

**Dhofar Insurance Company SAOG**

**Notes to the financial statements for the year ended 31 March 2025**

**(Expressed in Omani Rial)**

**1 Legal status and principal activities**

Dhofar Insurance Company SAOG ("the Company") is an Omani public joint stock company registered on 13 April 1991 with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman. The Company's principal activity is undertaking the business of insurance (general and life).

The Company's principal place of business is located in Muscat, Sultanate of Oman.

**2 Statement of compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and the applicable disclosure requirements of the Financial Services Authority (FSA) and relevant provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman.

As disclosed in Note 11 (b), the Company's percentage of investment in Dhofar Food and Investment SAOG (DFNI) as a percentage of DFNI's Share capital is 32.83%, which exceeds the limit prescribed by Regulation for Investing Assets of Insurance Companies issued by the FSA. As per the Regulation, investments in public joint stock companies shall not exceed 20% of its total capital.

**Basis of preparation**

The financial statements have been prepared on a historical cost basis and going concern assumption, except for financial instruments at fair value, fair values through profit or loss and/or through other comprehensive income, investment property and revalued property, plant and equipment. The preparation of financial statements is in conformity with IFRS Accounting Standards that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

The financial statements have been presented in Rial Omani which is the functional currency of the Company.

**3 Adoption of significant new and revised IFRS**

**(a) Standards, amendments and interpretations effective and adopted in the annual period beginning on or after 1 January 2024**

The following new standards, amendment to existing standards or interpretations to various IFRS Accounting Standards are mandatorily effective for the reporting period beginning on or after 1 January 2024:

Standard or Interpretation	Title
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-Current Liabilities with Covenants
Amendments to IAS 7	Statement of Cash Flows: Supplier Finance Arrangements
Amendments to IFRS 7	Financial Instruments: Disclosures: Supplier Finance Arrangements

**3 Adoption of significant new and revised IFRS (continued)**

**(a) Standards, amendments and interpretations effective and adopted in the annual period beginning on or after 1 January 2024 (continued)**

**IFRS 16: Lease Liability in a Sale and Leaseback**

On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments have no effect on the financial statements of the Company.

**Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants**

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the financial statements of the Company.

**Amendments to IAS 7 & IFRS 7: Supplier Finance Arrangements**

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The Company carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the financial statements, regardless of the transition relief provided.

### 3 Adoption of significant new and revised IFRS (continued)

#### (b) Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by IASB that are effective in future accounting period and the Company has decided not to adopt early.

Standard or Interpretation	Title	Effective for annual periods beginning on or
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Company does not expect these amendments and standards issued but not yet effective, to have a material impact on the financial statements of the Company, except IFRS 18.

IFRS 18 *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

#### 4 Material accounting policy information

A summary of the material accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Insurance and reinsurance contracts

The Company has made the following accounting policy choices available as per IFRS 17 in accounting for its Insurance contracts:

Accounting policy judgement area	Company decision
Use of other comprehensive income for insurance finance income / expense	Did not opt
Risk adjustment unwinding within insurance service results or split between insurance service results and insurance finance expense.	Did not opt
Where using PAA, whether deferral of acquisition cost for life and non-life have been opted for 1 - year contract	Opted
Discounting contracts of one year or lesser duration for determining LIC	Opted
Length of cohorts (e.g., annual, quarterly, monthly, etc.)	Annual
Allocation of cash flows between loss component and LFRC for unprofitable contracts.	Done on a systematic basis
Adjustment of cash flows for CSM calculations (quarterly vs actual)	Annual

#### 4 Material accounting policy information (continued)

##### (a) Insurance and reinsurance contracts (continued)

###### i) Initial recognition

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

##### ia) Life Insurance Contracts

###### 1) Individual life policies

These consist of the following types of policies:

- With profits conventional policies (i.e., policies with a discretionary participation feature) which insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they are received. Provisional premiums are recognised at the year-end for premiums receivable of policies which have not lapsed. Benefits are recorded as an expense when they are incurred. Each policy has a defined benefit amount payable which is guaranteed. Apart from this reversionary and terminal bonuses are declared by the Company from time to time based on the profitability of the individual life portfolio. Reversionary bonuses convert into guaranteed benefits once declared and a certain minimum level of bonus is guaranteed for certain policies.
- Term assurance where the benefits are payable only in the event of death of the insured. These include policies where the insured amount is constant throughout the term of the policy and decreasing term assurance policies where the sum assured reduces at a pre-decided rate every year. The premium is paid either over the term of the policy or as a single premium. Premiums are recognised as revenue when they are received. Provisional premiums are recognised at the year-end for premiums receivable of policies which have not lapsed. These are without profit policies.

###### 2) Individual credit life policies

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

###### 3) Group credit life policies

These are life insurance contracts underwritten on a group basis and issued to financial institutions to protect their outstanding loan portfolios. These contracts protect the Company's customers (financial institutions) from the consequences of events (such as death or disability) that would effect on the ability of the customer's borrowers to repay outstanding loans.

These contracts are issued on two basis:

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

###### 4) Group life policies

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

**4 Material accounting policy information (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**i) Initial recognition**

**ia) Life Insurance Contracts (continued)**

**5) Retail/personal accident policies**

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

**ib) Medical insurance contracts**

**1) Group medical policies**

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

**2) Individual medical policies**

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

**ic) General insurance contracts**

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

**1) Motor insurance**

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

**2) Property insurance**

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

**3) Engineering insurance**

Engineering insurance compensates insured for damages to plant & machinery, projects, electronic equipment, heavy machinery/ vehicles, etc. due to accident.

**4) Liability insurance**

Liability insurance compensates insured for liability arising through public liability, professional indemnity, employers liability, extended warranty, etc.

**5) Marine insurance**

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

**id) Allowance in claims liability**

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

#### 4 Material accounting policy information (continued)

##### (a) Insurance and reinsurance contracts (continued)

###### i) Initial recognition (continued)

###### ie) Reinsurance contracts held

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

###### ii) Recognition and measurement

###### a) Insurance contracts issued

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

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

###### b) Reinsurance contracts held

The Company recognise reinsurance contracts held as follows:

###### (i) group of non-proportionate reinsurance contracts held, at earlier of:

- at the start of the period of coverage; or
- In case of reinsurance arrangements held for underlying onerous contracts, the date of recognising the underlying onerous contract.

###### (ii) 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.

###### iii) Measurement model

Under IFRS 17, the Company's non-life and short-term life insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach (PAA), except for long-term life business (being run on General Measurement Model - GMM). The IFRS 17 standard requires contracts with contractual term greater than 1 year to be run on the GMM. However, the Standard also allows for such contracts to be run on PAA if those contracts pass the PAA eligibility test. Insurance contracts with contractual term of greater than 1 year were tested for PAA eligibility before finalizing the measurement model. The PAA simplifies the measurement of insurance contracts in comparison with the GMM in IFRS 17.

The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided under the PAA. Under the GMM, the liability for remaining coverage is calculated as the present value of future cash flows that are expected to arise, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM).

The Company does not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk under the PAA approach. However, under the GMM, the liability for remaining coverage is adjusted to reflect the time value of money and the effect of financial risk.

For PAA contracts, measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component. If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognizes a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. For GMM contracts, the groups of contracts are measured based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM (Contractual Service Margin).

**4 Material accounting policy information (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**iii) Measurement model (continued)**

Measurement of the liability for incurred claims is determined on a discounted expected value basis and includes an explicit risk adjustment for non- financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses. The Company recognizes the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows are discounted (at current rates) whether or not they are expected to be paid in one year or less from the date the claims are incurred.

Measurement of the asset for remaining coverage is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts. The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

- The Company issues long term-life insurance contracts which are being measured using GMM.
- The Company does not issue any contracts with direct participating features.

**Summary of Measurement Approaches related to direct contract are as follows:**

<b>PAA</b>	<b>GMM</b>
- Fire	- Long Term Life Protection
- Marine Hull	
- Marine Cargo	
- Motor	
- Health	
- General Accident	
- Liability and Financial Lines	
- Engineering	
- Group Life (short-term)	

**Summary of Measurement Approaches for reinsurance contract held are as follows:**

<b>PAA</b>	<b>GMM</b>
- Fire	- Individual Life and PA
- Motor	
- Health	
- General Accident	
- Liability	
- Engineering	
- Group Life	
- Medical	
- Motor high value	
- Catastrophe	
- Fire and Engineering Risk and Catastrophe	
- Personal Accident	
- Marine Cargo and Hull	



#### 4 Material accounting policy information (continued)

##### (a) Insurance and reinsurance contracts (continued)

##### iv) Best Estimate Liability (BEL)

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

LfRC BEL includes cash flow estimates relating to future service, whereas LFIC BEL includes cash flow estimates relating to past service and current service

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

##### iv(a) Liability for Remaining Coverage (LFRC) under GMM

##### 1) LFRC - Statement of financial position

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

- Estimate 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 LFRC and the LIC. The LFRC comprises of fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date.

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

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

- Insurance revenue - for the reduction in the LFRC 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 (CSM)

##### (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 Company 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 Company at that date; and
- The derecognition of any asset recognised for insurance acquisition cash flows and any other asset or liability previously recognised for BEL 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 accretion on the CSM during the period measured at the discount rates at initial recognition;
- Changes in the fulfilment cashflows relating to future service, except to the extent.



#### 4 Material accounting policy information (continued)

##### (a) Insurance and reinsurance contracts (continued)

##### iv) Best Estimate Liability (BEL) (continued)

##### iv(a) Liability for Remaining Coverage (LFRC) under GMM (continued)

##### 2) Measurement of Contractual Service Margin (CSM) (continued)

##### (ii) Subsequent measurement (continued)

1) Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a

2) Such decreases in the fulfilment cash flows are allocated to the loss component of the LFRC.

- 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.

##### 2a) Effect of new contracts added

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

##### 2b) 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.

##### 2c) Changes in fulfilment cash flows

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

- Experience adjustments (i.e., actual vs. expected amounts) arising from premiums received in the period that relate to future services, 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;
- Changes in the risk adjustment for non-financial risk that relate to future service.

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

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

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

**4 Material accounting policy information (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**iv) Best Estimate Liability (BEL) (continued)**

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

**3) Currency difference**

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

**4) Allocation of CSM to profit or loss**

The Company recognised CSM over the coverage period in a pattern that reflects the provision of insurance contract services 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.

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) Reinsurance**

The reinsurance contracts held under 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 in 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 Company 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 Company 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 below:

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

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

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

**4 Material accounting policy information (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**iv) Best Estimate Liability (BEL) (continued)**

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

**7) Reinsurance contracts held - loss recovery component**

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

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

**iv(b) Liability for Remaining Coverage (LFRC) under PAA**

**1) LFRC - Statement of financial position**

(i) 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 assets of insurance acquisition cash flows.

(ii) 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; and
- Add: Amortisation of COA (i.e. COA expense less DAC)

**2) LFRC - Statement of profit or loss**

(i) on initial recognition:

- GWP less unearned premium reserve (UPR) equals insurance revenue;
- Total acquisition costs less DAC equals amortised DAC.

(ii) on subsequent measurement:

- GWP less change in UPR equals insurance revenue;
- Total acquisition costs less change in DAC equals amortized DAC.

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

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

**4 Material accounting policy information (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**iv) Best Estimate Liability (BEL) (continued)**

**iv(b) Liability for Remaining Coverage (LFRC) under PAA (continued)**

**2) LFRC - Statement of profit or loss (continued)**

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

The Company 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 Company accounts for the credit risk factor of receivables and related changes under insurance revenue.

Estimation of the future cash flows includes determination of the expected value, or probability-weighted mean of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The difference between the premiums recorded and the premiums received plus expected premium cashflows is considered as the expected credit loss or impairment impact on insurance contracts. Such impairment charges are considered part of insurance revenue rather than recorded as expenses.

**3) Systematic allocation of revenue (premium) under PAA**

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

**iv(c) Liability for incurred claims**

The Company calculates the LFIC as follows:

- Best Estimate (BEL) of the fulfilment cash flows;
- Risk adjustment for non-financial risks.

Discounting on LFIC:

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

**iv(d) Risk adjustments**

The risk adjustment is required when calculating:

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

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

**iv(e) Disaggregation of Risk Adjustment**

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

- 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; but

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

#### 4 Material accounting policy information (continued)

##### (a) Insurance and reinsurance contracts (continued)

##### iv) Best Estimate Liability (BEL) (continued)

##### 3) Systematic allocation of revenue (premium) under PAA (continued)

##### iv(f) Expenses

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

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

- **Insurance acquisition costs:** These include costs of selling, underwriting and starting a group of insurance contracts and should be directly attributable to the portfolio of insurance contracts to which the groups belong. The deferred part of these costs relating to contracts issued forms part of the Liability for remaining coverage (LFRC) and the amortization for each reporting period is included within Insurance service expenses.
- **Incurred claims and claim handling expenses:** costs of investigating claims and processing claims payments as well as salvage and subrogation. The presumption is that these costs can easily be identified and allocated to portfolios and groups of insurance contracts that they are directly attributable to. These costs are included within the calculation of the Liability for Incurred Claims (LFIC) and included within Insurance service expenses.
- **Administrative costs:** These include general administrative expenses directly attributable to the insurance servicing activity such as costs of billing premiums, handling policy changes and all fixed and variable overheads (e.g. accounting, HR, IT, building depreciation, rentals). These costs will be allocated to portfolios and groups of contracts using methods that are systematic, rational and consistently applied to all costs that have similar characteristics. Under the PAA model, these costs are recognised as incurred on an accruals basis, and expensed directly to the Statement of profit or loss as a component of insurance service expenses.
- **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 contract; and
  - Investment expense.

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

##### iv(g) Policy fees

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

##### iv(h) Reinsurance

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

**4 Material accounting policy information (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**iv) Best Estimate Liability (BEL) (continued)**

**3) Systematic allocation of revenue (premium) under PAA (continued)**

**iv(i) Discount rate**

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

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

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

**iv(j) Length of cohorts**

The Company has selected the cohort duration of one year.

**iv(k) Premium Allocation Approach (PAA)**

The Company applies the PAA approach wherever the eligibility criteria of para 53(a) and (b) of IFRS 17 has been fulfilled for its portfolios. However, in case of any changes in the term and conditions of the contracts or introduction of new contract with coverage period of more than one year, the Company's will re-perform the PAA eligibility test.

**(b) Fulfilment cash flows**

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

**(c) 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:

All cash flows were projected and reported on a monthly 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.

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

#### 4 Material accounting policy information (continued)

##### (c) Liability for Remaining Coverage (LFRC) (continued)

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

##### (d) Liability for Incurred Claims (LFIC)

The Fulfilment Cashflows for LFIC comprise the following:

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

The estimates and judgements used for arriving at the Outstanding claims, IBNR, IBNER and ULAE. 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. In future if changes are required, it is anticipated that these will be minimal.

The expenses attributable to claims maintenance and Risk Adjustment to the LFIC as well as application of Discounting which was developed and applied to LFIC within the calculation engine.

##### (e) Risk adjustment

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

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

The methodology used for RA is based on a mix of results of Company's own experience variability and the value risk ("VaR") approach in line with Solvency II. The Appointed Actuary calibrated the parameters of the distribution based on the experience and credibility of the historical data. The level of percentile is decided by the Company as 70 th percentile (31 December 2024 - 70%) based on the data and past experience. The diversification benefit for GMM portfolios has been allowed for in the estimation of RA driven by expected correlation matrix as prescribed by Solvency II. While the diversification benefit for PAA portfolios has been allowed for in the estimation of RA driven by the mix of business and the expected correlations between them.

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

##### (f) Discount rates

This was derived using the Bottom-Up approach from the EIOPA USD curve used adjusted for both of its GMM and PAA portfolios.

Financial Reporting	1 Year	5 Year	10 Year	15 Year	20 Year
31 March 2025	4.47%	4.15%	4.28%	4.40%	4.40%
31 December 2024	4.18%	4.06%	4.07%	4.12%	4.10%

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 its PAA portfolios, the Company has used yield curve rates in the range of 4.47% to 4.40% (31 December 2024: 4.18% to 4.10%) to discount cash flows.



#### 4 Material accounting policy information (continued)

##### (g) Foreign currency

###### i) Functional and presentation currency

The financial statements are presented in Omani Rials (RO), which is the Company's functional and presentation currency.

###### ii) Transactions and balances

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

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

##### (h) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any identified impairment loss, except for freehold land which is not depreciated. The cost of property and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss and other comprehensive income during the year in which they are incurred.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of items of property and equipment. The estimated useful economic lives are as follows:

Description	% per annum
Buildings on freehold land	4
Office furniture and equipment	25
Motor vehicles	25

Freehold land is not depreciated as it is deemed to have an infinite future life.

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 disposal of property and equipment, determined by reference to their carrying amounts, are recognised within 'other income' and are taken into account in determining net profit.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment category and depreciated in accordance with the Company's policy. Interest costs on bank borrowings to finance specific property and equipment are capitalised during the period that is required to bring the asset to a condition when it is ready for use.

**4 Material accounting policy information (continued)**

**(i) Investment properties**

Investment properties are properties which are held either to earn rental income, or for capital appreciation or both. Investment properties are stated at their fair values. External independent valuers, having appropriate recognised professional qualifications and experience, value the investment property at every reporting date. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. Any gains or losses arising from changes in fair value of the investment properties are recognised in the statement of profit or loss and other comprehensive income.

When selling an investment property, fair value is determined, and any resulting gain or loss is recorded in the income statement. For purchases, the property is recognized at cost, including directly attributable transaction costs. Compliance with IAS 40 ensures transparent and accurate financial reporting of investment property transactions.

**(j) Investment in associates (equity accounted investees)**

Associates are those entities over which the Company exercises significant influence, but does not control or jointly control, over the financial and operating policies. Investment in associates are accounted for using the equity method, which are recognised initially at cost including transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of the associates, until the date on which significant influence ceases.

The Company's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

The most recent available financial statements of the associates are used by the Company. When the reporting dates of the Company and the associate are different, the associate prepares the financial statements as of the same date as the financial statements of the Company unless it is impracticable to do so.

When the financial statements of an associate are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Company's financial statements. In any case, the difference between the reporting date of the associate and that of the Company is not more than three months.

**(k) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset.

#### 4 Material accounting policy information (continued)

##### (k) Impairment of non-financial assets (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

##### (l) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### [A] Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

##### (i) Classification

The financial assets are classified in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- b) those to be measured at amortised cost.

For assets measured at fair value, gains and losses are recorded in the profit or loss. For investments in equity instruments, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

##### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss and other comprehensive income as incurred.

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

##### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

**4 Material accounting policy information (continued)**

**(I) Financial instruments (continued)**

**[A] Financial assets (continued)**

**(ii) Measurement (continued)**

**Equity instruments**

If the Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in the statement of profit or loss and other comprehensive income as other income when the Company's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss is recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income.

**(iii) De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**(iv) Impairment of financial assets**

The Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortised cost e.g., loans, deposits and trade receivables.

ECL is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and hence a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in the statement of profit or loss and other comprehensive income even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represent the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset. Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on aging of the trade receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

**4 Material accounting policy information (continued)**

**(I) Financial instruments (continued)**

**[A] Financial assets (continued)**

**(v) Income recognition**

**Interest income**

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

**Dividends**

Dividend income is recognised when the right to receive dividend is established, unless collectability is in doubt.

**Rental income**

Revenue from rental income of investment properties are reported within 'Investment income'.

**[B] Financial liabilities**

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

**(i) Classification**

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortised cost.

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR after considering the directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, and subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

The Company's financial liabilities include trade and other payables and due to related party. The Company measures financial liabilities at amortised cost.

**(ii) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

#### 4 Material accounting policy information (continued)

##### (m) Insurance service expense

The Company predominantly incurs costs directly related to fulfilling insurance contracts, identified either at an individual contract level or allocated to groups of contracts using reasonable and supportable information. Following the IFRS 17 classification, expenses are categorized into three main groups: insurance acquisition costs, incurred claims and claim handling expenses, and administrative costs. Insurance acquisition costs, covering selling and underwriting, are deferred as part of the Liability for Remaining Coverage (LFRC) and amortized within Insurance Service Expenses. Incurred claims and claim handling expenses, including investigation and processing costs, are integrated into the Liability for Incurred Claims (LFIC) and contribute to Insurance Service Expenses. Administrative costs, encompassing general administrative expenses related to insurance servicing, are allocated using systematic methods and recognized as incurred on an accruals basis under the Premium Allocation Approach (PAA), expensed directly in the Statement of Profit or Loss as part of insurance service expenses.

##### (n) Offsetting

Financial assets and financial liabilities are 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 Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### (o) Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances and short-term fixed deposits with original maturities of three months or less from the date of placement.

##### (p) Reinsurance contracts held

The company accounts for reinsurance contracts held in two scenarios:

- (i) For non-proportionate reinsurance contracts, recognition occurs at the earlier of the coverage period's start or, for arrangements linked to onerous contracts, when recognizing the underlying onerous contract.
- (ii) In the case of proportionate reinsurance, recognition is at the later of the coverage period's beginning or the date of the first recognition of the underlying gross insurance contract.

##### (q) Reinsurance contracts Assets

At each reporting date, the Company assesses whether there is any indication that a reinsurance contract asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of a reinsurance contract asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount.

##### (r) Other expenses

The abnormal amounts of wasted labor, costs not directly attributable to the insurance portfolio, and investment expenses, are omitted from insurance contract measurement. The Company adheres to these exclusions in accordance with IFRS 17 requirements, ensuring a comprehensive and accurate representation of costs associated with insurance contracts.

##### (s) Insurance / reinsurance finance income / (expense)

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein.

##### (t) Contingency reserve

In accordance with Article 20 (2) (c) amended by Royal Decree No. 35/95 of the Oman Insurance Companies Law 1979, and the letter CMA 4952/2005 dated 22 November 2005, 10% of the net outstanding claims at the statement of financial position date for general insurance and 1% of the premiums for the year for life business are transferred from retained earnings to a contingency reserve. The Company may discontinue this transfer when the reserve equals to the issued and fully paid-up share capital of the Company.

#### 4 Material accounting policy information (continued)

##### (u) Other payables

Other payables 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 Company.

##### (v) Employee benefit liabilities and leave entitlements

The provision for employee benefit liabilities is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the reporting date with regard to the requirements of the Oman Labour Law, 2023 and the Social Security Law, 1991.

##### *Government of Oman Social Insurance Scheme (the Scheme)*

The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at 12.5% and 8%, respectively, of gross salaries.

##### *Non-Omani employee terminal benefits*

The provision for end-of-service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end-of-service benefits calculated at the rate of 30 days basic salary for each year of continuous service. This is an unfunded defined benefits retirement plan. Accrued non-Omani end-of-service benefits are payable on termination of employment.

##### (w) Revenue recognition

##### **General insurance contracts, short-term life insurance contracts and long-term group life insurance**

The Company classifies insurance revenue recognition into the Premium Allocation Approach (PAA) and the General Measurement Model (GMM) for all insurance contracts. The recognition of revenue under these approaches is as follows:

##### **PAA**

Under PAA, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component), allocated to the period based (a) on the passage of time or (b) if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

##### **GMM**

For GMM contracts, on initial recognition, the company measures a group of insurance contracts as the total of

- (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
- (b) the CSM.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of

- (a) the fulfilment cash flows,
- (b) any cash flows arising at that date and
- (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (c)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.



#### 4 Material accounting policy information (continued)

##### (w) Revenue recognition (continued)

###### General insurance contracts, short-term life insurance contracts and long-term group life insurance contracts (continued)

For subsequent measurement, the carrying amount of a group of insurance contracts 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

- (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods; and
- (b) any remaining CSM at that date. The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

The CSM of each group of contracts is calculated at each reporting date as follows: -

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - i) any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or
  - ii) any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Insurance revenue consists of the amounts relating to the changes in the liability for remaining coverage: -

- (i) amounts related to expected benefits and expenses
- (ii) the change in the risk adjustment for non-financial risk,
- (iii) the amount of the contractual service margin recognised in profit or loss because of the transfer of insurance contract services in the period,
- (iv) experience adjustments for premium receipts and acquisition expenses other than those that relate to future service
- (v) the allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.

###### Policy fees and transfer fees

Insurance policyholders are charged for policy administration services, transfer fees and other contract fees. Insurance policy fees and transfer 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.

##### (x) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax-rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

**4 Material accounting policy information (continued)**

**(x) Income tax (continued)**

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.

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

**(x) Directors' remuneration**

The Directors' remuneration is governed as set out by the Commercial Companies Law of the Sultanate of Oman and the Rules and Guidelines on Disclosure prescribed by the Capital Market Authority.

The Annual General Meeting approves the remuneration and the sitting fees for the Board of Directors provided that such fees shall not exceed the limits prescribed by the Regulations of CMA. The sitting fees for each Director shall not exceed RO 10,000 in one year.

**(z) Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

**(aa) Fair values and fair value hierarchy**

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the statement of financial position date, adjusted for transaction costs necessary to realise the asset.

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest-rates for items with similar terms and risk characteristics.

**Fair value hierarchy**

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument. Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category included all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instrument that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There have been no transfers from one level to the other.

#### 4 Material accounting policy information (continued)

##### (ab) Operating segment

An operating segment is a component of the Company 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 Company's other components, whose operating results are reviewed regularly by the senior management to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

##### Level of Aggregation: Portfolio

On the basis of the current view of contract classification, the chosen portfolio for IFRS 17 are as follows:

Direct and any Inward business written will be aggregated as follows:

- Fire;
- Marine Cargo;
- Marine Hull;
- Engineering;
- General Accident;
- Liability and Financial lines;
- Motor;
- Medical;
- Group life short-term; and
- Long term life portfolio.

Outward reinsurance will be aggregated as follows:

- For treaty, each program will be modelled individually; and
- For facultative arrangement, it will be group by line of business.

The grouping meets the portfolio requirement of "similar risk" due to the following:

- Lines of business are grouped based on the risks covered under contracts.
- The lines of business split allows for a differentiation across major categories risks which are expected to differ significantly in the amount, timing and run-off of claim obligation.
- Contracts written within each line of business will cover similar perils and thus risks.

Furthermore, the portfolio requirement of "managed together" is met as underwriting, actuarial, senior management and Board measure and monitor performance of the book primarily on a line of business basis. While additional detail is explored when required, performance attribution and strategy is focused on this level.

##### Level of Aggregation: Profitability group

The Company will use the minimum level of profitability grouping as prescribed by the Standard. No further sub-divisions within these categories will be performed. Priority is given to the assessment of profitability on a Line of Business level, however, based on available facts and circumstances the company upon advice with its underwriting function will segregate certain contracts by way of different profitability groups.

#### 4 Material accounting policy information (continued)

##### (ab) Operating segment (continued)

###### Level of Aggregation: Profitability group (continued)

The current approach is that for each policy written within the portfolio, its initial profitability assessment is done by the underwriting function using the following criteria:

- a. Not onerous and have no significant likelihood of becoming onerous - Policy with combined ratio for lesser than 97.5%
- b. Onerous - Policy with combined ratio for higher than 100%.
- c. The remaining contracts - Policy with combined ratio between 89% (inclusive) and 100% (inclusive).

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 Company 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, if any.

##### (ac) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

###### For insurance contract

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those risks.
- The Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

###### For reinsurance contract

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay amount to the reinsurer or has a substantive right to receive.

A substantive right to receive ends when:

- The Company has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks.
- The Company has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

##### (ad) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

#### 4 Material accounting policy information (continued)

##### (ae) Leases - the Company as a lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### 5 Significant management judgments

The preparation of financial statements 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 expenses. 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 any future periods affected. The critical and significant judgements are given below:

##### (i) Going concern

The management of the Company reviews the financial position on a periodical basis and assesses the requirement of any additional funding, including unutilised credit facilities with banks, to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due.

##### (ii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

##### (iii) Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible Tax Authority.

##### (iv) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

##### Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

## 5 Significant management judgments (continued)

### (v) Useful lives of property and equipment

The Company's property and equipment are depreciated on a straight-line basis over their economic useful lives. Economic useful lives of property and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue economic benefit to the Company.

### (vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Company has used unadjusted net asset value of the investees as a significant portfolio of the underlying assets and liabilities of the investees are either fair valued or are in cash and cash equivalents where the fair value approximate the carrying value.

### (vii) Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
- b) timing and quantum of future capital expenditure;
- c) long-term growth rates; and
- d) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

### (viii) Fair value measurements

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are

## 5 Significant management judgments (continued)

### (ix) Fair value of investments - Quoted/unquoted

The Company determines fair values of investments that are not quoted in active markets by using valuation techniques such as discounted cash flows and recent transaction prices. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments. In case where discounted cash flow models have been used to estimate fair values, the future cash flows have been estimated by the management based on information from and discussions with representatives of the management of the investee companies, and based on the latest available audited financial statements and un-audited management accounts.

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**6 Property and equipment**

	Freehold land	Buildings on freehold land	Office furniture and equipment	Motor vehicles	Total
<b>Cost</b>					
At 1 January 2025	548,000	1,577,000	4,398,779	125,627	6,649,406
Additions during the period	-	-	30,406	-	30,406
At 31st Mar 2025	548,000	1,577,000	4,429,185	125,627	6,679,812
<b>Accumulated depreciation</b>					
At 1 January 2025	-	448,320	3,995,205	105,406	4,548,931
Depreciation charged	-	15,770	53,395	1,672	70,838
At 31st Mar 2025	-	464,090	4,048,601	107,078	4,619,769
<b>Net book amount</b>					
At 31st Mar 2025	548,000	1,112,910	380,584	18,549	2,060,043
	Freehold land	Buildings on freehold land	Office furniture and equipment	Motor vehicles	Total
<b>Cost</b>					
At 1 January 2024	548,000	1,577,000	4,090,493	98,875	6,314,368
Additions during the period	-	-	70,093	26,752	96,845
At 31st Mar 2024	548,000	1,577,000	4,160,586	125,627	6,411,213
<b>Accumulated depreciation</b>					
At 1 January 2024	-	385,240	3,863,397	98,875	4,347,512
Depreciation charged	-	15,770	24,896	-	40,666
At 31st Mar 2024	-	401,010	3,888,293	98,875	4,388,178
<b>Net book amount</b>					
At 31st Mar 2024	548,000	1,175,990	272,293	26,752	2,023,034
At 31 December 2024	548,000	1,128,680	403,656	20,221	2,100,557



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<b>7 Investment properties</b>	<b>Unaudited 31 Mar 25</b>	Unaudited 31 Mar 24	Audited 31 Dec 24
As at beginning of	<b>6,234,932</b>	6,100,000	6,100,000
Improvements during the year	21789.4	5,500	134,932
Changes in fair value during the period through profit & loss	-	-	-
At the end of	<b>6,256,721</b>	6,105,500	6,234,932

Investment properties, comprising real estate investments, are under lien to the Capital Market Authority. The carrying amount of the investment properties is the aggregate fair value as determined by an independent value. Fair value was determined as being the most probable price the property can fetch in a competitive open market. In October 2024, the Company obtained a valuation of its investment properties from an independent valuer, which indicated that the fair values of the investment properties fairly represented their market values.

<b>8 Investments</b>	<b>Unaudited 31 Mar 25</b>	Unaudited 31 Mar 24	Audited 31 Dec 24
<b>Investment at fair value through other comprehensive income</b> (Note 8a)	<b>7,784,333</b>	6,452,545	8,087,414

**8.1 Investments at fair value through profit or loss :**

Investment in Money Market Funds (Note 8e)	<b>9,904,714</b>	4,808,726	10,777,971
Others (Note 8c)	<b>1,543,633</b>	1,271,194	1,393,256
	<b>11,448,346</b>	6,079,920	12,171,227

Investments at amortised cost (Note 8d)	<b>15,316,057</b>	13,476,640	13,457,862
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<b>Total investments</b>	<b>34,548,737</b>	26,009,105	33,716,503
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**8A Investment at fair value through other comprehensive income**

<b>Quoted equity investments:</b>	<b>Unaudited 31 Mar 25</b>	Unaudited 31 Mar 24	Audited 31 Dec 24
<b>Local quoted equity investments:</b>			
Service sector	<b>733,755</b>	-	772,736
Investment sector	<b>4,405,031</b>	3,854,402	4,680,346
	<b>5,138,786</b>	3,854,402	5,453,082

**Foreign quoted equity investments:**

Insurance sector	<b>69,457</b>	75,606	58,242
	<b>69,457</b>	75,606	58,242

**Unquoted investments:**

Unquoted investments	<b>2,576,090</b>	2,522,537	2,576,090
	<b>2,576,090</b>	2,522,537	2,576,090
	<b>7,784,333</b>	6,452,545	8,087,415

8B Investment in equity accounted investees :  
The Company has the following investment in associate:

	Number of shares	% age of issued share capital	Unaudited 31 Mar 25
Dhofar Food & Investment Co.	64,903,846	32.83%	8,872,041

  

	Number of shares	% age of issued share capital	Unaudited 31 Mar 24
Dhofar Food & Investment Co.	64,903,846	32.83%	9,588,253
			9,588,253

  

	Number of shares	Percentage of issued share	Audited 31 Dec 24
Dhofar Food & Investment Co.	64,903,846	32.83%	8,736,884
			8,736,884

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**8 Investments (continued)**

	Unaudited 31 Mar 25		Unaudited 31 Mar 24		Audited 31 Dec 24	
	Market value	Cost	Market value	Cost	Market value	Cost
<i>Quoted Foreign investments:</i>						
Service sector					38,918	38,603
Investment sector					40,045	38,672
<i>Quoted local investments:</i>						
Banking sector	169,212	175,851	131,597	142,150	174,964	175,851
Service sector	1,198,732	1,774,818	537,181	982,240	996,781	1,447,979
Investment sector	81,601	152,873	24,432	112,612	41,813	114,201
Others	94,088	41,296	577,984	421,224	100,735	41,296
	<b>1,543,633</b>	<b>2,144,838</b>	<b>1,271,194</b>	<b>1,658,226</b>	<b>1,393,256</b>	<b>1,856,602</b>

**8D Investments at amortised cost**

Investments at amortised cost comprise of the following:

	Unaudited 31 Mar 25		Unaudited 31 Mar 24		Audited 31 Dec 24	
	Amortized cost	Cost	Amortized cost	Cost	Amortized cost	Cost
Sultanate of Oman Government Development Bonds	1,614,800	1,614,800	4,019,236	4,067,300	-	-
Bank Dhofar Prepetual Bonds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Taageer Finance Bonds	500,000	1,000,000	1,000,000	1,000,000	500,000	500,000
Oman Government International Bonds	2,921,854	2,934,403	582,423	592,789	2,279,218	2,291,950
Oman Government USD Bonds	3,446,645	4,110,536	2,831,548	2,910,426	1,894,302	1,921,105
Other International USD Bonds	5,836,227	5,666,314	4,160,117	3,693,239	7,790,409	7,875,864
Provision for ECL	(3,469)	-	(116,684)	-	(6,067)	-
	<b>15,316,057</b>	<b>16,326,054</b>	<b>13,476,640</b>	<b>13,263,754</b>	<b>13,457,862</b>	<b>13,588,919</b>

**8E Investment in money market funds**

	Unaudited 31 Mar 25	Unaudited 31 Mar 24	Audited 31 Dec 24
Opening Value	10,777,971	2,198,090	2,198,090
Additions during the year	500,000	3,790,000	12,540,000
Sales during the year	(1,459,740)	(1,230,311)	(4,099,106)
Changes in fair value for the year	86,483	50,947	138,987
Closing Value	<b>9,904,714</b>	<b>4,808,726</b>	<b>10,777,971</b>

During the year, the Company has invested in money market funds (MMF) offered by Bank Muscat. It is a liquid fund with no maturity and fixed interest rate. Fair value model is being used for MMF to incorporate the mark-to-market with changes in value taken to profit or loss account.

**9 Cash and Bank balances**

**9A Bank deposits (non-current assets)**

	Unaudited 31 Mar 25	Unaudited 31 Mar 24	Audited 31 Dec 24
Bank deposits with a maturity of greater than twelve months from the date of placement	34,692,674	27,692,674	33,842,674
Provision for ECL	(76,916)	(66,917)	(76,916)
	<b>34,615,758</b>	<b>27,625,757</b>	<b>33,765,758</b>

9B Bank deposits and cash (current assets)	Unaudited 31 Mar 25	Unaudited 31 Mar 24	Audited 31 Dec 24
Cash and cash equivalents	11,015,720	9,615,653	9,011,347
Provision for ECL	-	(5,215)	-
	<u>11,015,720</u>	<u>9,610,438</u>	<u>9,011,347</u>

However,			
10 Share capital	Unaudited 31 Mar 25	Unaudited 31 Mar 24	Audited 31 Dec 24
Authorised 300,000,000 ordinary shares of OMR 0.100 each (2022: 300,000,000 ordinary shares of OMR 0.100 each)	30,000,000	30,000,000	30,000,000
Issued and fully paid-up 112,752,579 ordinary shares (2021: 100,000,000 ordinary shares of RO 0.100 each; 2022: 4,762,046 ordinary shares for RO 1,000,000; 2023: 4,402,820 ordinary shares for RO 1,000,000 and 2024: 3,587,713 ordinary shares for RO 1,000,000)	13,000,000	12,000,000	13,000,000

**Significant shareholdings:**

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:

	Unaudited 31 Mar 25		Unaudited 31 Mar 24		Audited 31 Dec 24	
	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares
Dhofar International Development and Investment Company SAOG	38.673	43,604,270	38.137	41,631,746	38.670	43,604,270
H.E.Abdul Alem Mustahil Rakhyoot	13.359	15,062,797	13.798	15,062,797	13.798	15,062,797

**11 Contingency reserve**

The total accumulated contingency reserve as at 31st March 2025 amounted to RO 13,000,000 (December 2024 - RO 13,000,000).

## 12 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and the companies of which they are principal owners. The transactions are entered into at mutually agreed terms and conditions. The approximate volume of such transactions involving related parties and holders of 10% or more of the Company's shares or their family members, other than those separately disclosed, during the period were as follows:

### (a) Statement of profit or loss and other comprehensive income

Transactions with related parties or holders of 10% or more of the Company's shares or their family members, included in the statement of profit or loss are as follows:

	Unaudited Period ended 31-Mar-25	Unaudited Period ended 31-Mar-24
<b>Premiums written</b>		
Dhofar Foods & Investment Co SAOG	307,563	300,262
Omani Gulf Food Company LLC	222,799	168,155
(earlier called Oman Vegetable Oils & Derivatives Co. LLC (OVOD))		
Dhofar International Development and Investment Company SAOG	61,830	194
Oman Investment & Finance Co. SAOG	58,801	-
Bank Dhofar	3,418,141	1,259,726
Other related parties	242,739	94,196
	<b>4,311,874</b>	<b>1,822,533</b>
<b>Claims paid</b>		
Dhofar Foods & Investment Co SAOG	25,431	-
Omani Gulf Food Company LLC	220,238	218,014
(earlier called Oman Vegetable Oils & Derivatives Co. LLC (OVOD))		
Dhofar International Development and Investment Company SAOG	26,782	7,124
Oman Investment & Finance Co. SAOG	39,423	37,770
Bank Dhofar SAOG	456,650	12,202
Other related parties	25,170	6,801
	<b>793,694</b>	<b>281,911</b>
Acquisition Cost to related parties	16,392	8,431
Directors' sitting fees	10,500	6,100
Directors' meeting attendance expenses	-	2,594

### Terms and conditions of transactions with related parties

Outstanding balances for the period ended are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables. For the period ended 31st March 2025, the Company has not established any provision for impaired amounts owed by related parties as the payment history has been good (31st March 2024: same terms and conditions). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

**12 Related party transactions (continued)**

**(b) Balances with related parties, included under the following headings, are as follows:**

Balances due from related parties or holders of 10% or more of the Company's shares, or their family members, less provisions and write-offs, is analysed as follows:

	<b>Unaudited Period ended 31-Mar-25</b>	Unaudited Period ended 31-Mar-24
<b>Other receivables and prepayments</b>		
Premiums receivable from related parties	<b>1,583,822</b>	2,237,277
Outstanding claims payable (included in outstanding claims reserve)	<b>394,801</b>	224,723
Outstanding commission	<b>5,960</b>	17,591
Advance Rent from Related parties	<b>64,000</b>	-
Outstanding Rent from related parties	-	32,000
Prepaid Rent to Related parties	-	-
Interest Accrued on Convertible Bonds	<b>32,733</b>	16,783
Other Receivable	<b>6,772</b>	-

**Investments**

Bank Dhofar Perpetual Bond	<b>1,000,000</b>	1,000,000
Fixed deposits with Bank Dhofar SAOG	<b>10,992,674</b>	10,992,674
Dhofar Foods & Investment Co SAOG	<b>8,892,887</b>	9,588,253
Oman Investment & Finance Co. SAOG	<b>81</b>	98
Dhofar International Development and Investment Company SAOG	<b>4,405,031</b>	3,854,402
Bank Dhofar	<b>69,794</b>	40,928
Financial Services Co.	<b>5,024</b>	5,696

**(c) Compensation to key management personnel of the Company**

	<b>Unaudited Period ended 31-Mar-25</b>	Unaudited Period ended 31-Mar-24
Short-term-benefits	<b>124,607</b>	100,508
Employees' terminal benefits	<b>6,155</b>	4,215
	<b>130,762</b>	104,722

**13 Contingencies**

*Legal claims*

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

**14 Optional convertible bonds**

In the Extra-Ordinary General Meeting of the shareholders held on 18 January 2018 in accordance with Article 116 of the Commercial Companies Law and Regulations of the Sultanate of Oman, the shareholders had initially approved the rights issue of 5,000,000 mandatory convertible bonds of OMR 1 each amounting to OMR five million. The bonds bear an interest coupon of 7.5% per annum.

As per terms of the bond, twenty percent of the bonds amounting to OMR 1 million were to be compulsorily converted to shares at the end of twenty four months (i.e. 3 July 2020) at a price equivalent to a 20% discount to the average prevailing market price of the shares during the quarter of the year preceding the conversion of the bonds, with the balance 80% being converted to shares at the end of 60 months (i.e. 3 July 2023) at a price equivalent to a 20% discount to the average prevailing market price of the shares during the quarter of the year preceding the conversion of the bonds.

However, in an Extra-Ordinary General Meeting held on 2 November 2020, the shareholders approved the amendment of the terms and conditions of the mandatory convertible bonds issued by the Company from mandatory convertible bonds to bonds with conversion or redemption options. Further, the interest coupon reduced to 6% per annum. Optional convertible bonds will be either converted into equity shares or redeemed amounting to OMR 1,000,000 based on solvency condition as per the approved terms and conditions which is "In the event the solvency ratio of the Company remains at or below 135%, the relevant portion of optional convertible bonds shall be converted into equity shares". Redemption/conversion is to take place on every 1 September starting from the year 2021 to 2025. During the year ended 31 December 2021, twenty percent of the bonds amounting to OMR 1 million have been redeemed. And during the year ended 31st December 2022, 31st December 2023 and for the period ended 30th September 2024 twenty percent of the bonds amounting to OMR 1 million have been converted to share capital respectively.

	<b>31-Mar-25</b>	31-Mar-24
Optional convertible bonds	<b>1,000,000</b>	2,000,000
Less; Current portion	<b>(1,000,000)</b>	(1,000,000)
Non current portion of mandatory convertible bonds	<b>-</b>	1,000,000

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**15**  
**Insurance revenue**

			Unaudited Period ended 31 Mar 2025
	PAA	GMM	Total
<b>Amounts relating to changes in LfRC</b>			
- Expected benefits incurred	-	159,537	159,537
- Expected expenses incurred	-	154,088	154,088
- Change in the risk adjustment	-	(276,399)	(276,399)
- CSM recognized	-	120,312	120,312
Recovery of acquisition cash flows	-	1,461	1,461
Experience adjustments	-	(15,926)	(15,926)
Contracts not measured under PAA	-	143,074	143,074
	-	-	-
Contracts measured under PAA	23,659,303	-	23,659,303
<b>Total insurance revenue</b>	<b>23,659,303</b>	<b>143,074</b>	<b>23,802,378</b>

			Unaudited Period ended 31 Mar 2024
	PAA	GMM	Total
<b>Amounts relating to changes in LfRC</b>			
- Expected benefits incurred	-	118,868	118,868
- Expected expenses incurred	-	34,776	34,776
- Change in the risk adjustment	-	7,038	7,038
- CSM recognized	-	24,325	24,325
Recovery of acquisition cash flows	-	2,187	2,187
Experience adjustments	-	(5,352)	(5,352)
Contracts not measured under PAA	-	181,842	181,842
	-	-	-
Contracts measured under PAA	22,961,819	-	22,961,819
<b>Total insurance revenue</b>	<b>22,961,819</b>	<b>181,842</b>	<b>23,143,661</b>



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**Insurance service expense**

			Unaudited Period ended 31 Mar 2025
	PAA	GMM	Total
Incurred benefits	19,881,826	64,703	19,946,529
Incurred directly attributable expenses	937,079	176,451	1,113,530
Losses on onerous contracts and reversal of those losses	(359,288)	(1,547,757)	(1,907,045)
Changes that relate to past service - adjustments to LfIC	(9,418,640)	(49,242)	(9,467,882)
Insurance acquisition costs	2,152,827	1,461	2,154,288
<b>Total insurance service expense</b>	<b>13,193,804</b>	<b>(1,354,383)</b>	<b>11,839,422</b>

			Unaudited Period ended 31 Mar 2024
	PAA	GMM	Total
Incurred benefits	13,360	(104,884)	
Incurred directly attributable expenses	19,405,984	73,603	19,479,587
Losses on onerous contracts and reversal of those losses	1,144,644	11,029	1,155,673
Changes that relate to past service - adjustments to LfIC	(13,360)	104,884	91,524
Insurance acquisition costs	(12,107,964)	(141,963)	(12,249,927)
	1,464,572	2,187	1,466,759
<b>Total insurance service expense</b>	<b>9,893,876</b>	<b>49,739</b>	<b>9,943,615</b>

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**Net income or expense from reinsurance contracts held**

	PAA	GMM	Unaudited Period ended 31 Mar 2025 Total
<b>Expected expenses for contracts not measured under PAA</b>			
- Expected recovery of claims and other expenses	-	149,854	149,854
- Change in the risk adjustment	-	(160,192)	(160,192)
- CSM recognized	-	423,712	423,712
- Experience adjustments	-	(1,703)	(1,703)
Expected expenses for contracts measured under PAA	12,119,025	-	12,119,025
Allocation of reinsurer premium	<b>12,119,025</b>	<b>411,671</b>	<b>12,530,696</b>
Amounts recovered for claims and other expenses	3,439,183	45,292	3,484,476
Incurred directly attributable expenses	(49,709)	(9,360)	(59,069)
Changes that relate to past service - recoverable claims and other expenses	(252,772)	(54,465)	(307,237)
Changes in fulfilment cash flows that do not adjust underlying CSM	3,923	(921,302)	(917,379)
Effect of changes in the risk of reinsurers non-performance	-	-	-
Amounts recoverable from reinsurer and incurred expenses	<b>3,140,626</b>	<b>(939,835)</b>	<b>2,200,792</b>
<b>Total insurance service expense</b>	<b>8,978,399</b>	<b>1,351,506</b>	<b>10,329,904</b>

	PAA	GMM	Unaudited Period ended 31 Mar 2024 Total
<b>Expected expenses for contracts not measured under PAA</b>			
- Expected recovery of claims and other expenses	-	125,169	125,169
- Change in the risk adjustment	-	3,149	3,149
- CSM recognized	-	(29,437)	(29,437)
- Experience adjustments	-	(22,838)	(22,838)
Expected expenses for contracts measured under PAA	13,103,619	-	13,103,619
Allocation of reinsurer premium	<b>13,103,619</b>	<b>76,044</b>	<b>13,179,663</b>
Amounts recovered for claims and other expenses	4,778,343	113,335	4,891,678
Incurred directly attributable expenses	(52,643)	(507)	(53,150)
Changes that relate to past service - recoverable claims and other expenses	(3,287,916)	(98,423)	(3,386,339)
Changes in fulfilment cash flows that do not adjust underlying CSM	14,147	71,575	85,722
Effect of changes in the risk of reinsurers non-performance	-	-	-
Amounts recoverable from reinsurer and incurred expenses	<b>1,451,930</b>	<b>85,980</b>	<b>1,537,911</b>
<b>Total insurance service expense</b>	<b>11,651,689</b>	<b>(9,937)</b>	<b>11,641,752</b>

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**Insurance finance expenses**

			Unaudited Period ended 31 Mar 2025
	PAA	GMM	Total
Interest accreted to insurance contracts	533,957	167,854	701,811
Change in financial assumptions through P&L	(101,390)	(80,702)	(182,092)
Change in financial assumptions through OCI	-	-	-
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	77,051	77,051
Effect of risk mitigation on CSM for contracts measured under the expected credit loss model	-	-	-
Net foreign exchange income or expense	-	-	-
<b>Total insurance revenue</b>	<b>432,567</b>	<b>164,203</b>	<b>596,770</b>

			Unaudited Period ended 31 Mar 2024
	PAA	GMM	Total
Interest accreted to insurance contracts	581,041	60,895	641,936
Change in financial assumptions through P&L	(240,278)	(99,577)	(339,855)
Change in financial assumptions through OCI	-	-	-
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	(14,909)	(14,909)
Effect of risk mitigation on CSM for contracts measured under the expected credit loss model	-	-	-
Net foreign exchange income or expense	-	-	-
<b>Total insurance revenue</b>	<b>340,763</b>	<b>(53,591)</b>	<b>287,172</b>

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**Reinsurance finance income**

			Unaudited Period ended 31 Mar 2025
	PAA	GMM	Total
Interest accreted to reinsurance contracts	331,295	23,665	354,959
Change in financial assumptions through P&L	(64,908)	1,822	(63,086)
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	(28,113)	(28,113)
<b>Total insurance revenue</b>	<b>266,386</b>	<b>(2,626)</b>	<b>263,760</b>

			Unaudited Period ended 31 Mar 2024
	PAA	GMM	Total
Interest accreted to reinsurance contracts	403,475	35,223	438,698
Change in financial assumptions through P&L	(166,349)	(57,632)	(223,981)
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	(7,832)	(7,832)
<b>Total insurance revenue</b>	<b>237,126</b>	<b>(30,241)</b>	<b>206,886</b>

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**Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts**

							Unaudited Period ended 31 Mar 2025
PAA	LfRC		LfIC for contracts measured under	LfIC for contracts measured under PAA		Total	
	Excl. LC	ACQ	LC	GM	PVCF		RA
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	(17,449,951)	-	(1,149,080)	-	(58,473,499)	(1,444,537)	(78,517,067)
	(17,449,951)	-	(1,149,080)	-	(58,473,499)	(1,444,537)	(78,517,067)
Insurance revenue	23,059,251	-	-	-	-	-	23,059,251
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses	-	-	-	-	(20,358,274)	(460,631)	(20,818,905)
- Changes that relate to past service - adjustments to LfIC	-	-	-	-	9,007,398	411,243	9,418,640
- Losses on onerous contracts and reversal of those losses	-	-	359,288	-	-	-	359,288
- Amortization of insurance acquisition cash flows	(2,152,827)	-	-	-	-	-	(2,152,827)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	-	-	-	-	(432,567)	-	(432,567)
Insurance finance expenses through OCI	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	(0)	(0)
Investment components	-	-	-	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>20,906,424</b>	<b>-</b>	<b>359,288</b>	<b>-</b>	<b>(11,783,443)</b>	<b>(49,389)</b>	<b>9,432,880</b>
	-	-	-	-	-	-	-
Premiums received	(11,463,045)	-	-	-	-	-	(11,463,045)
Claims paid	-	-	-	-	10,020,092	-	10,020,092
Directly attributable expenses paid	-	-	-	-	1,024,231	-	1,024,231
Acquisition cost paid	2,702,980	-	-	-	-	-	2,702,980
<b>Total cash flows</b>	<b>(8,760,065)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,044,324</b>	<b>-</b>	<b>2,284,259</b>
	-	-	-	-	-	-	-
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(5,303,592)	-	(789,792)	-	(59,212,619)	(1,493,926)	(66,799,929)
	(5,303,592)	-	(789,792)	-	(59,212,619)	(1,493,926)	(66,799,929)

GMM	LfRC			LfIC for contracts	LfIC for contracts measured under		Total
	Excl. LC	ACQ	LC	measured under GM	PAA		
					PVCF	RA	
Opening insurance contract assets					-	-	-
Opening insurance contract liabilities	(10,346,404)	-	(2,063,917)	(247,461)	-	-	(12,657,782)
	<b>(10,346,404)</b>	<b>-</b>	<b>(2,063,917)</b>	<b>(247,461)</b>	<b>-</b>	<b>-</b>	<b>(12,657,782)</b>
Insurance revenue	143,074	-	-	-	-	-	143,074
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses	-	-	-	(241,155)	-	-	(241,155)
- Changes that relate to past service - adjustments to LfIC	-	-	-	49,242	-	-	49,242
- Losses on onerous contracts and reversal of those losses	-	-	1,547,757	-	-	-	1,547,757
- Amortization of insurance acquisition cash flows	(1,461)	-	-	-	-	-	(1,461)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	(146,773)	-	(15,656)	(1,773)	-	-	(164,203)
Insurance finance expenses through OCI	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	<b>(5,160)</b>	<b>-</b>	<b>1,532,100</b>	<b>(193,686)</b>	<b>-</b>	<b>-</b>	<b>1,333,255</b>
Premiums received	(4,091,212)	-	-	-	-	-	(4,091,212)
Claims paid	-	-	-	64,703	-	-	64,703
Directly attributable expenses paid	-	-	-	176,451	-	-	176,451
Acquisition cost paid	-	-	-	-	-	-	-
Total cash flows	<b>(4,091,212)</b>	<b>-</b>	<b>-</b>	<b>241,155</b>	<b>-</b>	<b>-</b>	<b>(3,850,057)</b>
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(14,442,776)	-	(531,817)	(199,992)	-	-	(15,174,584)
	<b>(14,442,776)</b>	<b>-</b>	<b>(531,817)</b>	<b>(199,992)</b>	<b>-</b>	<b>-</b>	<b>(15,174,584)</b>

								Unaudited Period ended 31 Mar 2024
PAA	However, in an Extra-Ordinary Gen	LfRC		LfIC for contracts measured under	LfIC for contracts measured under PAA		Total	
		Excl. LC	ACQ	LC	GM	PVCF	RA	
Opening insurance contract assets								-
Opening insurance contract liabilities		(24,048,141)	-	(1,115,203)	-	(55,921,132)	(3,662,140)	(84,746,616)
		(24,048,141)	-	(1,115,203)	-	(55,921,132)	(3,662,140)	(84,746,616)
Insurance revenue		22,758,769	-	-	-	-	-	22,758,769
Insurance service expenses		-	-	-	-	-	-	-
- Incurred benefits and expenses		-	-	-	-	(19,385,450)	(1,165,178)	(20,550,628)
- Changes that relate to past service - adjustments to LfIC		-	-	-	-	10,819,907	1,288,057	12,107,964
- Losses on onerous contracts and reversal of those losses		-	-	13,360	-	-	-	13,360
- Amortization of insurance acquisition cash flows		(1,464,572)	-	-	-	-	-	(1,464,572)
- Impairment of acquisition cost asset		-	-	-	-	-	-	-
Insurance finance expenses through profit and loss		-	-	-	-	(340,763)	-	(340,763)
Insurance finance expenses through OCI		-	-	-	-	-	-	-
Net foreign exchange income or expense		-	-	0	-	-	-	0
Investment components		-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI		21,294,197	-	13,360	-	(8,906,305)	122,879	12,524,131
Premiums received		(13,909,943)	-	-	-	-	-	(13,909,943)
Claims paid		-	-	-	-	9,482,029	-	9,482,029
Directly attributable expenses paid		-	-	-	-	1,497,119	-	1,497,119
Acquisition cost paid		1,998,625	-	-	-	-	-	1,998,625
Total cash flows		(11,911,318)	-	-	-	10,979,148	-	(932,171)
Closing insurance contract assets		-	-	-	-	-	-	-
Closing insurance contract liabilities		(14,665,262)	-	(1,101,843)	-	(53,848,290)	(3,539,261)	(73,154,656)
		(14,665,262)	-	(1,101,843)	-	(53,848,290)	(3,539,261)	(73,154,656)

GMM	LfRC			LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ	LC	GM	PVCF	RA	
Opening insurance contract assets					-	-	-
Opening insurance contract liabilities	(3,805,883)	-	(1,283,468)	(181,124)	-	-	(5,270,476)
	<b>(3,805,883)</b>	<b>-</b>	<b>(1,283,468)</b>	<b>(181,124)</b>	<b>-</b>	<b>-</b>	<b>(5,270,476)</b>
Insurance revenue	181,842	-	-	-	-	-	181,842
Insurance service expenses	-	-	-	-	-	-	-
- Incurred benefits and expenses	-	-	-	(84,632)	-	-	(84,632)
- Changes that relate to past service - adjustments to LfIC	-	-	-	141,963	-	-	141,963
- Losses on onerous contracts and reversal of those losses	-	-	(104,884)	-	-	-	(104,884)
- Amortization of insurance acquisition cash flows	(2,187)	-	-	-	-	-	(2,187)
- Impairment of acquisition cost asset	-	-	-	-	-	-	-
Insurance finance expenses through profit and loss	39,785	-	15,362	(1,556)	-	-	53,591
Insurance finance expenses through OCI	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	<b>219,440</b>	<b>-</b>	<b>(89,521)</b>	<b>55,775</b>	<b>-</b>	<b>-</b>	<b>185,693</b>
Premiums received	(624,713)	-	-	-	-	-	(624,713)
Claims paid	-	-	-	67,247	-	-	67,247
Directly attributable expenses paid	-	-	-	11,029	-	-	11,029
Acquisition cost paid	-	-	-	-	-	-	-
Total cash flows	<b>(624,713)</b>	<b>-</b>	<b>-</b>	<b>78,275</b>	<b>-</b>	<b>-</b>	<b>(546,438)</b>
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(4,211,156)	-	(1,372,989)	(47,074)	-	-	(5,631,220)
	<b>(4,211,156)</b>	<b>-</b>	<b>(1,372,989)</b>	<b>(47,074)</b>	<b>-</b>	<b>-</b>	<b>(5,631,220)</b>

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**Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts**

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Period ended  
31 Mar 2025

PAA	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ		PVCF	RA	
Opening reinsurance contract assets	4,115,430	224,962	-	33,104,374	953,023	38,397,790
Opening reinsurance contract liabilities	(1,752,528)	-	-	(388,909)	34,271	(2,107,167)
	<b>2,362,902</b>	<b>224,962</b>	<b>-</b>	<b>32,715,465</b>	<b>987,294</b>	<b>36,290,623</b>
<b>Net income or expense from reinsurance contracts held</b>	-	-	-	-	-	-
- Allocation of reinsurer premium	(12,119,025)	-	-	-	-	(12,119,025)
- Amounts recoverable for claims and other expenses	-	-	-	3,337,913	101,270	3,439,183
- Changes that relate to past service - adjustments to LfIC	-	-	-	(163,762)	(89,010)	(252,772)
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	3,923	-	-	-	3,923
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	(49,709)	-	(49,709)
Reinsurance finance income through profit and loss	-	-	-	266,386	-	266,386
Reinsurance finance income through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>(12,119,025)</b>	<b>3,923</b>	<b>-</b>	<b>3,390,829</b>	<b>12,260</b>	<b>(8,712,012)</b>
Premiums paid to reinsurer net of commission	1,022,113	-	-	-	-	1,022,113
Directly attributable expenses paid	-	-	-	49,709	-	49,709
Recoveries from reinsurance	-	-	-	(507,189)	-	(507,189)
<b>Total cash flows</b>	<b>1,022,113</b>	<b>-</b>	<b>-</b>	<b>(457,480)</b>	<b>-</b>	<b>564,632</b>
Closing reinsurance contract assets	(7,610,087)	228,886	-	34,849,101	979,487	28,447,387
Closing reinsurance contract liabilities	(1,123,923)	-	-	799,712	20,067	(304,144)
	<b>(8,734,010)</b>	<b>228,886</b>	<b>-</b>	<b>35,648,814</b>	<b>999,554</b>	<b>28,143,243</b>

GMM	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ		PVCF	RA	
Opening reinsurance contract assets	2,432,535	1,168,556	187,842	-	-	3,788,933
Opening reinsurance contract liabilities	-	-	-	-	-	-
	<b>2,432,535</b>	<b>1,168,556</b>	<b>187,842</b>	<b>-</b>	<b>-</b>	<b>3,788,933</b>
<b>Net income or expense from reinsurance contracts held</b>	-	-	-	-	-	-
- Allocation of reinsurer premium	(411,671)	-	-	-	-	(411,671)
- Amounts recoverable for claims and other expenses	-	-	45,292	-	-	45,292
- Changes that relate to past service - adjustments to LfIC	-	-	(54,465)	-	-	(54,465)
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	(921,302)	-	-	-	(921,302)
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	(9,360)	-	-	(9,360)
Reinsurance finance income through profit and loss	(3,994)	-	1,368	-	-	(2,626)
Reinsurance finance income through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>(415,665)</b>	<b>(921,302)</b>	<b>(17,165)</b>	<b>-</b>	<b>-</b>	<b>(1,354,132)</b>
Premiums paid to reinsurer net of commission	870,004	-	-	-	-	870,004
Directly attributable expenses paid	-	-	9,360	-	-	9,360
Recoveries from reinsurance	-	-	(45,292)	-	-	(45,292)
<b>Total cash flows</b>	<b>870,004</b>	<b>-</b>	<b>(35,932)</b>	<b>-</b>	<b>-</b>	<b>834,071</b>
Closing reinsurance contract assets	2,886,875	247,254	134,745	-	-	3,268,873
Closing reinsurance contract liabilities	-	-	-	-	-	-
	<b>2,886,875</b>	<b>247,254</b>	<b>134,745</b>	<b>-</b>	<b>-</b>	<b>3,268,873</b>



ظفار للتأمين  
DHOFAR INSURANCE

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION, 31-03-2025

						Unaudited Period ended 31 Mar 2024
PAA	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ		PVCF	RA	
Opening reinsurance contract assets	4,625,686	267,322	-	35,813,054	2,522,675	43,228,736
Opening reinsurance contract liabilities	(1,164,128)	-	-	(15,408)	158,262	(1,021,274)
However, in	<b>3,461,557</b>	<b>267,322</b>	<b>-</b>	<b>35,797,646</b>	<b>2,680,936</b>	<b>42,207,462</b>
<b>Net income or expense from reinsurance contracts held</b>		-	-	-	-	-
- Allocation of reinsurer premium	(13,103,619)	-	-	-	-	(13,103,619)
- Amounts recoverable for claims and other expenses	-	-	-	3,935,609	842,734	4,778,343
- Changes that relate to past service - adjustments to LfIC	-	-	-	(2,232,175)	(1,055,741)	(3,287,916)
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	14,147	-	-	-	14,147
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	-	(52,643)	-	(52,643)
Reinsurance finance income through profit and loss	-	-	-	237,126	-	237,126
Reinsurance finance income through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>(13,103,619)</b>	<b>14,147</b>	<b>-</b>	<b>1,887,918</b>	<b>(213,007)</b>	<b>(11,414,562)</b>
Premiums paid to reinsurer net of commission	16,926,146	-	-	-	-	16,926,146
Directly attributable expenses paid	-	-	-	52,643	-	52,643
Recoveries from reinsurance	-	-	-	(11,081,097)	-	(11,081,097)
<b>Total cash flows</b>	<b>16,926,146</b>	<b>-</b>	<b>-</b>	<b>(11,028,454)</b>	<b>-</b>	<b>5,897,691</b>
Closing reinsurance contract assets	7,284,084	281,469	-	26,936,837	2,467,929	36,970,319
Closing reinsurance contract liabilities	-	-	-	(279,728)	-	(279,728)
	<b>7,284,084</b>	<b>281,469</b>	<b>-</b>	<b>26,657,109</b>	<b>2,467,929</b>	<b>36,690,591</b>

  

GMM	LfRC		LfIC for contracts measured under GM	LfIC for contracts measured under PAA		Total
	Excl. LC	ACQ		PVCF	RA	
Opening reinsurance contract assets	2,294,526	901,344	126,787	-	-	3,322,657
Opening reinsurance contract liabilities	-	-	-	-	-	-
	<b>2,294,526</b>	<b>901,344</b>	<b>126,787</b>	<b>-</b>	<b>-</b>	<b>3,322,657</b>
<b>Net income or expense from reinsurance contracts held</b>		-	-	-	-	-
- Allocation of reinsurer premium	(76,044)	-	-	-	-	(76,044)
- Amounts recoverable for claims and other expenses	-	-	113,335	-	-	113,335
- Changes that relate to past service - adjustments to LfIC	-	-	(98,423)	-	-	(98,423)
- Changes in fulfilment cash flows that do not adjust underlying CSM	-	71,575	-	-	-	71,575
- Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
- Expenses directly attributable to reinsurance	-	-	(507)	-	-	(507)
Reinsurance finance income through profit and loss	(31,333)	-	1,092	-	-	(30,241)
Reinsurance finance income through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	0	-	-	-	-	0
Investment components	-	-	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>(107,377)</b>	<b>71,575</b>	<b>15,497</b>	<b>-</b>	<b>-</b>	<b>(20,304)</b>
Premiums paid to reinsurer net of commission	139,961	-	-	-	-	139,961
Directly attributable expenses paid	-	-	507	-	-	507
Recoveries from reinsurance	-	-	(114,986)	-	-	(114,986)
<b>Total cash flows</b>	<b>139,961</b>	<b>-</b>	<b>(114,479)</b>	<b>-</b>	<b>-</b>	<b>25,482</b>
Closing reinsurance contract assets	2,327,111	972,919	27,806	-	-	3,327,836
Closing reinsurance contract liabilities	-	-	-	-	-	-
	<b>2,327,111</b>	<b>972,919</b>	<b>27,806</b>	<b>-</b>	<b>-</b>	<b>3,327,836</b>

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 28 04 2025

*Dhofar Insurance Company SAOG*  
*Unaudited condensed financial statements*  
*For the period ended 31st March, 2025*  
*(Expressed in Omani Rial)*

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**Reconciliation of the components of insurance contract liabilities**

	BEL	RA	CSM	Unaudited Period ended 31 Mar 2025 Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	(10,813,030)	-	(1,844,751)	(12,657,782)
	<b>(10,813,030)</b>	<b>-</b>	<b>(1,844,751)</b>	<b>(12,657,782)</b>
Changes related to current services	-	-	-	-
- CSM recognized in profit and loss	-	-	120,312	120,312
- Risk Adjustment recognized in profit and loss	-	(333,413)	-	(333,413)
- Experience adjustments	105,648	-	-	105,648
Changes related to future services	-	-	-	-
- Contracts initially recognized in the period	1,868,055	(88,927)	(1,533,102)	246,027
- Changes in estimates that adjust CSM	20,080	(10,729)	(9,351)	0
- Changes in estimates that result in onerous contracts or reversal of losses	1,246,872	62,770	-	1,309,642
Changes that relate to past service	-	-	-	-
Changes that relate to past service - adjustments to LfIC	49,242	-	-	49,242
	-	-	-	-
Insurance finance expenses through profit and loss	(135,328)	-	(28,874)	(164,203)
Insurance finance expenses through OCI	-	-	-	-
Net foreign exchange income or expense	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>3,154,568</b>	<b>(370,299)</b>	<b>(1,451,015)</b>	<b>1,333,255</b>
	-	-	-	-
Premiums received	(4,091,212)	-	-	(4,091,212)
Claims paid	64,703	-	-	64,703
Directly attributable expenses paid	176,451	-	-	176,451
Acquisition cost paid	-	-	-	-
<b>Total cash flows</b>	<b>(3,850,057)</b>	<b>-</b>	<b>-</b>	<b>(3,850,057)</b>
	-	-	-	-
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(11,508,519)	(370,299)	(3,295,766)	(15,174,584)
	<b>(11,508,519)</b>	<b>(370,299)</b>	<b>(3,295,766)</b>	<b>(15,174,584)</b>

	BEL	RA	CSM	Unaudited Period ended 31 Mar 2024 Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	(4,431,066)	(133,792)	(705,617)	(5,270,476)
	<b>(4,431,066)</b>	<b>(133,792)</b>	<b>(705,617)</b>	<b>(5,270,476)</b>
Changes related to current services	-	-	-	-
- CSM recognized in profit and loss	-	-	24,325	24,325
- Risk Adjustment recognized in profit and loss	-	9,950	-	9,950
- Experience adjustments	123,553	-	-	123,553
Changes related to future services	-	-	-	-
- Contracts initially recognized in the period	136,588	(17,921)	(159,817)	(41,150)
- Changes in estimates that adjust CSM	(199,378)	(4,719)	204,097	-
- Changes in estimates that result in onerous contracts or reversal of losses	(122,269)	(4,269)	-	(126,538)
Changes that relate to past service	-	-	-	-
Changes that relate to past service - adjustments to LfIC	141,963	-	-	141,963
	-	-	-	-
Insurance finance expenses through profit and loss	59,826	-	(6,235)	53,591
Insurance finance expenses through OCI	-	-	-	-
Net foreign exchange income or expense	-	-	-	-
<b>Total changes in statement of profit and loss and OCI</b>	<b>140,283</b>	<b>(16,959)</b>	<b>62,369</b>	<b>185,693</b>
Premiums received	(624,713)	-	-	(624,713)
Claims paid	67,247	-	-	67,247
Directly attributable expenses paid	11,029	-	-	11,029
Acquisition cost paid	-	-	-	-
<b>Total cash flows</b>	<b>(546,438)</b>	<b>-</b>	<b>-</b>	<b>(546,438)</b>
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(4,837,221)	(150,751)	(643,249)	(5,631,220)
	<b>(4,837,221)</b>	<b>(150,751)</b>	<b>(643,249)</b>	<b>(5,631,220)</b>

*Dhofar Insurance Company SAOG*  
*Unaudited condensed financial statements*  
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**Reconciliation of the components of reinsurance contract liabilities**

				Unaudited Period ended 31 Mar 2025
	BEL	RA	CSM	Total
Opening reinsurance contract assets	(118,988)	-	3,907,921	3,788,933
Opening reinsurance contract liabilities	-	-	-	-
	<b>(118,988)</b>	<b>-</b>	<b>3,907,921</b>	<b>3,788,933</b>
Changes related to current services	-	-	-	-
- CSM recognized in profit and loss	-	-	(423,712)	(423,712)
- Risk Adjustment recognized in profit and loss	-	160,192	-	160,192
- Experience adjustments	(112,219)	-	-	(112,219)
Changes related to future services	-	-	-	-
- Contracts initially recognized in the period	(256,660)	94,171	162,489	-
- Changes in estimates that adjust CSM	572,181	81,098	(653,278)	-
- Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	(921,302)	(921,302)
Changes that relate to past service	-	-	-	-
Changes that relate to past service - adjustments to LfIC	(54,465)	-	-	(54,465)
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
Insurance finance expenses through profit and loss	(22,246)	-	19,620	(2,626)
Insurance finance expenses through OCI	-	-	-	-
Net foreign exchange income or expense	-	-	-	-
Total changes in statement of profit and loss and OCI	<b>126,591</b>	<b>335,460</b>	<b>(1,816,182)</b>	<b>(1,354,132)</b>
Premiums paid to reinsurer net of commission	870,004	-	-	870,004
Directly attributable expenses paid	9,360	-	-	9,360
Recoveries from reinsurance	(45,292)	-	-	(45,292)
Total cash flows	<b>834,071</b>	<b>-</b>	<b>-</b>	<b>834,071</b>
Closing reinsurance contract assets	841,674	335,460	2,091,739	3,268,873
Closing reinsurance contract liabilities	-	-	-	-
	<b>841,674</b>	<b>335,460</b>	<b>2,091,739</b>	<b>3,268,873</b>

	Unaudited Period ended 31 Mar 2024			
	BEL	RA	CSM	Total
Opening reinsurance contract assets	2,561,377	50,855	710,426	3,322,657
Opening reinsurance contract liabilities	-	-	-	-
	<b>2,561,377</b>	<b>50,855</b>	<b>710,426</b>	<b>3,322,657</b>
Changes related to current services	-	-	-	-
- CSM recognized in profit and loss	-	-	-	-
- Risk Adjustment recognized in profit and loss	-	-	29,437	29,437
- Experience adjustments	-	(3,149)	-	(3,149)
Changes related to future services	10,497	-	-	10,497
- Contracts initially recognized in the period	-	-	-	-
- Changes in estimates that adjust CSM	(176,659)	6,615	170,044	-
- Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	475,701	2,780	(478,481)	-
Changes that relate to past service	-	-	71,575	71,575
Changes that relate to past service - adjustments to LfIC	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	(98,423)	-	-	(98,423)
	-	-	-	-
Insurance finance expenses through profit and loss	-	-	-	-
Insurance finance expenses through OCI	(34,394)	-	4,153	(30,241)
Net foreign exchange income or expense	-	-	-	-
Total changes in statement of profit and loss and OCI	-	-	-	(20,304)
Premiums paid to reinsurer net of commission	139,961	-	-	139,961
Directly attributable expenses paid	507	-	-	507
Recoveries from reinsurance	(114,986)	-	-	(114,986)
Total cash flows	<b>25,482</b>	-	-	<b>25,482</b>
Closing reinsurance contract assets	2,763,581	57,101	507,154	3,327,836
Closing reinsurance contract liabilities	-	-	-	-
	<b>2,763,581</b>	<b>57,101</b>	<b>507,154</b>	<b>3,327,836</b>