to 39 form part of these separate and consolidated financial statements.

	Share capital (RO)	Share premium (RO)	Legal reserve (RO)	Contingency reserve (RO)	Revaluation reserve (RO)	Fair value reserve (RO)	Foreign exchange reserve (RO)	Retained earnings (RO)	Total (RO)
Parent Company									
At 1 January 2023	39,837,434	29,176,468	9,199,031	17,531,397	352,345	2,472,315	(45,460)	4,571,132	103,094,662
Profit for the year	-	-	-	-	-	-	-	5,760,637	5,760,637
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	1,148,347	-	-	1,148,347
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(15,233)	-	(15,233)
Total comprehensive income for the year:	-	-	-	-	-	1,148,347	(15,233)	5,760,637	6,893,751
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(284,562)	-	284,562	-
Transfer to legal reserve	-	-	576,064	-	-	-	-	(576,064)	-
Transfer to contingency reserve	-	-	-	44,724	-	-	-	(44,724)	-
At 31 December 2023	39,837,434	29,176,468	9,775,095	17,576,121	352,345	3,336,100	(60,693)	9,995,543	109,988,413

	Share capital (RO)	Share premium (RO)	Legal reserve (RO)	Contingency reserve (RO)	Revaluation reserve (RO)	Fair value reserve (RO)	Foreign exchange reserve (RO)	Retained earnings (RO)	Mandatory convertible bonds (RO)	Total (RO)
Parent Company										
At 1 January 2024	39,837,434	29,176,468	9,775,095	17,576,121	352,345	3,336,100	(60,693)	9,995,543	-	109,988,413
Loss for the period	-	-	-	-	-	-	-	(6,620,806)	-	(6,620,806)
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	1,186,916	-	-	-	1,186,916
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	1,165	-	-	1,165
Total comprehensive income for the period:	-	-	-	-	-	1,186,916	1,165	(6,620,806)	-	(5,432,725)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	191,609	-	(191,609)	-	-
Interest on mandatory convertible bonds	-	-	-	-	-	-	-	(145,434)	-	(145,434)
Dividends paid through issue of mandatory convertible bonds (Note 22)	-	-	-	-	-	-	-	(4,700,000)	4,700,000	-
At 31 December 2024	39,837,434	29,176,468	9,775,095	17,576,121	352,345	4,714,625	(59,528)	(1,662,306)	4,700,000	104,410,254

The attached notes from 1 to 39 form part of these separate and consolidated financial statements.

Separate and consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	Group		Parent Company	
		2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Operating activities					
Net loss before tax for the period		(5,577,797)	7,501,122	(7,392,363)	5,587,684
Adjustments for:					
Realised / unrealised (gain) / loss on investments at FVTPL, FVOCI, Amortised cost – net	27	(95,350)	(814,284)	(21,235)	151,289
Share of loss/(profit) of investment in subsidiaries	7 (b)	–	–	1,891,659	(10,251,896)
Provision for expected credit loss of financial assets		4,877	(51,179)	354	14,969
Provision for employees' end of service benefits	30	1,202,762	1,239,586	397,992	268,598
Interest income net of amortization	27	(13,882,128)	(11,785,667)	(2,638,363)	(4,623,822)
Finance cost	29	4,344,685	4,449,163	3,137,184	4,391,815
Dividend income	27	(424,957)	(359,660)	(345,395)	(333,163)
Depreciation	16	1,821,214	2,060,839	191,676	742,507
Amortisation of intangible assets	17.1	895,337	856,766	23,596	23,596
Gain on disposal of property and equipment		–	(2,746,562)	–	(2,746,562)
Operating cash flows before movement in working capital		(11,711,357)	350,124	(4,754,895)	(6,774,985)
Changes in working capital					
Insurance contract liabilities and assets		50,672,654	(4,316,073)	3,283,606	(44,022,783)
Other receivables and prepayments		11,329,573	(10,742,854)	19,780,291	(15,963,710)
Reinsurance contract assets and liabilities		(39,820,869)	2,808,955	1,560,319	7,869,917
Other liabilities		(14,827,256)	4,492,828	10,270,314	3,920,269
		(4,357,255)	(7,407,020)	30,139,635	(54,971,292)
Employees' end of service benefits paid		(867,262)	(1,671,141)	(111,926)	(514,728)
Corporate tax paid		(969,442)	(840,037)	–	(273,478)
Net cash (used in) / generated from operating activities		(6,193,959)	(9,918,198)	30,027,709	(55,759,498)
Investing activities					
Movement in bank deposits		(16,270,507)	24,707,742	(5,837,085)	23,041,918
Purchase of property and equipment (including intangible)		(2,999,095)	(2,017,760)	(500,104)	(653,162)
Purchase of investment securities		(51,449,090)	(72,800,189)	(4,240,400)	(19,424,720)
Proceeds from disposals of investment securities		41,263,230	58,097,297	2,947,728	39,270,647
Proceeds from disposal of property and equipment		4,845	3,932,638	–	3,932,638
Interest income received from bank deposits, bonds and securities		13,726,616	13,636,259	2,333,262	5,481,952
Dividends received		685,375	309,497	363,760	5,536,997
Net cash generated from /(used in) investing activities		(15,038,626)	25,865,484	(4,932,839)	57,186,270
Financing activities					
Finance costs paid		(4,344,687)	(4,449,163)	(3,137,186)	(4,391,815)
Interest on mandatory convertible bonds		(145,434)	–	(145,434)	–
(Repayment of) / proceeds from Bank borrowings – net	5 (b)	(2,693,858)	(5,387,964)	(27,285,858)	(5,387,964)
Net cash (used in) / generated from financing activities		(7,183,979)	(9,837,127)	(30,568,478)	(9,779,779)
Net increase in cash and cash equivalents		(28,416,564)	6,110,159	(5,473,608)	(8,353,007)
Currency translation adjustment		1,165	(4,130)	14,335	–
Cash and cash equivalents at the beginning of the period	5	54,061,736	47,955,707	11,285,718	19,661,522
Cash and cash equivalents at the end of the period	5	25,646,337	54,061,736	5,826,445	11,308,515

The attached notes from 1 to 39 form part of these separate and consolidated financial statements.

Financial Notes

Notes to the separate and consolidated financial statements
For the Year Ended 31 December 2024

1. Legal status and principal activities

Liva Group SAOG (“the Company” 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”, 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”.

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 fulfillment 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 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 Standards and amendments effective and adopted in the current year

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first-time and have been adopted in the preparation of the financial statements for the year ended 31 December 2024:

Standard or amendments	Title	Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2024

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.

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 loss.

All references to insurance contracts in these 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.

Notes to the separate and consolidated financial statements

For the Year Ended 31 December 2024

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 assessment.

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 level.

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.

3.1.3 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 recognising 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 recognises 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 recognised.

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:
 - is not in scope of IFRS 17;
 - results in different separable components;
 - results in a different contract boundary; or
 - 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.

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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.
- 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.

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.

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3.1.5 Measurement 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) and (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:

- the Liability for Remaining Coverage (LFRC); and
- 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:

- the Assets for remaining coverage (AFRC); and
- 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

- on initial recognition, the carrying amount of the liability is:
 - Estimates of present value of future cashflows;
 - Add: Risk Adjustment for non-financial risk;
 - Add: Contractual service margin

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

- 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

- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss;

Or

- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
 - The effect of any currency exchange differences 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.

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

- The effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk (These effects comprise the effect, if any, on estimated future cash flows, the effect, if disaggregated, on the risk adjustment for non-financial risk and the effect of a change in discount rate).
- Changes in estimates of fulfilment cash flows in the liability for incurred claims as they relate to current or past services.
- Experience adjustments (i.e., actual vs. expected amounts), except those described above that relate to future services. Generally, experience adjustments relate to past or current service and therefore do not adjust the CSM. However, as an exception, experience adjustments arising from premiums received in the period that relate to future service adjust the CSM.
- The terms of some insurance contracts measured under GMM, give an entity discretion over the cash flows to be paid to policyholders. A change in the discretionary cash flows is regarded as relating to future service, and accordingly adjusts the CSM.

3) Currency differences

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

- Expected incurred claims and other directly attributable expenses for the period;
- Changes in the RA for the risk expired; and
- 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 derecognised 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.

3.1.6.2 Liability for Remaining Coverage under PAA

The Group calculate LFRC as follows:

1) LFRC – Statement of financial position

- 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
- 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

- on initial recognition
 - GWP less UPR equals insurance revenue
 - Total acquisition costs less DAC equals amortised DAC
- on subsequent measurement
 - GWP less change in UPR equals insurance revenue
 - Total acquisition costs less change in DAC equals amortised 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 recognised 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 amortised over the coverage period.

The above methodology for calculating LFRC is compliant 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.

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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.

3.1.8 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 recognised 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 recognised 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.

Insurance service expenses

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.

3.1.10.2 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 claims recovery;
 - 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.

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

- 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;
- 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);
- amounts of the CSM recognised in profit or loss for the services received in the period; and
- 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.

3.1.10.3 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 amortisation for each reporting period is included within Insurance service expenses.
- Incurred claims and claims handling 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 recognised 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.

- 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 recognised 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.

3.1.10.4 Insurance finance income or expenses

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

- the effect of the time value of money and changes in the time value of money; and
- 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:

- interest accreted on the FCF and the CSM;
- the effect of changes in interest rates and other financial assumptions; and
- 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:

- interest accreted on the LIC; and
- 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.

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.

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If the Group loses control over a subsidiary, a gain or loss is recognised 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 recognised at cost. The carrying amount of the investment is adjusted to recognise 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 recognised directly in the equity of the subsidiary, the Parent Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised 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 recognise 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 Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, then recognises the loss as ‘share of results of subsidiary’ in profit or loss.

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.

g. Transactions eliminated on consolidation

Intra Group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gains or losses) resulting from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Group’s interest in investee. Unrealised loss are eliminated in the same way as unrealised 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 recognised 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:

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

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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:

- ii. The asset is held within a “business model” whose objective is to hold assets to collect contractual cash flows;
- iii. 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.

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 recognised 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 recognised 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 recognised 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.

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

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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 including 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 RO 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 amortisation 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 amortisation of intangible assets recognised 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 amortises them over the period estimated.

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 2023 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.

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

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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 Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

Standard or amendments	Title	Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards– Volume 11	Various amendments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Power Purchase Agreements	1 January 2026
New Standard IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
New Standard IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

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:

4.1 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:	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.
a. whether the pool of underlying items is clearly identified;	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.
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.	
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.	No respective judgement is applicable to the Group.
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.	

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Areas of potential judgement	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:	Refer to note 4.1.2 for a description of judgements applied by the Group.
<div><div>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</div><div>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).</div></div>	
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 2023 and 2024 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:	No respective judgement is applicable to the Group in 2023 and 2024.
<div><div>a. significant insurance risk still exists;</div><div>b. there are elements that are to be distinct from the contract;</div><div>c. contract boundaries have changed;</div><div>d. the contract would have to be included in a different Group subject to aggregation requirements; and</div><div>e. the contract no longer meets the requirements of the measurement model.</div></div>	
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.	No respective judgement is applicable to the Group.
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.	
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 3.1.9.3

Areas of potential judgement	Applicable to the Group
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.	The Group applied significant judgements in the following aspects of the determination of the CSM amounts that were recognised in profit or loss:
Areas of potential judgement are:	<div><div>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.</div><div>a. 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;</div></div> The above judgements impact the CSM carrying values and amounts of the CSM allocation recognised in profit or loss for the period.
<div><div>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;</div><div>b. factoring in the time value of money when determining the equal allocation of the CSM to the coverage units provided or received; and</div><div>c. the determination of the expected coverage period over which the CSM is allocated into profit or loss for the services provided or received.</div></div>	
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.

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4.1.2 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.

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.

4.1.3 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 and 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 (Group)	2024	2023
Best Estimate – Male	151.5% (ICL and GCL) AMC00 Ultimate	117% AMC00 Ultimate
Best Estimate – Female	101.5% (IL) AMC00 Ultimate	117% 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.

4.1.5 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 (Group)	2024	2023
Individual Life Contracts	0.5% to 1%	1.5%
Individual Credit Life Contracts	1%	2.0%
Group Credit Life Contracts	1% to 21%	10% to 20%

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:

Long Term Life portfolios (Group)	2024		2023	
	Initial Expense (%age Of Premium)	Renewal Expense Fixed(OMR)	Initial Expense (%age Of Premium)	Renewal Expense Fixed(OMR)
Individual Life Contracts	9.0%	9	16.0%	9
Individual Credit Life Contracts	4.27%	2	50.0%	2
Group Credit Life Contracts	2.64%	2	2.8%	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.

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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.

4.1.8 Liability for Remaining Coverage (LFRC)

The fulfilment cashflows related to future service are required when recognised 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.

4.1.9 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 was estimated based on the expected loss given default for the recoverable amounts from the reinsurers for each portfolio. The Group places business only with reinsurers having a minimum rating of “A” from Standard and Poor’s except regional reinsurers. The following probabilities of default derived from the Solvency II were used for the computation of reinsurance default adjustment.

Group and Parent	2024	2023
AAA	0.00%	0.00%
AA	0.01%	0.01%
A	0.05%	0.05%
BBB	0.24%	0.24%

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.

4.1.11 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 and 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 2024, 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 2024	5.80%	5.29%	5.26%	5.31%	5.29%
31 December 2023	6.52%	5.40%	5.38%	5.44%	5.41%

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:

Financial period	Group and Parent Company			
	2024		2023	
	1 Year	3 Year	1 Year	3 Year
Oman	6.40%	5.54%-4.92%	6.44%	5.54%-4.92%
UAE	5.32%	4.96%	5.95%-6.28%	4.91%-4.76%
KWT	6.60%	5.7%-5.08%	6.60%	5.7%-5.08%
KSA	5.62%	5.50%	6.26%	5.22%
Bahrain	6.36%	5.99%	5.95%	4.91%

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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)	2024				2023			
	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	11,914,124	(138,269)			4,768,989	620,239		
Mortality Loaded By 15%	11,896,554	(658,991)	(17,570)	(520,723)	4,723,710	603,203	(45,279)	(17,036)
Mortality Reduced By 20%	11,937,663	559,658	23,539	697,927	4,831,599	640,978	62,609	20,738
Disability Loaded By 35% In Year 1, 25% In Year 2 and Reduced By 20% Year 3 Onwards	11,914,116	(136,605)	(8)	1,664	4,770,708	621,369	1,719	1,130
Expense Loaded By 10% And Inflation + 1%	11,912,862	(172,571)	(1,262)	(34,302)	4,756,002	615,059	(12,988)	(5,181)
Lapse Loaded By 50%	11,914,392	(141,896)	268	(3,627)	4,415,843	815,733	(353,146)	195,494
Lapse Reduced By 50%	11,914,092	(134,774)	(32)	3,495	5,231,298	420,056	462,308	(200,183)
Mass Lapse Of 40%	11,060,341	(1,722,052)	(853,783)	(1,583,783)	4,348,846	1,504,969	(420,144)	884,729
Mortality + 0.15% In Year 1	11,897,955	(585,260)	(16,169)	(446,991)	4,704,790	595,240	(64,199)	(24,999)
Yield Curve + 1%	11,919,509	(420,621)	5,386	(282,352)	4,770,346	728,810	1,356	108,571
Yield Curve - 1%	11,908,247	176,800	(5,877)	315,068	4,767,540	503,984	(1,449)	(116,256)
Risk Adjustment Loaded By 10%	11,901,503	(147,266)	(12,621)	(8,997)	4,763,825	618,145	(5,164)	(2,094)
Risk Adjustment Loaded By 10%	11,926,745	(129,272)	12,621	8,997	4,763,825	618,145	(5,164)	(2,094)

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.

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.

Interest rate Sensitivity		Group				Parent Company			
		2024		2023		2024		2023	
	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	326,338	-	(45,844)	-	238,967	-	(8,345)	-
Insurance and reinsurance contracts	-100 BPS	(118,336)	-	46,491	-	75,206	-	8,252	-

5. Cash and cash equivalents

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

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Balances with banks	25,608,436	54,019,269	5,825,299	11,306,524
Cash in hand	37,901	42,467	1,146	1,991
Cash and cash equivalents	25,646,337	54,061,736	5,826,445	11,308,515
Less: ECL on cash and bank balances	(94,049)	(58,441)	(28,442)	(22,797)
Cash and cash equivalents – net of ECL	25,552,288	54,003,295	5,798,003	11,285,718

5(i) Included in balances with banks are balances of RO 19,321,640 (2023: RO 49,551,363) 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 RO 94,049 (2023: RO 58,441) as at 31 December 2024 resulting in ECL charge on group cash and bank balances of RO 35,608 (2023: RO 28,577) for the year ended 31 December 2024.

6. Bank deposits

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Deposits	139,209,334	122,938,827	25,033,352	19,196,267
Less: ECL on bank deposits	(142,101)	(185,673)	(18,286)	(22,912)
	139,067,233	122,753,154	25,015,066	19,173,355

6.1 Deposits are held with commercial banks in the Sultanate of Oman, United Arab Emirates Kingdom of Saudi Arabia, Kuwait and Bahrain, denominated in Rial Omani of RO 55,221,210 (2023: RO 55,897,962), UAE Dirhams of RO 39,468,392 (2023: RO 23,773,117), Saudi Riyal of RO 40,335,986 (2023: RO 38,779,048), Kuwaiti dinar of RO 3,216,850 (2023: RO 3,216,850) and Bahraini Dinar of RO 966,896 (2023: RO 1,271,850) and carry effective annual interest rates ranging between 1.75% to 6.50% per annum (2023: ranging between 1.00% to 6.20% per annum).

6.2 The ECL amounted to RO 142,101 (2023: RO 185,673) as at 31 December 2024 resulting in ECL release on bank deposits balances of RO 43,572 (2023: RO 91,005) for the year ended 31 December 2024.

6.3 The maturities of deposits at the reporting date are as follows:

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Over three months but less than or equal to one year from the date of placement	43,227,945	70,517,526	2,888,159	-
More than one year from the date of placement	95,981,389	52,421,301	22,145,193	19,196,267
	139,209,334	122,938,827	25,033,352	19,196,267

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7 (a) Investment in securities

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

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Investments carried at FVTPL	9,451,353	29,600,128	81,075	310,406
Investments carried at amortised cost	60,861,649	58,146,262	192,885	192,427
Investment carried at FVOCI	66,358,293	35,921,742	29,178,445	27,114,527
	136,671,295	123,668,132	29,452,405	27,617,360

As on 31 December 2023 debt instruments of RO 15.5 million was classified at FVTPL in the books of Liva Insurance SAOC (subsidiary) which was part of portfolio transfer (note 38). Subsequent to year-end 2023, the ownership of these investments were transferred in the name of the subsidiary, wherein the management

reassessed its business model to collect the cashflows and to sell it, which is inline with the approved business model of the Company. Accordingly, these investments were reclassified to investments at FVTOCI effective from 1st January 2024 having a fair value amounting to RO 15.4 million.

7 (a)(i) Investments carried at FVTPL

GROUP	2024		2023	
	Fair value (RO)	Cost (RO)	Fair value (RO)	Cost (RO)
Local				
Quoted	8,607,884	8,236,188	28,674,742	27,847,206
Banking and Investment	8,607,884	8,236,188	28,674,742	27,847,206
Foreign				
Quoted	843,469	557,937	925,386	781,937
Foreign Shares and Funds	843,469	557,937	925,386	781,937
Total	9,451,353	8,794,125	29,600,128	28,629,143

PARENT COMPANY	2024		2023	
	Fair value (RO)	Cost (RO)	Fair value (RO)	Cost (RO)
Foreign				
Quoted	81,075	46,086	310,406	270,086
Foreign Shares and Funds	81,075	46,086	310,406	270,086

(i) Movement in investments carried at FVTPL :	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
At the beginning of the year	29,600,128	846,764	310,406	276,746
Purchases during the year	-	31,504,131	-	-
Sold during the year	(20,244,125)	(3,750,000)	(250,566)	-
Realised gain / (loss) on disposal (note 27)	(55,464)	5,000	13,711	-
Fair value changes (note 27)	150,814	994,233	7,524	33,660
At the end of the year	9,451,353	29,600,128	81,075	310,406

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

	Interest rate	Group	
		2024 (RO)	2023 (RO)
Bonds	(2024: 1.45% to 7.00%p.a.)	60,894,090	58,182,339
Less: Expected credit losses on Investments carried at amortised cost	(2023: 1.50% to 7.00%p.a.)	(32,441)	(36,077)
		60,861,649	58,146,262

	Interest rate	Parent Company	
		2024 (RO)	2023 (RO)
Bonds	(2024: 4.38%p.a.)	192,886	192,428
Less: Expected credit losses on Investments carried at amortised cost	(2023: 4.38%p.a.)	(1)	(1)
		192,885	192,427

(i) Movement in investments carried at amortised cost:

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
At the beginning of the year	58,146,262	57,075,298	192,427	11,176,713
Portfolio transfer of assets and liabilities net of ECL	-	-	-	(8,805,714)
Purchases during the year	10,583,406	18,560,110	-	-
Matured /sold during the year	(7,825,200)	(17,240,485)	-	(2,163,835)
Amortisation during the year	(39,183)	(243,678)	458	(15,640)
Movement in expected credit losses	(3,636)	(4,983)	-	903
At the end of the year	60,861,649	58,146,262	192,885	192,427

The ECL amounted to RO 32,441 (2023: RO 36,077) as at 31 December 2024 resulting in ECL charge on investments carried at amortised cost of RO 3,636 (2023: charge of RO 4,983) for the year ended 31 December 2024.

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

GROUP	2024		2023	
	Fair value (RO)	Cost (RO)	Fair value (RO)	Cost (RO)
Local				
Unquoted	-	-	71,429	71,429
Quoted	33,897,639	23,979,496	4,640,559	2,400,690
	33,897,639	23,979,496	4,711,988	2,472,119
Foreign				
Unquoted	-	442,500	4,076,175	640,005
Quoted	32,460,654	28,871,465	27,133,579	25,652,722
	32,460,654	29,313,965	31,209,754	26,292,727
Local and Foreign	66,358,293	53,293,461	35,921,742	28,764,846
PARENT COMPANY	2024		2023	
	Fair value (RO)	Cost (RO)	Fair value (RO)	Cost (RO)
Local				
Quoted	-	-	1,493,489	1,833,673
	-	-	1,493,489	1,833,673
Foreign				
Unquoted	-	442,500	-	442,500
Quoted	29,178,445	27,446,227	25,621,038	24,160,651
	29,178,445	27,888,727	25,621,038	24,603,151
Local and Foreign	29,178,445	27,888,727	27,114,527	26,436,824

(i) Movement in investments carried at FVOCI:

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
At the beginning of the year	35,921,742	49,070,232	27,114,527	44,922,547
Portfolio transfer of assets and liabilities net of ECL	-	-	-	(1,489,954)
Purchases during the year	40,865,683	22,735,948	4,240,400	19,424,720
Matured /sold during the year	(13,193,905)	(37,106,812)	(2,697,162)	(37,106,812)
Amortisation during the year	602	(184,949)	-	(184,949)
Movement in expected credit losses	2,764,172	1,407,323	520,680	1,548,975
At the end of the year	66,358,294	35,921,742	29,178,445	27,114,527

The Group does not hold any investment in which its holdings exceed 10% of the market value of its investment portfolio at 31 December 2024 and 31 December 2023.

The ECL amounted to RO 29,706 (2023: RO 23,581) as at 31 December 2023 resulting in ECL charge on investments carried at FVOCI of RO 16,454 (2023: charge of RO 4,833) for the year ended 31 December 2024. Out of the quoted investments, RO 60,659,153 (2023: RO 30,204,412) pertains to debt securities and RO 7,895,978 (2023: RO 1,569,726) pertains to equity securities. Unquoted investments includes substantially equity investments.

7 (b) Investment in subsidiaries

GROUP	Country of Incorporation	2024		2023	
		Holding %	Carrying Value (RO)	Holding %	Carrying Value (RO)
(i) NLGIC Support Services Pvt. Ltd. (NSSPL)	India	100	341,244	100	462,865
(ii) Inayah TPA LLC	UAE	100	737,224	100	692,278
(iii) Liva Insurance BSC (C)	Bahrain	100	102,083,898	100	106,028,145
(iv) Liva Insurance SAOC*	Oman	100	41,036,621	100	38,332,746
			144,198,987		145,516,034
PARENT COMPANY		2024 (RO)	2023 (RO)		
Movement in investments in subsidiaries:					
At 1 January		145,516,034	125,823,664		
Share of (loss) / profit of subsidiaries		(1,891,659)	10,251,896		
Additional investment in subsidiary on portfolio transfer of assets and liabilities		-	15,168,826		
Movement in other comprehensive income		802,432	(485,619)		
Movement in other reserves		-	(11,103)		
Dividend from subsidiaries		(228,984)	(5,227,500)		
Exchange differences on translation of foreign operations		1,164	(4,130)		
At the end of the year		144,198,987	145,516,034		

* Liva Group SAOG holds a 62.5% interest in Liva Insurance SAOC. The remaining 37.5% interest is held by Liva Insurance BSC (c).

- 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.
- 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.

- On 29 December 2022, the Company initially acquired minority shares of 47.5% of “Liva Insurance SAOC” formerly Al Ahlia Insurance Co. SAOG (Al Ahlia), a subsidiary of “Liva Insurance BSC (c)” in Bahrain previously known as Royal and Sun Alliance Insurance (Middle East) (RSA ME)), after obtaining relevant approvals. On 31 December 2023, the Company further invested RO 15.2 mn as a part of integration between the company and Liva Insurance SAOC towards transfer of assets and liabilities resulting into increase of ownership from 47.5% to 62.5% of Liva insurance SAOC after obtaining relevant approvals. The remaining 37.5% stake is held by Liva Insurance BSC (c), a wholly-owned subsidiary of Liva Group SAOG. Management has concluded that the Parent Company controls Liva Insurance SAOC based on 100% ownership on the subsidiary of “Liva Insurance BSC (c)” in Bahrain rebranded from “Royal and Sun Alliance Insurance (Middle East) (RSA ME)”.

8. Insurance Contract Assets and Liabilities

Group 2024 (RO)	Liabilities for remaining coverage – PAA		Liabilities for remaining coverage – GMM		LIC for Contracts under GMM	LIC for Contracts under PAA		
	Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	Total
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 (assets)/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 (assets)/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 (assets)/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

Parent Company 2024 (RO)	Liabilities for remaining coverage – PAA		Liabilities for remaining coverage – GMM		LIC for Contracts under GMM	LIC for Contracts under PAA		
	Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	Total
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 (assets)/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 (assets)/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 (assets)/liabilities as at 31 December 2024	11,657,238	654,994	–	–	–	21,914,737	1,936,276	36,163,245

8. Insurance Contract Assets and Liabilities (Continued)

Group 2023 (RO)	Liabilities for remaining coverage – PAA		Liabilities for remaining coverage – GMM		LIC for Contracts under GMM	LIC for Contracts under PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	
Insurance contract liabilities as at 01 January 2023	48,448,832	4,194,997	12,546,195	38,446	1,998,582	81,509,486	3,536,638	152,273,176
Insurance contract assets as at 01 January 2023	(8,265,412)	1,245,166	–	–	–	6,549,931	218,526	(251,789)
Net insurance contract (assets)/liabilities as at 01 January 2023	40,183,420	5,440,163	12,546,195	38,446	1,998,582	88,059,417	3,755,164	152,021,387
Insurance revenue	(307,702,312)	–	(3,054,431)	–	–	–	–	(310,756,743)
Insurance service expenses	54,996,639	(2,051,538)	(502,732)	(14,093)	2,292,737	224,138,233	347,988	279,207,234
Incurred claims and other expenses	–	–	–	(22,743)	2,487,007	320,668,041	6,771,061	329,903,366
Amortisation of insurance acquisition cash flows	54,996,639	–	9,036	–	–	–	–	55,005,675
Reversals of losses on onerous contracts	–	(4,053,176)	–	–	–	–	–	(4,053,176)
Losses on onerous contracts	–	2,001,638	–	8,650	–	231,929	(12,447)	2,229,770
Changes to liabilities for incurred claims	–	–	–	–	(706,038)	(96,761,737)	(6,410,626)	(103,878,401)
Investment components	–	–	(511,768)	–	511,768	–	–	–
Insurance service result before reinsurance contracts held	(252,705,673)	(2,051,538)	(3,557,163)	(14,093)	2,292,737	224,138,233	347,988	(31,549,509)
Insurance finance expenses	–	–	462,836	1,504	13,897	2,747,132	184,333	3,409,702
Total changes in the statement of profit or loss and OCI	(252,705,673)	(2,051,538)	(3,094,327)	(12,589)	2,306,634	226,885,365	532,321	(28,139,807)
Cash flows								
Premiums received	295,911,544	–	1,764,382	–	–	–	–	297,675,926
Claims and other expenses paid	–	–	–	(1)	(1,734,879)	(220,235,254)	–	(221,970,134)
Insurance acquisition cash flows	(51,202,554)	–	(103,006)	–	–	–	–	(51,305,560)
Total cash flows	244,708,990	–	1,661,376	(1)	(1,734,879)	(220,235,254)	–	24,400,232
Other movements	–	–	–	–	–	(576,500)	–	(576,500)
Net insurance contract (assets)/liabilities as at 31 December 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 contract liabilities as at 31 December 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 31 December 2024	(1,327,403)	3	–	–	–	373,540	64,164	(889,696)
Net insurance contract (assets)/liabilities as at 31 December 2024	32,186,737	3,388,625	11,113,244	25,856	2,570,337	94,133,028	4,287,485	147,705,312

Parent Company 2023 (RO)	Liabilities for remaining coverage – PAA		Liabilities for remaining coverage – GMM		LIC for Contracts under GMM	LIC for Contracts under PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	
Insurance contract liabilities as at 01 January 2023	21,932,571	3,093,864	12,546,195	38,446	1,998,582	36,184,319	1,181,555	76,975,532
Insurance contract assets as at 01 January 2023	(7,882,065)	1,245,166	–	–	–	6,356,637	207,152	(73,110)
Net insurance contract (assets)/liabilities as at 01 January 2023	14,050,506	4,339,030	12,546,195	38,446	1,998,582	42,540,956	1,388,707	76,902,422
Portfolio transfer of assets and liabilities	8,432,622	(2,195,135)	(11,616,432)	(42,942)	(2,465,816)	(31,039,109)	(1,053,028)	(39,979,840)
Insurance revenue	(156,914,020)	–	(2,127,807)	–	–	–	–	(159,041,827)
Insurance service expenses	20,373,901	(1,611,346)	(368,858)	3,283	1,648,309	138,511,412	818,133	159,374,834
Incurred claims and other expenses	–	–	–	(17,256)	1,761,386	186,776,127	3,930,741	192,450,998
Amortisation of insurance acquisition cash flows	20,373,901	–	5,252	–	–	–	–	20,379,153
Reversals of losses on onerous contracts	–	(4,053,176)	–	–	–	–	–	(4,053,176)
Losses on onerous contracts	–	2,441,830	–	20,539	–	–	–	2,462,369
Changes to liabilities for incurred claims	–	–	–	–	(487,187)	(48,264,715)	(3,112,608)	(51,864,510)
Investment components	–	–	(374,110)	–	374,110	–	–	–
Insurance service result before reinsurance contracts held	(136,540,119)	(1,611,346)	(2,496,665)	3,283	1,648,309	138,511,412	818,133	333,007
Insurance finance expenses	–	–	286,001	1,214	12,580	1,086,108	65,998	1,451,901
Total changes in the statement of profit or loss and OCI	(136,540,119)	(1,611,346)	(2,210,664)	4,497	1,660,889	139,597,520	884,131	1,784,908
Cash flows								
Premiums received	144,965,697	–	1,357,201	–	–	–	–	146,322,898
Claims and other expenses paid	–	–	–	(1)	(1,193,655)	(131,056,762)	–	(132,250,418)
Insurance acquisition cash flows	(19,247,531)	–	(76,300)	–	–	–	–	(19,323,831)
Total cash flows	125,718,166	–	1,280,901	(1)	(1,193,655)	(131,056,762)	–	(5,251,351)
Other movements	–	–	–	–	–	(576,500)	–	(576,500)
Net insurance contract (assets)/liabilities as at 31 December 2024	11,661,175	532,549	–	–	–	19,466,105	1,219,810	32,879,639
Insurance contract liabilities as at 31 December 2024	11,661,175	532,549	–	–	–	19,466,105	1,219,810	32,879,639
Insurance contract assets as at 31 December 2024	–	–	–	–	–	–	–	–
Net insurance contract (assets)/liabilities as at 31 December 2024	11,661,175	532,549	–	–	–	19,466,105	1,219,810	32,879,639

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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 2024 (RO)	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

Group 2023 (RO)	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Insurance contracts issued				
Opening insurance contract assets	–	–	–	–
Opening insurance contract liabilities	8,819,320	492,866	5,271,037	14,583,223
Net balance as at 01 January	8,819,320	492,866	5,271,037	14,583,223
CSM recognised in profit or loss for the services provided	–	–	(2,316,336)	(2,316,336)
Change in the risk adjustment for nonfinancial risk for the risk expired	–	(109,073)	–	(109,073)
Experience adjustments – relating to insurance service expenses	598,038	–	–	598,038
Changes that relate to current service	598,038	(109,073)	(2,316,336)	(1,827,371)
Changes in estimates that adjust the CSM	44,759	(181,613)	136,854	–
Changes in estimates that result in onerous contract losses or reversal of losses	86	(354)	–	(268)
Experience adjustments – arising from premiums received in the period that relate to future service	(2,351,852)	(20,053)	2,336,114	(35,791)
Contracts initially recognised in the period	(28,681)	5,297	25,585	2,201
Changes that relate to future services	(2,335,688)	(196,723)	2,498,553	(33,858)
Changes that relate to past service				
Changes in the FCF relating to the LIC	560,211	22,499	–	582,710
Changes that relate to past service	560,211	22,499	–	582,710
Insurance service result	(1,177,440)	(283,297)	182,218	(1,278,519)
Finance expenses from insurance contracts issued	201,081	27,028	250,128	478,237
Total amounts recognised in comprehensive income	(976,359)	(256,269)	432,346	(800,282)
Cash flows				
Premiums received	1,764,382	–	–	1,764,382
Claims and other directly attributable expenses paid	(1,734,880)	–	–	(1,734,880)
Insurance acquisition cash flows paid	(103,006)	–	–	(103,006)
Total cash flows	(73,504)	–	–	(73,504)
Net balance as at 31 December	7,769,457	236,597	5,703,383	13,709,437
Closing insurance contract assets	–	–	–	–
Closing insurance contract liabilities	7,769,457	236,597	5,703,383	13,709,437

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

Parent Company 2023 (RO)	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Insurance contracts issued				
Opening insurance contract assets	–	–	–	–
Opening insurance contract liabilities	8,819,320	492,866	5,271,037	14,583,223
Net balance as at 01 January	8,819,320	492,866	5,271,037	14,583,223
Portfolio Transfer of Assets and Liabilities	(8,330,403)	(244,091)	(5,550,696)	(14,125,190)
CSM recognised in profit or loss for the services provided	–	–	(1,617,449)	(1,617,449)
Change in the risk adjustment for nonfinancial risk for the risk expired	–	(78,057)	–	(78,057)
Experience adjustments – relating to insurance service expenses	336,240	–	–	336,240
Changes that relate to current service	336,240	(78,057)	(1,617,449)	(1,359,266)
Experience adjustments – arising from premiums received in the period that relate to future service	(1,464,209)	(210,749)	1,708,725	33,767
Contracts initially recognised in the period	(5,342)	1,331	4,931	920
Changes that relate to future services	(1,469,551)	(209,418)	1,713,656	34,687
Changes that relate to past service				
Changes in the FCF relating to the LIC	460,765	18,741	–	479,506
Changes that relate to past service	460,765	18,741	–	479,506
Insurance service result	(672,546)	(268,734)	96,207	(845,073)
Finance expenses from insurance contracts issued	96,383	19,959	183,452	299,794
Total amounts recognised in comprehensive income	(576,163)	(248,775)	279,659	(545,279)
Cash flows				
Premiums received	1,357,199	–	–	1,357,199
Claims and other directly attributable expenses paid	(1,193,653)	–	–	(1,193,653)
Insurance acquisition cash flows paid	(76,300)	–	–	(76,300)
Total cash flows	87,246	–	–	87,246
Net balance as at 31 December	–	–	–	–
Closing insurance contract assets	–	–	–	–
Closing insurance contract liabilities	–	–	–	–

9.2 Impact of contracts recognised for the period ended

Group 2024 (RO)	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 period	(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 period	–	38,517	38,517
Group 2023 (RO)	Non-onerous contracts originated	Onerous contracts originated	Total
Insurance contracts issued			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	27,940	7,419	35,359
Claims and other directly attributable expenses	53,608	16,969	70,577
Total estimates of the present value of future cash outflows	81,548	24,388	105,936
Estimates of the present value of future cash inflows	(111,211)	(23,406)	(134,617)
Contracts initially recognised in the period	(29,663)	982	(28,681)
Risk adjustment for non-financial risk	4,078	1,219	5,297
CSM	25,585	-	25,585
Increase in insurance contract liabilities from contracts recognised in the period	–	2,201	2,201
Parent Company 2023 (RO)	Non-onerous contracts originated	Onerous contracts originated	Total
Insurance contracts issued			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	7,384	2,788	10,172
Claims and other directly attributable expenses	12,438	6,469	18,907
Total estimates of the present value of future cash outflows	19,822	9,257	29,079
Estimates of the present value of future cash inflows	(25,625)	(8,796)	(34,421)
Contracts initially recognised in the period	(5,803)	461	(5,342)
Risk adjustment for non-financial risk	872	459	1,331
CSM	4,931	-	4,931
Increase in insurance contract liabilities from contracts recognised in the period	–	920	920

10. Reinsurance contract assets and liabilities

Group 2024 (RO)	Assets for remaining coverage – PAA		Assets for remaining coverage – GMM		Amounts recoverable on incurred claims 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 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/(liabilities) 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/(liabilities) 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/(liabilities) 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

Parent Company 2024 (RO)	Assets for remaining coverage – PAA		Assets for remaining coverage – GMM		Amounts recoverable on incurred claims 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 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/(liabilities) 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
Reinsurer's share of reversals of losses on onerous contracts	–	–	–	–	–	–	–	–
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/(liabilities) 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 assets/(liabilities) as at 31 December 2024	(39,652,101)	181,922	–	–	–	38,115,149	532,407	(822,623)

10. Reinsurance contract assets and liabilities (Continued)

Group 2023 (RO)	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 2023	(10,041,652)	179,221	962,428	1,488,484	2,092,922	28,440,567	1,083,720	24,205,690
Reinsurance contract liabilities as at 01 January 2023	(11,068,045)	395,841	(12,915)	–	8,842	4,576,687	176,165	(5,923,425)
Net reinsurance contract assets/(liabilities) as at 01 January 2023	(21,109,697)	575,062	949,513	1,488,484	2,101,764	33,017,254	1,259,885	18,282,265
An allocation of reinsurance premiums	(50,121,654)	–	(1,237,981)	–	–	–	–	(51,359,635)
Amounts recoverable from reinsurers for incurred claims	–	(291,209)	(6,239)	17,779	972,710	28,300,039	(140,109)	28,852,971
Amounts recoverable for incurred claims and other expenses	–	–	–	(385)	1,044,001	51,677,473	1,346,463	54,067,552
Reinsurer's share of losses on onerous contracts	–	(524,012)	–	–	–	–	–	(524,012)
Reinsurer's share of reversals of losses on onerous contracts	–	232,803	(6,239)	18,164	–	–	–	244,728
Changes to amounts recoverable for incurred claims	–	–	–	–	(71,291)	(23,415,148)	(1,486,572)	(24,973,011)
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	37,714	–	37,714
Net income or (expense) from reinsurance contracts held	(50,121,654)	(291,209)	(1,244,220)	17,779	972,710	28,300,039	(140,109)	(22,506,664)
Reinsurance finance income	–	–	107,396	83	8,717	1,013,981	61,499	1,191,676
Effect of movements in exchange rates	–	–	–	–	–	–	–	–
Total changes in the statement of comprehensive income	(50,121,654)	(291,209)	(1,136,824)	17,862	981,427	29,314,020	(78,610)	(21,314,988)
Cash flows								
Premiums paid	32,408,508	–	464,075	–	–	–	–	32,872,583
Amounts received	–	–	–	1	(381,542)	(13,985,008)	–	(14,366,549)
Total cash flows	32,408,508	–	464,075	1	(381,542)	(13,985,008)	–	18,506,034
Net reinsurance contract assets/(liabilities) as at 31 December 2023	(38,822,843)	283,853	276,764	1,506,347	2,701,649	48,346,266	1,181,275	15,473,311
Reinsurance contract assets as at 31 December 2023	(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 31 December 2023	(30,758,786)	128,721	–	–	–	17,090,250	340,155	(13,199,660)
Net reinsurance contract assets/(liabilities) as at 31 December 2023	(38,822,843)	283,853	276,764	1,506,347	2,701,649	48,346,266	1,181,275	15,473,311

Parent Company 2023 (RO)	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 2023	(3,720,592)	179,221	962,428	1,488,484	2,092,922	7,887,376	217,919	9,107,758
Reinsurance contract liabilities as at 01 January 2023	(4,236,817)	395,841	(12,915)	–	8,842	3,207,376	137,528	(500,145)
Net reinsurance contract assets/(liabilities) as at 01 January 2023	(7,957,409)	575,062	949,513	1,488,484	2,101,764	11,094,752	355,447	8,607,613
Portfolio transfer of assets and liabilities	2,768,349	(114,110)	(479,460)	(1,488,485)	(2,468,357)	(3,263,798)	(169,560)	(5,215,421)
An allocation of reinsurance premiums	(26,573,431)	–	(993,671)	–	–	–	–	(27,567,102)
Amounts recoverable from reinsurers for incurred claims	–	(284,843)	(3,316)	(31)	740,202	25,367,490	146,242	25,965,744
Amounts recoverable for incurred claims and other expenses	–	–	–	(155)	823,514	39,343,605	896,301	41,063,265
Reinsurer's share of losses on onerous contracts	–	(524,012)	–	–	–	–	–	(524,012)
Reinsurer's share of reversals of losses on onerous contracts	–	239,169	(3,316)	124	–	–	–	235,977
Changes to amounts recoverable for incurred claims	–	–	–	–	(83,312)	(13,985,199)	(750,059)	(14,818,570)
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	9,084	–	9,084
Net income or (expense) from reinsurance contracts held	(26,573,431)	(284,843)	(996,987)	(31)	740,202	25,367,490	146,242	(1,601,358)
Reinsurance finance income	–	–	64,089	31	7,933	269,862	16,423	358,338
Total changes in the statement of comprehensive income	(26,573,431)	(284,843)	(932,898)	–	748,135	25,637,352	162,665	(1,243,020)
Cash flows								
Premiums paid	7,353,584	–	462,845	–	–	–	–	7,816,429
Amounts received	–	–	–	1	(381,542)	(8,846,364)	–	(9,227,905)
Total cash flows	7,353,584	–	462,845	1	(381,542)	(8,846,364)	–	(1,411,476)
Net reinsurance contract assets/(liabilities) as at 31 December 2023	(24,408,907)	176,109	–	–	–	24,621,942	348,552	737,696
Reinsurance contract assets as at 31 December 2023	(6,191,223)	49,786	–	–	–	7,742,271	115,371	1,716,205
Reinsurance contract liabilities as at 31 December 2023	(18,217,684)	126,323	–	–	–	16,879,671	233,181	(978,509)
Net reinsurance contract assets/(liabilities) as at 31 December 2023	(24,408,907)	176,109	–	–	–	24,621,942	348,552	737,696

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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 2024 (RO)	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts issued				
Opening insurance contract assets	3,433,787	116,579	934,394	4,484,760
Opening insurance contract liabilities	–	–	–	–
Net balance as at 01 January 2024	3,433,787	116,579	934,394	4,484,760
CSM recognised in profit or loss for the services provided	–	–	(533,934)	(533,934)
Change in the risk adjustment for nonfinancial 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 that relate to future services				
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 premiums received 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				
Changes in the FCF relating to the LIC	1,019,999	15,197	–	1,035,196
Changes that relate to past service	1,019,999	15,197	–	1,035,196
Net income / (expenses) from reinsurance contracts held				
Net income / (expenses) from reinsurance contracts held	(1,829,729)	483,713	1,418,171	72,155
Finance expenses from insurance contracts issued	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 2024	1,810,689	608,631	2,412,510	4,831,830
Closing insurance contract assets	1,810,689	608,631	2,412,510	4,831,830
Closing insurance contract liabilities	–	–	–	–

Group 2023 (RO)	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts issued				
Opening insurance contract assets	3,587,462	175,318	781,054	4,543,834
Opening insurance contract liabilities	(32,205)	149	27,983	(4,073)
Net balance as at 01 January 2023	3,555,257	175,467	809,037	4,539,761
CSM recognised in profit or loss for the services provided	–	–	(303,339)	(303,339)
Change in the risk adjustment for nonfinancial risk for the risk expired	–	(33,117)	–	(33,117)
Experience adjustments – relating to incurred claims and other directly attributable expenses recovery	(520,370)	–	–	(520,370)
Changes that relate to current service	(520,370)	(33,117)	(303,339)	(856,826)
Changes that relate to future services				
Changes in estimates that adjust the CSM	–	(50,924)	50,924	–
Changes in estimates that do not adjust the CSM	–	(433)	–	(433)
Contracts initially recognised in the period	(30,935)	2,832	29,953	1,850
Experience adjustments – arising from premiums received in the period that relate to future service	(296,471)	1,337	305,642	10,508
Changes that relate to future services	(327,406)	(47,188)	386,519	11,925
Changes that relate to past service				
Changes in the FCF relating to incurred claims recovery	579,406	11,764	–	591,170
Changes that relate to past service	579,406	11,764	–	591,170
Net income / (expenses) from reinsurance contracts held				
Net income / (expenses) from reinsurance contracts held	(268,370)	(68,541)	83,180	(253,731)
Finance expenses from insurance contracts issued	64,366	9,653	42,177	116,196
Total amounts recognised in comprehensive income	(204,004)	(58,888)	125,357	(137,535)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	464,075	–	–	464,075
Recoveries from reinsurance	(381,542)	–	–	(381,542)
Total cash flows	82,534	–	–	82,534
Net balance as at 31 December 2023	3,433,787	116,579	934,394	4,484,760
Closing insurance contract assets	3,433,787	116,579	934,394	4,484,760
Closing insurance contract liabilities	–	–	–	–

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

Parent Company 2023 (RO)	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts issued				
Opening insurance contract assets	3,587,462	175,318	781,054	4,543,834
Opening insurance contract liabilities	(32,205)	149	27,983	(4,073)
Net balance as at 01 January 2023	3,555,257	175,467	809,037	4,539,761
Portfolio transfer of assets and liabilities	(3,566,653)	(119,806)	(749,843)	(4,436,302)
CSM recognised in profit or loss for the services provided	–	–	(271,601)	(271,601)
Change in the risk adjustment for nonfinancial risk for the risk expired	–	(25,212)	–	(25,212)
Experience adjustments – relating to incurred claims and other directly attributable expenses recovery	(315,473)	–	–	(315,473)
Changes that relate to current service	(315,473)	(25,212)	(271,601)	(612,286)
Contracts initially recognised in the period	(10,846)	455	11,118	727
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	(124,513)	(50,356)	170,950	(3,919)
Changes that relate to future services	(135,359)	(49,901)	182,068	(3,192)
Changes that relate to past service				
Changes in the FCF relating to incurred claims recovery	346,296	12,365	–	358,661
Changes that relate to past service	346,296	12,365	–	358,661
Net income from reinsurance contracts held	(104,536)	(62,748)	(89,533)	(256,817)
Finance expenses from insurance contracts issued	34,626	7,087	30,339	72,052
Total amounts recognised in comprehensive income	(69,910)	(55,661)	(59,194)	(184,765)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	462,847	–	–	462,847
Recoveries from reinsurance	(381,541)	–	–	(381,541)
Total cash flows	81,306	–	–	81,306
Net balance as at 31 December 2023	–	–	–	–
Closing insurance contract assets	–	–	–	–
Closing insurance contract liabilities	–	–	–	–

* During the year 2023, the Parent Company has transferred all insurance related assets and liabilities of GMM portfolio to Liva Insurance SAOC, hence no disclosure on GMM portfolio is required in current year.

11.2 Impact of contracts recognised for the year ended

Group 2024 (RO)	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 period	(23,205)	–	(23,205)
Group 2023 (RO)	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	5,286	82,291	87,577
Estimates of the present value of future cash outflows	(5,291)	(51,351)	(56,642)
Risk adjustment for non-financial risk	(264)	(2,568)	(2,832)
CSM	(1,581)	(28,372)	(29,953)
Increase in reinsurance contract assets from contracts recognised in the period	(1,850)	–	(1,850)
Parent Company 2023 (RO)	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	–	25,596	25,596
Estimates of the present value of future cash outflows	–	(14,750)	(14,750)
Risk adjustment for non-financial risk	–	(455)	(455)
CSM	(728)	(10,390)	(11,118)
Increase in reinsurance contract assets from contracts recognised in the period	(728)	1	(727)

* During the year 2023, the Parent Company has transferred all insurance related assets and liabilities of GMM portfolio to Liva Insurance SAOC, hence no disclosure on GMM portfolio is required in current year.

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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 (RO)	1 year	2 year	3 year	4 year	5 year	> 6 year	Total
31 December 2024							
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
31 December 2023							
Total CSM for insurance contracts issued	1,734,936	1,252,038	890,794	625,199	427,948	772,468	5,703,383
Total CSM for reinsurance contracts held	(280,886)	(194,834)	(133,331)	(89,366)	(61,973)	(174,004)	(934,394)
Total	1,454,050	1,057,204	757,463	535,833	365,975	598,464	4,768,989
Parent Company (RO)							
31 December 2023							
Total CSM for insurance contracts issued	475,685	1,555,566	1,119,631	790,590	549,145	1,060,078	5,550,695
Total CSM for reinsurance contracts held	(65,681)	(211,946)	(147,807)	(99,854)	(64,390)	(160,165)	(749,843)
Portfolio transfer of assets and liabilities	(410,004)	(1,343,620)	(971,824)	(690,736)	(484,755)	(899,913)	(4,800,852)
Total	-	-	-	-	-	-	-

12 (b) Paragraph 114 of IFRS 17 requires disclosures that show the effect on insurance revenue and the CSM of groups of insurance contracts issued that were measured at the transition date applying paragraph 103(a), separately for:

- insurance contracts that existed at the transition date to which the Company has applied the modified retrospective approach;
- insurance contracts that existed at the transition date to which the Company has applied the fair value approach; and
- all other insurance contracts.

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

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

	Group 2024 (RO)			Parent Company 2024 (RO)		
	PAA	GMM	Total	PAA	GMM	Total
Insurance contract assets	204,150	-	204,150	-	-	-
Insurance contract liabilities	(184,805,692)	(13,776,424)	(198,582,116)	(36,163,245)	-	(36,163,245)
Reinsurance contract assets	70,618,395	4,831,830	75,450,225	1,037,683	-	1,037,683
Reinsurance contract liabilities	(20,156,045)	-	(20,156,045)	(1,860,306)	-	(1,860,306)
	(134,139,192)	(8,944,594)	(143,083,786)	(36,985,868)	-	(36,985,868)
31 December 2023						
	Group 2023 (RO)			Parent Company 2023 (RO)		
	PAA	GMM	Total	PAA	GMM	Total
Insurance contract assets	889,696	-	889,696	-	-	-
Insurance contract liabilities	(134,885,571)	(13,709,437)	(148,595,008)	(32,879,639)	-	(32,879,639)
Reinsurance contract assets	24,188,211	4,484,760	28,672,971	1,716,205	-	1,716,205
Reinsurance contract liabilities	(13,199,660)	-	(13,199,660)	(978,509)	-	(978,509)
	(123,007,324)	(9,224,677)	(132,232,001)	(32,141,943)	-	(32,141,943)

*During the year 2023, the Parent Company has transferred all insurance related assets and liabilities of GMM portfolio to Liva Insurance SAOC , hence no disclosure on GMM portfolio is required in current year.

13. Other receivables and prepayments

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Other receivables	14,700,190	25,814,257	2,581,017	21,902,832
Accrued interest	6,229,708	6,214,109	919,190	714,820
	20,929,898	32,028,366	3,500,207	22,617,652
Provision for doubtful debts	(109,430)	(109,430)	(109,430)	(109,430)
Expected credit losses of other receivables	(28,368)	(35,617)	(594)	(1,321)
	20,792,100	31,883,319	3,390,183	22,506,901

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%

(2023: 9.5%). The loans are secured against the cash values of the respective policies, and do not have specific repayment terms.

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
At the beginning of the year	31,634	47,587	-	47,587
Portfolio transfer of assets and liabilities	-	-	-	(41,297)
Movement during the year	(3,260)	(15,953)	-	(6,290)
At the end of the year	28,374	31,634	-	-

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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 consolidated statement of financial position of RO 77,968,656 (2023: RO 82,985,483).

The Group can transfer these assets with the prior approval of the Financial Services Authority. The Group has provided bank guarantee of RO 50,000 (2023: RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, Kuwait, Saudi Arabia and Bahrain the Group has identified to the Central Bank of the UAE, The Ministry of Commerce and Industry, Kuwait, Saudi Central Bank and Central Bank of Bahrain respectively, fixed deposits of RO 1,764,418 (2023: RO 1,792,936), RO 3,216,850 (2023: RO 2,898,350), RO 4,520,003 (2023: RO 4,336,127) and RO 157,078 (2023: 312,523) which can be used by the Group with the prior approval of the respective authorities.

16. Property and equipment

Group (RO) 2024	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Work-in-Progress	Total
Cost							
At 1 January 2024	3,989,337	1,176,613	213,439	2,800,304	6,645,314	256,562	15,081,569
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	3,989,337	1,840,250	213,439	2,270,443	8,963,155	28,494	17,305,118
Accumulated depreciation							
At 1 January 2024	446,858	603,875	203,701	1,856,194	4,334,597	–	7,445,225
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	531,950	1,166,778	207,352	2,142,009	5,214,318	–	9,262,407
Net book amount							
Total	3,457,387	673,472	6,087	128,434	3,748,837	28,494	8,042,711

Group (RO) 2023	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Work-in-Progress	Total
Cost							
At 1 January 2023	5,217,490	476,534	284,889	3,197,049	6,097,503	64,845	15,338,310
Additions	–	810,372	–	50,651	634,548	191,717	1,687,288
Disposals and write offs	(1,228,153)	(110,293)	(71,450)	(447,396)	(86,737)	–	(1,944,029)
At 31 December 2023	3,989,337	1,176,613	213,439	2,800,304	6,645,314	256,562	15,081,569
Accumulated depreciation							
At 1 January 2023	466,047	(1,697)	267,031	1,665,906	3,745,052	–	6,142,339
Charge for the year	114,725	715,865	8,119	545,848	676,282	–	2,060,839
Disposals and write offs	(133,914)	(110,293)	(71,449)	(355,560)	(86,737)	–	(757,953)
At 31 December 2023	446,858	603,875	203,701	1,856,194	4,334,597	–	7,445,225
Net book amount							
Total	3,542,479	572,738	9,738	944,110	2,310,717	256,562	7,636,344

Parent Company (RO) 2024	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
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						
Total	3,269,325	38,934	1	185,324	307,151	3,800,735

Parent Company (RO) 2023	Land and Building	Right-of-use asset	Motor Vehicles	Furniture and equipment	Computer equipment	Total
Cost						
At 1 January 2023	5,027,328	–	269,697	1,851,743	4,388,699	11,537,467
Portfolio transfer of assets and liabilities	–	(361,756)	(150,570)	(1,452,468)	(4,113,513)	(6,078,307)
Additions	–	361,756	–	–	291,406	653,162
Disposals and write offs	(1,228,153)	–	(71,450)	(318,448)	–	(1,618,051)
At 31 December 2023	3,799,175	–	47,677	80,827	566,592	4,494,271
Accumulated depreciation						
At 1 January 2023	465,387	–	265,196	1,382,949	3,143,284	5,256,816
Portfolio transfer of assets and liabilities	–	(54,269)	(150,549)	(1,239,973)	(3,120,593)	(4,565,384)
Charge for the year	114,005	54,269	4,478	156,517	413,238	742,507
Disposals and write offs	(133,914)	–	(71,449)	(226,612)	–	(431,975)
At 31 December 2023	445,478	–	47,676	72,881	435,929	1,001,964
Net book amount						
Total	3,353,697	–	1	7,946	130,663	3,492,307

17. Intangible assets (including Goodwill)

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Intangible Assets (note 17.1)	2,712,997	3,443,666	231,773	255,369
Goodwill (note 17.2)	24,864,231	24,864,231	–	–
	27,577,228	28,307,897	231,773	255,369

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17.1 Movement in Intangible assets (Continued)

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Cost				
At 1 January	4,781,992	4,451,520	373,349	373,349
Additions	164,668	330,472	–	–
At 31 December	4,946,660	4,781,992	373,349	373,349
Accumulated depreciation				
At 1 January	1,338,326	481,560	117,980	94,384
Charge for the year	895,337	856,766	23,596	23,596
At 31 December	2,233,663	1,338,326	141,576	117,980
Net book amount				
At 31 December	2,712,997	3,443,666	231,773	255,369

17.2 Movement in Goodwill

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
At 1 January	24,864,231	24,864,231	373,349	146,490
Portfolio Transfer of Assets and Liabilities	–	–	–	(146,490)
At 31 December	24,864,231	24,864,231	373,349	–

Upon completion of purchase price allocation for the acquisition of Inayah TPA LLC, intangible assets amounting to RO 373,349 have been recognised by the Group. The useful life of the intangible assets arising from acquisition of Inayah TPA LLC were assessed by the Group and based on the assessment, the Group has amortised the intangible assets by RO 5,899 (2023: RO 23,596) which has been accounted during the period.

Impairment testing

At the end of the reporting period, the Group assessed the recoverable amount of goodwill, using key assumptions including 3.1% terminal growth rate, weighted average cost of capital in the range of 7.49% and determined that goodwill was not impaired. The impairment test, amongst others, is dependent on the weighted average cost of capital and achievement of projected results for a five year period. Cost of capital reflects the market's assessment of the entities future cash flows and is modelled taking into account risk free rate of return and adjusted for currency/country risk. Currency risk is determined by taking the spread of 2 and 3 year Oman government bond yield with the yield on US government treasury bills of same tenure. The spread will capture any additional market risk and additional inflation/ currency depreciation risk specific as required by IAS 36.

18. Share capital

	2024	2023	2024	2023
	Number of shares	Number of shares	RO	RO
Authorised – shares of RO 0.100 each (2023: RO 0.100 each)	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Issued and fully paid – shares of RO 0.100 each (2023: RO 0.100 each)	265,000,000	265,000,000	265,000,000	265,000,000
Issued and fully paid – shares of RO 0.320 each (2023: RO 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 RO 42,513,902 is net of share capital issuance cost amounting to RO 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:

	2024	2023
Oman International Development and Investment Company SAOG 48.858% (2023: 48.858%)	194,635,357	194,635,357
Riyad Bank 14.348% (2023: 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 RO NIL (2023: Nil) and 1% of the life assurance premiums for the year in case of life insurance business amounting to RO Nil (2023: RO 44,724) 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 the building classified under property and equipment.

21 (b) Dividends paid and mandatory convertible bonds

Following the approval in the Annual General Meeting of the Company on 27 March 2024, the Company declared non cash dividends by issuing OMR 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.

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22. Bank borrowings

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Short term loan	6,292,000	13,200,000	-	13,200,000
Long term loan	62,943,997	58,506,010	44,643,997	58,506,010
Total	69,235,997	71,706,010	44,643,997	71,706,010
Movement in Bank borrowings				
At the beginning of the year	71,706,010	77,093,974	71,706,010	77,093,974
Proceeds from loans and borrowings	28,451,000	-	-	-
Amortised Processing Fees for Long Term Loan	223,845	250,418	223,845	250,418
Unamortised Processing Fees for Long Term Loan	-	(716,208)	-	(716,208)
Repayment of loans and borrowings	(31,144,858)	(4,922,174)	(27,285,858)	(4,922,174)
At the end of the year	69,235,997	71,706,010	44,643,997	71,706,010

Short term loan:

During the year 2024, the Group availed short term loans from commercial banks. As at 31 December 2024, the outstanding short-term loan of RO 6,292,000 (2023: RO 13,200,000) was availed for a period of 60 days. The finance cost for availing short term loans was at floating market rate of interest. Rate of interest for the short term loans outstanding as at 31 December 2024 was 6.50% to 6.75% (2023 – 5.50% to 6.75%).

Long term loan:

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 2024 was 5.81% (2023: 5%). The long term loan rates are subject to reset based on market prevailing rates and the agreed reset clauses with the lenders. Certain long-term loans are secured by pledge of investment, investment in subsidiaries and real estate mortgage.

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

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Due within one year	19,172,260	26,339,044	9,467,024	26,339,044
Due in more than one year	60,673,906	54,027,725	41,865,223	54,027,725
	79,846,166	80,366,769	51,332,247	80,366,769

23. Other liabilities

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Accrued expenses	4,728,852	12,238,438	1,304,368	4,884,198
Other payables	8,029,348	15,356,447	24,878,769	11,057,500
Employees’ end of service benefits	4,527,045	4,191,545	718,529	432,463
Lease liabilities	1,488,678	1,479,249	28,875	-
	18,773,923	33,265,679	26,930,541	16,374,161

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

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
At 1 January	4,191,545	4,623,101	432,463	1,084,456
Portfolio transfer of assets and liabilities	-	-	-	(405,863)
Charge for the year (note 30)	1,202,762	1,239,585	397,992	268,598
Paid during the year	(867,262)	(1,671,141)	(111,926)	(514,728)
At 31 December	4,527,045	4,191,545	718,529	432,463

24. Contingent liabilities

24.1 Contingencies

At 31 December 2024, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group of RO 272,955 (2023: RO 351,938) 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 RO 300,000 (2023: RO 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 UAE Federal Decree-Law No. (48) of 2023 regarding the regulation of insurance Activities, the Branches have placed a Bank guarantee of RO 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	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Net assets (RO)	101,634,979	107,213,138	104,410,254	109,988,413
Number of shares outstanding at 31 December	398,374,342	398,374,342	398,374,342	398,374,342
Net assets per share (RO)	0.255	0.269	0.262	0.276

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26. Insurance service result

	2024 (RO)			2023 (RO)		
Group	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	545,436	–	545,436	621,163	–	621,163
– Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	42,988	–	42,988	107,896	–	107,896
– CSM recognised in profit or loss for the services provided	2,148,460	–	2,148,460	2,316,336	–	2,316,336
Insurance acquisition cash flows recovery	13,800	–	13,800	9,036	–	9,036
Insurance revenue from contracts not measured under the PAA	2,750,684	–	2,750,684	3,054,431	–	3,054,431
Insurance revenue from contracts measured under the PAA	–	326,708,992	326,708,992	–	307,702,312	307,702,312
Total insurance revenue	2,750,684	326,708,992	329,459,676	3,054,431	307,702,312	310,756,743
Insurance service expenses						
Incurred claims and other directly attributable expenses	(2,416,144)	(292,850,000)	(295,266,144)	(2,464,264)	(327,439,102)	(329,903,366)
Changes that relate to past service – adjustments to the LIC	(38,634)	4,883,939	4,845,305	706,038	103,172,363	103,878,401
Reversals of losses on onerous contracts	–	(122,445)	(122,445)	–	4,053,176	4,053,176
Losses on onerous contracts	(94,229)	929,310	835,081	(8,650)	(2,221,120)	(2,229,770)
Insurance acquisition cash flows amortization	(13,801)	(62,562,593)	(62,576,394)	(9,036)	(54,996,639)	(55,005,675)
Total insurance service expenses	(2,562,808)	(349,721,789)	(352,284,597)	(1,775,912)	(277,431,322)	(279,207,234)
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	(761,381)	–	(761,381)	(901,546)	–	(901,546)
– Changes in the risk adjustment recognised for the risk expired	(14,015)	–	(14,015)	(33,096)	–	(33,096)
– CSM recognised for the services received	(533,934)	–	(533,934)	(303,339)	–	(303,339)
Reinsurance expenses – contracts not measured under the PAA	(1,309,330)	–	(1,309,330)	(1,237,981)	–	(1,237,981)
Reinsurance expenses – contracts measured under the PAA	–	(75,395,964)	(75,395,964)	–	(50,121,654)	(50,121,654)
Total reinsurance expense	(1,309,330)	(75,395,964)	(76,705,294)	(1,237,981)	(50,121,654)	(51,359,635)
Amounts recoverable from reinsurers for incurred claims						
Claims recovered	286,003	–	1,381,485	381,540	–	381,540
Changes that relate to past service – adjustments to incurred claims	1,095,482	–	1,095,482	602,710	–	602,710
Amounts recoverable from reinsurers for incurred claims – contracts not measured under the PAA	1,381,485	–	1,381,485	984,250	–	984,250
Amounts recoverable from reinsurers for incurred claims – contracts measured under the PAA	–	92,504,519	92,504,519	–	27,868,721	27,868,721
Total net income from reinsurance contracts held	1,381,485	92,504,519	93,886,004	984,250	27,868,721	28,852,971
Total insurance service result	260,031	(5,904,242)	(5,644,211)	1,024,788	8,018,057	9,042,845

	2024 (RO)			2023 (RO)		
Parent Company	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	–	–	–	427,919	–	427,919
– Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	–	–	–	77,187	–	77,187
– CSM recognised in profit or loss for the services provided	–	–	–	1,617,449	–	1,617,449
Insurance acquisition cash flows recovery	–	–	–	5,252	–	5,252
Insurance revenue from contracts not measured under the PAA	–	–	–	2,127,807	–	2,127,807
Insurance revenue from contracts measured under the PAA	–	116,621,868	116,621,868	–	156,914,020	156,914,020
Total insurance revenue	–	116,621,868	116,621,868	2,127,807	156,914,020	159,041,827
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(100,433,745)	(100,433,745)	(1,744,130)	(190,706,868)	(192,450,998)
Changes that relate to past service – adjustments to the LIC	–	(4,812,980)	(4,812,980)	487,187	51,377,323	51,864,510
Reversals of losses on onerous contracts	–	(122,445)	(122,445)	–	4,053,176	4,053,176
Losses on onerous contracts	–	–	–	(20,539)	(2,441,830)	(2,462,369)
Insurance acquisition cash flows amortization	–	(15,237,295)	(15,237,295)	(5,252)	(20,373,901)	(20,379,153)
Total insurance service expenses	–	(120,606,465)	(120,606,465)	(1,282,734)	(158,092,100)	(159,374,834)
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	–	–	–	(696,862)	–	(696,862)
– Changes in the risk adjustment recognised for the risk expired	–	–	–	(25,208)	–	(25,208)
– CSM recognised for the services received	–	–	–	(271,601)	–	(271,601)
Reinsurance expenses – contracts not measured under the PAA	–	–	–	(993,671)	–	(993,671)
Reinsurance expenses – contracts measured under the PAA	–	(26,823,086)	(26,823,086)	–	(26,573,431)	(26,573,431)
Total reinsurance expense	–	(26,823,086)	(26,823,086)	(993,671)	(26,573,431)	(27,567,102)
Amounts recoverable from reinsurers for incurred claims						
Claims recovered	–	–	–	381,540	–	381,540
Changes that relate to past service – adjustments to incurred claims	–	–	–	355,315	–	355,315
Amounts recoverable from reinsurers for incurred claims – contracts not measured under the PAA	–	–	–	736,855	–	736,855
Amounts recoverable from reinsurers for incurred claims – contracts measured under the PAA	–	26,360,361	26,360,361	–	25,228,889	25,228,889
Total net income from reinsurance contracts held	–	26,360,361	26,360,361	736,855	25,228,889	25,965,744
Total insurance service result	–	(4,447,322)	(4,447,322)	588,257	(2,522,622)	(1,934,365)

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27. Investment income – net

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Interest income on bank deposits and other investments	7,699,940	7,144,652	1,341,031	1,941,287
Interest income on bonds, net of amortisation charge	6,177,873	4,635,861	1,297,332	2,679,706
Interest income on loans to policy holders	4,315	5,154	–	2,829
Dividend income	424,957	359,660	345,395	333,163
Net unrealised gain on investment carried at FVTPL	150,814	994,233	7,524	33,660
Net realised (loss)/gains on disposal of investments carried at fair value through profit or loss	(55,464)	5,000	13,711	–
Net realised loss on investment carried at FVOCI – debt instruments	602	(184,949)	–	(184,949)
Net realised gain on disposal of investment carried at amortised cost	77	–	–	–
	14,403,114	12,959,611	3,004,993	4,805,696
Investment acquisition cost and portfolio management fees	(93,790)	(137,670)	(72,541)	(138,061)
Investment Income recognised in the Profit and Loss	14,309,324	12,821,941	2,932,452	4,667,635
Investment Income recognised in the OCI	2,293,143	1,137,244	1,186,855	1,148,347
Total Investment Income	16,602,467	13,959,185	4,119,307	5,815,982

Net Insurance finance income / (expenses) from insurance contracts issued – GMM Portfolios

Interest accreted to insurance contracts				
Interest accreted to CSM	(251,686)	(207,951)	–	(153,113)
Interest expense on last period PV to PandL	(188,736)	(247,040)	–	(189,805)
Interest expense on last period PV for Incurred claims PAA to PandL	(6,009)	(3,697)	–	(3,697)
Interest expense on RA to PandL	(5,802)	(15,501)	–	(11,484)
Interest Expense on Risk Adj for Incurred Claims PAA to PandL	(3,093)	(1,894)	–	(1,411)
(A) ---->	(455,326)	(476,083)	–	(359,510)

Effect of differences between current rates and locked-in rates when measuring changes in estimates

Diff in change in estimate on incep and last val disc rate on PV to PandL	20,144	11,839	–	11,226
(B) ---->	20,144	11,839	–	11,226

Effect of changes in interest rates and other financial assumptions

Effect of change in discount rate on PV to PandL	(8,774)	101,792	–	120,081
Effect of change in discount rate on PV to Incurred claims to PandL	(41)	391	–	439
Effect of change in discount rate on RA to Incurred claims to PandL	(2)	20	–	22
(C) ---->	(8,817)	102,203	–	120,542

Net Insurance finance income / (expenses) from insurance contracts issued- GMM Portfolios (D = A+B+C)	(443,999)	(362,041)	–	(227,742)
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Net Insurance finance income / (expenses) from insurance contracts issued- PAA Portfolios

Interest accreted to insurance contracts – PAA Portfolios

Interest accreted to insurance contracts using current financial assumptions	(1,210,963)	(1,965,833)	285,746	(874,015)
Due to changes in interest rates and other financial assumptions	(200,769)	109,848	(217,388)	8,194
Insurance finance income / (expenses) from insurance contracts issued – PAA Portfolios (E) ---->	(1,411,732)	(1,855,985)	68,358	(865,821)
Insurance finance income / (expenses) from insurance contracts issued – GMM+PAA Portfolios (D+E)issued- GMM Portfolios (D = A+B+C)	(1,855,731)	(2,218,026)	68,358	(1,093,563)

Represented by:

Amounts recognised in profit or loss	(1,855,731)	(2,218,026)	68,358	(1,093,563)
Amounts recognised in OCI	–	–	–	–
	(1,855,731)	(2,218,026)	68,358	(1,093,563)

28. Other operating income

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Miscellaneous income	2,464,908	1,981,910	2,256,727	57,506
Rental income	–	–	–	31,856
Gain on disposal of property and equipment	–	2,746,562	–	2,746,562
Exchange gain	8,469	24,111	14,335	24,687
	2,473,377	4,752,583	2,271,062	2,860,611

29. Finance Cost

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Interest on Long term loan	3,817,524	3,401,135	2,925,694	3,401,135
Interest on Short term loan and others	460,157	993,200	210,047	988,161
Finance cost on lease	67,004	54,828	1,443	2,519
	4,344,685	4,449,163	3,137,184	4,391,815

30. General, administrative and selling expenses

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Commission expense	36,238,354	31,634,864	11,954,013	14,122,529
Third Party Administration fees	2,328,435	1,562,162	3,704,012	3,057,024
Wages, salaries and other benefits	20,186,297	21,277,648	4,296,227	6,167,438
Rent and utility expenses	1,788,582	2,000,317	63,243	448,695
Depreciation (note 16)	1,821,214	2,060,839	191,676	742,507
Director's remuneration and sitting fees	230,575	513,678	28,600	326,500
Professional and consultants fees	5,440,782	3,640,242	388,558	899,392
Information Technology and related expenses	4,109,995	3,998,336	157,776	579,001
Company registration and membership costs	481,622	445,082	479,161	434,538
Social security benefits	641,869	836,716	39,842	269,796
Employees' end of service benefits (note 23.1)	1,202,762	1,239,585	397,992	268,598
Advertisement and publicity	1,257,638	1,699,393	8,198	546,257
Recruitment and training expenses	194,932	98,347	43,237	26,822
Amortisation of Intangible Assets (note 17)	895,337	856,766	23,596	23,596
Other expenses and fees	4,330,252	7,371,253	528,654	812,233
	81,148,646	79,235,228	22,304,785	28,724,926

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

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Insurance acquisition costs (part of Insurance service expenses)	58,059,576	40,373,218	18,149,420	20,673,923
Claims handling expenses and Administrative costs (part of Insurance Service expenses)	12,578,076	26,361,773	967,649	3,293,257
Non Attributable Expenses	10,510,994	12,500,237	3,187,716	4,757,746
	81,148,646	79,235,228	22,304,785	28,724,926

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31. Corporate tax

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Statement of profit or loss				
Current tax				
- Current tax	981,529	1,212,599	-	-
- Additional provision / adjustment relating to prior years	-	(29,000)	-	-
- Deferred tax	(1,542,059)	(58,986)	(771,557)	(172,953)
	(560,530)	1,124,613	(771,557)	(172,953)
Current liability				
Corporate tax payable	7,168,025	7,022,765	28,031	28,031
Non-current asset				
Deferred tax asset	2,236,808	517,379	1,111,539	391,514
Movement for Corporate tax payable is as follows:				
At 1 January	7,022,765	6,916,723	28,031	319,289
Charge for the year	981,529	1,183,601	-	-
Paid during the year	(969,442)	(840,037)	-	(273,478)
Refund / other adjustment	133,173	(237,522)	-	(17,780)
At 31 December	7,168,025	7,022,765	28,031	28,031

Reconciliation of Corporate tax expenses

The tax rate applicable to the Parent Company is 15% (2023: 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	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Profit before Corporate tax	(5,577,797)	7,501,122	(7,392,363)	5,587,684
Corporate tax as per rates mentioned above	(836,670)	2,223,906	(1,108,854)	838,153
Non-deductible expenses	205,214	190,030	1,859	3,462
Tax exempt revenue	204,782	(249,538)	8,442	(117,959)
Additional provision relating to prior years	-	(28,541)	-	-
Others	(133,856)	(1,011,244)	326,996	(550,703)
Tax expense for the year	(560,530)	1,124,613	(771,557)	172,953

Status of tax assessment

The Parent Company’s tax assessments up to tax year 2020 have been completed by the tax authorities. The management believes that 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 2024.

Deferred tax

	Group			Parent Company		
	At 1 January (RO)	Movement during the year (RO)	As on 31 December (RO)	At 1 January (RO)	Movement during the year (RO)	As on 31 December (RO)
2024						
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

	Group			Parent Company		
	At 1 January (RO)	Movement during the year (RO)	As on 31 December (RO)	At 1 January (RO)	Movement during the year (RO)	As on 31 December (RO)
2023						
Amortisation of goodwill	(43,306)	24,530	(18,776)	(43,306)	24,530	(18,776)
Provision for doubtful debts	720,407	(456,496)	263,911	553,339	(342,357)	210,982
Depreciation and revaluation of property and equipment	(14,431)	36,003	21,572	(87,367)	36,003	(51,364)
Current year tax losses	-	459,615	459,615	-	459,615	459,615
Unrealised loss on FVTPL	-	(4,838)	(4,838)	-	(4,838)	(4,838)
Revaluation reserve	(62,179)	-	(62,179)	(62,179)	-	(62,179)
	600,491	58,814	659,305	360,487	172,953	533,440
Fair value through other comprehensive income reserve	38,083	(180,009)	(141,926)	38,083	(180,009)	(141,926)
Net deferred tax asset	638,574	(121,195)	517,379	398,570	(7,056)	391,514

Deferred tax asset / liability has been computed at the tax rate of 15% (2023: 15%).

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (“BEPS”) Pillar Two project. Under Pillar Two, multinational enterprises (MNEs) whose annual revenue exceeds EUR 750 million (in two of the last four years) are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate. The enacted law includes the implementation of a Domestic Minimum Top-up

Tax (DMTT) and Income Inclusion Rule (IIR). These rules are effective for fiscal years beginning on or after 1 January 2025. For the period ending December 31, 2024, the global minimum tax rules are not expected to have a significant impact on income tax expense for Oman operations. We have applied the mandatory temporary exception provided under amendments to IAS 12 – Income Taxes to neither recognise nor disclose information on deferred tax assets / liabilities related to Pillar Two income taxes.

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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	2024	2023
(Loss) / profit for the year	(6,620,806)	5,760,637
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 (loss)/ earnings per share	(0.016)	0.014

The bonds will mature after 3 years from the date of issuance and converted into ordinary shares (note 22).

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

Group 2024	Total (RO)	Major shareholders (RO)	Directors and Management Personnel (RO)	Subsidiaries and associates of major shareholder (RO)	Management Personnel (RO)	*Other related parties (RO)
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 and Dividend Income	1,391,851	330,819	-	854,857	-	206,175
Other Income	13,064	-	-	13,064	-	-
Commission expense	829,825	24,537	-	6,815	-	798,473
Other expenses	4,491,573	137,210	-	4,094,074	-	260,289
Director sitting fees	28,600	-	28,600	-	-	-
Directors’ remuneration	201,975	-	201,975	-	-	-
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	4,611,562	24,127	-	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

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Group 2023	Total (RO)	Major shareholders (RO)	Directors and Management Personnel (RO)	Subsidiaries and associates of major shareholder (RO)	Management Personnel (RO)	*Other related parties (RO)
Consolidated statement of profit or loss and other comprehensive income						
Gross insurance premium	9,228,527	5,309,754	-	2,038,542	-	1,880,231
Insurance claims expense	3,043,762	105,756	-	1,959,451	-	978,555
Interest income on deposits	2,498,841	955,964	-	659,950	-	882,927
Bonds Interest and Dividend Income	761,208	312,382	-	205,856	-	242,970
Reinsurance share of claims paid	49	-	-	49	-	-
Commission expense	798,026	256,667	-	68,604	-	472,755
Other expenses	2,042,508	338,895	51,033	1,241,689	-	410,891
Director sitting fees	49,500	-	49,500	-	-	-
Directors' remuneration	464,178	-	464,178	-	-	-
Other Transactions:						
Investment in Bonds	17,353,459	7,378,649	-	6,724,810	-	3,250,000
Maturity / liquidation of Bonds	39,737,863	7,055,368	-	18,932,495	-	13,750,000
Placement of Fi xed Deposit	71,563,866	52,863,866	-	10,700,000	-	8,000,000
Maturity / liquidation of fixed deposit	57,653,057	52,303,039	-	-	-	5,350,018
Increase in bank balances	2,180,219	-	-	1,637,055	-	543,164
Decrease in bank balances	294,957	234,867	-	60,090	-	-
Consolidated statement of financial position:						
Payable to Directors	398,149	98,149	300,000	-	-	-
Claims payable	3,702,370	2,245,124	-	1,338,317	-	118,929
Commission payable	190,539	-	-	3,836	-	186,703
Short Term Loan payable	5,000,000	-	-	-	-	5,000,000
Long Term Loan payable	11,500,000	-	-	11,500,000	-	-
Payable to related parties	14,803,517	12,381,265	-	2,419,178	-	3,074
Receivable from related parties	9,174,697	5,339	390	577,162	-	8,591,806
Bank balances	2,907,659	210,705	-	1,966,759	-	730,195
Fixed deposits balances	48,993,697	18,076,872	-	12,260,000	-	18,656,825
Insurance premium receivable	1,013,780	413,282	-	333,983	-	266,515
Investment in Bonds	7,872,820	5,163,449	-	1,959,371	-	750,000
Reinsurance balance receivable	11,329	-	-	11,329	-	-
Accrued interest receivable	1,618,759	340,756	-	381,022	-	896,981

33.1 Parent Company

Parent Company 2024	Total (RO)	Major shareholders (RO)	Directors (RO)	Subsidiaries and associates of major shareholder (RO)	Management Personnel (RO)	*Other related parties (RO)
Separate statement of profit or loss and other comprehensive income						
Interest income on deposits	273,197	273,197	-	273,197	-	-
Other Income	13,064	13,064	-	13,064	-	-
Other expenses	3,130,355	3,130,355	-	3,124,625	-	5,730
Director sitting fees	28,600	28,600	28,600	-	-	-
Directors' remuneration	-	-	-	-	-	-
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	-	-
Consolidated 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	-	-	-	-
Investment in Bonds	-	-	-	-	-	-
Accrued interest receivable	215,499	-	-	215,499	-	-

During January to December 2024, subsidiary in India (NSSPL) has charged the parent company service fees of RO 858,504 (2023: RO 854,568). The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 106,197 (2023: RO 84,258). Carrying value of investment as on 31.12.2024 is RO 341,244 (2023: RO 462,865).

The Parent Company has accounted Liva Insurance BSC (c) share of loss from subsidiary of RO 4,414,269 (2023: profit of RO 7,672,803). Carrying value of investment as on 31.12.2024 is RO 102,083,898 (2023: RO 106,028,145).

The Parent Company has accounted for a share of profit for Liva Insurance SAOC of RO 2,886,710 (2023: RO 2,459,958). Carrying value of investment as on 31.12.2024 is RO 41,036,621 (2023: RO 2,451,958).

During January to December 2024, subsidiary – Inayah TPA LLC in UAE has charged the parent company service fees of RO 943,872 (2023: RO 507,610). The Parent Company has accounted Inayah Share of Profit from a subsidiary of RO 44,947 (2023: RO 24,172). Carrying value of investment as on 31.12.2024 is RO 737,224 (2023: RO 681,573) , its related intangibles are RO 243,571 (2023: RO 231,773).

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Parent Company 2023	Total (RO)	Major shareholders (RO)	Directors and Management Personnel (RO)	Subsidiaries and associates of major shareholder (RO)	Management Personnel (RO)	*Other related parties (RO)
Consolidated statement of profit or loss and other comprehensive income						
Gross insurance premium	2,832,619	500	-	1,622,363	-	1,209,756
Insurance claims expense	2,368,901	19,986	-	1,586,903	-	762,012
Interest income on deposits	823,054	-	-	517,261	-	305,793
Bonds Interest and Dividend Income	501,489	221,935	-	129,811	-	149,743
Reinsurance share of claims paid	49	-	-	49	-	-
Commission expense	437,498	-	-	62,803	-	374,695
Other expenses	421,234	-	-	110,514	-	310,720
Director sitting fees (of Parent Company)	26,500	-	26,500	-	-	-
Directors' remuneration	300,000	-	300,000	-	-	-
Other Transactions:						
Investment in Bonds	5,375,372	1,810,000	-	3,565,372	-	-
Maturity / liquidation of Bonds	35,992,863	7,055,368	-	17,687,495	-	11,250,000
Maturity / liquidation of fixed deposit	750,000	-	-	-	-	750,000
Increase in bank balances	1,751,934	-	-	1,637,055	-	114,879
Separate statement of financial position:						
Payable to Directors	300,000	-	300,000	-	-	-
Payable to related parties	2,478	-	-	2,478	-	-
Receivable from related parties	227,302	-	-	227,302	-	-
Short Term Loan payable	5,000,000	-	-	-	-	5,000,000
Long Term Loan payable	11,500,000	-	-	11,500,000	-	-
Bank balances	1,980,621	-	-	1,906,669	-	73,952
Fixed deposits balances	1,560,000	-	-	1,560,000	-	-
Insurance premium receivable	2,769	2,769	-	-	-	-
Accrued interest receivable	19,706	-	-	19,706	-	-

The Parent Company has accounted for Liva Insurance BSC (c) Share of profit from subsidiaries of RO 7,672,803. Carrying value of investment as on 31.12.2023 is RO 106,028,145.

The Parent Company has accounted for a share of profit for Liva Insurance SAOC of RO 2,459,958. Carrying value of investment as on 31.12.2023 is RO 38,332,746.

During January to December 2023, subsidiary – Inayah TPA LLC in UAE has charged the parent company service fees of RO 732,410 and paid rental of RO 31,856. The Parent Company has accounted Inayah Share of Profit from a subsidiary of RO 34,877. Carrying value of investment as on 31.12.2023 is RO 692,278, it's related intangibles are RO 261,268.

33.2 Compensation of key management personnel

	Group		Parent Company	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Short-term benefits	1,442,657	1,491,226	1,442,657	577,138
Employees' end of service benefits and leave salary accrual	82,414	392,766	82,414	195,174
	1,525,071	1,883,992	1,525,071	772,312
Number of key management personnel	9	6	9	2

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

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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 2024 and 2023 and asset and liability information regarding business segments for the year ended 31 December 2024 and 2023.

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 2024	Life and Medical (RO)	General (RO)	Total (RO)
Insurance revenue	166,640,887	162,818,789	329,459,676
Insurance service expense	(121,648,851)	(230,635,746)	(352,284,597)
Insurance service result before reinsurance contracts held	44,992,036	(67,816,957)	(22,824,921)
Allocation of reinsurance premiums	(32,759,472)	(43,945,822)	(76,705,294)
Amounts recoverable from reinsurers for incurred claims	27,472,580	66,413,424	93,886,004
Net expense from reinsurance contracts held	(5,286,892)	22,467,602	17,180,710
Insurance service result	39,705,144	(45,349,355)	(5,644,211)
Insurance finance expenses for insurance contracts issued	(58,589)	(1,980,948)	(2,039,537)
Reinsurance finance income for reinsurance contracts held	(2,063,099)	2,246,905	183,806
Net financial result	(2,121,688)	265,957	(1,855,731)
Investment income – net			14,309,324
Share of Profit from Subsidiaries			–
Expected credit losses on financial assets			(4,877)
Total investment income			14,304,447
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 period			(5,017,267)

Group 2023	Life and Medical (RO)	General (RO)	Total (RO)
Insurance revenue	163,598,483	147,158,260	310,756,743
Insurance service expense	(158,933,718)	(120,273,516)	(279,207,234)
Insurance service result before reinsurance contracts held	4,664,765	26,884,744	31,549,509
Allocation of reinsurance premiums	(30,638,194)	(20,721,441)	(51,359,635)
Amounts recoverable from reinsurers for incurred claims	26,709,882	2,143,089	28,852,971
Net expense from reinsurance contracts held	(3,928,312)	(18,578,352)	(22,506,664)
Insurance service result	736,453	8,306,392	9,042,845
Insurance finance expenses for insurance contracts issued	(1,695,615)	(1,714,087)	(3,409,702)
Reinsurance finance income for reinsurance contracts held	644,811	546,865	1,191,676
Net financial result	(1,050,804)	(1,167,222)	(2,218,026)
Investment income – net			12,821,941
Expected credit losses on financial assets			51,179
Total investment income			12,873,120
Other operating income – net			4,752,583
Finance Cost			(4,449,163)
Non Attributable Expenses			(12,500,237)
Profit before tax			7,501,122
Corporate tax			(1,124,613)
Profit for the period			6,376,509

Segment assets and liabilities

Group 2024	Life and Medical (RO)	General (RO)	Total (RO)
Segment assets	146,020,263	289,602,149	289,602,149
Segment liabilities	142,273,777	171,642,329	171,642,329
Group 2023	Life and Medical (RO)	General (RO)	Total (RO)
Segment assets	122,684,348	275,679,473	398,363,821
Segment liabilities	138,513,184	135,275,938	273,789,122

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Primary reporting format – Geographic Information – Group

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 2024 and 2023 and asset and liability information regarding business segments for the year ended 31 December 2024 and 2023.

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

Group 2024	Oman (RO)	UAE (RO)	Saudi Arabia (RO)	Other geographies (RO)	Adjustments and eliminations (RO)	Total (RO)
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	6,086,665	4,718,986	3,207,223	296,450	-	14,309,324
Share of Profit from Subsidiaries	(1,891,659)	-	-	-	1,891,659	-
Expected credit losses on financial assets	(22,368)	17,430	(205)	266	-	(4,877)
Total investment income	4,172,638	4,736,416	3,207,018	296,716	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)
Other operating income – net	2,253,407	8,342	209,645	1,983	-	2,473,377
Finance cost	(4,327,415)	2,235	-	(19,505)	-	(4,344,685)
Non Attributable Expenses	(2,024,728)	(5,283,320)	(2,310,325)	(377,375)	(515,246)	(10,510,994)
(Loss) / profit before tax	3,037,494	(12,808,655)	3,437,457	(620,506)	1,376,413	(5,577,797)
Corporate tax	(338,025)	1,153,311	(225,880)	(28,876)	-	560,530
(Loss) / profit for the year	2,699,469	(11,655,344)	3,211,577	(649,382)	1,376,413	(5,017,267)
31 December 2024						
Segment assets	315,258,045	213,699,091	104,425,460	9,885,789	(207,645,973)	435,622,412
Segment liabilities	168,444,161	115,770,249	59,372,839	7,961,163	(37,632,306)	313,916,106

Group 2023	Oman (RO)	UAE (RO)	Saudi Arabia (RO)	Other geographies (RO)	Adjustments and eliminations (RO)	Total (RO)
Insurance revenue	84,121,292	165,812,622	52,732,616	8,090,213	-	310,756,743
Insurance service expense	(73,241,611)	(153,741,661)	(44,437,251)	(7,786,711)	-	(279,207,234)
Insurance service result before reinsurance contracts held	10,879,681	12,070,961	8,295,365	303,502	-	31,549,509
Allocation of reinsurance premiums	(8,133,719)	(31,762,120)	(10,441,922)	(1,021,874)	-	(51,359,635)
Amounts recoverable from reinsurers for incurred claims	1,532,866	24,782,138	1,542,027	995,940	-	28,852,971
Net expense from reinsurance contracts held	(6,600,853)	(6,979,982)	(8,899,895)	(25,934)	-	(22,506,664)
Insurance service result	4,278,828	5,090,979	(604,530)	277,568	-	9,042,845
Investment income – net	6,615,880	3,376,213	2,559,561	270,287	-	12,821,941
Share of Profit from Subsidiaries	10,251,896	-	-	-	(10,251,896)	-
Expected credit losses on financial assets	51,601	322	-	(744)	-	51,179
Total investment income	16,919,377	3,376,535	2,559,561	269,543	(10,251,896)	12,873,120
Insurance finance expenses for insurance contracts issued	(1,868,112)	(771,145)	(721,163)	(49,282)	-	(3,409,702)
Reinsurance finance income for reinsurance contracts held	413,352	417,403	355,300	5,621	-	1,191,676
Net financial result	(1,454,760)	(353,742)	(365,863)	(43,661)	-	(2,218,026)
Other operating income – net	(80,112)	2,872,912	1,991,117	522	(31,856)	4,752,583
Finance cost	(4,419,524)	(11,804)	-	(17,835)	-	(4,449,163)
Non Attributable Expenses	(4,830,161)	(6,080,467)	(1,713,486)	(393,698)	517,575	(12,500,237)
(Loss) / profit before tax	10,413,648	4,894,413	1,866,799	92,439	(9,766,177)	7,501,122
Corporate tax	(457,815)	-	(633,323)	(33,475)	-	(1,124,613)
(Loss) / profit for the year	9,955,833	4,894,413	1,233,476	58,964	(9,766,177)	6,376,509
31 December 2023						
Segment assets	337,725,146	133,036,305	85,723,555	4,826,077	(162,947,262)	398,363,821
Segment liabilities	191,936,220	58,773,747	45,900,639	5,394,548	(28,216,032)	273,789,122

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Primary reporting format – Geographic Information – Parent Company

Parent Company 2024	Oman (RO)	UAE (RO)	Other geographies (RO)	Total (RO)
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
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) / profit before tax	(2,834,872)	(4,557,491)	-	(7,392,363)
Corporate tax	379,282	392,275	-	771,557
(Loss) / profit for the year	(2,455,590)	(4,165,216)	-	(6,620,806)
31 December 2024				
Segment assets	157,894,445	56,141,929	-	214,036,374
Segment liabilities	54,851,904	54,774,216	-	109,626,120

Parent Company 2023	Oman (RO)	UAE (RO)	Other geographies (RO)	Total (RO)
Insurance revenue	47,524,825	106,850,324	4,666,678	159,041,827
Insurance service expense	(45,963,457)	(108,921,065)	(4,490,312)	(159,374,834)
Insurance service result before reinsurance contracts held	1,561,368	(2,070,741)	176,366	(333,007)
Allocation of reinsurance premiums	(2,965,326)	(24,048,648)	(553,128)	(27,567,102)
Amounts recoverable from reinsurers for incurred claims	1,773,485	23,649,333	542,926	25,965,744
Net expense from reinsurance contracts held	(1,191,841)	(399,315)	(10,202)	(1,601,358)
Insurance service result	369,527	(2,470,056)	166,164	(1,934,365)
Investment income – net	2,961,869	1,575,051	130,715	4,667,635
Share of Profit from Subsidiaries	10,251,896	-	-	10,251,896
Expected credit losses on financial assets	(22,152)	7,943	(760)	(14,969)
Total investment income	13,191,613	1,582,994	129,955	14,904,562
Insurance finance expenses for insurance contracts issued	(1,039,237)	(389,075)	(23,589)	(1,451,901)
Reinsurance finance income for reinsurance contracts held	179,288	174,151	4,899	358,338
Net financial result	(859,949)	(214,924)	(18,690)	(1,093,563)
Other operating income – net	(12,727)	2,872,912	426	2,860,611
Finance cost	(4,379,331)	-	(12,484)	(4,391,815)
Non Attributable Expenses	(2,663,192)	(1,912,219)	(182,335)	(4,757,746)
(Loss) / profit before tax	5,645,941	(141,293)	83,036	5,587,684
Corporate tax	172,953	-	-	172,953
(Loss) / profit for the year	5,818,894	(141,293)	83,036	5,760,637
31 December 2023				
Segment assets	175,750,090	56,204,673	-	231,954,763
Segment liabilities	85,695,903	36,270,447	-	121,966,350

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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	2024			2023		
	Life and Medical (RO)	General (RO)	Total (RO)	Life and Medical (RO)	General (RO)	Total (RO)
Investments						
Cash and cash equivalents	7,629,653	17,922,635	25,552,288	13,998,011	40,005,284	54,003,295
Government bonds and Corporate bonds	44,506,505	76,941,179	121,447,684	20,494,284	88,756,098	109,250,382
Bank deposits	40,465,280	98,601,953	139,067,233	37,731,113	85,022,041	122,753,154
Equity securities	7,046,171	8,177,440	15,223,611	7,060,225	7,357,525	14,417,750
Total investment assets and cash and cash equivalents	99,647,609	201,643,207	301,290,816	79,283,633	221,140,948	300,424,581
Insurance contract balances						
Insurance contract assets	-	204,150	204,150	-	889,696	889,696
Reinsurance contract assets	6,900,423	68,549,802	75,450,225	9,140,718	19,532,253	28,672,971
Insurance contract liabilities	(60,529,412)	(138,052,704)	(198,582,116)	(93,925,611)	(54,669,397)	(148,595,008)
Reinsurance contract liabilities	(2,166,238)	(17,989,807)	(20,156,045)	(1,163,766)	(12,035,894)	(13,199,660)
Total insurance contract balances	(55,795,227)	(87,288,559)	(143,083,786)	(85,948,659)	(46,283,342)	(132,232,001)
Other assets and liabilities						
Other assets	39,472,231	19,204,990	58,677,221	16,828,769	51,547,804	68,376,573
Other liabilities	(18,252,485)	(7,689,463)	(25,941,948)	(11,307,775)	(28,980,669)	(40,288,444)
Bank borrowings	(61,325,642)	(7,910,355)	(69,235,997)	(3,900,000)	(67,806,010)	(71,706,010)
Total other assets and liabilities	(40,105,896)	3,605,172	(36,500,724)	1,620,994	(45,238,875)	(43,617,881)

Parent Company	2024			2023		
	Life and Medical (RO)	General (RO)	Total (RO)	Life and Medical (RO)	General (RO)	Total (RO)
Investments						
Cash and cash equivalents	5,798,003	-	5,798,003	11,285,718	-	11,285,718
Government bonds and Corporate bonds	23,136,967	-	23,136,967	20,494,284	-	20,494,284
Bank deposits	25,015,066	-	25,015,066	19,173,355	-	19,173,355
Equity securities	6,315,438	-	6,315,438	7,060,225	62,851	7,123,076
Total investment assets and cash and cash equivalents	60,265,474	-	60,265,474	58,013,582	62,851	58,076,433
Insurance contract balances						
Insurance contract assets	-	-	-	-	-	-
Reinsurance contract assets	1,037,683	-	1,037,683	1,716,205	-	1,716,205
Insurance contract liabilities	(36,163,245)	-	(36,163,245)	(32,879,639)	-	(32,879,639)
Reinsurance contract liabilities	(1,860,306)	-	(1,860,306)	(978,509)	-	(978,509)
Total insurance contract balances	(36,985,868)	-	(36,985,868)	(32,141,943)	-	(32,141,943)
Other assets and liabilities						
Other assets	152,733,217	-	152,733,217	27,801,234	144,360,891	172,162,125
Other current liabilities	(26,958,572)	-	(26,958,572)	(16,402,192)	-	(16,402,192)
Bank borrowings	(44,643,997)	-	(44,643,997)	(3,900,000)	(67,806,010)	(71,706,010)
Total other assets and liabilities	81,130,648	-	81,130,648	7,499,042	76,554,881	84,053,923

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 actual 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.

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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.

(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 such as Covid-19.

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.

(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.

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35.2 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				
	2021 and Prior (RO)	2022 (RO)	2023 (RO)	2024 (RO)	Total (RO)
Gross					
<i>Estimate of cumulative claims</i>					
At the end of accident year	388,161,335	165,274,957	185,325,619	185,469,925	185,469,925
One year later	367,358,097	163,373,959	142,103,784	–	142,103,784
Two year later	362,148,388	120,419,877	–	–	120,419,877
Three year later	335,314,753	–	–	–	335,314,753
Current estimate of incurred claims	335,314,753	120,419,877	142,103,784	185,469,925	783,308,339
Cumulative payments to date	(330,148,523)	(113,319,629)	(126,346,901)	(80,337,831)	(650,152,884)
Liability recognised	5,166,230	7,100,248	15,756,883	105,132,094	133,155,455
Risk Adjustment					6,836,555
Discounting					(4,699,357)
Claims Debtors and Creditors					(4,694,567)
Total LIC included in the statement of financial position					130,598,086
Net					
<i>Estimate of cumulative claims</i>					
At the end of accident year	257,422,391	130,425,318	149,642,083	112,007,478	112,007,478
One year later	243,467,689	136,894,650	111,958,685	–	111,958,685
Two year later	244,615,369	100,620,663	–	–	100,620,663
Three year later	235,204,400	–	–	–	235,204,400
Current estimate of incurred claims	235,204,400	100,620,663	111,958,685	112,007,478	559,791,226
Cumulative payments to date	(233,529,779)	(94,820,236)	(98,183,016)	(59,267,073)	(485,800,104)
Liability recognised	1,674,621	5,800,427	13,775,669	52,740,405	73,991,122
Risk Adjustment					4,197,468
Discounting					(1,855,530)
Claims Debtors and Creditors					(71,563,942)
Total LIC included in the statement of financial position					4,769,118

Claims development table of past three years – Group	Accident Year				
	2021 and Prior (RO)	2022 (RO)	2023 (RO)	2024 (RO)	Total (RO)
Gross					
<i>Estimate of cumulative claims</i>					
At the end of accident year	205,488,521	72,362,733	93,867,665	97,592,562	97,592,562
One year later	205,697,087	74,327,348	98,334,591	–	98,334,591
Two year later	205,381,575	76,026,602	–	–	76,026,602
Three year later	205,514,657	–	–	–	205,514,657
Current estimate of incurred claims	205,514,657	76,026,602	98,334,591	97,592,562	477,468,412
Cumulative payments to date	(205,508,913)	(75,460,659)	(95,773,657)	(79,578,060)	(456,321,289)
Liability recognised	5,744	565,943	2,560,934	18,014,502	21,147,123
Risk Adjustment					2,026,713
Discounting					(1,045,400)
Claims Debtors and Creditors					1,722,577
Total LIC included in the statement of financial position					23,851,013
Net					
<i>Estimate of cumulative claims</i>					
At the end of accident year	136,447,864	54,739,258	69,069,832	71,800,972	71,800,972
One year later	136,493,805	56,384,050	72,530,043	–	72,530,043
Two year later	136,252,279	57,726,984	–	–	57,726,984
Three year later	136,329,588	–	–	–	136,329,588
Current estimate of incurred claims	136,329,588	57,726,984	72,530,043	71,800,972	338,387,587
Cumulative payments to date	(136,325,731)	(57,194,114)	(70,684,162)	(58,887,030)	(323,091,037)
Liability recognised	3,857	532,870	1,845,881	12,913,942	15,296,550
Risk Adjustment					1,468,314
Discounting					(172,983)
Claims Debtors and Creditors					(31,388,424)
Total LIC included in the statement of financial position					(14,796,543)

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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).

Group and Parent Company	2024			2023		
	Principal Outstanding (RO)	Rate Change (RO)	Impact (RO)	Principal Outstanding (RO)	Rate Change (RO)	Impact (RO)
Short Term loan	6,292,000	1%	62,920	13,200,000	1%	132,000
Long Term loan	62,943,997	1%	629,440	58,506,010	1%	585,060
Total	69,235,997		692,360	71,706,010		717,060

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.

The Group invests in securities and has deposits that are subject to interest rate risk. The Group's bank deposits of RO 139,209,334 (2023: RO 122,938,827) carry fixed rate of interest and therefore, are exposed to repricing risk at maturity. The Group holds subordinated

interest bearing investments at FVTPL with face value of Nil (2023: RO 18,174,468), FVOCI with face value of RO 78,693,858 (2023: RO 20,550,734) which are subject to interest rate reset as per below table.

Year of Reset	2024			Year of Reset	2023			
	Face Value (RO)	Rate Change (RO)	Impact (RO)		Face Value (RO)	Rate Change (RO)	Impact on profit (RO)	Impact on equity
Group				Group				
Year 2024	-	1%	-	Year 2023	-	1%	-	-
Year 2025	10,217,836	1%	102,178	Year 2024	4,410,232	1%	44,102	-
2026 to 2052	68,476,022	1%	684,760	2025 to 2052	34,314,970	1%	137,643	205,507
Total	78,693,858		786,938	Total	38,725,202		181,745	205,507
Parent Company				Parent Company				
Year 2024	-	1%	-	Year 2023	-	1%	-	-
Year 2025	1,342,786	1%	13,427.86	Year 2024	-	1%	-	-
2026 to 2052	22,743,747	1%	227,437.47	2025 to 2052	20,550,734	1%	-	205,507
Total	24,086,533		240,865	Total	20,550,734		-	205,507

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

	Rate Change	2024		2023	
		Exposure (RO)	Impact (RO)	Exposure (RO)	Impact (RO)
Group					
Insurance and reinsurance contract assets					
Insurance contract assets and liabilities	1%	198,377,966	(366,328)	147,705,312	979,579
Reinsurance contract assets and liabilities	1%	55,294,180	272,045	15,473,311	(66,060)
Debt instruments at FVOCI and amortised cost	1%	78,693,858	786,939	38,725,202	205,507
Parent Company					
Insurance and reinsurance contract assets					
Insurance contract assets and liabilities	1%	36,163,245	245,958	32,879,639	63,671
Reinsurance contract assets and liabilities	1%	822,623	(6,991)	737,696	(72,016)
Debt instruments at FVOCI and amortised cost	1%	24,086,533	242,801	20,550,734	-

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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.

54% (2023: 74%) 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.

	Effect on equity		Effect on profit	
	2024 (RO)	2023 (RO)	2024 (RO)	2023 (RO)
Group				
Financial instruments at FVTPL	-	-	945,135	2,960,013
Financial instruments at FVOCI	6,635,829	3,592,174	-	-
Parent Company				
Financial instruments at FVTPL	-	-	8,108	31,041
Financial instruments at FVOCI	2,917,845	2,711,453	-	-

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.

62% (2023: 66%) 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 RO 40,765,385 (2023: RO 25,543,153) 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.

	2024				2023			
	High grade (Rated A and above) (RO)	Standard grade (Rated below A upto B) (RO)	Not rated (RO)	Total (RO)	High grade (Rated A and above) (RO)	Standard grade (Rated below A upto B) (RO)	Not rated (RO)	Total (RO)
Group								
Cash and cash equivalents	16,146,626	9,405,662	-	25,552,288	46,602,325	7,400,970	-	54,003,295
Bank Deposits	74,649,740	64,417,493	-	139,067,233	61,834,319	60,918,835	-	122,753,154
Debt instruments at FVTPL	-	904,609	-	904,609	-	29,289,722	-	29,289,722
Debt instruments at FVOCI	27,526,728	41,099,832	6,278,477	74,905,037	17,538,478	11,573,739	-	29,112,217
Debt instruments at amortised cost	48,673,730	12,187,919	-	60,861,649	48,495,204	9,651,058	-	58,146,262
Loans to policyholders	-	-	28,374	28,374	-	-	31,634	31,634
Insurance contract assets	13,371	-	190,779	204,150	421,381	-	468,315	889,696
Reinsurance contract assets	60,495,854	-	14,954,371	75,450,225	19,206,630	9,466,340	-	28,672,970
Other receivables (excluding prepayments)	-	6,262,766	22,778,481	29,041,247	-	-	30,395,424	30,395,424
Total credit risk exposure	227,506,049	134,278,281	44,230,482	406,014,812	194,098,337	128,300,664	30,895,373	353,294,374
Parent Company								
Cash and cash equivalents	5,695,913	102,090	-	5,798,003	8,921,293	2,364,425	-	11,285,718
Bank Deposits	18,657,762	6,357,304	-	25,015,066	8,620,121	10,553,234	-	19,173,355
Debt instruments at FVTPL	-	81,075	-	81,075	-	-	-	-
Debt instruments at FVOCI	22,944,081	6,234,364	-	29,178,445	13,462,303	6,842,699	-	20,305,002
Debt instruments at amortised cost	192,885	-	-	192,885	192,427	-	-	192,427
Loans to policyholders	-	-	-	-	-	-	-	-
Insurance contract assets	-	-	-	-	-	-	-	-
Reinsurance contract assets	1,037,683	-	-	1,037,683	1,669,924	46,281	-	1,716,205
Other receivables (excluding prepayments)	-	700,472	2,437,076	3,137,548	-	-	22,306,661	22,306,661
Total credit risk exposure	48,528,324	13,475,305	2,437,076	64,440,705	32,866,068	19,806,639	22,306,661	74,979,368

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, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and 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 Reinsurance Management strategy manual.

The Group places business only with reinsurers having a minimum rating of “BBB” from Standard and 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.

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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 recognised 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 generalised approach. For Bank Deposits and debt securities, the generalised approach has been used and for the other portfolios, the simplified approach was used. Under the generalised 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 2024	Stage 1 (RO)	Stage 2 (RO)	Assets/ ECL under simplified approach (RO)	Total (RO)
Exposure (carrying value) subject to ECL at 1 January 2024				
Due from banks and deposits	122,938,827	–	54,019,269	176,958,096
Financial investments – Debt	85,166,733	–	–	85,166,733
Other receivables	–	–	6,549,478	6,549,478
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)
Financial investments – Debt	17,452,271	–	–	17,452,271
Other receivables	–	–	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
Financial investments – Debt	102,619,004	–	–	102,619,004
Other receivables	–	–	6,623,667	6,623,667
Opening balance of ECL as at 1 January 2024				
Due from banks and deposits	185,673	–	58,441	244,114
Financial investments – Debt	42,057	–	–	42,057
Other receivables	–	–	35,617	35,617
ECL as at 1 January 2024	227,730	–	94,058	321,788
Charge for the year (net)				
Due from banks and deposits	(43,572)	–	35,608	(7,964)
Financial investments – Debt	20,090	–	–	20,090
Other receivables	–	–	(7,249)	(7,249)
ECL charge for the year (net)	(23,482)	–	28,359	4,877
Closing balance of ECL as at 31 December 2024				
Due from banks and deposits	142,101	–	94,049	236,150
Financial investments – Debt	62,147	–	–	62,147
Other receivables	–	–	28,368	28,368
ECL as at 31 December 2024	204,248	–	122,417	326,665

Parent Company 2024	Stage 1 (RO)	Stage 2 (RO)	Assets/ ECL under simplified approach (RO)	Total (RO)
Exposure (carrying value) subject to ECL at 1 January 2024				
Due from banks and deposits	19,196,267	–	11,306,524	30,502,791
Financial investments – Debt	10,656,273	–	–	10,656,273
Other receivables	–	–	1,359,984	1,359,984
Movement in the exposure (carrying value) subject to ECL during the year				
Due from banks and deposits	5,837,085	–	(5,481,225)	355,860
Financial investments – Debt	12,480,694	–	–	12,480,694
Other receivables	–	–	74,189	74,189
Exposure (carrying value) subject to ECL at 31 December 2024				
Due from banks and deposits	25,033,352	–	5,825,299	30,858,651
Financial investments – Debt	23,136,967	–	–	23,136,967
Other receivables	–	–	1,434,173	1,434,173
Opening balance of ECL as at 1 January 2024				
Due from banks and deposits	22,912	–	22,797	45,709
Financial investments – Debt	2,218	–	–	2,218
Other receivables	–	–	1,321	1,321
ECL as at 1 January 2024	25,130	–	24,118	49,248
Charge for the year (net)				
Due from banks and deposits	(4,626)	–	5,645	1,019
Financial investments – Debt	62	–	–	62
Other receivables	–	–	(727)	(727)
ECL charge for the year (net)	(4,564)	–	4,918	354
Closing balance of ECL as at 31 December 2024				
Due from banks and deposits	18,286	–	28,442	46,728
Financial investments – Debt	2,280	–	–	2,280
Other receivables	–	–	594	594
ECL as at 31 December 2024	20,566	–	29,036	49,602

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Group 2023	Stage 1 (RO)	Stage 2 (RO)	Assets/ ECL under simplified approach (RO)	Total (RO)
Exposure (carrying value) subject to ECL at 1 January 2023				
Due from banks and deposits	147,483,808	–	47,901,407	195,385,215
Financial investments – Debt	70,772,116	–	47,610	70,819,726
Other receivables	–	–	11,355,414	11,355,414
Movement in the exposure (carrying value) subject to ECL during the year				
Portfolio Transfer of Assets and Liabilities	–	–	–	–
Due from banks and deposits	(24,544,981)	–	6,117,862	(18,427,119)
Financial investments – Debt	14,394,617	–	(47,610)	14,347,007
Other receivables	–	–	(4,805,936)	(4,805,936)
Exposure (carrying value) subject to ECL at 31 December 2023				
Due from banks and deposits	122,938,827	–	54,019,269	176,958,096
Financial investments – Debt	85,166,733	–	–	85,166,733
Other receivables	–	–	6,549,478	6,549,478
Opening balance of ECL as at 1 January 2023				
Due from banks and deposits	206,250	–	41,665	247,915
Portfolio Transfer of Assets and Liabilities	–	–	–	–
Financial investments – Debt	98,865	–	–	98,865
Portfolio Transfer of Assets and Liabilities	–	–	–	–
Other receivables	–	–	26,187	26,187
Portfolio Transfer of Assets and Liabilities	–	–	–	–
ECL as at 1 January 2023	305,115		67,852	372,967
Charge for the year (net)				
Due from banks and deposits	(20,577)	–	16,776	(3,801)
Financial investments – Debt	(56,808)	–	–	(56,808)
Other receivables	–	–	9,430	9,430
ECL charge for the year (net)	(77,385)		26,206	(51,179)
Closing balance of ECL as at 31 December 2023				
Due from banks and deposits	185,673	–	58,441	244,114
Financial investments – Debt	42,057	–	–	42,057
Other receivables	–	–	35,617	35,617
ECL as at 31 December 2023	227,730		94,058	321,788

Parent Company 2023	Stage 1 (RO)	Stage 2 (RO)	Assets/ ECL under simplified approach (RO)	Total (RO)
Exposure (carrying value) subject to ECL at 1 January 2023				
Due from banks and deposits	42,238,184	–	19,619,962	61,858,146
Financial investments – Debt	26,931,051	–	47,610	26,978,661
Other receivables	–	–	7,332,388	7,332,388
Movement in the exposure (carrying value) subject to ECL during the year				
Portfolio Transfer of Assets and Liabilities	(48,657,559)	–	(10,293,942)	(58,951,501)
Due from banks and deposits	2,200,770	–	(7,562,838)	(5,362,068)
Financial investments – Debt	7,140,094	–	–	7,140,094
Other receivables	–	–	3,523,328	3,523,328
Exposure (carrying value) subject to ECL at 31 December 2023				
Due from banks and deposits	19,196,267	–	11,306,524	30,502,791
Financial investments – Debt	10,656,273	–	–	10,656,273
Other receivables	–	–	1,359,984	1,359,984
Opening balance of ECL as at 1 January 2023				
Due from banks and deposits	94,670	–	29,870	124,540
Portfolio Transfer of Assets and Liabilities	(81,129)	–	(10,435)	(91,564)
Financial investments – Debt	79,904	–	–	79,904
Portfolio Transfer of Assets and Liabilities	(79,589)	–	–	(79,589)
Other receivables	–	–	26,179	26,179
Portfolio Transfer of Assets and Liabilities	–	–	(25,191)	(25,191)
ECL as at 1 January 2023	13,856		20,423	34,279
Charge for the year (net)				
Due from banks and deposits	9,371	–	3,362	12,733
Financial investments – Debt	1,903	–	–	1,903
Other receivables	–	–	333	333
ECL charge for the year (net)	11,274		3,695	14,969
Closing balance of ECL as at 31 December 2023				
Due from banks and deposits	22,912	–	22,797	45,709
Financial investments – Debt	2,218	–	–	2,218
Other receivables	–	–	1,321	1,321
ECL as at 31 December 2023	25,130		24,118	49,248

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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 RO 6,292,000 as at 31 December 2024 (2023: RO 14,750,000) 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 2024	Less than one year (RO)	More than one year (RO)	No fixed term (RO)	Total (RO)
Financial liabilities				
Insurance contract liabilities	143,440,139	55,141,977	–	198,582,116
Reinsurance contract liabilities	10,048,726	10,107,319	–	20,156,045
Bank borrowings	15,680,504	53,555,493	–	69,235,997
Other liabilities (excluding contractual staff benefits)	19,628,306	2,346,955	–	21,975,261
Total financial liabilities	188,797,675	121,151,744	–	309,949,419
Financial assets				
Cash and bank balances	25,552,288	–	–	25,552,288
Bank deposits	91,919,757	47,147,476	–	139,067,233
Insurance contract assets	242,773	(38,623)	–	204,150
Reinsurance contract assets	68,015,099	7,435,126	–	75,450,225
Other receivables (excluding prepayments and advances)	19,921,968	3,508,246	5,611,033	29,041,247
Investment carried at fair value through profit or loss	904,609	–	–	904,609
Investments carried at amortised cost	11,107,365	49,754,284	–	60,861,649
Investment carried at FVOCI	–	25,598,371	49,306,666	74,905,037
Loans to policyholders	–	–	28,374	28,374
Total financial assets	217,663,859	133,404,880	54,946,073	406,014,812

Parent Company 2024	Less than one year (RO)	More than one year (RO)	No fixed term (RO)	Total (RO)
Financial liabilities				
Insurance contract liabilities	31,348,948	4,814,297	–	36,163,245
Reinsurance contract liabilities	2,877,484	(1,017,178)	–	1,860,306
Bank borrowings	7,101,004	37,542,993	–	44,643,997
Other liabilities (excluding contractual staff benefits)	26,212,012	–	–	26,212,012
Total financial liabilities	67,539,448	41,340,112	–	108,879,560
Financial assets				
Cash and bank balances	5,798,003	–	–	5,798,003
Bank deposits	25,015,066	–	–	25,015,066
Insurance contract assets	–	–	–	–
Reinsurance contract assets	465,005	572,678	–	1,037,683
Other receivables (excluding prepayments and advances)	2,868,777	–	268,770	3,137,547
Investment carried at fair value through profit or loss	81,075	–	–	81,075
Investments carried at amortised cost	–	192,885	–	192,885
Investment carried at FVOCI	–	–	29,178,445	29,178,445
Loans to policyholders	–	–	–	–
Total financial assets	34,227,926	765,563	29,447,215	64,440,704

Group 2023	Less than one year (RO)	More than one year (RO)	No fixed term (RO)	Total (RO)
Financial liabilities				
Insurance contract liabilities	130,091,739	12,563,289	5,939,980	148,595,008
Reinsurance contract liabilities	13,514,111	(314,451)	–	13,199,660
Bank borrowings	23,569,610	48,136,400	–	71,706,010
Other liabilities (excluding contractual staff benefits)	26,365,346	2,708,788	–	29,074,134
Total financial liabilities	193,540,806	63,094,026	5,939,980	262,574,812
Financial assets				
Cash and bank balances	51,110,365	–	2,892,930	54,003,295
Bank deposits	122,753,154	–	–	122,753,154
Insurance contract assets	1,060,266	(170,570)	–	889,696
Reinsurance contract assets	23,417,358	4,204,641	1,050,972	28,672,971
Other receivables (excluding prepayments and advances)	22,306,661	25,026	8,063,737	30,395,424
Investment carried at fair value through profit or loss	29,600,128	–	–	29,600,128
Investments carried at amortised cost	26,359,845	31,786,417	–	58,146,262
Investment carried at FVOCI	–	16,244,977	19,676,765	35,921,742
Loans to policyholders	31,634	–	–	31,634
Total financial assets	276,639,411	52,090,491	31,684,404	360,414,306

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Parent Company 2023	Less than one year (RO)	More than one year (RO)	No fixed term (RO)	Total (RO)
Financial liabilities				
Insurance contract liabilities	32,877,626	2,013	–	32,879,639
Reinsurance contract liabilities	978,902	(393)	–	978,509
Bank borrowings	23,569,610	48,136,400	–	71,706,010
Other liabilities (excluding contractual staff benefits)	13,897,241	1,974,142	–	15,871,383
Total financial liabilities	71,323,379	50,112,162	–	121,435,541
Financial assets				
Cash and bank balances	11,285,718	–	–	11,285,718
Bank deposits	19,173,355	–	–	19,173,355
Insurance contract assets	–	–	–	–
Reinsurance contract assets	1,716,160	45	–	1,716,205
Other receivables (excluding prepayments and advances)	22,306,661	–	–	22,306,661
Investment carried at fair value through profit or loss	310,406	–	–	310,406
Investments carried at amortised cost	–	192,427	–	192,427
Investment carried at FVOCI	–	10,656,261	16,458,266	27,114,527
Loans to policyholders	–	–	–	–
Total financial assets	54,792,300	10,848,733	16,458,266	82,099,299

* Bank deposits of RO 139,481,288 (2023: RO 122,753,154) also include bank deposits which have maturity date of more than one year amounting to RO 61,020,988 (2023: RO 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 2024 (RO)	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
Group 2023 (RO)	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	1,351,073	1,256,723	712,605	454,251	577,060	1,065,129	5,416,841
Reinsurance contract liabilities (held)	(485,590)	(336,683)	(243,615)	(176,636)	(129,006)	(323,143)	(1,694,673)
	865,483	920,040	468,990	277,615	448,054	741,986	3,722,168
PVFC for LFIC of all portfolios:							
Insurance contract liabilities	66,488,924	3,929,357	804,792	266,975	64,129	10,285	71,564,462
Reinsurance contract liabilities (held)	(309,470)	24,432	4,202	1,136	4	–	(279,696)
	66,179,454	3,953,789	808,994	268,111	64,133	10,285	71,284,766

Parent Company 2024 (RO)	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
Parent Company 2023 (RO)	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	19,464,093	2,013	–	–	–	–	19,466,106
Reinsurance contract liabilities (held)	(21,583)	7	–	–	–	–	(21,576)
	19,442,510	2,020	–	–	–	–	19,444,530

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.

Group	2024			2023		
	Insurance Contracts (RO)	Reinsurance contracts held (RO)	Net (RO)	Insurance Contracts (RO)	Reinsurance contracts held (RO)	Net (RO)
Geographic concentration						
Oman	53,755,295	(9,198,420)	44,556,875	57,620,072	(6,816,723)	50,803,349
UAE	106,600,946	(43,061,787)	63,539,159	56,364,182	(5,617,133)	50,747,049
Kuwait	2,365,039	(470,356)	1,894,683	2,018,304	(244,493)	1,773,811
Bahrain	855,974	33,230	889,204	679,009	151,007	830,016
KSA	34,800,712	(2,596,847)	32,203,865	31,023,745	(2,945,969)	28,077,776
	198,377,966	(55,294,180)	143,083,786	147,705,312	(15,473,311)	132,232,001
Business Type Concentration						
Life – Long term	13,776,426	(4,831,832)	8,944,594	13,709,438	(4,484,761)	9,224,677
Life – Short term	1,168,715	(383,371)	785,344	40,415,745	(2,699,914)	37,715,831
Health	45,584,271	481,016	46,065,287	39,800,433	(792,282)	39,008,151
General	137,848,554	(50,559,993)	87,288,561	53,779,696	(7,496,354)	46,283,342
	198,377,966	(55,294,180)	143,083,786	147,705,312	(15,473,311)	132,232,001

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Parent Company	2024			2023		
	Insurance Contracts (RO)	Reinsurance contracts held (RO)	Net (RO)	Insurance Contracts (RO)	Reinsurance contracts held (RO)	Net (RO)
Geographic concentration						
Oman	-	-	-	-	-	-
UAE	36,163,245	822,623	36,985,868	32,879,639	(737,696)	32,141,943
Kuwait	-	-	-	-	-	-
	36,163,245	822,623	36,985,868	32,879,639	(737,696)	32,141,943
Business Type Concentration						
Life – Long term	-	-	-	-	-	-
Life – Short term	1,168,715	(383,371)	785,344	871,745	(63,678)	808,067
Health	34,994,530	1,205,994	36,200,524	32,007,894	(674,018)	31,333,876
General	-	-	-	-	-	-
	36,163,245	822,623	36,985,868	32,879,639	(737,696)	32,141,943

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 2024.

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 2024.

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.

35.9 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 financial assets and liabilities are not materially different from their carrying values as of the reporting date.

Fair value measurements recognised in the 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

Included in the Level 1 category are financial assets that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Non-market observable inputs means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current

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market transactions in the same instrument nor are they based on available market data. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group. Therefore, unobservable inputs reflect the Group's own assumptions about the assumptions that

market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data.

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values as of the reporting date. There were no level 3 financial instruments measured at fair value.

Financial instruments recorded at fair value	Level 1	Level 2	Level 3	Total
2024				
Investments carried at FVTPL and FVOCI	39,642,052	73,117	36,094,477	75,809,646
2023				
Investments carried at FVTPL and FVOCI	61,298,029	147,481	4,076,360	65,521,870

There were no transfers between any levels mentioned above.

37. Comparative Information

Parent's results for the year 31 December 2024 excludes insurance business in Oman and Kuwait which was transferred to its fully owned subsidiary in Oman, Liva Insurance SAOC dated 1 October, 2023. 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 the current year information.

38. Transfer of Oman and Kuwait insurance related assets and liabilities from Liva SAOG to Liva Insurance SAOC

On the 1 of October 2023, the Company has transferred all insurance related assets and liabilities of the Oman and Kuwait operations to Liva Insurance SAOC. This is in line with the strategy of Company to consolidate its insurance businesses into the operating entity, Liva Insurance SAOC.

All required approvals have been taken from the insurance regulator on the transfer and below is summary of the assets and liabilities transferred.

Transfer to Liva Insurance SAOC	Kuwait (RO)	Oman (RO)	Total (RO)
Assets			
Cash and cash balances	750,600	-	750,600
Bank deposits	3,215,793	22,026,893	25,242,686
Investments carried at amortised cost	-	8,805,714	8,805,714
Investments at Fair value through other comprehensive income	1,489,954	30,043,401	31,533,355
Other receivables and prepayments	290,498	7,424,550	7,715,048
Loans to policyholders	-	41,297	41,297
Property and Equipment	371,656	1,141,267	1,512,923
Reinsurance contract assets	103,684	5,111,737	5,215,421
Deferred tax asset	-	2,190,271	2,190,271
Intangible Assets including Goodwill	-	146,490	146,490
Total Assets Transferred	6,222,185	76,931,620	83,153,805
Liabilities			
Insurance contract liabilities	2,096,418	37,883,422	39,979,840
Other liabilities and accruals	739,311	9,139,718	9,879,029
Total Liabilities Transferred	2,835,729	47,023,140	49,858,869
Consideration from Liva Insurance SAOC	3,386,456	29,908,480	33,294,936

Total consideration for the transfer is RO 33,294,936 which was discharged as per below :

Contingency reserve build in Liva Insurance SAOC	11,168,826
New Share issued to Liva Insurance SAOC from Liva SAOG	4,000,000
Cash consideration	18,126,110
Total Consideration	33,294,936

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"). Both companies will conduct technical, financial, legal, and actuarial due diligence and engage in non-binding discussions on the terms and conditions of the Proposed Transaction.

On 2 December 2024, both Companies have 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, and that even after such agreement 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.

Liva Insurance Company SJSC has announced the appointment of SNB Capital as its financial advisor in connection with this proposed merger.





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