



ominvest

ANNUAL REPORT

2024

Transforming Businesses
to Enrich Societies

Table of Contents

Purpose Statement	03
Ominvest at a Glance	04
Board of Directors' Report	11
Board of Directors	17
Corporate Governance Report	19
Executive Management	27
Management Discussion & Analysis	39
World Economic Forum (WEF)	44
Investing in a Sustainable Future	46
Audit Report & Financial Statements	50

Purpose Statement

Transforming Businesses to Enrich Societies

Our purpose is rooted in the belief that business can be a significant catalyst in creating meaningful environmental, social, and economic value. This purpose provides a clear direction for our daily actions and activities, unites our people and stakeholders, and guides us toward fulfilling our vision.

We transform businesses in ways that contribute to their growth and excellence. In addition to providing our portfolio companies with growth capital, we work closely with them to build their operational and technical expertise. We support them in expanding their portfolio of products and services; we assist them in accessing new markets; and we encourage our management teams to think outside the box and innovate.

We strongly believe in the important role of business in enriching societies, and our investment philosophy underpins that belief. Through our portfolio companies, we provide societies with valuable services and solutions. We help create jobs, nourish talents, build expertise, foster innovation, encourage knowledge exchange, embrace ESG best practices, and support local communities.



VISION

To be an eminent investment group in the MENA region with significant global reach and impact.



MISSION

To create value for our stakeholders by prudently investing in growth sectors and markets while implementing innovative solutions, scalable platforms, and impactful ESG initiatives.

VALUES



Integrity



Collaboration



Excellence



Innovation



Good Citizenship

Ominvest at a Glance

Founded in 1983, Ominvest is one of the largest listed investment companies in the region and has been consistently profitable with an enviable track record of uninterrupted dividend payments to shareholders. Ominvest owns high quality assets in diversified sectors and have portfolio companies that are market leaders.



Net Profits
OMR **37.16 MN**



High quality and diverse portfolio assets
OMR **1.3 BN**



Consistently profitable with CAGR since 2001
16.4%



Uninterrupted cash dividend dividend yield 2024
6.1%



Listed investment constitute
82%



Leading investment company with market capitalization of
OMR **221 MN**



Return on equity 2024
18.25%



Portfolio turnover since 2020
Profitable Exits | **OMR 295 MN**
New Investments | **OMR 302 MN**

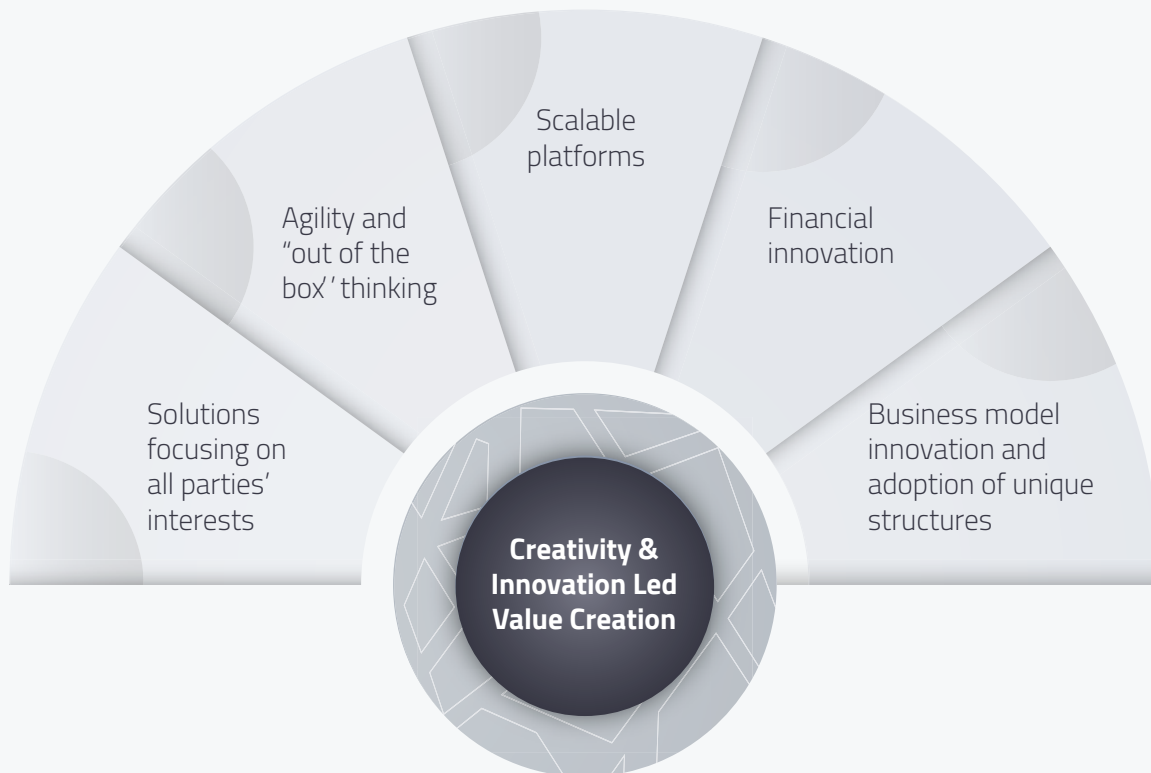
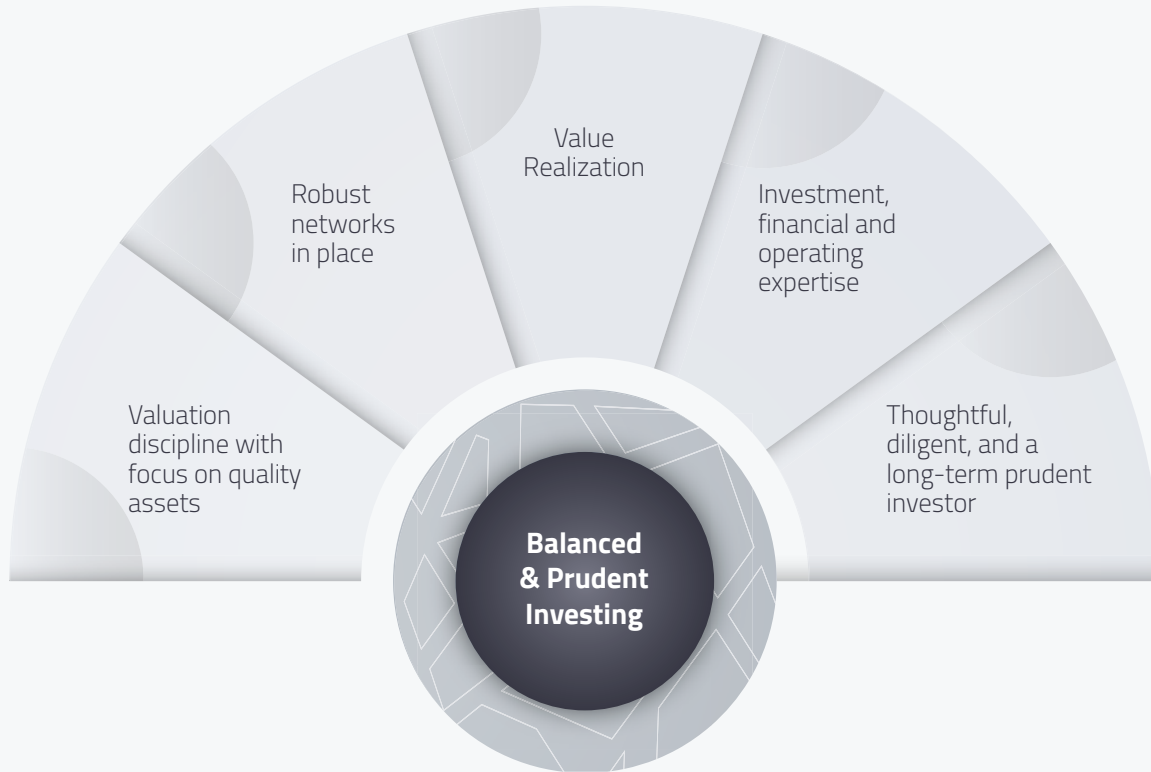


Healthy cashflow and moderately leveraged at
1.48



Led by a progressive board and a capable management team dedicated to enhancing value for stakeholders

Core Competencies



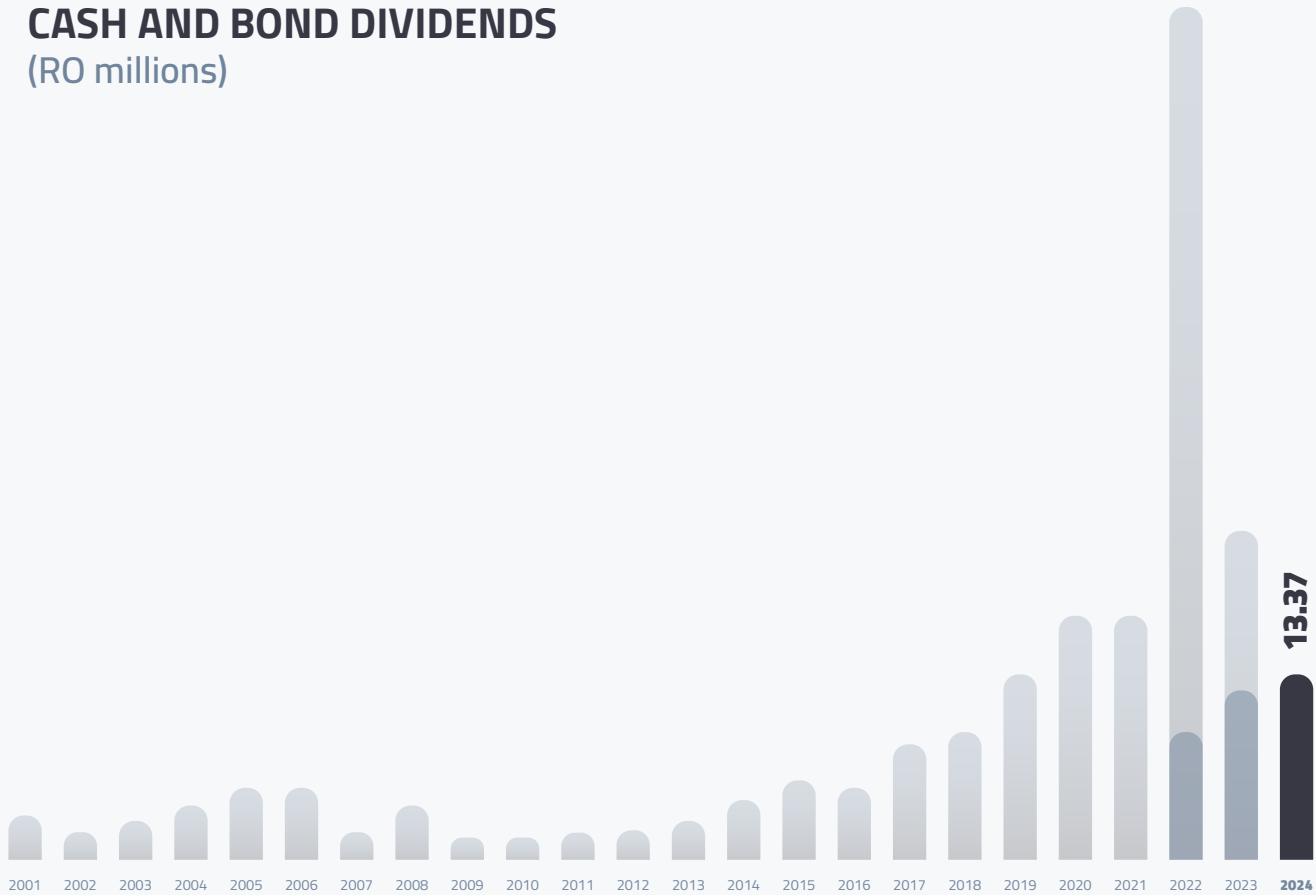
Track Record

NET INCOME (RO millions)



Track Record

CASH AND BOND DIVIDENDS (RO millions)



During the year, Ominvest reported a profit of RO 37.16m which translates to an ROE of 18.25%. The Board of Directors has recommended a 60% dividend distribution amounting to RO 40.10 million for 2024, comprising of:

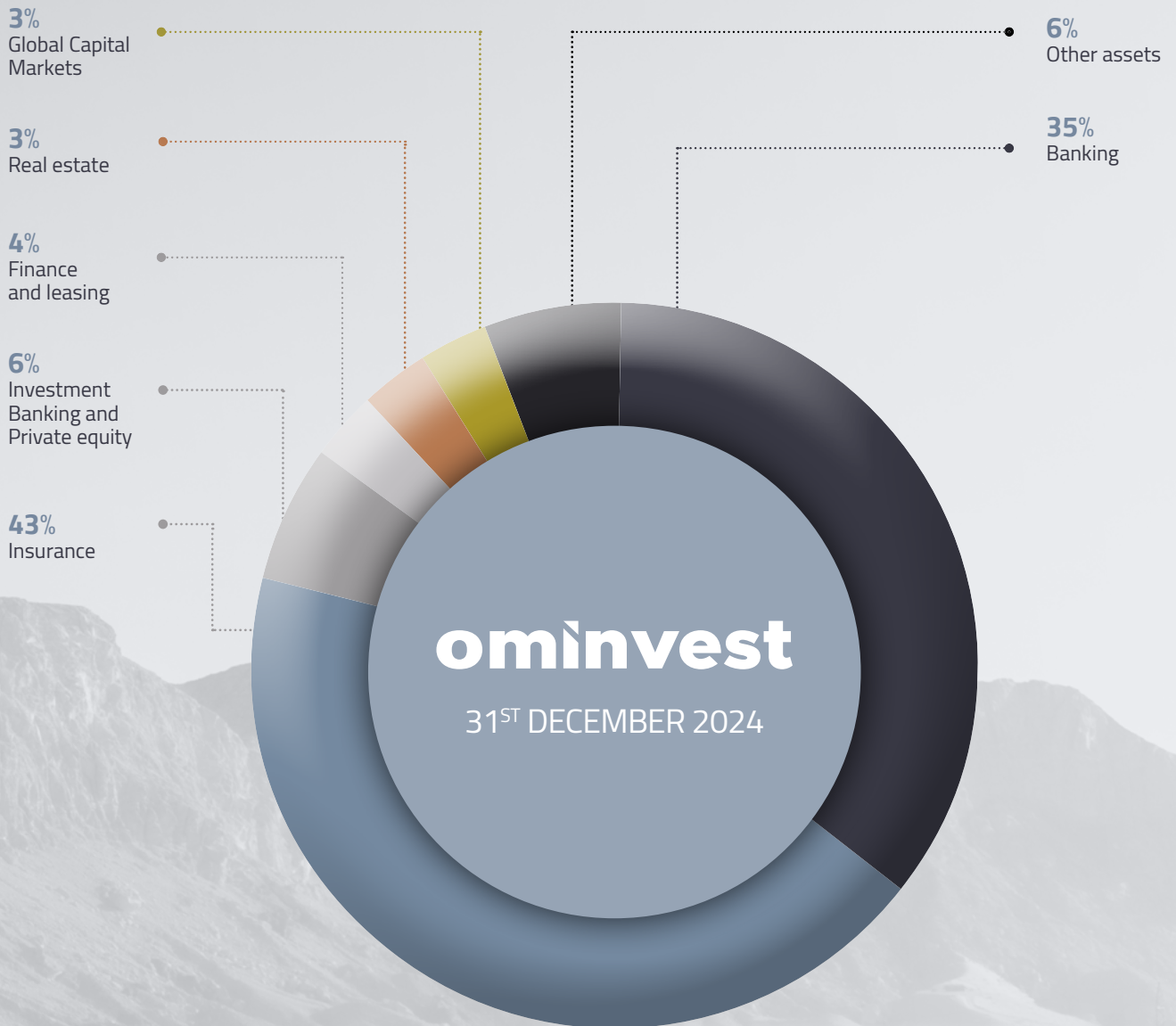
- 20% cash dividend equivalent to 20 balsa per share amounting to RO 13.37 million.
- A stock dividend of 4 shares for every 10 shares held comprising 40% of the share capital amounting to RO 26.73 million. This will result in an increase in the number of shares from 668.4 million to 935.7 million.

The hybrid dividend is to generously reward our esteemed shareholders as well as to continue fueling the growth of Ominvest.

Ominvest actively diversifies its portfolio across sectors

- Diversification across companies, sectors and geographies is key to manage the concentration risks associated with large investments in single company and/or sector.
- We have successfully diversified away from the banking sector which comprised 97% of Group assets in 2014 compared to 35% presently.
- 34% of our group consolidated assets are outside Oman compared to less than 1% in 2014. We had an attractive opportunity to acquire additional stake in Bank Muscat during November 2023. We are now prudently working on enhancing our geographical diversification.

Diversification of Group's Consolidated Assets



Major Milestones Over Recent Years

2012

- Acquired 11% stake in Oman Al Arabia Fund.

2015

- Transformation of Ominvest through merger with ONIC Holding.
- Diversification into insurance sector.
- Increase in parent company assets from USD 275 mn to USD 623m.

2016

- Boosted NLGIC's capital to grow regionally, thus achieving market leadership in Oman with significant regional operations.

2017

- Disposal of non-core industrial investments resulting in shareholder value accretion.
- Formation of U-Capital.

2020

- Acquired control over U-Capital, which in turn acquired Gulf Bader Capital Markets.
- Successful listing of Oman Arab Bank.

2019

- Expansion into Asian markets for private equity investments via acquiring 43% stake in East Bridge, and established office in Singapore.

2018

- Optimized capital structure via issuance of perpetual bonds.
- National Finance merged with Orix Leasing, resulting into a market leader.

- Successful IPO of NLGIC and Al Ahlia Insurance at attractive valuations.
- Expansion into Education sector in the GCC.

2021

- Issued Perpetual Sukuk amounting to USD 135m by conversion of treasury shares.
- Established a full-fledge office at Dubai International Financial Centre (DIFC).

2022

- NLGIC completed a 100% acquisition of RSA Middle East with an aspiration to become a leading multiline insurer in the region.

2023

- Obtained category 3C license from DFSA and established Ominvest Capital (DIFC) Limited.
- Acquisition of 30% stake in leading FINTECH company in Oman.

- Redemption of Ominvest perpetual bonds (RO 60.6 MN).
- Highest ever dividend declaration – 105%
- Increased shareholding in Bank Muscat to 15%.

- Increased shareholding in International General Insurance (IGI) from 14.5% to 20.5%.

- Increased shareholding in Takaful Oman to 56% and gained control.
- Launched mixed used development "La Vie" in Muscat Hills.
- Acquired controlling stake in a niche tech company.

2024

- Sold entire stake in Ahli Bank and OESC school, generating RO 51 million cash.
- LA VIE project progressing as per the plan.

- Secured a USD 500 million facility, arranged by a regional bank, GIB in partnership with ABK and Gulf Bank.

- Partnered with Dreamlab Technologies, a Swiss-based global leader, to elevate cybersecurity capabilities of our subsidiary NSSG.

- Real estate subsidiary partnered with UAE-based Imdaad, to establish a premier facilities management company 'Omdaad' in Oman

Board of Directors' Report



**Khalid
Muhammad
AlZubair**

Chairman

Board of Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2024

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited financial results of Ominvest Group for the year ended 31 December 2024.

Below I would like to present our macroeconomics overview, notable events and financial performance of the Ominvest Group and our major portfolio companies for the year ended 31 December 2024.

A BRIEF ON MACROECONOMICS

The global economy demonstrated resilience in 2024 despite a challenging macroeconomic environment characterized by high interest rates and heightened geopolitical tensions. The US led global growth, defying recession fears with robust domestic demand, while easing inflation allowed central banks to initiate monetary policy easing. China intensified fiscal and monetary stimulus to address growth concerns, while India maintained its strong trajectory, driven by robust domestic demand and structural reforms, further solidifying its position as a key global growth driver. Equity markets reached record highs, with US stocks benefiting from AI-driven momentum and strong corporate earnings.

The GCC made notable progress in non-hydrocarbon growth, supported by diversification efforts despite subdued oil prices and production cuts. The US Federal Reserve's 100-basis-point rate reduction was mirrored across the GCC, reducing borrowing costs and driving investment activity.

In Oman, the Medium-Term Fiscal Plan (2020–2024) concluded successfully, delivering a third consecutive year of budget surpluses in 2024 and achieving a debt-to-GDP ratio of 34%, far exceeding the MTFP's 2024 target of 80%. These fiscal achievements enabled Oman to regain its investment-grade credit rating after nearly seven years, strengthening economic stability and reinforcing its investment appeal.

Looking to 2025, the US economy remains a cornerstone of global growth, as reflected in upgraded IMF forecasts. Risks to the global economy appear balanced, though uncertainties over Trump's presidency and policy implications persist. The GCC is well-equipped to navigate these challenges, supported by fiscal resilience, diversification-led growth, improved economic appeal, and improving regional cooperation.

NOTABLE EVENTS 2024

THE KEY ACHIEVEMENTS FOR THE YEAR 2024 INCLUDE:

- STRATEGIC INVESTMENTS:** Ominvest made strategic investments in 2023, increasing its stakes in Bank Muscat and International General Insurance, demonstrating our focus on high-value opportunities. These acquisitions have yielded strong returns in 2024, significantly enhancing our share of results from associates and boosting cash flow through substantial dividends.
- OMINVEST'S VISIONARY FIVE-YEAR STRATEGY:** Ominvest is in the process of rolling out its five-year strategic roadmap, designed to drive sustainable growth and long-term value creation. To ensure a well-structured and forward-thinking approach, we conducted an intensive three-day offsite strategy session led by a renowned Harvard professor, a global expert in strategic planning and execution. This session provided invaluable insights, equipping Ominvest with the tools to navigate evolving technological changes, market dynamics, capitalize on high-impact investment opportunities, and strengthen our position as a leading regional investment group.
- SECURED USD 500 MILLION FACILITY:** Ominvest has successfully secured a USD 500 million facility, arranged by Gulf International Bank B.S.C. (GIB) in partnership with ABK and Gulf Bank. This strategic financing provides us with financial agility to execute our investment plans, seize high-potential opportunities, and accelerate our growth trajectory. Beyond driving strong returns for our shareholders, this collaboration reinforces Ominvest's position as a premier investment group in the region.
- STRATEGIC DIVESTMENTS YIELDING RO 51 MILLION:** In line with our strategic objectives, we completed the divestment of two key investments at attractive valuations, generating substantial cash inflows of RO 51 million, further strengthening our financial position.
- CYBERSECURITY EXPANSION THROUGH STRATEGIC PARTNERSHIP:** Ominvest has partnered with Dreamlab Technologies, a Swiss-based global leader, to elevate the cybersecurity capabilities of our subsidiary, National Security Services Group. This strategic collaboration empowers us to deliver state-of-the-art cybersecurity solutions, safeguarding critical infrastructure across Oman and the region. As part of this partnership, we have secured exclusive rights to deploy advanced cybersecurity tools developed by Dreamlabs, reinforcing our commitment to driving innovation in cybersecurity across the region.
- LAUNCH OF 'OMDAAD' IN FACILITIES MANAGEMENT:** Our real estate subsidiary, Oman Real Estate and Investment, partnered with UAE-based Imdaad to establish Omdaad, a premier facilities management company in Oman. This collaboration brings world-class, sustainable solutions to support the nation's growing infrastructure sector.
- LIQUIDITY ENHANCEMENT FOR OMINVEST SHARES:** To enhance liquidity and trading activity, we appointed United Securities LLC as our official liquidity provider, effective September 2024, in compliance with Muscat Stock Exchange regulations. This initiative is designed to improve market efficiency and deliver long-term value to our retail shareholders.

GROUP CONSOLIDATED PERFORMANCE

For the year ended 31 December 2024, Ominvest Group reported a 7% increase in revenue, reaching RO 474.51 million, compared to RO 442.76 million in 2023. However, net profit attributable to Ominvest shareholders declined by 7% to RO 37.16 million, compared to RO 40.12 million in the previous year. The Group's performance was impacted by losses incurred by LIVA Group SAOG (LIVA), our insurance subsidiary, following the unprecedented rainfall in the UAE in April 2024. Nevertheless, LIVA delivered a remarkable turnaround in the second half of 2024, posting a 47% increase in profit to RO 10.9 million compared to the second half of 2023, significantly mitigating the first-half loss of RO 15.9 million. As a result, LIVA's full-year loss narrowed to RO 5 million as of 31 December 2024. This strong recovery underscores the resilience of LIVA's business and the effectiveness of its strategic initiatives. Diversification and quality of our assets helped us to absorb LIVA's losses without having any major implication on our financial position.

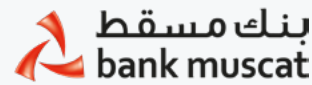
PARENT COMPANY PERFORMANCE

For the year ended 31 December 2024, the Parent Company's revenues surged by 9% to RO 73.92 million, compared to RO 67.21 million in 2023, reflecting strong top-line growth. However, net profit attributable to equity holders declined by 9% to RO 36.82 million, down from RO 40.28 million in the previous year. The decline in profitability was primarily driven by the same factors impacting the Group's performance, as previously highlighted. Despite this, the Parent Company remains well-positioned for long-term growth, supported by strategic investments, disciplined financial management, and a resilient business model.

DIVIDEND DISTRIBUTION

The Board of Directors has proposed a 60% dividend distribution for 2024, comprising a 20% cash dividend and a 40% stock dividend. Shareholders will receive a cash dividend of RO 0.020 per share, amounting to RO 13.4 million. The issuance of stock dividends is expected to enhance share liquidity. The proposed dividend is subject to shareholder approval at the upcoming Annual General Meeting.

PERFORMANCE OF KEY SUBSIDIARIES AND ASSOCIATES



Our key associate in the banking sector, continues to strengthen its market leadership in Oman's financial services industry with strong financial performance and strategic growth. For the year ended 31 December 2024, the bank's net profit increased by 6.2% to RO 225.58 million, up from RO 212.45 million in 2023, driven by strong operating performance and effective cost optimization. Demonstrating resilience and steady growth, Bank Muscat's loan book expanded by 3.7% to RO 10.25 billion, while customer deposits grew by 3.6% to RO 9.77 billion. The bank also maintained a robust capital adequacy ratio of 19.59%, reflecting its strong financial position and prudent risk management. As Oman's leading financial institution, Bank Muscat remains focused on driving sustainable growth, optimizing operational efficiency, and delivering long-term value to its stakeholders.



Our subsidiary in insurance sector, reported a 6% year-on-year increase in insurance revenue in 2024, achieving RO 329.46 million compared to RO 310.75 million in 2023. This growth was driven by enhanced operational efficiencies, strategic pricing adjustments, and the successful execution of key initiatives across its core markets—UAE, Oman, and KSA. Investment income also saw a robust increase of 11%, rising from RO 12.8 million in 2023 to RO 14 million in 2024. While the unprecedented April storms in the GCC resulted in a loss after tax of RO 15.9 million in H1 2024, LIVA's strong second-half performance helped narrow the full-year loss to RO 5 million as of 31 December 2024.

LIVA partnered with Salik to offer motor insurance and expanded digital distribution and entered into several other collaborations. The UAE's mandatory health insurance expansion was a key milestone, with Liva securing Participating Insurer status with the Dubai Health Authority, enabling coverage for Low Salary Band (LSB) workers. LIVA sees KSA as a key growth market and has signed an MoU with Malath Cooperative Insurance, as disclosed on Tadawul. This potential merger will consolidate LIVA's position as a leading GCC insurance provider, further enhancing value for customers and

shareholders. A comprehensive due diligence process is underway to ensure the best outcomes before any formal agreements.

Liva maintained its AM Best 'A-' (Excellent) financial rating, underpinned by a robust balance sheet, prudent investment strategy, and diversified GCC presence.



Our high-performing strategic associate in the insurance sector, is a leading international specialty insurance and reinsurance group, registered in Bermuda and publicly listed on the Nasdaq Capital Market under the symbol "IGIC." IGI is recognized for its financial strength, holding an "A-" (Strong) rating from S&P Global Ratings and an "A" (Excellent) rating from AM Best, both with a Stable Outlook.

IGI continues to demonstrate exceptional financial performance, with equity growing by 24%, reaching RO 258 million in 2024, up from RO 208 million in 2023. This strong growth in equity was driven by a robust combined ratio of 80.5% and a healthy loss ratio of 45.3%, reflecting IGI's disciplined underwriting, prudent risk selection, and focus on high-margin, profitable business segments. With a core operating return on equity of 23.2%, IGI continues to create substantial value for shareholders through operational efficiency, strategic market positioning, and a steadfast commitment to sustainable, long-term growth. The share price of IGI had increased by 84% during 2024 due to its superior performance.



Our associate in the banking sector, delivered a strong financial performance, reporting a consolidated profit of RO 30.44 million for the year ended 31 December 2024—an impressive 48% increase from RO 20.56 million in 2023. This growth was driven by solid expansion in core operations and a significant improvement in loan recoveries. OAB's net loans and advances, including Islamic finance, grew by 5.3% to RO 3.45 billion as of 31 December 2024, compared to RO 3.27 billion the previous year. Customer deposits also grew by 5.3%, reaching RO 3.5 billion, up from RO 3.36 billion in 2023. These growth rates outpaced the market, reinforcing OAB's position and

expanding its market share.

OAB's subsidiary, Alizz Islamic Bank SAOC, delivered impressive financial results for the year ended 31 December 2024, with its net profit increasing by 28%. In a strategic move to strengthen its capital base, Alizz Islamic Bank successfully issued RO 30 million in Additional Tier 1 Mudaraba Sukuk at a competitive 6.5% coupon rate, reinforcing its position as a key player in Oman's Islamic banking sector.



Our associate which is the market leader in the leasing sector, remains committed to high-quality lending, achieving a 9.1% increase in net profit to RO 12.11 million for the year ended 31 December 2024, compared to RO 11.11 million in 2023. The successful issuance of perpetual bonds and borrowing facilities from banks have driven a robust 18.9% growth in net investment in leases, reaching RO 578.87 million as of 31 December 2024, up from RO 486.85 million the previous year. NFC continues to adopt a judicious approach to credit underwriting keeping in view the overall macroeconomic scenario and perceived increase in credit risk while strategically enhancing its technological capabilities. With a strong focus on digital transformation, NFC continues to solidify its position as a market leader among finance and leasing companies in the Sultanate of Oman.

Other key investments include, private equity investments, which are focused on diverse sectors and expanding into new growth markets in Asia, amounted to RO 73 million.



Our real estate subsidiary, launched the prestigious LA VIE project in 2023, featuring a world-class golf course, luxury hotel, and premium residential units. Construction is advancing ahead of schedule, with approximately 50% of the project completed as of 31 December 2024. Notably, the full structural framework was completed in just 10 months—a testament to ORIS commitment to efficiency and excellence. ORIS remain dedicated to upholding the highest quality standards, ensuring that every material used reflects superior craftsmanship and durability.

IMPACT BEYOND PROFIT

Ominvest remains steadfast in its commitment to building a sustainable future, aligning its operations with globally recognized ESG standards, including Oman Vision 2040 and the United Nations Sustainable Development Goals (UN SDGs). In 2024, we made significant strides in integrating Environmental, Social, and Governance (ESG) principles into our core business strategies, supporting flagship initiatives under three key pillars: Youth Education and Entrepreneurship Empowerment, Environmental Sustainability and Community Support. Further illustrating our commitment to transparency and accountability, Ominvest published its second Sustainability Report in 2024. This report builds upon the foundation established in our inaugural report and highlights the significant progress made in our sustainability implementation journey. We are currently preparing our third Sustainability Report, scheduled for publication in Q1 2025, which will provide insights on our ESG performance and future goals.

Youth Education and Entrepreneurship Empowerment

Ominvest's dedication to fostering entrepreneurial skills and innovation among Omani youth is exemplified through two key collaborations with Injaz Oman. The "Company Program" empowered 381 Omani students from 30 schools across the Sultanate to embark on their entrepreneurial journeys through a comprehensive training program. Participants gained invaluable insights into key business aspects, including ideation, market analysis, financial planning, and how to establish and operate a business. We are also proudly supported the Jahiz Pan-Arab Employability Forum 2024, equipping young Arabs with the skills and knowledge necessary to thrive in the evolving job market and contributing to the economic development of their nations. Furthermore, Ominvest partnered with Outward Bound Oman to launch 'Ominvest Young Shapers', an innovative program designed to cultivate leadership and accountability among youth. This immersive five-days program provided 100 students with opportunities to develop essential soft skills and knowledge through outdoor exploration and experiential learning.

Environmental Sustainability

Reaffirming our commitment to environmental conservation and making real impact, Ominvest renewed its partnership with Environmental Society of Oman (ESO) to continue supporting its various initiatives and awareness efforts including the conservation of frankincense, marine turtles, endangered vultures and the Arabian sea humpback whale.

Community Support and Donations

At Ominvest, our purpose extends beyond business; it's

about transforming businesses to enrich societies. This commitment drives our support for non-profit organizations, which remains a key priority. Through ORIS, our real estate arm, we've continued to provide vital support to the Al Rahma Association - a non-profit organization dedicated to supporting underprivileged families - through our project management expertise to the completion of their new headquarters and support centre. This facility will serve as a hub for empowering families, featuring workshops to help them market and sell their homemade projects.

We also continued our commitment to positive community contribution by allocating 20% of our CSR budget amounting to RO 32,000 to Oman Charitable Organisation, in compliance with Ministerial Decision 205/2021 issued by the Ministry of Commerce and Industry.

Investing in the future of talents is a priority at Ominvest. Our 2024 internship program provided 24 talented individuals with a unique opportunity to bridge the gap between academic theory and real-world practice. Through hands-on experience and mentorship, interns gained practical knowledge and developed key skills within a listed investment company environment. We are proud to have welcomed one of these high achievers to our team as a full-time employee, recognizing their outstanding contributions. These initiatives and milestones underscore Ominvest's dedication to driving meaningful societal impact, fostering sustainable economic growth, and upholding our responsibilities as a corporate leader.

Acknowledgements

We are grateful to our inspirational leader His Majesty Sultan Haitham bin Tarik for his vision and initiatives as he continues to lead the country on the path of development, peace, and enduring prosperity. On behalf of the Board of Directors, I would like to thank the Financial Services Authority and Central Bank of Oman for their continued support and guidance. I would also like to especially thank our dedicated employees at Ominvest and across our Group companies for their commitment and hard work.

Khalid Muhammad AlZubair | Chairman

Board of Directors

Ominvest is led by a visionary and diverse Board of Directors that guides and supports the management team to achieve sustainable performance while adhering to highest professional and ethical standards. The Board strongly believes in the pivotal role of businesses in helping build sustainable societies and has embraced the key tenets of ESG in its core business practices.



Khalid Muhammad AlZubair
Chairman



Sheikh Khalid Al Khalili
Deputy Chairman



Brigadier Jamal Al Tai
Director



Khaula Al Harthi
Director



Najat Al Lawati
Director



Dr. Rashid Al Balushi
Director



Muhammad Husam AlZubair
Director



Khalid Al Shamsi
Director



Hamed Al Wahibi
Director



Ernst & Young LLC
P.O. Box 1750, Ruwi 112
5th Floor, Landmark Building
Opposite Al Ameen Mosque
Bowsher, Muscat
Sultanate of Oman
Tax Card No. 8218320

Tel: +968 22 504 559
Fax: +968 22 060 810
muscat@om.ey.com
ey.com

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

AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG IN RESPECT OF THE BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG

Scope and purpose

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

Restricted use

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

Responsibilities of the Board of Directors

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

Responsibilities of the Practitioner

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

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

Our independence and quality control

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



AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG IN RESPECT OF THE BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (continued)

Our independence and quality control (continued)

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

Description of procedures performed

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

Our procedures and findings included:

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

Ernst & Young

10 March 2025
Muscat





Corporate Governance Report

FOR THE YEAR ENDED 31 DECEMBER 2024

Corporate Governance serves as the cornerstone of how a company is managed and directed, delineating the rights and responsibilities among its stakeholders, including shareholders, the Board of Directors, management, committees, and employees. The Governance Management Framework establishes a structured approach and key principles for effective oversight, decision-making, and accountability throughout the organization.

Ominvest's Governance Management Framework is anchored in ISO 37000, an internationally recognized standard that provides guidance for governing bodies. This framework helps clarify the company's purpose and values, aligns strategies with these foundational elements, and fosters value creation for all stakeholders. It outlines the protocols and procedures for effective decision-making, defines objectives and strategies for their achievement, and establishes criteria for monitoring and evaluating the company's performance.

Oman International Development & Investment Co. SAOG (Ominvest) Vision is to be an eminent investment group in the MENA region with significant global reach and impact, and its Mission is to create value for our stakeholders by prudently investing in growth sectors and markets while implementing innovative solutions, scalable platforms, and impactful ESG initiatives; by applying core Values of integrity, collaboration, excellence, innovation and good citizenship for the ultimate Purpose of transforming businesses to enrich societies.

The Board confirms that Ominvest applies the principles set out in the Financial Services Authority's (FSA) Code of Corporate Governance for Public Listed Companies (the "Code") and applicable regulations and guidelines.

BOARD OF DIRECTORS

Ominvest is led by a visionary and diverse Board of Directors that guides and supports the management team to achieve sustainable performance while adhering to highest professional and ethical standards. The Board strongly believes in the pivotal role of businesses in helping build sustainable societies and has embraced the key tenets of ESG in its core business practices.

NOMINATION OF DIRECTORS

The Nomination, Remuneration and Executive Committee assists the General Meeting in the nomination of proficient directors that are fit for the purpose. Election to the Board is based on nomination forms submitted by a candidate who meets the qualification requirements as per the FSA guidelines and regulations. The current Board of Directors was elected for a three (3) year term in the Annual General Meeting ("AGM") held on 30 April 2024. The upcoming election is scheduled to take place during the AGM in 2027.

COMPOSITION OF THE BOARD

As of 31 December 2024, Ominvest's Board comprises of nine (9) members of which four (4) are independent directors, two (2) are female directors and all the directors, including the Chairman, are non-executive in accordance with the Code. The Board is composed of distinguished leaders from the public and private sectors, bringing a wealth of expertise and high-calibre skills across diverse domains, including investments, strategic planning, general management, accounting, and auditing.

NUMBER OF BOARD MEETINGS

Ominvest held five (5) Board meetings during the year ended 31 December 2024. These were held on 1 April, 30 April, 14 May, 14 August, and 13 November 2024. The maximum interval between any two (2) meetings was ninety-one (91) days. This is in compliance with the regulations and the Code, which require meetings to be held within a maximum time gap of one hundred and twenty (120) days.

DIRECTORS' ATTENDANCE RECORD

Director	No. of Board meetings attended	Whether attended last AGM
Khalid Muhammad AlZubair	5	Yes
Sheikh Khalid Abdullah Al Khalili	4	Yes
Jamal Shamis Al Hooti ⁽¹⁾	1	Yes
Brigadier Jamal Said Al Tai	5	Yes
Khaula Hamood Al Harthi	3	Yes
Najat Ali Al Lawati	5	Yes
Dr. Rashid Ali Al Balushi	5	Yes
Evangelos Papadopoulos ⁽¹⁾	1	Yes
Muhammad Husam AlZubair	5	Yes
Hamad Mohammad Al Wahaibi ⁽²⁾	3	-
Khalid Nasser Al Shamsi ⁽²⁾	4	-

(1) Resigned on 30th April 2024.

(2) Elected on 30th April 2024.

None of the Directors during their directorship was a member of the Board of Directors of more than four (4) public joint stock companies whose principal place of business is based in the Sultanate of Oman, or a chairman of more than two (2) such companies. Particulars of directorships of other joint stock companies and memberships of other Board Committees is set out in Appendix 1 of this Report. Further, no director was a member of the Board of Directors of a joint stock company which practices similar activities to the company and whose principal place of business is in the Sultanate of Oman.

DIRECTORS WITH MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS, PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

All details relating to financial and commercial transactions where directors may have a potential conflict of interest are provided to the Board, and the interested directors neither participate in the discussion, nor do they vote on such matters. All such matters are also discussed in detail by the Audit, Compliance and Risk Committee. The company addressed Related-Party matters in the Compliance Policy and Procedure as per the Code and all Related-Party Transactions are reviewed by the Audit, Compliance and Risk Committee and approved by the Board and AGM as applicable.

The following shareholders have 10% or more ownership in the company:

Shareholder	At 31 Dec 2024 (Holding%)
Khalid Muhammad AlZubair	19.94
Al Hilal Investment Company LLC	19.37
Social Protection Fund	11.93
Oman Investment Authority*	11.65

* Holdings are spread across three accounts

COMMITTEES OF THE BOARD

Nomination, Remuneration and Executive Committee ("NREC")

As of 31 December 2024, the NREC consists of five (5) non-executive members, of which one (1) is independent and four (4) are non-independent. During the year 2024, the Committee met five (5) times on 25 March, 7 May, 26 June, 8 August and 6 November 2024 and the attendance record of the members is tabled below.

Committee Member	Position	Status	Meetings Attended During the Year
Khalid Muhammad AlZubair	Chairman	Non-Independent	5
Sheikh Khalid Abdullah Al Khalili	Deputy Chairman	Non-Independent	4
Najat Ali Al Lawati ⁽¹⁾	Member	Independent	1
Evangelos Papadopoulos ⁽¹⁾	Member	Independent	1
Muhammad Husam AlZubair	Member	Non-Independent	5
Hamad Mohammad Al Wahaibi ⁽²⁾	Member	Independent	4
Khalid Nasser Al Shamsi ⁽²⁾	Member	Non-Independent	4

(1) Resigned on 30th April 2024.

(2) Elected on 30th April 2024.

The NREC is delegated authority to facilitate the smooth operation of the Company and exercises certain responsibilities delegated by the Board. The NREC is also responsible for assisting in the nomination of competent directors by ensuring they possess the skills and abilities required by the Company. The NREC develops and maintains appropriate remuneration policies and succession planning for the Board and Executive Management. The NREC further reviews the bonus, allowance, and incentive policies for the Executive Management.

The NREC develops an Annual Plan as required by the Code to manage its tasks for the year. During 2024, NREC has reviewed the Company quarterly performance and investments within the limits set out in the Delegation of Authority and provides recommendations to the Board accordingly. In addition, as per the Board approved ESG Framework, the NREC has been tasked with reviewing and recommending to the Board all ESG-related policies, reviewing the progress on ESG toward advancing sustainability in the organization and ensuring the company is complying with applicable regulatory sustainability and ESG requirements.

Audit, Compliance and Risk Committee ("ACRC")

As of 31 December 2024, the ACRC consists of four (4) non-executive members, of which three (3) are independent and one (1) is non-independent. All members are familiar with finance, industry, Omani laws and regulations governing public joint stock companies. In 2024, the ACRC met eight (8) times. The meetings took place on 10 March, 28 March, 12 May, 5 June, 13 August, 22 September, 10 November and 19 December 2024 and the attendance record is tabled below.

Committee Member	Position	Status	Meetings Attended During the Year
Jamal Shamis Al Hooti ⁽¹⁾	Chairman	Independent	2
Brigadier Jamal Said Al Tai ⁽²⁾	Chairman	Independent	8
Najat Ali Al Lawati ⁽³⁾	Deputy Chairman	Independent	6
Khaula Hamood Al Harthi	Member	Independent	6
Dr Rashid Ali Al Balushi	Member	Non-Independent	7

1) Served as a board member and the chairman of the committee until 30th April 2024.

2) Elected as the Chairman of the committee on 30th April 2024.

3) Joined the committee on 12th May 2024.

The Committee evaluated proposals received for the statutory audit of the Company in early 2024. As a result, ACRC recommended EY to the Board and the Board recommended their appointment at the AGM as the Company's statutory auditors for the year. ACRC reviews the audit plan, scope, findings, and effectiveness of the company's statutory audit. It also ensures the independence and objectivity of the work carried out by statutory auditors.

As part of the Committee's role of overseeing the internal control system and financial reporting, it reviews any changes to the accounting policies and evaluates its impact on the company's financial position. Moreover, it reviews the unaudited financial statements and related party transactions on a quarterly basis as well as the audited financial statements for the year end and recommends for Board approval.

The Committee continuously assesses the independence and objectivity of the Internal Audit Department ("IAD"). It has reviewed 2024-2026 risk-based audit plan and recommended it for Board approval. The Committee periodically reviews the status of internal audit plan, audit reports, unresolved audit matters with management and follows up on the status of audit actions. In addition, the Committee receives reports on the department internal and external quality assurance activities to assess the effectiveness and compliance of IAD with international auditing standards. The ACRC periodically update the Board with their activities and submits an annual report to the Board on the effectiveness of the company's system of internal control, corporate governance, and risk management process.

The ACRC received quarterly updates from the Risk Management and Compliance Departments; Risk Management provides updates on the top risks along with effectiveness of internal controls in managing the risk and the mitigation plans in place to manage the residual risk. The Compliance Department updates ACRC on the company's compliance with external and internal regulations. Further, in line with FSA Circular No. E/1/2022 "Issuing Information Security Guidelines for Public Joint Stock Companies" ACRC also received quarterly updates from the Information Security Officer to verify the effective implementation of the company's information security policies and procedures.

REMUNERATION OF DIRECTORS

During the year, following the approval by the shareholders at the AGM held on 30 April 2024, the Directors were paid a remuneration of One Hundred Fifty Thousand Rial Omani (RO 150,000) for 2023.

Directorship sitting fees of Five Hundred Rial Omani (RO 500) was paid to the Directors for each Board and Board Committee meeting attended during the year. Total sitting fees for Board and Board Committees meetings held during 2024 were as follows:

Board	20,500
NREC	12,000
ACRC	14,500
Total	47,000

There was no other remuneration paid by the company to any of the Directors.

Remuneration for 2023 paid in 2024 and sitting fees paid for 2024 relating to individual Directors was (in RO):

Director	Sitting Fees				Remuneration (2023)	Total
	Board	NREC	ACRC	Total		
Khalid Muhammad AlZubair	2,500	2,500	-	5,000	23,077	28,077
Sheikh Khalid Abdullah Al Khalili	2,000	2,000	-	4,000	19,231	23,231
Jamal Shamis Al Hooti ⁽¹⁾	500	-	1,000	1,500	15,385	16,885
Brigadier Jamal Said Al Tai	2,500	-	4,000	6,500	15,385	21,885
Khaula Hamood Al Harthi	1,500	-	3,000	4,500	15,385	19,885
Najat Ali Al Lawati	2,500	500	3,000	6,000	15,385	21,385
Dr. Rashid Ali Al Balushi	2,500	-	3,500	6,000	15,385	21,385
Evangelos Papadopoulos ⁽¹⁾	500	500	-	1,000	15,385	16,385
Muhammad Husam AlZubair	2,500	2,500	-	5,000	15,385	20,385
Khalid Nasser Al Shamsi ⁽²⁾	2,000	2,000	-	4,000	-	4,000
Hamad Mohammad Al Wahaibi ⁽²⁾	1,500	2,000	-	3,500	-	3,500
Total	20,500	12,000	14,500	47,000	150,000	197,000

(1) Served as a board member until 30th April 2024.

(2) Elected on 30th April 2024 AGM.

Directors' Remuneration proposed for 2024 is One Hundred and Fifty Rials Omani (RO 150,000) and this is subject to shareholders' approval at the AGM scheduled to be held on 27 March 2025.

INTERNAL CONTROL REVIEW

The Code requires that the directors should, at least annually, review the effectiveness of the company's system of internal controls and report to the shareholders that they have done so. Further, the Code requires the ACRC consider the internal audit system of the company and issue an annual written report outlining its opinion and recommendations, if any. The committee issues its annual report to the Board along with the recommendations of enhancing the internal control system.

The Board attach great importance to maintaining a strong control and governance environment and confirm that its review has covered the financial statements, all controls, including financial, operational, compliance and risk management. The Board has reviewed the Company's internal control policies and procedures and is satisfied that appropriate policies are in place to implement the requirements of the Code.

MANAGEMENT

Ominvest's Executive Management team consists of highly respected leaders with extensive regional and international experience. Their collective expertise spans banking, insurance, capital markets, investments, finance, operations, and governance. Aligned with the company's vision, purpose, and values, the team is committed to driving sustainable growth and delivering enhanced value for all stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

A copy of the Management Discussion and Analysis is included as part of the Annual Report.

Management Remuneration

As of 31 December 2024, the expenses (salaries, allowances, other statutory payments and bonuses) incurred for 2024 relating to full-time Executive Management team of the company was Two Million Six Hundred Eighty-Seven Thousand, and Five Hundred Fifty-Five Omani Rials (RO 2,687,555).

All employees are employed on two-year (2) renewable employment contracts. The notice period is three (3) months for the Executive Management, and one (1) month for all other positions.



Executive Management



AbdulAziz Al Balushi
Group CEO



Sanjay Kawatra
Deputy Group CEO



Waleed Al Yarubi
Chief People, Corporate Communication & Sustainability Officer



Badar Al Shanfari
Chief Investment Officer (Private Equity)



Al Wadhah Al Adawi
Chief Investment Officer (GCM and AUMs)



Nasser Al Shibli
Chief Real Estate Officer



Chetan Kejriwal
Chief Financial Officer



Sarah Lashkoo
Chief Legal, Compliance & Governance Officer



Muneer Al Mughairy
Chief Audit Officer

Profile of Executive Management

The following are the profiles of the Executive Management as of 31 December 2024:



AbdulAziz Al Balushi

Group CEO

AbdulAziz Mohammed Al Balushi serves as the Group Chief Executive Officer of Ominvest Group. With over 39 years of experience in the financial services sector, he possesses a profound understanding of global market dynamics.

Since joining Ominvest in 2014, AbdulAziz and his management team have successfully implemented a transformative vision articulated by the Board of Directors, reshaping the company's culture, structure, and policies. Under his leadership, the team executed the merger between Ominvest and ONIC Holding, establishing Oman's largest publicly listed investment company. His tenure also saw several significant initiatives, including the IPO of the flagship insurance company Liva Group (formerly National Life & General Insurance Company SAOG (National Life)), the development of the Ominvest Business Centre, and the merger of National Finance with Orix Leasing Company. Furthermore, he spearheaded capital-raising efforts, including a perpetual bond issuance, and played a vital role in the merger of Oman Arab Bank with Alizz Islamic Bank, which facilitated Oman Arab Bank's listing on the Muscat Stock Exchange as an SAOG. AbdulAziz also led National Life's acquisition of RSA Middle East, now Liva Group, positioning it among the top ten insurance companies in the region.

Before his role at Ominvest, AbdulAziz served as the CEO of Ahli Bank SAOG from 2007 to 2014, where he was instrumental in transforming a single-product mortgage bank into a comprehensive commercial bank, achieving over US\$ 3 billion in assets and more than US\$ 450 million in equity. In recognition of his achievements, he was named "Second Best CEO in the Arab Banking World" by Forbes Middle East in November 2012 and received the "CEO of the Year" Award at the Oman Banking & Finance Awards in April 2019.

AbdulAziz holds a Master of Science in Finance from the University of Strathclyde (UK) and is a Fellow of the Chartered Institute of Bankers (UK). He also served on various boards in the Sultanate and was an advisory board member at the College of Agriculture and Marine Services at Sultan Qaboos University and a board member at FSA.

Currently, he holds the position of Chairman of Ubhar Capital SAOC, Deputy Chairman of Jabreen International Investment Company SAOC. Additionally, he is a board member of Oman Arab Bank SAOG, National Finance Company SAOG, LIVA Bahrain, as well as Injaz Oman.



Sanjay Kawatra

Deputy Group CEO

Sanjay Kawatra has 25 years of solid experience in providing financial, strategic and growth leadership. He is well connected globally and possesses deep sector knowledge of banking, insurance and leasing.

Sanjay currently serves as Deputy Group Chief Executive Officer of Ominvest Group and is responsible for managing Ominvest Group's investments. Previously, he was a partner in EY MENA. He has extensive experience in matters relating to mergers and acquisitions, restructuring, divestments, performance improvement, IPOs and fund-raising transactions.

Sanjay has served as an advisor to several regulatory committees in Oman. He is an active presenter in business forums and contributes articles to business magazines. He is also a board member of several listed and regulated companies in the GCC.

He holds a Bachelor of Commerce and is a Member of the Institute of Chartered Accountants of India.



Waleed Al Yarubi

Chief People, Corporate Communication & Sustainability Officer

Waleed Al Yarubi is an accomplished executive with over two decades of leadership experience, currently holding the position of Chief People, Corporate Communication and Sustainability Officer (CPCCSO) at Ominvest Group. His expertise lies in providing strategic direction, overseeing company operations and managing various critical functions, including Human Capital, Corporate Communications, Investor Relations, Sustainability & ESG.

Waleed plays a pivotal role in aligning Human Capital practices with global standards, championing innovative people management strategies, and fostering a culture centred on performance and continuous learning. His mandate extends to contributing to investment growth, maintaining shareholders' trust, ensuring business continuity, and fostering a thriving organisational culture. As the Corporate Communications lead, Waleed is responsible for building and maintaining a strong, positive reputation for the Ominvest Group.

Prior to joining Ominvest, Waleed held key leadership roles, including Group Head – Human Resources and Chief People Officer, at prominent business institutions in the Sultanate of Oman. He holds a Master's Degree in Business Administration from the University of Hull, a bachelor's degree with honours in Finance Management, Executive Leadership certificate (COO Executive Programme) from INSEAD, and various certificates in Innovation Management, Strategy Management, Performance Management, Project Management and Risk Management. Waleed is driven by the aspiration to leverage his enthusiasm, creativity, and extensive experience to continue providing invaluable strategic leadership in high-profile positions.



Badar Al Shanfari

Chief Investment Officer (Private Equity)

Badar Al Shanfari, currently serves as the Chief Investment Officer (CIO – Private Equity) of Ominvest Group. He has over 20 years of experience in the field of Investments and Financial Services. Throughout his career Badar has held various leadership positions including the CEO of Uzbek-Oman Investment Company, which is the leading private equity firm based in Tashkent. Prior to his current position, Badar was the Deputy CEO of Ominvest's Private Equity Subsidiary Jabreen Capital. In addition to various roles at Ominvest including its Chief Operating Officer (COO), earlier he held the role as EVP of International Strategic Business at Ominvest and Deputy CEO of EastBridge Partners based out of Singapore to lead Ominvest Group's Southeast Asian initiatives. Badar has served and is currently on multiple boards of various companies, in different sectors and geographies.

He earned his Bachelor's Degree in Business Administration from Duquesne University and his MBA from Strathclyde University. In addition, Badar is a Certified Public Accountant.



Al Wadhah Al Adawi

Chief Investment Officer (GCM and AUMs)

Al Wadhah Al Adawi is an accomplished investment professional with over 20 years of international experience in managing global portfolios and driving strategic investments. He has held senior leadership roles at prestigious institutions such as Harvard Management Company, GLG Partners, and Morgan Stanley Europe, where he specialized in multi-asset strategies, emerging markets, and risk-adjusted performance.

Al Wadhah currently serves as the Chief Investment Officer (CIO - GCM and AUMs) of Ominvest Group, overseeing the group's diverse investments across global equities, bonds, real estate, and hybrid assets. He is also responsible for managing strategic investments and transforming portfolio companies into market leaders. Earlier, he was Vice Chairman of Hydrocarbon Finder E&P. In addition to his executive roles, Al Wadhah serves as a board member for prominent regional companies, including Liva Group (formerly National Life & General Insurance Company SAOG) and Ubhar Capital SAOC, while previously serving on the boards of Jabreen Capital SAOC, Ominvest, and Eastbridge Partners.

Al Wadhah graduated Cum Laude from Boston University, earning a double major in Economics and Finance. He is a Chartered Financial Analyst (CFA) charter holder since 2004.



Nasser Al Shibli

Chief Real Estate Officer

Nasser Al Shibli is the Chief Real Estate Officer (CREO) at Ominvest Group. He has over 20 years of experience in real estate development and investment as well as project management. He previously worked in a reputable real estate company, Oman Telecommunications Company, and the Ministry of Endowments & Religious Affairs.

Nasser holds a Bachelor's Degree in civil engineering from Sultan Qaboos University, MBA from the University of Bedfordshire, a Master's Degree in Project Management from George Washington University and has completed a Real Estate Management Program from Harvard Business School and Finance Program from London Business School.



Muneer Al Mughairy

Chief Audit Officer

Muneer Al Mughairy is a seasoned professional with over 20 years of experience in internal audit, risk management, and corporate governance. He has been instrumental in shaping and strengthening the governance frameworks since joining Ominvest Group in September 2014 as the Group Chief Audit Officer. In this role, he provides comprehensive assurance and advisory services, ensuring robust risk management and governance practices across Ominvest and its group companies.

Prior to his tenure at Ominvest, Muneer held a leadership role as the Head of Internal Audit at Takamul Group Investment Company, where he successfully established the department, developed and implemented audit strategies that aligned with the organization's growth and risk profile.

Muneer also contributes his expertise as a board member and chairman of audit committees in various companies, providing strategic oversight and ensuring accountability at the highest levels of governance. In addition to his corporate responsibilities, Muneer is deeply engaged in the professional internal audit community. He serves as the Chairperson of the Institute of Internal Auditors (IIA) – Oman and is a member of the General Assembly of the Arab Confederation of Institutes of Internal Auditors. His thought leadership and advocacy for best practices in internal auditing have earned him respect across the region.

Academically, Muneer holds a Master's Degree in Business Administration from Strathclyde University. He is a Certified Internal Auditor (CIA), a Certified Fraud Examiner (CFE), and a Certified Information Systems Auditor (CISA), reflecting his commitment to professional excellence and continuous development. Muneer Al Mughairy's extensive experience, leadership acumen, and dedication to advancing the field of internal audit make him a highly respected figure in his profession and a key asset to Ominvest and its affiliates.



Chetan Kejriwal

Chief Financial Officer

Chetan Kejriwal currently serves as Chief Financial Officer (CFO) at Ominvest Group. He is overall responsible for the financial strategic planning, implementation, managing and running of all the finance activities of Ominvest with the objective of steering the Ominvest Group towards greater financial success and delivering increased shareholder value. Chetan has over 20 years of intensive industry expertise in investment, banking, insurance, leasing, oil and gas and retail sectors. He possesses strong leadership skills to manage teams and collaborate with other departments within the organization. He has a wealth of experience advising on matters related to business restructuring, investment accounting, process improvements, IPO's as well as mergers, acquisitions and reverse acquisitions. Chetan most recently served as a Partner in EY MENA and holds a Bachelor of Commerce from Mumbai University, India and is a Member of the Institute of Chartered Accountants of India.



Sarah Lashkoo

Chief Legal, Compliance & Governance Officer

Sarah Lashkoo joined the Ominvest Group in June 2014 as the Head of Compliance Affairs and has since progressed to the role of Chief Legal, Compliance & Governance Officer (CLCGO). With over 16 years of experience in commercial and corporate law, compliance, and governance, she oversees all legal, compliance, and governance aspects related to Ominvest and its managed subsidiaries.

Her extensive experience includes providing legal and regulatory advice on complex and cross-border transactions, such as the issuance of RO 52 million Perpetual Sukuk in exchange for Ominvest SAOG Treasury Shares in 2021, the acquisition of RSA Middle East by National Life and General Insurance SAOG in 2022, Ominvest's issuance of RO 60 million Unsecured, Perpetual, and Subordinated Bonds in 2023, and RO 13 million Unsecured, Subordinated, and Mandatory Convertible Bonds in 2024; as well as facilitating the establishment of Ominvest Capital (DIFC) Limited, a 3C licensed company in the DIFC.

Sarah is an active part of the community and a supporter of woman empowerment and has taken part in various awards and panels such as Muntada al Marā, 2022 and delivered the keynote speech at the 2023 Al Mar'a Summit & Annual Awards. Prior to joining Ominvest, Sarah worked at the Ministry of Justice and Legal Affairs, focusing on international treaties and government contracts. She holds a Master of Law in International Business and Economic Law from Georgetown University, USA, a Bachelor of Law degree from the University of Reading, UK, and a certified Diploma in Corporate Governance from the Corporate Governance Institute in Ireland, UK. Currently, Sarah sits on the Board of Directors of LIVA Insurance SAOC and is a member of the Muscat Clearing & Depository Co. SAOC Issuer User Committee.

SHAREHOLDERS

Communication to Shareholders and Investors

Information relating to the company and its quarterly and annual financial statements are uploaded on Muscat Stock Exchange ("MSX") website and posted on the company's website at www.ominvest.com. Financial statements, in Arabic and English, are also available at the Company's offices during the Company's business hours. The quarterly unaudited and annual audited sections of the financial statements of the Group and Parent Company are published in leading Arabic and English newspapers in the Sultanate of Oman.

Audited financial statements (abridged), in Arabic together with the Notice and Agenda for the AGM are uploaded to the Muscat Clearing and Depository Company SAOC portal and have also been disclosed on the MSX website. Extracts from the financial statements are published in an Arabic and English newspaper within five (5) days of filing it through electronic transmission system of MSX.

DISTRIBUTION OF SHAREHOLDING

The shareholding pattern as of 31 December 2024 was:

Number of Shares	% Held	Number of Shareholders	Total Shares	% of Share Capital
Above (66,836,543)	Above 10%	3	342,470,553	51.24
(33,418,271 - 66,836,543)	5% to 10%	1	34,076,122	5.10
(6,683,654 - 33,418,271)	1% to 5%	9	110,398,877	16.52
Below (6,683,654)	Below 1%	2,022	181,420,189	27.14
Total		2,035	668,365,741	100.00

STATUTORY AUDITOR

EY

EY is a global leader in assurance, tax, strategy & transactions, and consulting services. EY is committed to doing its part in building a better working world. The insights and quality services which EY delivers help build trust and confidence in the capital markets and in economies the world over.

The MENA practice of EY has been operating in the region since 1923. For over 100 years, we have grown to over 8,500 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY's EMEIA practice. Globally, EY operates in more than 150 countries and employs 400,000 professionals in 700 offices. Please visit ey.com for more information about EY.

The professional fees paid or payable to EY for the financial year 2024, after their appointment as statutory auditors is RO 31,900 (excluding VAT). This amount represents RO 24,500 for the audit services and RO 7,400 paid for non-audit services.

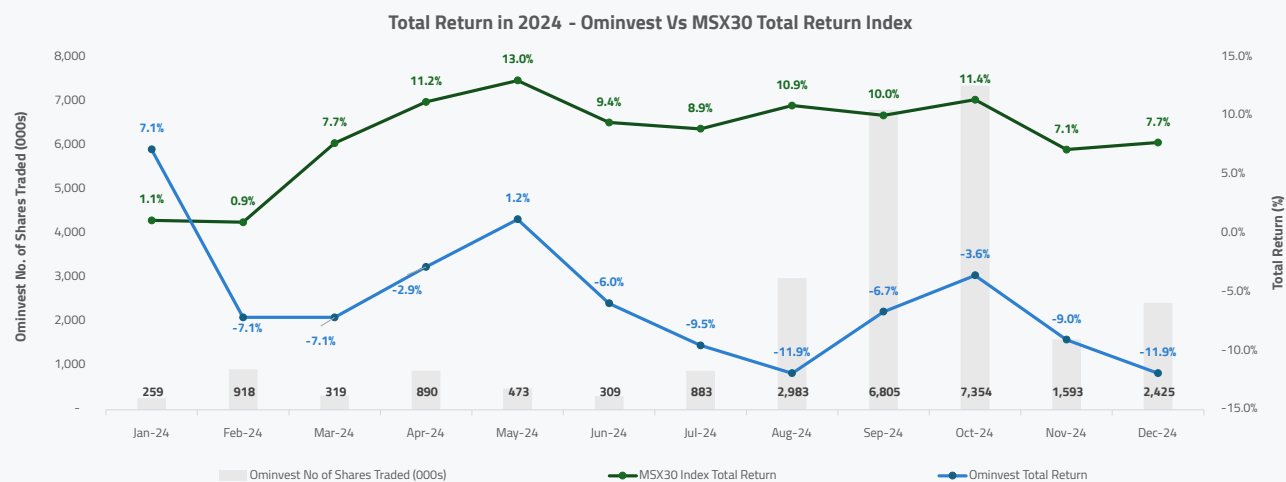
LEGAL ADVISOR TROWERS & HAMLINS

Trowers is an international law firm with offices in Oman, Bahrain, Abu Dhabi, Dubai, Malaysia and Singapore that has been offering global experience and local expertise in the Sultanate of Oman for more than six decades. Trowers opened office in Oman in 1980 and today they have a sizeable team permanently based in Oman. Their office in Muscat offers a combination of specialist legal skills and fluent local understanding.

Trowers have a deep understanding and knowledge of the local market alongside the specialist skills that their clients need to succeed. Understanding local law in both letter and practice is a vital part of Trowers offering. Trowers have experts in corporate & commercial matters, banking and finance, dispute resolution, employment, construction, energy, and Islamic finance who are permanently based here in Oman, so their clients have the complete breadth of Trowers expertise at their fingertips. From large local family businesses to leading multi-national companies – Trowers is proud that many of their client relationships span decades.

MARKET PRICE DATA

The performance of the company's share price (Total Return) in 2024 versus MSX-30 Index is shown below:



Ominvest Share Price Data	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
High	0.455	0.395	0.390	0.408	0.385	0.360	0.343	0.330	0.352	0.368	0.344	0.330
Low	0.450	0.385	0.390	0.408	0.385	0.355	0.338	0.325	0.352	0.365	0.338	0.320
Close	0.450	0.390	0.390	0.408	0.385	0.355	0.340	0.330	0.352	0.365	0.342	0.330

Mandatory Convertible Bonds (MCBs)

During 2024, Ominvest distributed one MCB of 100bz issued for 5 ordinary shares of 100bz held its shareholders. Total MCBs issued by the Company amounted to RO 13,367,309. These MCBs are listed on the Muscat Stock exchange, carry an annual coupon of 6.5% and form part of the Company's equity. Each MCB will be mandatorily converted to 0.25 equity shares at the fixed price of 400 bz per share without any option to either Ominvest or bond holders on the 21 May 2027. On the date of conversion, 33,418,273 ordinary equity shares will be issued to the bond holders.

DETAILS OF NON-COMPLIANCE

There have been no material incidents of non-compliance relating to the Commercial Companies Law No. (18/2019), FSA's Code of Corporate Governance for Public Listed Companies, FSA regulations or the MSX listing agreements. However, a penalty and a late payment fee were imposed on the company by FSA, due to a delay in disclosing the initial results in Q1 of 2022, and the late receipt of an invoice; both instances were resolved amicably. No other penalties and strictures have been imposed on the Company by MSX, FSA or any other regulatory authority during the past (3) three years.

ACKNOWLEDGEMENT BY THE BOARD

The Board acknowledges its responsibilities and confirms that:

- a.** The Audited Group and Parent Company financial statements have been prepared in accordance with the IFRS, the applicable requirements of the Commercial Companies Laws No. (18/2019) and the disclosure requirements of the FSA;
- b.** The internal controls and procedures have been reviewed through an established process of regular internal audit, review by the Audit, Compliance and Risk Committee and the final clearance by the Board;
- c.** The Parent Company and the Group have a strong financial standing to carry on their successful operations in the foreseeable future.

Khalid Muhammad AlZubair
Chairman

Sheikh Khalid Abdullah Al Khalili
Deputy Chairman

Abdulaziz Mohammed Al Balushi
Group CEO

Date: **26th February 2025**

APPENDIX 1

PARTICULARS OF DIRECTORSHIPS ON OTHER JOINT STOCK COMPANIES AND MEMBERSHIPS OF THEIR COMMITTEES AS OF 31 DECEMBER 2024

Director	Company	Position	Committee	Position
Khalid Muhammed AlZubair	Liva Group SAOG	Chairman	NREC	Chairman
	Jabreen International Development Company SAOC	Chairman	N/A	N/A
Sheikh Khalid Abdullah Al Khalili	Liva Insurance SAOC	Chairman	N/A	N/A
	Jabreen International Investment Company SAOC	Chairman	NREC	Chairman
	Bank Nizwa SAOG	Chairman	EC and HRC	Member
	Oman Telecommunications Company SAOG	Deputy Chairman	SIC	Member
Brigadier Jamal Said Al Tai	Muscat National Development and Investment Company SAOG	Director	AC	Member
	National Bank of Oman SAOG	Director	ACRC	Member
Najat Ali Al Lawati	National Bank of Oman SAOG	Director	CC and ENRC	Member
	Oman Cement Company SAOG	Director	AC	Chairperson
Dr. Rashid Ali Al Balushi	National Finance Company SAOG	Director	RC	Member
	Liva Insurance SAOC	Director	AC	Member
Muhammad Husam Al Zubair	National Finance Company SAOG	Director	NREC	Member
	Jabreen International Investment Company SAOC	Director	N/A	N/A
Hamad Mohammad Al Wahaibi	National Bank of Oman SAOG	Director	CC & ENRC	Chairman Member
	Renaissance Services SAOG	Director	ESG	Member
	Oman Flour Mills SAOG	Director	ENRC	Member
Khalid Nasser Al Shamsi	Jabreen International Development Company SAOC	Director	ACRC	Member
	Bank Muscat SAOG	Director	Risk & NCC	Chairman Member

NREC/ ENRC = Nomination, Remuneration and Executive Committee
 EC = Executive Committee
 NRC = Nomination and Remuneration Committee
 SIC = Strategy & Investment Committee
 AC = Audit Committee
 CC = Credit Committee
 RC = Risk Committee

Management Discussion and Analysis Report

FOR THE YEAR ENDED 31 DECEMBER 2024

COMPANY OVERVIEW:

Oman International Development and Investment Company SAOG (Ominvest) is one of the oldest, largest, and most successful investment firms in the region. Founded in 1983, it has been consistently profitable and has an enviable track record of uninterrupted dividend payments to its shareholders. Ominvest has long-owned high-quality assets producing healthy cash flows. Listed on the Muscat Stock Exchange, Ominvest serves over two thousand shareholders. The Ominvest Group is led by a visionary board and a capable management team – dedicated to enhancing value for all stakeholders.

BUSINESS MODEL AND STRATEGY:

Ominvest continues to strengthen its investment strategy in response to evolving economic dynamics, reinforcing its commitment to long-term value creation and capital preservation. With a disciplined and forward-thinking approach, we prioritize investments in sustainable businesses with strong governance frameworks, ensuring resilience and adaptability in an ever-changing market landscape.

Our strategic focus remains on optimizing our financial services sector portfolio and driving growth through technological advancements and market consolidation. We are committed to strengthening our presence in key industries while proactively mitigating risks associated with market fluctuations. By investing in high-growth sectors and aligning with global economic shifts, we ensure a well-balanced and resilient portfolio.

Our subsidiaries and associates, leaders in their respective industries, continue to benefit from our strategic initiatives, contributing to asset growth and delivering stable, long-term returns for our shareholders. As we align with global business trends, we remain committed to reducing concentration risks and ensuring a well-diversified investment approach.

Internationally, we continue to leverage our expertise in high-growth markets, enhancing our ability to navigate regional volatilities while capturing new opportunities. Our investment strategy remains agile, allowing us to adapt to geopolitical shifts and economic trends while maintaining a strong risk management framework.

Looking ahead, Ominvest is well-positioned to seize emerging opportunities, leveraging its proven track record of growth, financial stability, and uninterrupted dividend payouts. With a clear vision and a future-ready strategy, we will continue to drive sustainable value creation, ensuring long-term success for our stakeholders.

COMPETITIVE LANDSCAPE

Ominvest operates in a dynamic and highly competitive investment environment characterized by evolving regulatory frameworks, market volatilities, and technological disruptions. As regional and global markets continue to shift, competition among investment firms, financial institutions, and asset managers has intensified.

Our competitive edge lies in our ability to identify and capitalize on high-potential investment opportunities while maintaining strong risk management protocols. Unlike traditional investment firms, Ominvest leverages its diversified portfolio across financial services, insurance, and emerging technology sectors to create sustainable value. The increasing digitization of financial services, shifting consumer expectations, and geopolitical uncertainties present both challenges and opportunities.

To stay ahead, Ominvest continues to refine its strategic approach by focusing on:



Market intelligence and strategic positioning

Conducting in-depth market research to anticipate economic trends and proactively adjust investment strategies.



Diversification and risk management

Balancing our portfolio across resilient sectors while mitigating market volatility through prudent risk management.



Operational efficiency and innovation

Leveraging technology and industry expertise to enhance investment decision-making, ensuring efficiency and agility in a competitive landscape.

HIGHLIGHTS OF 2024:

In 2024, Ominvest maintained steady performance despite a challenging economic environment. The year was distinguished by significant milestones that underscore our strategic priorities and resilience. This section highlights key operational achievements, demonstrating our adaptability and commitment to sustainable growth in a dynamic economic landscape.

Our strategic acquisitions of additional stakes in Bank Muscat and International General Insurance have delivered strong results, significantly enhancing our returns. Key operational highlights are as follows:

01

Ominvest, in line with its strategic objectives, successfully completed the divestment of two investments at attractive valuations, generating substantial cash inflows of RO 51 million during the year. These divestments underscore Ominvest's commitment to optimizing its investment portfolio, unlocking value, and maintaining robust liquidity to capitalize on future growth opportunities.

02

Ominvest secured a USD 500 million facility arranged by Gulf International Bank B.S.C. (GIB) in collaboration with their partners, ABK and Gulf Bank. This agreement marks the start of a long-term strategic partnership between Ominvest and leading regional financial institutions, aimed at fostering growth and investment opportunities in Oman and the broader region. The facility empowers Ominvest to pursue impactful investments, delivering substantial value for the company and the economies it supports. The terms of the agreement reflect the institutions' strong confidence in Ominvest's vision and future prospects.

03

Ominvest has partnered with Dreamlab Technologies, a Swiss-based global leader, to elevate the cybersecurity capabilities of our subsidiary, National Security Services Group. This strategic collaboration empowers us to deliver state-of-the-art cybersecurity solutions, safeguarding critical infrastructure across Oman and the regio. This partnership combines Swiss engineering excellence with regional expertise to deliver advanced cybersecurity solutions, safeguarding critical infrastructure and empowering organizations across Oman and the region. Trusted by governments and critical infrastructure providers worldwide, Dreamlab is an accredited member of SWIFT's Customer Security Programme and the United Nations' ITU.

04

Ominvest appointed United Securities LLC as its liquidity provider, effective September 2024, in compliance with Muscat Stock Exchange regulations. This strategic move aims to enhance the liquidity and trading activity of Ominvest shares, delivering long-term value to shareholders. It aligns with Ominvest's commitment to creating sustained value through a disciplined financial approach and a diverse, high-quality investment portfolio.

05

Oman Real Estate and Investment, our real estate subsidiary, has partnered with UAE-based Imdaad to launch 'Omdaad', a new facilities management company in Oman. This collaboration brings world-class, sustainable solutions to support Oman's infrastructure growth. Omdaad will offer integrated facilities management services, including MEP and soft services, catering to sectors such as residential, commercial, industrial, retail, education, and hospitality.

06

Muscat Resorts LLC, our real estate subsidiary, is making remarkable progress on the 'LA VIE' project, launched in 2023. This landmark development, featuring a state-of-the-art golf course, luxury hotel, and premium residences, is ahead of schedule, with over 50% of construction completed. The structural framework was impressively finalized within 10 months, demonstrating our commitment to efficiency and precision. Key milestones include the procurement of advanced cooling systems, high-quality finish packages, and bespoke furniture. 'LA VIE' reflects our vision of delivering world-class real estate projects that redefine luxury and set new standards of excellence.

KEY PERFORMANCE INDICATORS:

In the fiscal year 2024, Ominvest recorded a profit of OMR 37.2 million, translating to a return on equity (ROE) of 18.25%.

The company has announced a 20% cash dividend distribution amounting to RO 13.4 million for 2024. Additionally, a stock dividend of 4 shares for every 10 shares held comprising 40% of the share capital is announced. This balanced dividend structure is proposed to generously reward our esteemed shareholders as well as to continue fueling the growth of Ominvest. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

Consequent to the issuance of the stock dividend, the Board has proposed to amend the conversion ratio of Mandatory Convertible Bonds ("MCB") issued on 27 May 2024 to ensure that the rights of MCB holders remain fair and unchanged, as detailed below:

Existing terms: Each MCB will be mandatorily converted to 0.25 equity shares at the fixed price of 400 bz per share

Proposed amendments: Each MCB will be mandatorily converted to 0.35 equity shares at the fixed price of 286 bz per share.

Consequent to the amendment in the conversion ratio, the number of shares to be issued to MCB holders in May 2027 will increase from 33,418,273 shares to 46,785,582 shares.

INTERNAL CONTROL AND GOVERNANCE FRAMEWORK

Ominvest has a well-established and robust internal control system, designed to align with the nature, scale, and complexity of its operations. The Company operates within a regulated and controlled framework, supported by a delegation of authority manual, comprehensive policies, and well-defined procedures.

The Board of Directors has instituted a clear management structure, outlining roles, responsibilities, and reporting lines to ensure operational efficiency and accountability. Delegated authorities are systematically documented and effectively communicated across the organization. The Board actively participates in policy formulation and ensures that the internal control system provides reasonable assurance regarding operational effectiveness, financial integrity, and compliance with applicable laws and regulations.

The Audit, Compliance, and Risk Committee (ACRC) conducts periodic reviews to assess the adequacy and effectiveness of the internal control framework and provides recommendations for continuous improvement.

Ominvest's business performance is closely monitored by Management and the Board, with a focus on key performance trends, budget variances, and forward-looking forecasts. The company's financial statements are prepared in full compliance with International Financial Reporting Standards (IFRS), ensuring transparency and adherence to best practices.

RISK MANAGEMENT FRAMEWORK

Ominvest has established a comprehensive risk management framework based on the "Three Lines of Defense" model, fostering a risk-aware culture that is deeply embedded in the company's business processes and decision-making.

At the core of this framework is an independent Risk Management department, responsible for monitoring the risk universe and providing both assurance and advisory to key stakeholders. Ominvest employs a risk register tool to systematically identify, assess, and manage enterprise risks, ensuring a structured approach to risk mitigation.

Given that investments form the foundation of Ominvest's business, investment risk management is a primary focus. The company continuously monitors investment performance and market trends, taking proactive measures to mitigate potential risks. This includes active engagement with portfolio companies through board participation and maintaining close relationships with management teams to ensure effective risk oversight. Additionally, a diversified investment portfolio strengthens Ominvest's overall risk management strategy.

Ominvest also places significant emphasis on macroeconomic risk management. To address emerging risks, the company employs timely and adaptive strategies, including well-negotiated pricing structures and hedging mechanisms to manage interest rate risk effectively.

Recognizing the critical importance of funding and liquidity, Ominvest ensures operational resilience through well-structured funding arrangements with multiple lenders. The company also actively manages its asset-liability maturity profile, leveraging a substantial allocation of publicly listed investments to maintain a strong liquidity position.

A robust risk governance structure is in place, with regular risk updates presented to the Management Investment Committee (MIC) and the Audit, Compliance, and Risk Committee (ACRC) of the Board, ensuring proactive risk oversight and strategic decision-making.

AbdulAziz Mohammed Al Balushi
Group CEO



WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

World Economic Forum (WEF)

Ominvest's strategic engagement with the World Economic Forum (WEF) provides invaluable access to global thought leaders and fosters impactful partnerships, directly supporting our investment strategy and Oman's economic vision.

Our participation in the WEF Annual Meeting 2025 in Davos, held under the theme "Collaboration for the Intelligent Age", reinforced our commitment to navigating the evolving global landscape and identifying opportunities for sustainable growth. Led by Chairman Khalid Al Zubair, the Ominvest delegation, including the Group CEO, Deputy Group CEO, and Chief Investment Officer (Private Equity), engaged with key figures in the financial services sector, exploring potential collaboration and strategic alliances to enhance our investment portfolio and drive value creation.

This partnership with the World Economic Forum (WEF) serves as a catalyst for Ominvest to achieve its strategic objectives, focusing on:



Global Visibility & Business Collaboration

WEF provides a unique platform to showcase Oman's attractive investment climate and connect with potential investors worldwide. This engagement facilitates foreign direct investment (FDI) attraction, supporting the development of key sectors and driving economic diversification within Oman and the broader region. We actively leverage these connections to identify and pursue promising investment opportunities that align with our long-term growth strategy.



Access to Global Expertise & Networks

Participation in WEF connects Ominvest with leading industry experts and decision-makers, facilitating knowledge exchange and best practices that support Oman's long-term development goals.



Driving Innovation and Sustainable Growth

Ominvest recognizes the importance of sustainable and inclusive growth. Our engagement with WEF allows us to contribute to global conversations on critical issues, including climate change, technological disruption, and social development. We actively seek investment opportunities that promote innovation, create jobs, and contribute to a sustainable future for Oman and the communities we serve. This commitment to ESG principles is integrated into our investment framework.



Data-Driven Investment Strategies

WEF's cutting-edge research and insights, provide Ominvest with invaluable market intelligence and foresight. By leveraging these resources, we refine our investment strategies, anticipate emerging trends, and identify potential risks and opportunities. This data-driven approach strengthens our ability to make informed investment decisions and maximize returns.

Commitment to a Sustainable Future

By actively participating in the World Economic Forum (WEF), Ominvest reinforces its commitment to building a resilient and prosperous future, both for our organization and for the communities we serve. We view this partnership as a key driver of our continued success and contribution to Oman's economic development.

About WEF Associate Partnerships

WEF Partnerships bring together select members through a series of integrated modules throughout the year and facilitates strategic decision-making for the participating partners by providing access to insights. Partners comprise of leading global companies developing solutions to the world's greatest challenges. Through Forum Platforms, partners actively engage to shape the future through accessing networks and experts.

Investing in a Sustainable Future



At Ominvest, our sustainability journey isn't just a concept - it's the cornerstone of our long-term vision.

We are deeply committed to integrating ESG principles into every facet of our operations, recognizing that responsible business practices are essential for creating lasting value. In a rapidly changing world, we're proactively shaping our strategy to ensure our business thrives while positively impacting society, the environment, and Oman's economy. Our approach is firmly aligned with national priorities, including Oman Vision 2040, the UN Sustainable Development Goals (SDGs), and the MSX ESG Disclosure Guidelines, driving meaningful change and contributing to a brighter future for Oman.

2024 marked significant progress in our sustainability journey. We published our latest Sustainability Report, available on our website, providing a comprehensive overview of our achievements and ongoing initiatives. Critically, we conducted our first double materiality assessment, a rigorous process involving stakeholder engagement, gap analysis and benchmarking against global best practices. This in-depth analysis allowed us to pinpoint the ESG issues most material to our business and stakeholders, resulting in a refined KPI framework that focuses our efforts where they matter most.

Our sustainability strategy is built on two interconnected key pillars: Sustainable Operations and Responsible Investing. These pillars are underpinned by robust governance, with oversight from the Management Investment Committee (MIC) and the Nomination and Remuneration Executive Committee (NREC). We've embedded ESG principles into key internal policies and integrated them into personal performance evaluations, ensuring accountability and aligning our entire organization with our strategic sustainability goals.

We're actively minimizing our environmental footprint through tangible initiatives. We have eliminated single-use plastics for employees and visitors, replacing them with reusable water bottles and coolers. We've introduced a print management system to reduce paper consumption and launched a recycling initiative. Furthermore, ESG factors are now integral to our investment process, enabling us to identify opportunities and manage risks more effectively.

Looking ahead, we're empowering our group companies to embrace sustainability. In anticipation of mandatory ESG disclosures in 2025, we've conducted comprehensive training sessions for employees and group companies' CFOs and ESG teams, ensuring seamless alignment with regulatory requirements and best practices. Measurable KPIs are in place for all CSR initiatives, enabling us to track progress and maximize impact.

Our network of ESG Champions across our portfolio fosters a collaborative and impactful sustainability culture. These collective efforts demonstrate our unwavering commitment to minimizing our environmental impact, advancing social responsibility, and strengthening governance. As we move forward, we remain dedicated to creating value for all our stakeholders while building a more sustainable future.

Impact Beyond Profit

Ominvest is firmly committed to its role as a responsible corporate citizen through impactful strategic partnerships and initiatives that have yielded positive corporate impact.

ENVIRONMENTAL SUSTAINABILITY



YOUTH EDUCATION



ENTREPRENEURSHIP



EDUCATION AND ENTREPRENEURSHIP



SPORTS AND PEOPLE WELLBEING



SPORTS AND WELLBEING





Ernst & Young LLC
P.O. Box 1750, Ruwi 112
5th Floor, Landmark Building
Opposite Al Ameen Mosque
Bowsher, Muscat
Sultanate of Oman
Tax Card No. 8218320

Tel: +968 22 504 559
Fax: +968 22 060 810
muscat@om.ey.com
ey.com

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG

Report on the audit of the separate and consolidated financial statements

Opinion

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

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

Basis for opinion

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

Other matter

The separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2023, were audited by another auditor, who expressed an unmodified opinion on those separate and consolidated financial statements on 7 April 2024.

Key audit matters

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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (CONTINUED)

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

Key audit matters (continued)

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

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities - estimation of present value of cashflows and risk adjustment for non-financial risk</p> <p>The Group has liabilities related to insurance contracts of OMR 235 million representing 27 % of the group's total liabilities. Out of this amount, OMR 16 million has been measured under the general measurement model ('GMM'), and OMR 219 million under the premium allocation approach ('PAA', the simplified measurement model).</p> <p>The measurement of liabilities related to insurance contracts involves judgment over uncertain future outcomes including setting of various assumptions regarding the total settlement value of insurance liabilities which requires the use of complex (actuarial) models and other computational tools.</p> <p>The use of different actuarial techniques and assumptions could produce materially different estimates of liabilities related to insurance contracts. In this relation, we consider the possibility of management override of controls, and that management can influence the financial reporting process in other unauthorised manners.</p> <p>We therefore consider the estimates used in the calculation of liabilities related to insurance contracts a key audit matter.</p>	<p>Our audit procedures included, among others, evaluation of the appropriateness of the Company and the Group's accounting policies related to the measurement of insurance contract liabilities according to IFRS 17 Insurance contracts and whether assumptions and the methods for making the accounting estimates are appropriate and have been applied consistently.</p> <p>We involved our actuaries to assist us in performing audit procedures in this area. Our key audit procedures included evaluating the Company and the Group's methodology for calculating the insurance contract liabilities and obtaining understanding and evaluating the design of internal controls in this respect. Furthermore, we performed the following procedures:</p> <ul style="list-style-type: none"> Assessed the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilised by the management's expert in estimating the present value of the future cashflows and the risk adjustment for non-financial risk by comparing it to the underlying;



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (CONTINUED)

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities - estimation of present value of cashflows and risk adjustment for non-financial risk (continued)</p> <p>The accounting policies relating to insurance contract assets and liabilities, use of estimates and judgements, and the disclosures relating to insurance contract assets and liabilities are set out in notes 2.8.29, 3.9, and 7 to the separate and consolidated financial statements.</p>	<ul style="list-style-type: none"> • Evaluated whether the Company's and the Group's actuarial methodologies were consistent with generally accepted actuarial practices and with prior years. We sought sufficient justification for any significant differences; • Evaluated the competence, capabilities and objectivity of the internal and external experts used by the management; • Challenged the assumptions used in valuation of insurance contract liabilities based on the Company and the Group's and market data and also the nature, timing and completeness of changes in key assumptions, models and methods, including their impact on financial reporting; • Assessed the completeness and accuracy of disclosures within the separate and consolidated financial statements considering the disclosure requirements of IFRS 17.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (CONTINUED)

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment in equity-accounted investees and related impairment</p> <p>The carrying value of the Group's equity accounted investees (associates) amounted to RO 551 million as at 31 December 2024 (31 December 2023: RO 528 million), representing 43% of the Group's total assets as at 31 December 2024 (31 December 2023: 41%).</p> <p>The assessment of potential impairment indicators for the Group's equity accounted investees, as well as the determination of their recoverable amounts (the higher of value in use and fair value less costs to sell), requires significant management judgment and the application of complex assumptions.</p> <p>Given the complexity and judgement required for assessment of impairment indicators and determination of recoverable amounts where such indicators exist, we have considered this to be a key audit matter.</p> <p>The accounting policies relating to initial recognition, subsequent measurement and related impairment of investment in associates, use of estimates and judgements, and the disclosures relating to investment in associates are set out in notes 2.8.1, 3.3, 3.4, and 10 to the separate and consolidated financial statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Enquiring and evaluating management's assessment of impairment indicators for each of the equity accounted investees by reference to the available information in the relevant markets and industries; Where indicators of impairment exist, obtaining and reviewing management's impairment assessment to determine the recoverable amount based on the valuation technique considered. This includes evaluating the appropriateness of key assumptions in the forecasts, such as future cash flow projections, discount rate, terminal growth rate, and working capital assumptions. Additionally, checking the investee's historical performance and discussing with management to understand their assessment of its future performance. Performing sensitivity analysis around these assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an impairment charge; and Assessing the adequacy of the disclosures in the separate and consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (CONTINUED)

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

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

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

- Board of Directors' report
- Corporate governance report
- Management discussion and analysis

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

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

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

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

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

Audit, Compliance and Risk Committee are responsible for overseeing the Company's and the Group's financial reporting process.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (CONTINUED)

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

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

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (CONTINUED)

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

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

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

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

Report on other legal and regulatory requirements

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

Ernst & Young

Imtiaz Ibrahim
Muscat
10 March 2025



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	Group		Parent Company	
		2024 (RO'000)	2023 (RO'000)	2024 (RO'000)	2023 (RO'000)
Assets					
Cash and cash equivalents	5	46,195	68,941	3,650	3,016
Deposits with banks	6	157,271	138,657	-	-
Insurance contract assets	7	7,272	8,831	-	-
Reinsurance contract assets	8	97,015	38,553	-	-
Investment securities	9	267,158	358,757	10,615	6,012
Investments in associates	10	550,690	527,835	298,835	282,406
Investments in subsidiaries	11	-	-	449,229	438,776
Due from subsidiaries	12	-	-	30,024	68,849
Other assets	13	49,431	71,469	4,202	1,864
Investment properties	14	6,399	6,337	2,000	2,000
Property and equipment	15	18,775	19,296	633	748
Work in progress	16A	26,463	11,815	-	-
Intangible assets	16B	50,724	51,955	-	-
Total assets		1,277,393	1,302,446	799,188	803,671
Equity and liabilities					
Equity					
Share capital	17	66,837	66,837	66,837	66,837
Share premium	19	5,778	5,778	5,778	5,778
Legal reserve	20	22,279	22,279	22,279	22,279
Mandatory convertible bonds	42	13,367	-	13,367	-
Other non-distributable reserves	21	10,944	11,278	10,944	11,278
Cumulative changes in fair value reserve		1,414	(2,987)	1,175	(726)
Retained earnings		90,819	90,226	89,075	88,638
Equity attributable to equity holders of the Parent Company		211,438	193,411	209,455	194,084
Perpetual bonds/sukuks	18	110,720	113,761	112,159	112,159
		322,158	307,172	321,614	306,243
Non-controlling interests	22	79,622	79,471	-	-
Total equity		401,780	386,643	321,614	306,243
Liabilities					
Bank borrowings	23	553,913	635,738	431,113	454,538
Insurance contract liabilities	7	234,866	179,398	-	-
Reinsurance contract liabilities	8	32,020	29,941	-	-
Other liabilities	24	48,438	63,874	45,481	42,160
Taxation	25	6,376	6,852	980	730
Total liabilities		875,613	915,803	477,574	497,428
Total equity and liabilities		1,277,393	1,302,446	799,188	803,671
Net assets per share (RO)	26	0.316	0.289	0.313	0.290

The financial statements were authorised for issue by the Board of Directors on 26 February 2025 and signed by:

Khalid Muhammad Al Zubair
Chairman

Shiekh Khalid Abdullah Al Khalili
Deputy Chairman

Abdul Aziz M. Al Balushi
Group CEO

| The attached notes 1 to 44 form part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group		Parent Company	
		2024 (R'O'000)	2023 (R'O'000)	2024 (R'O'000)	2023 (R'O'000)
Insurance revenue	7	364,197	343,474	-	-
Interest income	27	15,648	13,246	3,320	5,354
Investment income - net	28	25,165	47,338	7,158	19,979
Fee and commission income		5,086	5,311	276	-
Other operating income	29	5,692	11,405	130	249
Share of results of subsidiaries	11	-	-	34,403	30,177
Share of results of associates	10	58,719	21,989	27,973	11,452
Total revenues		474,507	442,763	73,260	67,211
Insurance service expense	7	(366,324)	(294,159)	-	-
Net reinsurance expense	8	2,743	(34,733)	-	-
Fee and commission expenses		(4,461)	(5,726)	-	-
Interest expense	30	(35,939)	(28,238)	(29,844)	(20,211)
Operating expenses	31	(33,671)	(33,133)	(6,347)	(6,720)
Total expenses		(437,652)	(395,989)	(36,191)	(26,931)
Profit before tax		36,855	46,774	37,069	40,280
Income tax	25	(964)	(2,990)	(250)	-
Profit for the year		35,891	43,784	36,819	40,280
<i>Profit for the year attributable to:</i>					
Equity holders of the Parent Company		37,160	40,122	36,819	40,280
Non-controlling interests		(1,269)	3,662	-	-
		35,891	43,784	36,819	40,280
Basic and diluted earnings per share attributable to the equity holders of the Parent Company (R0)	33	0.044	0.047	0.043	0.047
Other comprehensive income:					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Cash flow hedges – effective portion of change in fair value		(281)	(966)	(281)	(966)
Revaluation reserve		(54)	-	(54)	-
Changes in fair value of debt instruments at fair value through other comprehensive income		759	421	713	395
Exchange differences on translation of foreign operations		1	32	1	32
<i>Items that will not be reclassified to profit or loss:</i>					
Changes in fair value of equity instruments at FVOCI and share of OCI from equity accounted investee– net of tax		2,107	(5,564)	1,398	(4,853)
Other comprehensive income (expense) for the year		2,532	(6,077)	1,777	(5,392)
Total comprehensive income for the year		38,423	37,707	38,596	34,888
Total comprehensive income for the year attributable to:					
Equity holders of the Parent Company		39,123	34,997	38,596	34,888
Non-controlling interests		(700)	2,710	-	-
		38,423	37,707	38,596	34,888

| The attached notes 1 to 44 form part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Group	Share capital (R0'000)	Share premium (R0'000)	Legal reserve (R0'000)	Other non-distributable reserves (R0'000)	Cumulative changes in fair value reserve (R0'000)	Mandatory convertible bonds (R0'000)	Retained earnings (R0'000)	Attributable to equity holders (R0'000)	Perpetual bonds / sukuk (R0'000)	Sub-total (R0'000)	Non-controlling interests (R0'000)	Total (R0'000)
At 1 January 2023	66,837	5,778	22,279	12,190	1,582	-	131,653	240,319	111,631	351,950	77,099	429,049
Profit for the year	-	-	-	-	-	-	40,122	40,122	-	40,122	3,662	43,784
Other comprehensive expense for the year	-	-	-	(934)	(4,191)	-	-	(5,125)	-	(5,125)	(952)	(6,077)
Total comprehensive (expense) / income for the year	-	-	-	(934)	(4,191)	-	40,122	34,997	-	34,997	2,710	37,707
Redemption of perpetual bonds	-	-	-	-	-	-	-	-	(60,638)	(60,638)	-	(60,638)
Dividend paid by issue of perpetual bonds (note 42)	-	-	-	-	-	-	(60,262)	(60,262)	60,159	(103)	-	(103)
Interest/profit paid on perpetual bonds / sukuk	-	-	-	-	-	-	(7,344)	(7,344)	-	(7,344)	-	(7,344)
Dividend paid relating to 2022 (note 42)	-	-	-	-	-	-	(10,025)	(10,025)	-	(10,025)	-	(10,025)
Perpetual bonds transactions by subsidiaries	-	-	-	-	-	-	-	-	2,609	2,609	-	2,609
Transfer to / from retained earnings	-	-	-	22	21	-	(43)	-	-	-	-	-
Share of equity accounted investee companies	-	-	-	-	(399)	-	(3,875)	(4,274)	-	(4,274)	(338)	(4,612)
At 31 December 2023	66,837	5,778	22,279	11,278	(2,987)	-	90,226	193,411	113,761	307,172	79,471	386,643
At 1 January 2024	66,837	5,778	22,279	11,278	(2,987)	-	90,226	193,411	113,761	307,172	79,471	386,643
Profit for the year	-	-	-	-	-	-	37,160	37,160	-	37,160	(1,269)	35,891
Other comprehensive expense for the year	-	-	-	(334)	2,297	-	-	1,963	-	1,963	569	2,532
Total comprehensive (expense) income for the year	-	-	-	(334)	2,297	-	37,160	39,123	-	39,123	(700)	38,423
Dividend paid by issue of convertible bonds (note 42)	-	-	-	-	-	13,367	(13,367)	-	-	-	-	-
Dividend paid relating to 2023 (note 42)	-	-	-	-	-	-	(13,367)	(13,367)	-	(13,367)	(97)	(13,367)
Interest/profit paid on perpetual bonds / sukuk	-	-	-	-	-	-	(6,605)	(6,605)	-	(6,605)	-	(6,605)
Interest paid on mandatory convertible bonds	-	-	-	-	-	-	(364)	(364)	-	(364)	-	(364)
Perpetual bonds transactions by subsidiaries	-	-	-	-	-	-	-	-	(3,041)	(3,041)	-	(3,041)
Share of equity accounted investee companies	-	-	-	-	2,104	-	(2,864)	(760)	-	(760)	948	188
At 31 December 2024	66,837	5,778	22,279	10,944	1,414	13,367	90,819	211,438	110,720	322,158	79,622	401,780

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Parent Company	Share capital (R0'000)	Share premium (R0'000)	Legal reserve (R0'000)	Other non-distributable reserves (R0'000)	Cumulative changes in fair value reserve (R0'000)	Mandatory convertible bonds (R0'000)	Retained earnings (R0'000)	Sub-total (R0'000)	Perpetual bonds / sukukus (R0'000)	Total (R0'000)
At 1 January 2023	66,837	5,778	22,279	12,190	4,033	-	131,575	242,692	112,638	355,330
Profit for the year	-	-	-	-	-	-	40,280	40,280	-	40,280
Other comprehensive expense for the year	-	-	-	(934)	(4,458)	-	-	(5,392)	-	(5,392)
Total comprehensive (expense) income for the year	-	-	-	(934)	(4,458)	-	40,280	34,888	-	34,888
Redemption of perpetual bonds	-	-	-	-	-	-	-	-	(60,638)	(60,638)
Dividend paid by issue of perpetual bonds (note 42)	-	-	-	-	-	-	(60,262)	(60,262)	60,159	(103)
Interest/profit paid on perpetual bonds / sukukus	-	-	-	-	-	-	(7,437)	(7,437)	-	(7,437)
Dividend paid relating to 2022 (note 42)	-	-	-	-	-	-	(10,025)	(10,025)	-	(10,025)
Transfer to / from retained earnings	-	-	-	22	21	-	(43)	-	-	-
Share of equity accounted investee companies	-	-	-	-	(322)	-	(5,450)	(5,772)	-	(5,772)
At 31 December 2023	66,837	5,778	22,279	11,278	(726)	-	88,638	194,084	112,159	306,243
At 1 January 2024	66,837	5,778	22,279	11,278	(726)	-	88,638	194,084	112,159	306,243
Profit for the year	-	-	-	-	-	-	36,819	36,819	-	36,819
Other comprehensive expense for the year	-	-	-	(334)	2,111	-	-	1,777	-	1,777
Total comprehensive (expense) income for the year	-	-	-	(334)	2,111	-	36,819	38,596	-	38,596
Dividend paid by issue of convertible bonds (note 42)	-	-	-	-	-	13,367	(13,367)	-	-	-
Dividend paid relating to 2023 (note 42)	-	-	-	-	-	-	(13,367)	(13,367)	-	(13,367)
Interest/profit paid on perpetual bonds / sukukus	-	-	-	-	-	-	(6,698)	(6,698)	-	(6,698)
Interest paid on mandatory convertible bonds	-	-	-	-	-	-	(364)	(364)	-	(364)
Share of equity accounted investee companies	-	-	-	-	(210)	-	(2,586)	(2,796)	-	(2,796)
At 31 December 2024	66,837	5,778	22,279	10,944	1,175	13,367	89,075	209,455	112,159	321,614

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group		Parent Company	
		2024 (R0'000)	2023 (R0'000)	2024 (R0'000)	2023 (R0'000)
Operating activities					
Profit before tax		36,855	46,774	36,819	40,280
Adjustments for:				-	
Depreciation on property and equipment	31	2,976	3,169	163	161
Amortization of intangible assets	31	1,959	1,600	345	247
Dividend income		(5,874)	(15,872)	(459)	(160)
Share of results of associates	10	(58,719)	(21,989)	(27,973)	(11,452)
Share of results of subsidiaries	11	-	-	(34,403)	(30,177)
Gain on sale of assets and on investment property		(3,342)	(498)	-	-
Provision movement		(3,451)	(9,671)	(4,556)	(9,911)
Change in the fair value of financial assets at fair value through profit or loss		(7,210)	(12,443)	182	(9,713)
Profit on sale of investments		(732)	(950)	17	(46)
Income from amortised cost investments		(1,565)	(7,255)	-	-
		(39,103)	(17,135)	(29,865)	(20,771)
Changes in operating assets and liabilities				-	
Investment securities		109,580	(106,603)	(4,151)	(121,454)
Due from subsidiaries		-	-	38,825	(25,357)
Other assets		23,099	(13,620)	(3,324)	984
Insurance contract assets		1,559	(1,129)	-	-
Re-insurance contract assets		(58,462)	15,008	-	-
Insurance contract liabilities		55,468	(6,309)	-	-
Reinsurance contract liabilities		2,079	15,668	-	-
Other liabilities		(10,963)	(1,210)	8,367	12,728
Cash generated from / (used in) operations		83,257	(115,330)	9,852	(153,870)
Tax paid		-	(1,147)	-	(307)
Net cash generated from / (used in) operating activities		83,257	(116,477)	9,852	(154,177)
Investing activities					
Investment in associates		(217)	(6,673)	-	-
Investment in subsidiaries		-	-	(946)	(1,429)
Dividend received from associates & investment securities		30,828	18,372	12,878	1,658
Dividend received from subsidiaries	11	-	-	22,752	44,820
Capital expenditure on investment property	14	(1,293)	(427)	-	-
Disposal of associate investment	10	4,841	-	-	-
Gain on disposal of an associate	10	(127)	-	-	-
Deposits withdrawn		(18,614)	21,635	-	5,287
Proceeds from disposal of assets and investment property		1,554	3,069	-	-
Additions to work in progress		(14,633)	-	-	-
Additions to property and equipment	15	(3,043)	(7,799)	(48)	(104)
Net cash from investing activities		(704)	28,177	34,636	50,232
Financing activities					
Bank borrowings (net)		(81,825)	142,605	(23,425)	169,042
Perpetual sukuk issue expenses		-	-	-	(103)
Payment related to perpetual bonds through equity		(6,605)	(7,344)	(6,698)	(7,437)
Interest on MCBs		(364)	-	(364)	-
Perpetual bonds transactions by subsidiaries		(3,041)	2,609	-	-
Redemption of perpetual bonds		-	(60,638)	-	(60,638)
Dividends paid		(13,464)	(10,025)	(13,367)	(10,025)
Net cash (used in) generated from financing activities		(105,299)	67,207	(43,854)	90,839
Net change in cash and cash equivalents		(22,746)	(21,093)	634	(13,106)
Cash and cash equivalents at the beginning of the year		68,941	90,034	3,016	16,122
Cash and cash equivalents at the end of the year		46,195	68,941	3,650	3,016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Oman International Development and Investment Company SAOG (the "Company" or the "Parent Company" or "Ominvest") is incorporated in the Sultanate of Oman as a public joint stock. The Parent Company was incorporated on 11 September 1983. The Parent Company's shares are listed on the Muscat Stock Exchange (MSX). The principal activities of the Parent Company are primarily engaging in investment related activities.

The Parent Company and its subsidiaries (together referred as the "Group") has investments in associates and subsidiaries as disclosed in notes 10 and 11 respectively.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021 of the Sultanate of Oman.

These consolidated and separate financial statements for the year ended 31 December 2024 comprise the Parent Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The consolidated and separate financial statements are collectively referred to as the "financial statements".

2.2 Basis of presentation

The Group presents its statement of financial position in descending order of liquidity, as this presentation is more appropriate to the Group's operations.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention except for derivative financial instruments, investment properties, financial instruments at fair value through profit or loss (FVTPL) and financial

instruments at fair value through other comprehensive income (FVOCI) which have been measured at fair value. Insurance and reinsurance contract assets and liabilities which are measured on the basis of fulfilment cashflows and contractual service margin.

2.4 Functional and presentation currency

The financial statements are presented in Omani Rials ("RO"), which is the Parent Company's functional currency, rounded to the nearest thousand, unless otherwise stated.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The key areas of estimates and judgements the Group is using in its financial reporting are included in note 3.

2.6 New and amended standards and interpretations to IFRS relevant to the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated and separate financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's consolidated and separate financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated and separate financial statements.

2.7 Standards issued but not yet effective

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

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025.

Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Group's consolidated and separate financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing

the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

2.8 Material Accounting Policies

2.8.1 Basis of consolidation

The financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December 2024. The control is achieved, when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group.

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee that significantly affect their returns);
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the investee's returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of subsidiaries, without a loss of control, is accounted for as an equity transaction. If the Group loses control over subsidiaries, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiaries
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

In the Parent Company's separate financial statements, the investments in the subsidiaries are accounted for using equity method of accounting.

Non-controlling interests (NCI)

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised

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

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in associates is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement profit or loss reflects the Group's / Parent's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Dividend received or receivable from associates are recognised as a reduction in the carrying amount of the associate.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the consolidated statement of profit or loss. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The financial statements of associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the impairment loss in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Parent Company's separate financial statements, the investments in the associates are accounted for using equity method.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

2.8.2 Business combination

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.8.3 Financial instruments

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Equity instruments which are not held for trading or issued as contingent consideration in business combination, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. This election is made on an investment-by-investment basis.

Debt instruments where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. Financial assets, at initial recognition, may be designated at fair value through profit or loss, if the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis.

Financial assets - Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification

of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest ('SPPI')

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension terms; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and

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

Financial liabilities

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities, at initial recognition, may be designated at fair value through profit or loss if the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognizing gains or losses on them on a different basis;
- The liabilities are part of a group of financial liabilities which are managed, and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or
- The financial liability contains an embedded derivative that would otherwise need to be separately recorded.

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit or loss.

Subsequent measurement and gain or losses

Financial assets

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Any gain or loss on recognition is recognized in statement of profit or loss.

Financial assets at fair value through other comprehensive income

a) Debt instruments

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in the statement of other comprehensive income. On recognition, gains and losses accumulated in the statement of other comprehensive income are reclassified to the statement of profit or loss.

b) Equity instruments

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in the statement of other comprehensive income and are never reclassified to the

statement of profit or loss.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, if applicable. The effective interest method is the method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on recognition is also recognized in the statement of profit or loss.

Reclassification

Financial assets

The Group only reclassify financial assets if, and only if, the objective of the business model for managing those financial assets is changed. Such changes are expected to be very infrequent as these changes must be significant to the Group's operations and demonstrable to external parties.

The Group determines that its business model has changed in a way that is significant to its operations, than it reclassifies all affected assets prospectively from the first day of the next reporting period (the reclassification date). Prior periods are not restated.

Financial liabilities

The Group determines the classification of financial liabilities on initial recognition. Subsequent reclassification is not allowed.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group and the Parent Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in recognition of the financial asset. In this case, the Group and the Parent Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of profit or loss.

Financial liabilities

If the terms of a financial liability are modified and the cash flows of the modified liability are substantially different then, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit or loss.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but assumes an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been derecognized in the statement of other comprehensive income is recognized in the statement of profit or loss.

Any cumulative gain / loss recognized in the statement of other comprehensive income in respect of equity instrument designated as fair value through other comprehensive is not recognized in the statement of profit or loss on derecognition of such instrument.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

The continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Where 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 recognized in the statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

IFRS 9 introduced forward-looking 'expected credit loss' ('ECL') model. This requires considerable judgement about how changes in economic factors affect expected credit losses, which will be determined on a probability-weighted basis.

The Group recognizes loss allowances for ECLs on financial assets measured at amortized cost.

Measurement of loss allowances

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

For stage 3 financial instruments, the provisions for credit-impairment are determined based on the difference between the net carrying amount and the recoverable amount of the financial asset. The recoverable amount is measured as the present value of expected future cash flows, including amounts recoverable from guarantees and collateral, discounted based on the interest rate at the inception of the credit facility or, for debt instruments, at the current market rate of interest for a similar financial asset. Provisions for credit-impairment on loan and advances of a banking subsidiary are recognised in the statement of profit or loss and are reflected in an allowance account against loans and advances.

The Group classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

- **Stage 1:** for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Group recognises an allowance based on the 12-month ECL.
- **Stage 2:** for financial instruments where there has been a significant increase in credit risk since initial recognition, but they are not credit-impaired, the Group recognises an allowance for the lifetime ECL.
- **Stage 3:** for credit-impaired financial instruments, the Group recognises the lifetime ECL.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since the initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The term 'significant increase in credit risk' is not defined in IFRS 9. An entity decides how to define it in the context of its specific types of instruments. An entity assesses at each reporting date whether the credit risk on a financial instrument has increased significantly since initial recognition. To make the assessment, an entity considers changes in the risk of default instead of changes in the amount of expected credit losses.

An entity assesses whether there has been a significant increase in credit risk at each reporting date. The impairment model in IFRS 9 is symmetrical, and assets can move into and out of the lifetime expected credit losses category. To be 'significant', a larger absolute increase in the risk of default is required for an asset with a higher risk of default on initial recognition than for an asset with a lower risk of default on initial recognition.

Measurement of loss allowances

The Group assumes that the credit risk on a financial asset has significantly increased since initial recognition and while estimating expected credit loss, when there is objective evidence or indicator for the financial assets. Examples of such indicators include:

- Significant financial difficulty of the borrower or issuer;
- Delinquency by borrower;
- Restructuring of an amount due to the terms that the Group would not consider otherwise, indications that a borrower or issuer will enter bankruptcy;
- The disappearance of an active market for a security (if any); or
- If it past due for more than 30 days.

IFRS9 does not define the term 'default', but instead requires each entity to do so. The definition has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators – e.g. breaches of covenants – when appropriate.

The Group considers a financial asset to be in default when the counter party is unlikely to pay its credit obligations to the Group in full (based on indicator above), without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due.

Lifetime expected credit losses

These losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, if there is significant increase in credit risk or under simplified approach.

These losses are the portion of expected credit losses that result from default events that are possible within the 12

months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk. An asset is credit-impaired if one or more events have actually occurred and have a detrimental impact on the estimated future cash flows of the asset.

Expected credit losses are a probability-weighted estimate of credit losses.

Financial assets that are credit-impaired at the reporting date

Measured as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognized in statement of profit or loss as an impairment gain or loss.

Presentation of expected credit losses

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and is charged to the statement of profit or loss.

Write – off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.8.4 Fair value measurement principles

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Parent Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group and the Parent Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.8.5 Perpetual bonds

Perpetual Tier 1 Capital Securities of the Group are recognised under equity and the corresponding distribution on those instruments are accounted as a debit to retained earnings. The Tier 1 securities constitute direct, unconditional, subordinated and unsecured obligations of the Group and are classified as equity in accordance with IAS 32: Financial Instruments. The Tier 1 securities do not have a fixed redemption or final maturity date and is redeemable by the Group at its sole discretion on the first call date or thereafter on any interest payment date.

2.8.6 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Rial Omani which is the currency of the primary economic environment in which the Group operates (the functional currency). These financial statements are presented in Rial Omani, which is the Group's and the Parent Company's functional and presentation currency.

Transactions and balances

a) Transactions in foreign currencies are translated into Rial Omani at exchange rates ruling at the value dates of the transactions.

b) Monetary assets and liabilities denominated in foreign currencies are translated into Rial Omani at exchange rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the Rial Omani at the beginning of the period, adjusted for effective interest and payments during the period and the amortised costs in foreign currency translated at the exchange rate at the end of the period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

c) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Rial Omani at the exchange rate at the date that the fair value was determined. 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 gain or loss. 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.

The assets and liabilities of foreign operations are translated into Rial Omani at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in other comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

2.8.7 Investment properties

Investment properties comprise land and buildings that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment

property when the definition of an investment property is met. Investment property is measured initially at cost including transaction costs. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. If the entity determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, then the entity measures that investment property under construction at cost until either its fair value becomes reliably measurable, or construction is completed (whichever is earlier). Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the statement of profit or loss in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the statement of profit or loss in the year of retirement or disposal. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.8.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land and buildings	up to 40 years
Furniture, fixtures and equipment	up to 10 years
Equipment and Motor vehicles	up to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statements of profit or loss.

2.8.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Amortisation is recognised on a straight-line basis over their estimated useful lives as follows:

Hospital network	15 years
License	6 years
Others	2 - 10 years

The estimated useful life and amortisation method are

reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.8.10 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing 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 specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

2.8.11 Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and money at call with original maturities up to three months or less. Restricted bank balances and deposits which are not available to meet the Company's short-term commitments are excluded from cash and cash equivalents.

2.8.12 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made where necessary for slow-moving stock, damaged or obsolete items.

2.8.13 Share capital

Ordinary shares

Shares are classified as equity when there is no obligation to transfer cash or other assets. Increment costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.8.14 Net assets value per share

The Group and the Parent presents net asset value per share for its ordinary shares. At Group level, net assets value per share is calculated by dividing net assets value attributable to parent shareholders by the ordinary shares issued at year end. At Parent level, net assets value per share is calculated by dividing net assets value attributable to parent shareholders by the ordinary shares issued at year end.

2.8.15 Taxation

Income tax expense comprises current and deferred tax. Taxation is provided in accordance with Omani fiscal regulations.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. 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. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.8.16 Employees' end of service benefits

End of service benefits are accrued in accordance with the terms of employment at the reporting date, having regard to the requirements of the Oman Labour Law, as amended. The obligation is calculated using the projected unit credit method and is discounted to its present value using current market assessment of time value of money. Employee entitlements to annual leave and leave passage are recognised when these accrue to the employees.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law are recognised as an expense in the statement of profit or loss as incurred.

2.8.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.8.18 Revenue recognition

The Group recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation. The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Parent and respectively has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Variable consideration

Variable consideration amounts are estimated at either their expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not reverse.

Significant financing component

The Group evaluates significant financing component, if the period between customer payment and the transfer of goods / services (both for advance payments or payments in arrears) is more than one year. The Group adjusts the promised amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk.

Contract modification

A contract modification occurs when the Group and the customer approve a change in the contract that either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations. Revenue related to a modification is not recognized until it is approved. Approval can be in writing, oral, or implied by customary business practices. The Group treats the contract modification as a separate contract if it results in the addition of a separate performance obligation and the price reflects the standalone selling price of that performance obligation. Otherwise, a modification (including those that only affect the transaction price) is accounted for as an adjustment to the original contract, either prospectively or through a cumulative catch-up adjustment.

The Group accounts for a modification prospectively if the goods or services in the modification are distinct from those transferred before the modification. Conversely, the Group accounts for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified.

Cost of obtaining and fulfilment

The Group capitalizes incremental costs to obtain a contract with a customer except if the amortization period for such costs is less than one year.

If the costs incurred in fulfilling a contract with a customer are not in the scope of other guidance - e.g. inventory, intangibles, or property, plant and equipment - then the

Group recognizes an asset only if the fulfilment costs meet the following criteria:

- Relate directly to an existing contract or specific anticipated contract;
- Generate or enhance resources that will be used to satisfy performance obligations in the future; and
- Are expected to be recovered.
- If the costs incurred to fulfil a contract are in the scope of other guidance, then Group and the Parent accounts for such costs using the other guidance.

The Group amortizes the asset recognized for the costs to obtain and fulfil a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates. In the case of an impairment, the Group recognizes these losses to the extent that the carrying amount of the asset exceeds the recoverable amount.

a) Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Insurance and investment contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognised as revenue at the time policies are written or at the time the fees are charged, which is generally at the time when the policies are written.

b) Rental and leasing Income

Rental and leasing income arising from operating leases on investment properties is accounted on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

c) Sale of goods

The revenue is recognised when the goods are delivered to the customer and are accepted by the customer.

d) Interest income

Interest income is recognised in the statement of profit or loss using the effective interest rate method.

e) Investment income

Investment income consist of dividend income and fair value changes (realised / unrealised gain or loss) on investment securities. Dividend income is recognised when the Group's right to receive income is established.

f) Other operating income

This consist of foreign exchange gain and other one-off income generated by the Group.

2.8.19 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and the Parent Company and accordingly are shown as off-balance sheet items in these financial statements.

2.8.20 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair value adjustments are recorded in the statement of profit or loss. Fair values are obtained from quoted market prices in active markets, including recent market transactions. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group designates certain derivative as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates. At inception of designated relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also determines the economic relationships between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group and the Parent Company holds derivative financial instruments to hedge its interest rate risk exposures.

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

2.8.21 Financial guarantees contracts

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the beneficiary for a loss incurred because the debtor fails to make payments when due, in accordance with the terms of the debt. Such guarantees are given to banks, financial institutions or other entities on behalf of the customers.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was issued. Subsequent to initial recognition, the Bank's liabilities under such guarantees are measured at the higher of initial measurement, less amortisation calculated to recognise in the statement of comprehensive income the

fee income earned on the straight-line basis over the life of the guarantee and the best estimate of the expenditure required to settle any financial obligation arising at the reporting date. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgment of management. Any increase in the liability relating to guarantees is taken to the profit or loss.

2.8.22 Dividends

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

2.8.23 Directors' remuneration

The Directors' remuneration is governed as set out in the Articles of Association of the Parent Company, the Commercial Companies Law of the Sultanate of Oman and regulations issued by the Capital Market Authority.

2.8.24 Earnings per share

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

2.8.25 Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or,
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. All notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

2.8.26 Segment reporting

An operating segment is a component of the Group and the Parent Company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transaction with any of the Group's other components, whose operating results are reviewed regularly by the Group Chief Executive Officer (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance.

The Group's segmental reporting is based on the following operating segment:

- Investments
- Banking activities
- Insurance activities
- Real estate.

The segment reporting information are disclosed in note 34.

2.8.27 Capital work-in-progress

Capital work-in-progress is measured at cost less impairment, if any, and is not depreciated until it is transferred into one of the above categories or any such additional category which is deemed to appropriately reflect their useful lives, which occurs when the assets is ready for intended use.

Capital work-in-progress includes all expenditure incurred on license fee, process design, detailed engineering, construction, equipment, project management, legal fees, depreciation on right of use assets, interest on lease liability and other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Certain costs which are attributable to the project though cannot be identified to a specific asset are being charged to capital work-in-progress.

Interest costs on borrowings to finance the construction of qualifying assets are capitalised, during the period that is required to complete and prepare the asset for its intended use. All other finance costs are charged to the statement of profit or loss using the effective interest method.

2.8.28 Perpetual Sukuks

Perpetual Trust Certificates are Unsecured and Subordinated, issued based on a Shari'a compliant

Mudaraba structure. Each certificate evidence an undivided ownership interest in the Trust Assets, subject to the terms of the Transaction Documents and the Conditions and is a limited recourse obligation of the Trustee.

2.8.29 Insurance contracts

i. Definition and classification

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

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

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

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

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

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

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

ii. Unit of account

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

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

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

iii. Recognition and derecognition

(a) Insurance contracts issued

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

- the beginning of the coverage period (inception date);
- the date the first premium is due (or date first premium received in absence of contractual due date); and
- when the Group determines that a Group of contracts becomes onerous.

For profitable contracts, the use of the premium due or received date for balance sheet recognition does not have an impact in profit or loss until the beginning of coverage, which is the starting point for recognizing any insurance revenue and expenses. As a result, it is determined that a pragmatic approach to applying the IFRS 17 requirements would be to consider the inception date of coverage or the date of issuance of the contract (whichever is earlier) as the initial recognition date for groups of contracts.

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

(b) Reinsurance contracts held

The Group cedes insurance risk in the normal course of business for a portion of risk it is insuring. Such reinsurance arrangements provide for greater diversification of business, allows management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

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

(c) Contract modification & derecognition

An insurance contract is derecognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or

- the contract is modified, and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met.

iv. Measurement

(a) Fulfilment cash flows

Fulfilment cash flows within contract boundary

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

The estimates of future cash flows:

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

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows.

The discount rates reflect the characteristics of the cash flows arising from the Groups of insurance contracts, including timing, currency and liquidity of cash flows.

The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires

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

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

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

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

(b) Insurance acquisition costs

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

- costs directly attributable to individual contracts and Groups of contracts; and
- costs directly attributable to the portfolio of insurance contracts to which the Group belongs, which are allocated on a reasonable and consistent basis to measure the Group of insurance contracts.

(c) Allowances for claim liabilities

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

v. Model

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

The Group writes long-term Life insurance contracts in its Individual life, Individual Credit Life and Group credit life portfolios which are measured under the GMM. Similarly, all reinsurance contracts for these portfolios are also measured under the GMM.

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

The Group elects to measure all insurance and reinsurance contracts under the PAA wherever the eligibility criteria of para 53(a) & (b) has been fulfilled for its portfolios. Insurance Contracts written by the Group and its non-proportional reinsurance contracts held that have a coverage period of one year or less are automatically eligible for the PAA. Currently insurance contracts such as Group Life, Group Medical, Individual Medical-Oman and non-proportional reinsurance contracts are eligible and thus measured under the PAA. The Group does write some contracts that have a coverage period exceeding one year and proportional reinsurance contracts held which were not automatically eligible. These contracts were part of

the Personal accident, Individual medical- UAE, Property, Motor (non-fleet), Casualty and Engineering insurance portfolios as well as various proportional reinsurance contracts held. For all such groups of contracts within the portfolio and reinsurance contracts, PAA eligibility test was carried out in which, the LFRC measured under the PAA and the GMM were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Group has found that for all these contracts the PAA provided a reasonable approximation of the GMM and were thus the PAA measurement model was applied on these contracts.

In case of any changes in the term and conditions of the contracts or introduction of new contract with coverage period of more than one year, the Group will re-perform the PAA eligibility test.

vi. Best Estimate Liability (BEL)

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

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

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

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

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

vii. Liability for Incurred Claims

The Group calculates the LIC for both GMM and PAA portfolios as follows:

- Best Estimate (BEL) of the fulfilment cash flows relating to incurred claims including outstanding claims, IBNR and IBNER.
- Expenses already incurred but not yet paid in relation to claims and the cost of handling incurred claims at that date.
- Adjustment for the time value of money.
- Risk adjustment for non-financial risks.

viii. Discount date

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

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

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

ix. Risk adjustment

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

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

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).

x. Amounts recognised in comprehensive income

Insurance service result from insurance contracts issued

Insurance revenue

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

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

Amounts relating to the changes in the LFRC:

- a.** insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - amounts related to the loss component;
 - repayments of investment components;
 - amounts of transaction-based taxes collected in a fiduciary capacity; and
 - insurance acquisition expenses;
- b.** changes in the risk adjustment for non-financial risk, excluding:
 - changes included in insurance finance income (expenses);
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss component;
- c.** amounts of the CSM recognised in profit or loss for the services provided in the period; and

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

- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a Group of contracts.
- Insurance contract policyholders are charged for policy administration services and other contract fees. Insurance policy fees are considered as part of Insurance revenue and recognized as income over the period of service which is generally the period of the policy.
- For Groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts on straight line method.

Expenses

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

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

- Insurance acquisition costs: These include costs of selling, underwriting and starting a group of insurance contracts and should be directly attributable to the portfolio of insurance contracts to which the groups belong. The deferred part of these costs relating to contracts issued forms part of the Liability for remaining coverage (LFRC) and the amortization for each reporting period is included within Insurance service expenses.
- Incurred claims and claims handling expenses: These include known and expected (IBNR) claims, legal and loss adjusters' fees, internal costs of investigating claims and processing claims payments as well as salvage and subrogation (to the extent these are not recognized as a separate asset). The presumption is that these costs can easily be identified and allocated

to portfolios and groups of insurance contracts that they are directly attributable to. These costs are included within the calculation of the Liability for Incurred Claims (LIC) 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 recognized as incurred on an accrual basis, and expensed directly to the Statement of Profit or Loss as a component of Insurance service expense.

Specifically excluded costs

IFRS 17 sets out specific cash flows that should be excluded from the insurance contract measurement. These costs include items such as:

- Abnormal amounts of wasted labour or other resources.
- Costs that are not directly attributable to the portfolio of insurance contracts.
- Investment expenses.

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

3. USE OF ESTIMATES AND JUDGMENTS

The key areas of estimates and judgements the Group is using in its financial reporting are as follows:

3.1 Measurement of fair values

The Group 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.
- **Level 2:** Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in the active market for similar instruments, quoted market 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 includes instruments that are valued based on quoted prices of similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

3.2 Assessment of significant influence

In cases where the Group holds less than 20% voting rights, management exercises significant judgment which takes into account certain factors laid down by IAS 28 to reach a conclusion on whether the Group has significant influence on the investee. Management has assessed the level of influence that the Group has on Bank Muscat SAOG, National Finance House B.S.C., Modern Steel Mill LLC and Horizon (AD) Investment Ltd and determined that significant influence exists, because of the board representation and participation in the decision making even though the shareholding is below 20%. Accordingly, these investments have been classified as an associate.

3.3 Acquisition of associates

The fair value of the consideration transferred, and the fair value of the assets acquired, and the liabilities assumed are measured at provisional basis for the new acquisition of associates (see note 4 for new acquisition of associates) until the purchase price allocation exercise is completed within 12 months from the date of transaction.

3.4 Impairment loss on investments in subsidiaries and associates

The Group reviews its investments in subsidiaries (at Parent level only) and associates periodically and evaluates the objective evidence of impairment. Objective evidence includes the performance of the subsidiaries, associate, the future business model, local economic conditions and other relevant factors. Based on the objective evidences, the Group determines the need for impairment loss on investments in subsidiaries and associates.

3.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. For each service offered by the Company, the revenue recognition policies are outlined in note 2.7.18 (Revenue recognition).

3.6 Taxes

The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments. The amount of such provisions is based on factors such as experience of previous tax assessments and interpretations of tax regulations by the Group and the responsible tax authority.

Deferred tax assets are recognised for all deductible temporary differences and carried forward taxable losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carried forward taxable losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.7 Impairment test of intangible assets and goodwill

The Group assesses whether there are any indicators of impairment for each Cash Generating Unit (CGU) at each reporting date and perform impairment testing for goodwill on annual basis. For impairment testing, all assets are grouped as one CGU. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

3.8 Measurement of ECL allowance

The measurement of expected credit loss (ECL) allowance under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime Expected Credit Losses (LTECL) basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment
- levels and collateral values, and the effect on Probability of Default (PD), Exposure At Default (EAD) and Loss
- Given Default (LGD)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

3.9 Significant judgements and estimates in applying IFRS 17

Definition and classification

Judgement is required in order to determine whether contracts are within the scope of IFRS 17 and, for contracts determined to be within the scope of IFRS 17, which measurement model is applicable:

- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk;
- Whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with discretionary participation features;
- Whether contracts that were determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features, particularly:
 - whether the pool of underlying items is clearly identified;
 - whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
 - whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.
- For insurance contracts with a coverage period of more than one year and for which the entity applies the Premium Allocation Approach (PAA), the eligibility assessment as required by paragraphs 53(a), 54, 69(a) and 70 of IFRS 17 might involve significant judgement.

Judgement is involved in combination of insurance contracts and separation of distinct components:

- Combination of insurance contracts – whether the contract with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination;
- Separation – whether components in paragraphs 11–12 of IFRS 17 are distinct (that is, they meet the separation criteria); and

- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

Judgement is required in order to determine whether contracts are within the scope of IFRS 17 and, for contracts determined to be within the scope of IFRS 17, which measurement model is applicable:

- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk;
- Whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with discretionary participation features;
- Whether contracts that were determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features, particularly:
 - whether the pool of underlying items is clearly identified;
 - whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
 - whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.
- For insurance contracts with a coverage period of more than one year and for which the entity applies the Premium Allocation Approach (PAA), the eligibility assessment as required by paragraphs 53(a), 54, 69(a) and 70 of IFRS 17 might involve significant judgement.

Judgement is involved in combination of insurance contracts and separation of distinct components:

- Combination of insurance contracts – whether the contract with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination;
- Separation – whether components in paragraphs 11–12 of IFRS 17 are distinct (that is, they meet the separation criteria); and
- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances

where the legal form of an insurance contract does not reflect the substance and separation is required.

Unit of account

Judgement is involved in the identification of portfolios of contracts, as required by paragraph 14 of IFRS 17 (that is, having similar risks and being managed together).

Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts. Similar grouping assessment is required for reinsurance contracts held. Areas of potential judgements include:

- paragraph 17 of IFRS 17 – the determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by paragraph 16 of IFRS 17; and
- paragraphs 18 and 19 of IFRS 17 – judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For contracts not measured under the PAA, the assessment of the likelihood of adverse changes in assumptions that might result in contracts becoming onerous is an area of potential judgement.

For insurance contracts issued which are measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

The determination of whether laws or regulations constrain the Group's practical ability to set a different price or level of benefits for policyholders with different risk profiles, so that the Group might include such contracts in the same group, disregarding the aggregation requirements set in paragraphs 14–19 of IFRS 17, is an area of judgement.

Recognition and derecognition

When contracts are modified, judgement might be applied to establish if the modification meets the criteria for derecognition. In particular, after the modification, judgement is applied to determine whether:

- significant insurance risk still exists;
- there are elements that are to be distinct from the contract;
- contract boundaries have changed;
- the contract would have to be included in a different group, subject to aggregation requirements; and
- the contract no longer meets the requirements of the measurement model.

Fulfilment cash flows

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract within the scope of IFRS 17.

Judgements might be involved to determine when the Group is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums, and when premiums reflect risks beyond the coverage period.

Where features such as options and guarantees are included in the insurance contracts, judgement might be required to assess the entity's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

An entity can use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.

The determination of what constitutes an investment component might be an area of judgement significantly affecting amounts of recognised insurance revenue and insurance service expenses, because investment components should be excluded from those.

Judgements applied for Modified retrospective approach for Transition

After making reasonable efforts to gather necessary historical information, the Group has determined that for certain Groups of contracts, such information was not available or not available in a form that would enable it to

be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach, and the modified retrospective approach has been used for these Groups. The Group applied significant judgement in determining the transition amounts under these approaches.

Judgements in applying the modified retrospective approach

The Group has determined that transactional level data and annual actuarial assumptions are available as far as two years prior to the IFRS 17 transition date for PAA portfolios. For the GMM portfolios, all policies in a portfolio before the transition date from the earliest inception policy are bucketed into one cohort. The Group has used that threshold to apply the modified retrospective approach to all Groups of contracts in force as at transition date, where the full retrospective approach has not been applied as it was impracticable, but the closest possible outcome could have been achieved using reasonable and supportable information.

Revenue recognition

Insurance revenue and reinsurance expenses – methods and assumptions used in the determination of the contractual service margin (CSM) to be recognised in consolidated statement of profit or loss for the insurance contract services provided or received in the year.

Areas of potential judgement are:

- the determination of the expected coverage period over which the CSM is allocated into consolidated statement of profit or loss for the services provided or received, that is, the determination of expected insurance coverage period;
- the determination of the coverage units provided or received in the current period and expected to be provided in future periods, including the determination of the relative weighting of the benefits provided by insurance coverage; and
- factoring in the time value of money when determining the equal allocation of the CSM to the coverage units provided or received.

An entity might apply judgement to determine whether the treatment of certain consequential insurance risks within Liability For Remaining Coverage (LFRC) or Liability For Incurred Claims (LFIC) reflects the most useful information

about the insurance services provided by the entity to the policyholder.

For contracts measured under the General Measurement Model (GMM) in which the Group has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Group considers its commitment on initial recognition of such contracts. Further, judgement might be required to distinguish subsequent changes in the fulfilment cash flows (FCF) resulting from changes in the Group's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.

Best estimate cash flows

The best estimate liability (BEL) represents the explicit, unbiased and probability weighted best estimate (expected value) of the future cash outflows minus the future cash inflows that arise when the Group fulfils its obligations with respect to the insurance contracts. The BEL, thus include the effects of discounting, allowing for financial risks (to the extent not included in the estimate of the cash flows).

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the Group:

- Can compel the policyholder to pay the premium; or
- Has a substantive obligation to provide the policyholder with coverage or other services.

A substantive obligation to provide services ends when the Group has the 'practical ability' to reassess the risks and can set a price or level of benefits that fully reflects those reassessed risks.

Before a group of insurance contracts is recognised, the Group could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group applies the following principles:

- Where there is sufficient data, experience investigations are performed, with adjustments made for any trends as well as to account for external considerations and business strategy; or
- Where data is insufficient or lacks credibility, benchmarks and industry experience would be considered, with appropriate and justifiable adjustments. The Group makes use of estimates that are current by ensuring that:
 - Updates are made to assumptions such that they faithfully represent the conditions at the valuation date;
 - The changes in estimates faithfully represent the changes in conditions during the period; and
 - Future changes in legislation are not taken into account, unless they have been substantively enacted.

The Group makes use of the following assumptions to project the cash flows for the non-life and group life business where required:

- Expected premium receipts pattern;
- Expected claims ratio;
- Expected attributable expense ratio;
- Expected bad debt;
- Expected incidence of risk; and
- Expected claims payment pattern.

The Group makes use of the following assumptions to project the cash flows for the life business:

- Expected premium receipts pattern;
- Mortality / morbidity rates;
- Persistency; and
- Expenses.

For the measurement of the LIC, the Group uses a blended approach (i.e. the chain-ladder, Bornhuetter Ferguson and expected loss ratio techniques are used) for calculating LIC for all direct lines of business. The Group performs the calculations using quarterly claims development for all portfolios except Motor and Medical where monthly claims development is used.

The calculations are performed using incurred claims except for the Medical business where the calculations are performed using paid claims. Incurred claims are set as paid claims plus the outstanding claims reserve. The outstanding claims reserves are set in line with the case estimates that are determined when a claim is reported. For the measurement of the inwards reinsurance LIC, the Group uses the expected loss ratio method given the small size of this portfolio.

Expenses related directly to the settlement of the claim are implicitly included in the claims estimates described above. Other overhead expenses deemed attributable to the settlement of the claim are determined using the Kittel method.

Future cash flows are adjusted for the time value of money as most claims take more than a year to be settled by the Group.

The approach used to accurately allow for non-performance would be to model the loss to be suffered on a default event and the probability of such an event occurring. Mathematically this could be expressed as:

Probability of default ("PD") x Loss given default ("LGD") x Exposure at default ("EAD")

Assumptions for PDs and LGDs should be set using market data at the valuation date.

The Group uses a range of macro-economic factors, forward-looking estimates and credit behaviour of the reinsurer in the assessment of risk of reinsurers' non-performance. The Group periodically reviews and updates selected economic series and applies judgement in determining what constitutes reasonable and forward-looking estimates.

Discount rates

The discount rates for GMM portfolios were estimated as follows:

The risk-free yield curve was derived from the OMIBOR rates as at December 2023, adjusted to reflect the trend of the EIOPA yield curve. The illiquidity premium of 49 bps was then added to this to determine the final yield curve used for the IFRS 17 discounting.

The discount rates for PAA portfolios were estimated as follows:

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

4. SIGNIFICANT TRANSACTIONS

A. STEP ACQUISITION OF AN ASSOCIATE (BANK MUSCAT SAOG)

During 2023 the Group acquired additional stake in Bank Muscat SAOG (the Bank). After a comprehensive review of the relevant factors stipulated in IAS 28 it was concluded that Group maintains significant influence over the Bank. As a result, the Group changed its accounting classification of its investment in the Bank from FVTOCI to investment in an associate and accordingly, the fair value reserve prevailing as at the date of change in status, was released to retained earnings. As of the date of change in accounting classification, the Company held 14.98% of the share capital of the Bank. The Group had acquired additional stake as part of their expansion strategy in banking sector.

During the year, in line with IFRS requirements, the Group completed the purchase price allocation by an external consultant.

B. STEP ACQUISITION OF AN ASSOCIATE (INTERNATIONAL GENERAL INSURANCE)

During 2023, the Group acquired additional 5.2% stake in International General Insurance Holding Ltd (IGIC), increasing its stake to 20.5%. Resultantly, the Group acquired significant influence over IGIC and the investment was reclassified from FVTOCI to an associate. The Group had acquired additional stake as part of their expansion

strategy in insurance sector. During 2023, the Group had recognised a gain on bargain purchase amounting to RO 3 million at the point in time when the significant influence was established, being the difference between the consideration paid / transfer price and the Group's share in IGIC's provisional fair value of assets.

Bargain gain arising from the acquisition has been recognised as follows:

	<i>RO '000</i>
Total consideration transferred	30,485
Fair value of our share of IGI's net identifiable assets	33,485
Bargain gain	3,000

During the year, in line with IFRS requirements, the Group completed the purchase price allocation by an external consultant and the fair values of acquired assets were identical with the provisional numbers.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in statements of cash flows comprise the following:

	Group		Parent	
	<i>2024 RO '000</i>	<i>2023 RO '000</i>	<i>2024 RO '000</i>	<i>2023 RO '000</i>
Balances with banks and money at call	46,195	68,941	3,650	3,016
	46,195	68,941	3,650	3,016

6. CASH AND CASH EQUIVALENTS

	Group		Parent	
	<i>2024 RO '000</i>	<i>2023 RO '000</i>	<i>2024 RO '000</i>	<i>2023 RO '000</i>
Deposits with banks and leasing companies				
-				
More than 3 months maturity	157,271	138,657	-	-
	157,271	138,657	-	-

6.1 As at 31 December 2024, insurance subsidiaries balances are held with commercial banks in the Sultanate of Oman, India and GCC countries, which are denominated in US dollars and various GCC currencies.

7. INSURANCE CONTRACT ASSETS AND LIABILITIES

	Liabilities for remaining coverage - PAA		Liabilities for remaining coverage - GMM		LIC for Contracts under PAA		LIC for Contracts under GMM		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk Adjustment	Estimates of present value of future cashflows	Risk Adjustment	
	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)
Insurance contract liabilities as at 1 January 2024	33,514	3,389	11,113	26	4,498	4,223	122,635	4,223	179,398
Insurance contract assets as at 1 January 2024	(1,327)	-	-	-	(497)	64	(7,071)	64	(8,831)
Net insurance contract (assets)/liabilities as at 1 January 2024	32,187	3,389	11,113	26	4,001	4,287	115,564	4,287	170,567
<i>Insurance revenue (a)</i>	(326,709)	-	(2,751)	-	(2,211)	-	(32,526)	-	(364,197)
Incurred claims and other expenses	-	-	-	(10)	3,320	5,249	300,746	5,249	309,305
Amortisation of insurance acquisition cash flows	62,563	-	15	-	-	-	-	-	62,578
Reversals of losses on onerous contracts	-	(929)	-	-	-	-	-	-	(929)
Losses on onerous contracts	-	122	-	94	-	-	-	-	216
Changes to liabilities for incurred claims	-	-	-	-	39	(3,362)	(1,523)	(3,362)	(4,846)
Investment components	-	-	(416)	-	416	-	-	-	-
Insurance service expenses (b)	62,563	(807)	(401)	84	3,775	1,887	299,223	1,887	366,324
Insurance service result (a) + (b)	(264,146)	(807)	(3,152)	84	1,564	1,887	266,697	1,887	2,127
Insurance service expenses	-	-	574	2	24	274	1,168	274	2,042
Total changes in the statement of profit or loss and OCI	(264,146)	(807)	(2,578)	86	1,588	2,161	267,865	2,161	4,169
Cash flows									
Premiums received	348,582	-	2,125	-	(1,426)	-	8,362	-	357,643
Claims and other expenses paid	-	-	-	-	1,149	-	(243,738)	-	(242,589)
Insurance acquisition cash flows	(61,952)	-	(244)	-	-	-	-	-	(62,196)
Total cash flows	286,630	-	1,881	-	(277)	-	(235,376)	-	52,858
Insurance contract liabilities as at 31 December 2024	55,347	2,582	10,416	112	5,727	6,437	154,245	6,437	234,866
Insurance contract assets as at 31 December 2024	(676)	-	-	-	(415)	11	(6,192)	11	(7,272)
Net insurance contract (assets)/liabilities as at 31 December 2024	54,671	2,582	10,416	112	5,312	6,448	148,053	6,448	227,594

7. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

	Liabilities for remaining coverage - PAA		Liabilities for remaining coverage - GMM		LIC for Contracts under GMM		LIC for Contracts under PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	
	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)	(R0'000)
Insurance contract liabilities as at 1 January 2023	48,449	4,195	12,546	38	2,175	114,767	3,537	185,707	
Insurance contract assets as at 1 January 2023	(8,265)	1,245	-	-	-	(901)	219	(7,702)	
Net insurance contract (assets)/liabilities as at 1 January 2023	40,184	5,440	12,546	38	2,175	113,866	3,756	178,005	
<i>Insurance revenue (a)</i>	(307,702)	-	(3,054)	-	(2,082)	(30,636)	-	(343,474)	
Incurred claims and other expenses	54,997	-	9	-	-	-	-	55,006	
Amortisation of insurance acquisition cash flows	-	(4,053)	-	-	-	-	-	(4,053)	
Losses on onerous contracts	-	2,002	-	9	-	232	(12)	2,231	
Changes to liabilities for incurred claims	-	-	-	-	(706)	(96,762)	(6,412)	(103,880)	
Investment components	-	-	(512)	-	512	-	-	-	
Insurance service expenses (b)	54,997	(2,051)	(503)	(14)	3,567	237,816	347	294,159	
Insurance service result (a) + (b)	(252,705)	(2,051)	(3,557)	(14)	1,485	207,180	347	(49,315)	
Insurance service expenses	-	-	463	2	14	2,747	184	3,410	
Total changes in the statement of profit or loss and OCI	(252,705)	(2,051)	(3,094)	(12)	1,499	209,927	531	(45,905)	
Cash flows									
Premiums received	295,912	-	1,764	-	(6,042)	(66,932)	-	224,702	
Claims and other expenses paid	-	-	-	-	6,369	(140,722)	-	(134,353)	
Insurance acquisition cash flows	(51,203)	-	(103)	-	-	-	-	(51,306)	
Other movements	-	-	-	-	-	(577)	-	(577)	
Total cash flows	244,709	-	1,661	-	327	(208,231)	-	38,466	
Insurance contract liabilities as at 31 December 2023	33,514	3,389	11,113	26	4,498	122,635	4,223	179,398	
Insurance contract assets as at 31 December 2023	(1,327)	-	-	-	(497)	(7,071)	64	(8,831)	
Net insurance contract (assets)/liabilities as at 31 December 2023	32,187	3,389	11,113	26	4,001	115,564	4,287	170,567	

8. REINSURANCE CONTRACT ASSETS AND LIABILITIES

	Liabilities for remaining coverage - PAA		Liabilities for remaining coverage - GMM		LIC for Contracts under GMM		LIC for Contracts under PAA		Total
	Excluding loss component	Loss component	Excluding loss-recovery component	Loss-recovery	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment		
	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Reinsurance contract assets as at 1 January 2024	(8,064)	155	277	1,506	2,702	31,874	10,103	38,553	
Reinsurance contract liabilities as at 1 January 2024	(30,759)	129	-	-	-	16,043	(15,354)	(29,941)	
Net reinsurance contract assets/(liabilities) as at 1 January 2024	(38,823)	284	277	1,506	2,702	47,917	(5,251)	8,612	
<i>An allocation of reinsurance premiums (a)</i>	(75,396)	-	(1,309)	-	(819)	(13,038)	-	(90,562)	
Amounts recoverable for incurred claims and other expenses	-	-	-	(7)	1,121	91,199	2,261	94,573	
Reinsurer's share of reversals of losses on onerous contracts	-	155	-	-	-	-	-	155	
Reinsurer's share of losses on onerous contracts	-	(67)	-	67	-	-	-	(581)	
Changes to amounts recoverable for incurred claims	-	-	-	-	200	149	(1,051)	(702)	
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	(47)	(533)	-	(140)	
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	(140)	-	(140)	
Amounts recoverable from reinsurers for incurred claims (b)	-	87	-	60	1,274	90,674	1,210	93,305	
Net income or expense from reinsurance contracts held (a)+(b)	(75,396)	87	(1,310)	60	455	77,636	1,210	2,743	
Reinsurance finance income	-	-	137	4	(632)	19,833	72	19,414	
Total changes in the statement of comprehensive income	(75,396)	87	(1,173)	64	(177)	97,469	1,282	22,157	
Cash flows									
Premiums paid	42,232	-	406	-	3,138	28,324	-	74,099	
Amounts received	-	-	-	-	(1,105)	(44,766)	-	(45,872)	
Total cash flows	(71,987)	371	(490)	1,570	4,246	128,820	2,463	64,995	
Reinsurance contract assets as at 31 December 2024	(22,930)	219	(490)	1,570	4,589	111,998	2,059	97,015	
Reinsurance contract liabilities as at 31 December 2024	(49,056)	152	-	-	(342)	16,822	405	(32,020)	
Net reinsurance contract assets/(liabilities) as at 31 December 2024	(71,987)	371	(490)	1,570	4,246	128,820	2,463	64,995	

8. REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

	Liabilities for remaining coverage - PAA		Liabilities for remaining coverage - GMM		LIC for Contracts under GMM		LIC for Contracts under PAA		Total
	Excluding loss component	Loss component	Excluding loss-recovery component	Loss-recovery	Estimates of present value of future cashflows	Estimates of present value of future cashflows	Risk Adjustment	Risk Adjustment	
	(R'O'000)	(R'O'000)	(R'O'000)	(R'O'000)	(R'O'000)	(R'O'000)	(R'O'000)	(R'O'000)	(R'O'000)
Reinsurance contract assets as at 1 January 2023	(10,042)	179	962	1,488	2,093	57,797	1,084	53,561	
Reinsurance contract liabilities as at 1 January 2023	(11,068)	396	(13)	-	9	(3,773)	176	(14,273)	
Net reinsurance contract assets/(liabilities) as at 1 January 2023	(21,110)	575	949	1,488	2,102	54,024	1,260	39,288	
<i>An allocation of reinsurance premiums (a)</i>	(50,122)	-	(1,238)	-	-	(992)	(45,314)	(97,066)	
Amounts recoverable for incurred claims and other expenses	-	-	-	-	1,044	51,699	1,888	54,631	
Reversals of losses on onerous contracts	-	(524)	-	-	-	-	-	(524)	
Loss-recovery on onerous underlying contracts and adjustments	-	233	(6)	18	(71)	(23,203)	31,217	8,188	
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	38	-	38	
Amounts recoverable from reinsurers for incurred claims (b)	-	(291)	(6)	18	973	28,534	33,105	62,333	
Net income or expense from reinsurance contracts held (a)+ (b)	(50,122)	(291)	(1,244)	18	973	28,142	(12,209)	(34,733)	
Reinsurance finance income	-	-	107	-	9	835	(12,549)	(11,598)	
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-	
Total changes in the statement of comprehensive income	(50,122)	(291)	(1,137)	18	982	28,977	(24,758)	(46,331)	
Cash flows									
Premiums paid	32,409	-	465	-	-	(819)	(9,318)	22,737	
Amounts received	-	-	-	-	(382)	(34,264)	27,565	(7,081)	
Total cash flows	32,409	-	465	-	(382)	(35,083)	18,247	15,656	
Reinsurance contract assets as at 31 December 2023	(8,064)	155	277	1,506	2,702	31,874	10,103	38,553	
Reinsurance contract liabilities as at 31 December 2023	(30,759)	129	-	-	-	16,043	(15,354)	(29,941)	
Net reinsurance contract assets/(liabilities) as at 31 December 2023	(38,823)	284	277	1,506	2,702	47,917	(5,251)	8,612	

9. INVESTMENT SECURITIES

As at the reporting date, investment securities comprised the following:

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
Financial assets at fair value through profit or loss (note a)	100,251	110,808	2,751	2,721
Financial assets at fair value through other comprehensive income (note b)	78,707	69,028	7,864	3,291
Investments at amortised cost (note c)	88,200	178,921	-	-
	267,158	358,757	10,615	6,012

(a) Financial assets at fair value through profit or loss

As at the reporting date, financial assets designated at fair value through profit or loss comprised the following:

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
Quoted investments				
Local investments by sector				
Financial sector	33,410	59,409	1,288	1,135
Industrial	1,208	1,542	1,187	1,309
Local quoted investments	34,618	60,951	2,475	2,444
Foreign quoted investments	3,393	996	65	71
Quoted investments	38,011	61,947	2,540	2,515
Unquoted local investments in a fund	444	982	-	-
Unquoted foreign investments	61,796	47,879	211	206
Investments at fair value through profit or loss (FVTPL)	100,251	110,808	2,751	2,721

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

As at the reporting date, financial assets designated at fair value through other comprehensive income comprised the following:

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
Local investments				
Quoted investments (cost)	33,829	33,528	7,374	2,300
Fair value reserve	5,280	2,461	(297)	(765)
Unquoted investments (cost)	846	1,982	775	861
Fair value reserve	6,248	3,878	(31)	852
Total local investments	46,203	41,849	7,821	3,248
Foreign investments				
Quoted investments (cost)	28,959	25,653	-	-
Fair value reserve	3,502	1,483	-	-
Unquoted investments (cost)	1,126	486	205	205
Fair value reserve	(1,083)	(443)	(162)	(162)
Total foreign investments	32,504	27,179	43	43
Total investments at fair value through other comprehensive (FVTOCI) income	78,707	69,028	7,864	3,291

During 2024, the Group engaged a third-party licensed Liquidity Provider on the Muscat Stock Exchange to facilitate the selling and buying of Ominvest's own shares in the market, in accordance with the Market Maker regulations. At 31 December 2024, the Liquidity Provider held RO 118 thousands of the Ominvest's shares on behalf of the Group at par value. The premium on trading in the Ominvest amounted to RO 281 thousand. A net loss of RO 8 thousand realized during the year ended 31 December 2024.

At the inception of the agreement, the Group paid RO 500 thousand to the liquidity provider to facilitate the shares trading process, out of which RO 93 thousand were outstanding as of 31 December 2024, recorded under other assets.

(c) Investment at amortised cost

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
Investment in an education sector entity (note i)	-	20,392	-	-
Banks and corporate bonds	88,200	158,529	-	-
Total investments at amortised cost	88,200	178,921	-	-

Note i: During the year, the Group sold its investment in the education sector entity at carrying value.

10. INVESTMENT IN ASSOCIATES

As at the reporting date, investments in associates represented holdings in the following companies:

Group	Principal activities	Country of Incorporation/ Principal place of business	2024 Holding %	2023 Holding %
Quoted				
Bank Muscat SAOG (refer note 4D) (i)	Banking	Sultanate of Oman	14.98	14.98
Oman Arab Bank SAOG (i)	Banking	Sultanate of Oman	31.64	31.64
National Finance Company SAOG	Finance and leasing	Sultanate of Oman	34.60	34.60
International General Insurance	Insurance	Bermuda / Jordan	20.50	20.50
Unquoted				
National Finance House B.S.C.	Finance and leasing	Kingdom of Bahrain	17.47	17.47
Modern Steel Mill LLC (MSM)	Manufacturing	Sultanate of Oman	19.49	19.49
Horizon (AD) Investment Ltd (ii)	Education	United Arab Emirates	-	14.85
EastBridge Partners Singapore	Investment banking	Singapore	43.00	43.00
Thawani Technologies LLC	Fintech	Sultanate of Oman	30.00	30.00
Parent Company				
National Finance Company SAOG	Finance and leasing	Sultanate of Oman	34.60	34.60
Oman Arab Bank SAOG	Banking	Sultanate of Oman	30.99	30.99
Bank Muscat SAOG (refer note 4C)	Banking	Sultanate of Oman	6.40	6.40

All the Group's quoted associate companies' shares are listed on the Muscat Stock Exchange (MSX) and NASDAQ. The quoted price of investments in listed associate companies as of the reporting date amounted to RO 480 million.

(i) Due to the shareholding in Bank Muscat SAOG and Oman Arab Bank SAOG, the Group owns proportionate share in Meethaq Islamic Banking and Alizz Islamic Bank SAOC.

(ii) During the year, the Group sold a 5% stake in its associate, Horizon (AD) Investment Ltd, and reclassified it from investment in associate to investment security due to loss of significant influence. The Group recognized a gain of RO 127 thousand on this reclassification.

Details regarding movement in investment in associates is set out below:

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
At 1 January	527,835	157,463	282,406	136,351
Purchases	217	6,673	-	-
Share of results of associates	58,719	21,989	27,973	11,452
Dividends received	(24,954)	(2,509)	(12,419)	(1,498)
Disposal of associates (note 10(ii))	(4,841)	-	-	-
Realized gain on disposal (note 10(ii))	127	-	-	-
Amortization of intangibles	(186)	-	(65)	-
Impairment reversal / (provision)	-	9,911	-	9,911
Transfer from/(to) investment securities	(7,834)	333,467	-	128,754
Other equity movement (net)	1,607	841	940	(2,564)
At 31 December	550,690	527,835	298,835	282,406

Total assets, liabilities and revenues of the Group's associates are as follows:

2024	Assets RO '000	Liabilities RO '000	Revenues RO '000
Associates relating to the Parent Company			
National Finance Company SAOG (NFC)	606,490	460,890	63,290
Oman Arab Bank SAOG (OAB)	4,291,368	3,725,604	126,465
Bank Muscat SAOG (BM)	13,911,955	11,467,122	543,701
Associates relating to the Group			
International General Insurance (IGI)	773,771	522,918	207,273
National Finance House B.S.C.	47,896	29,610	3,276
Modern Steel Mill LLC	17,583	2,480	30,111
EastBridge Partners PTE Ltd	2,195	161	1,354
Thawani Technologies LLC	2,543	2,171	355

Total assets, liabilities and revenues of the Group's associates are as follows:

2023	Assets RO '000	Liabilities RO '000	Revenues RO '000
Associates relating to the Parent Company			
National Finance Company SAOG (NFC)	512,486	406,247	48,907
Oman Arab Bank SAOG (OAB)	4,019,003	3,502,027	120,241
Bank Muscat SAOG (BM)	13,673,371	11,318,516	512,821
Associates relating to the Group			
International General Insurance (IGI)	707,630	499,345	189,718
Horizon (AD) Investment Ltd	152,418	74,518	18,043
National Finance House B.S.C.	51,255	33,911	5,177
Modern Steel Mill LLC	18,428	3,038	31,701
EastBridge Partners PTE Ltd	2,404	356	1,439
Thawani Technologies LLC	2,293	2,059	188

The carrying value of associates is as follows:

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
Material associate companies	534,485	499,688	298,835	282,406
Other associate companies	14,536	28,147	-	-
	549,021	527,835	298,835	282,406

The Group's material associates are NFC, OAB, BM and IGI (2023: NFC, OAB, BM and IGI) which are publicly listed entities, and their complete set of statements are available on their websites and relevant stock exchanges.

11. INVESTMENT IN SUBSIDIARIES

As at the reporting date, investments held by the Group in subsidiaries are:

Parent Company	Country of Incorporation/ Principal place of business	2024 Holding %	2023 Holding %
Jabreen International Development Company SAOC (Principal activity: Investments)	Oman	100.00	100.00
Takaful Oman Insurance Company [note 11(i)] (Principal activity: Insurance)	Oman	56.12	56.12
Ubhar Capital SAOC [note 11(i)] (Principal activity: Brokerage and Investment banking)	Oman	66.00	66.00
Jabreen International Investment Company SAOC [note 11(iv)] (Principal activity: Investments)	Oman	100.00	100.00
Shamel Plastic Industries LLC (merged entity) [note 11(iii)] (Principal activity: Manufacturing)	Oman	51.65	51.65
Jabreen Capital Asia Pte. Ltd [note 11(iii)] (Principal activity: Investment activities)	Singapore	100.00	100.00
ARON Investment [note (iii)] (Principal activity: Investment activities)	Cayman Islands / UAE	100.00	99.00
Liva Group SAOG (Principal activity: Insurance)	Oman	52.07	52.07
Liva Insurance BSC 11 (ii) (Principal activity: Insurance)	Bahrain	100.00	100.00
NLGIC Support Services Private Limited [note 11 (ii)] (Principal activity: Support services)	India	100.00	100.00
Inayah TPA LLC [note 11 (ii)] (Principal activity: Support services)	UAE	100.00	100.00
Liva Insurance SAOC [note 11 (ii)] (Principal activity: Insurance)	Oman	100.00	100.00
Al Alamiya for Cooperative Insurance Company [note 11 (ii)] (Principal activity: Insurance)	KSA	50.07	50.07
OMINVEST International Holdings Limited (OIHL) (Principal activity: Investments)	UAE	100.00	100.00
Oman Real Estate Investment and Services LLC (Principal activity: Real Estate and Investments)	Oman	100.00	100.00
Muscat Resorts LLC (Principal activity: Integrated Tourism Project)	Oman	99.99	99.99
Al Jabal Al Aswad Investment LLC (Principal activity: Real Estate)	Oman	99.98	99.98
Ominvest Capital DIFC Limited [note 11(v)] (Principal activity: Investment Banking)	UAE	100.00	100.00
National Security Services Group LLC (Principal activity: Cybersecurity)	Oman	60.00	60.00

(i) These subsidiaries are held through Jabreen International Development Company SAOC.

(ii) These subsidiaries are held through Liva Group SAOG.

(iii) These subsidiaries are held through Jabreen International Investment Company SAOC.

(iv) During 2023, the Group incorporated a fully owned subsidiary with the capital of RO 50 million (RO 0.5 million cash infusion and RO 49.5 million transfer of assets). The subsidiary manages the private equity portfolio of the Group.

(v) During 2023, the Group incorporated a new subsidiary in DIFC with a capital of USD 1 million. The new company has obtained a category 3C licence from DSFA.

Total assets, liabilities and revenues of the subsidiaries are shown below, along with the Group's share of the results:

Name of the subsidiary 2024	Assets RO '000	Liabilities RO '000	Revenues RO '000
Liva Group SAOG	435,639	313,933	346,421
Jabreen International Development Company SAOC	363,776	62,509	76,820
Jabreen International Investment Company SAOC	78,683	23,068	7,967
Ominvest International Holding Limited	38,900	9,577	4,207
Oman Real Estate Investment and Services LLC	23,030	5,670	1,695
National Security Services Group LLC	351	427	593
Muscat Resorts LLC	32,929	22,416	2,804
Ominvest Capital DIFC Limited	408	238	-
Al Jabal Al Aswad Investment LLC	96	5	-

Name of the subsidiary 2023	Assets RO '000	Liabilities RO '000	Revenues RO '000
Liva Group SAOG	398,152	273,649	310,757
Jabreen International Development Company SAOC	381,710	86,011	66,575
Jabreen International Investment Company SAOC	99,460	45,075	9,004
Ominvest International Holding Limited	105,870	75,621	8,148
Oman Real Estate Investment and Services LLC	18,058	971	1,371
National Security Services Group LLC	370	226	697
Muscat Resorts LLC	16,415	6,693	199
Ominvest Capital DIFC Limited	409	59	-
Al Jabal Al Aswad Investment LLC	96	5	-

Details regarding movement in investment in subsidiaries is set out below:

	Parent	
	2024 RO '000	2023 RO '000
At 1 January	438,776	410,076
Formation of a subsidiary (refer note 11[iv])	-	49,500
Purchases / investments	946	1,429
Share of results of subsidiaries	34,403	30,177
Dividends received	(22,752)	(44,820)
Others	(2,144)	(7,586)
At 31 December	449,229	438,776

12. DUE FROM SUBSIDIARIES

Due from subsidiaries represent amounts advanced to 100% owned subsidiaries and the amount is majorly owed by Jabreen International Investment Company SAOC and Muscat Resorts LLC. Interest is charged at the rate 6.5% (2023: 5.5%) by the Parent company to these subsidiaries.million).

13. OTHER ASSETS

	Group		Parent	
	2024 RO '000	2023 RO '000	2024 RO '000	2023 RO '000
Interest and other receivables	6,994	8,383	-	-
Prepayments	3,735	694	273	234
Others	38,702	62,392	3,929	1,630
	49,431	71,469	4,202	1,864

14. INVESTMENT PROPERTIES

Group	Land and buildings RO '000
At 1 January 2023	8,481
Additions	427
Disposals	(3,069)
Realised gains on disposals	498
At 31 December 2023	6,337
Additions	1,293
Disposals	(1,554)
Realised gains on disposals	390
Transferred to work-in-progress	(819)
Unrealized gain on revaluation	752
At 31 December 2024	6,399

Parent Company

The Parent Company has a residential investment property which has a fair value of RO 2 million (2023: RO 2 million).

The Group has conducted fair valuations of its investment properties (land and buildings) through a reputed property international valuation company in Oman, who are specialist in valuing the land and buildings. Closing carrying values are adjusted to reflect the fair valuations performed. The land and buildings amounting to RO 4 million are beneficially owned by the Group but are registered in the name of Parent Company.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<i>Property description</i>	<i>Valuation technique</i>	<i>Unobservable inputs</i>	<i>Inter-relationship between key unobservable inputs and fair value measurement</i>
OMINVEST Business Center Plot 216, Phase 1, Madinat Al Errfan, Wilayat Bausher, Muscat	Income capitalization approach: The model considers the net operating income of the property rentals projected and dividing by the capitalization rate.	<ul style="list-style-type: none"> Yield rate of 9% (2023: 9%) Operational expenses of 6.5% (2023: 6.5%) of market rent Leasing fees of 3% (2023: 3%) 	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> Yield was lower/ (higher); Operational expenses were lower / (higher); Leasing fees were lower / (higher); or
Plot No. 367, MBD East, G. Muttrah, Muscat	Income capitalization approach: The model considers the net operating income of the property rentals projected and dividing by the capitalization rate	<ul style="list-style-type: none"> Yield rate of 7.5% (2023: 7.5%) Operational expenses of 11.67% (2023: 5%) of market rent 	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> Yield was lower/ (higher); or Operational expenses were lower / (higher).
Bait Al Rawan Building No. 168, Plot No. 1262, Bousher Phase 1, Muscat, Sultanate of Oman	Income capitalization approach: The model considers the net operating income of the property rentals projected and dividing by the capitalization rate.	<ul style="list-style-type: none"> Yield rate of 5.33% (2024: 9%) Operational expenses of 6.5% (2023: 21.63%) of market rent 	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> Yield was lower/ (higher); Operational expenses were lower / (higher); or Leasing fees were lower / (higher)

The Group's investment property is measured based on Level 3 fair valuation. The Company obtains an independent valuation for its investment property at least annually. At the end of each reporting period, management updates its assessment of the fair value of the investment property, taking into account the most recent independent valuation.

15. PROPERTY AND EQUIPMENT

	<i>Land and buildings</i>	<i>Furniture, fixtures and equipment</i>	<i>Equipment and motor vehicles</i>	<i>Right of use assets</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Group					
Cost:					
At 1 January 2024	9,874	18,903	337	1,724	30,838
Additions	52	2,084	52	859	3,047
Disposals	-	(281)	(60)	(279)	(470)
At 31 December 2024	9,926	20,706	329	2,454	33,415
Depreciation:					
At 1 January 2024	984	9,232	203	1,123	11,542
Charge for the year	195	2,036	16	729	2,976
Disposals	-	(12)	(16)	-	(28)
At 31 December 2024	1,179	11,256	203	1,852	14,490
Carrying value at 31 December 2024	8,747	9,450	126	452	18,775

	<i>Land and buildings</i>	<i>Furniture, fixtures and equipment</i>	<i>Equipment and motor vehicles</i>	<i>Right of use assets</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Cost:					
At 1 January 2023	8,628	13,793	408	1,024	23,853
Additions	-	4,542	-	810	5,352
Transfers from WIP	3,228	1,192	-	-	4,420
Disposals	(1,982)	(624)	(71)	(110)	(2,787)
At 31 December 2023	9,874	18,903	337	1,724	30,838
Depreciation:					
At 1 January 2023	903	7,342	266	330	8,841
Charge for the year	227	2,029	8	905	3,169
Disposals	(146)	(139)	(71)	(112)	(468)
At 31 December 2023	984	9,232	203	1,123	11,542
Carrying value at 31 December 2023	8,890	9,671	134	601	19,296

	<i>Land and buildings</i>	<i>Furniture, fixtures and equipment</i>	<i>Right of use assets</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>

Parent Company Cost:

At 1 January 2024	734	5	830	1,569
Additions	48	-	-	48
At 31 December 2024	782	5	830	1,617

Depreciation:

At 1 January 2024	401	5	415	821
Charge for the year	80	-	83	163
At 31 December 2024	481	5	498	984

Carrying value at 31 December 2024	301	-	332	633
---	------------	----------	------------	------------

	<i>Land and buildings</i>	<i>Furniture, fixtures and equipment</i>	<i>Right of use assets</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>

Parent Company Cost:

At 1 January 2023	630	5	830	1,465
Additions	104	-	-	104
At 31 December 2023	734	5	830	1,569

Depreciation:

At 1 January 2023	323	5	332	660
Charge for the year	78	-	83	161
At 31 December 2023	401	5	415	821

Carrying value at 31 December 2023	333	-	415	748
------------------------------------	-----	---	-----	-----

Right of use asset of the Parent Company comprises of the Parent Company's lease rentals at Ominvest Business Centre.

16A WORK IN PROGRESS

Group	2024 RO '000	2023 RO '000
1 January	11,815	13,788
Additions during the year	12,231	2,447
Transfer to PPE	-	(4,420)
Disposals	(602)	-
Transfer to investment property	819	-
Unrealized gains	2,200	-
At 31 December	26,463	11,815

Work in Progress (WIP) primarily comprises the ongoing development of an Integrated Tourism Complex (ITC) in Muscat Hills, Oman, which includes hotel and leisure facilities, residential properties, and commercial leasing spaces amounting to RO 24.49 million and other minor projects of RO 1.97 million. The details of WIP related to ITC project is as follows :

- Hotel and leisure facilities: RO 9.28 million
- Residential properties: RO 10.54 million
- Investment properties (commercial leasing facilities): RO 4.67 million

The WIP investment properties have been valued by an independent international valuer at RO 7 million. As a result, the Group has recognized an unrealized gain of RO 2.2 million (2023: nil). For further details on the valuation are as follows:

Property description	Valuation technique	Unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial Leasing facilities	Income capitalization approach: The model considers the net operating income of the property rentals projected and dividing by the capitalization rate	<ul style="list-style-type: none"> ▪ Yield rate of 8.5% (2023: NIL) ▪ Operational expenses of 15% (2023: NIL) of market rent 	<p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> ▪ Yield was lower/ (higher); or ▪ Operational expenses were lower / (higher).

16B INTANGIBLE ASSETS

Group	Goodwill	Trade name	Hospital network	License	Others	Total
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Cost						
At 1 January 2024	36,291	9,117	7,597	2,650	5,150	60,805
Additions	-	-	-	30	512	542
At 31 December 2024	36,291	9,117	7,597	2,680	5,662	61,347
Amortisation:						
At 1 January 2024	-	-	4,235	2,631	1,984	8,850
Charge for the year	-	-	506	-	1,267	1,773
At 31 December 2024	-	-	4,741	2,631	3,251	10,623
Carrying value at 31 December 2024	36,291	9,117	2,856	49	2,411	50,724

Group	Goodwill	Trade name	Hospital network	License	Others	Total
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Cost						
At 1 January 2023	36,291	9,117	7,597	2,631	4,741	60,377
Additions	-	-	-	19	409	428
At 31 December 2023	36,291	9,117	7,597	2,650	5,150	60,805
Amortisation:						
At 1 January 2023	-	-	3,729	2,631	890	7,250
Charge for the year	-	-	506	-	1,094	1,600
At 31 December 2023	-	-	4,235	2,631	1,984	8,850
Carrying value at 31 December 2023	36,291	9,117	3,362	19	3,166	51,955

(i) The Group carried out an impairment test as at the reporting date for goodwill and intangibles with indefinite lives acquired as a result of business combination. Discount rates of 12.4% - 13.5% and terminal growth rate of 2% - 3% were used. No impairment provision was required as a result of impairment test.

17. SHARE CAPITAL

Group	2024 RO '000	2023 RO '000
Authorized 2,000,000,000 ordinary shares of RO 0.100 each (31 December 2023 – 2,000,000,000 ordinary shares of RO 0.100 each)	200,000	200,000
Issued and fully paid 668,365,426 ordinary shares of RO 0.100 each (31 December 2023 – 668,365,426 shares of RO 0.100 each)	66,837	66,837

Shareholders of the Parent Company who own 10% or more of its shares at the reporting date are as follows:

	2024		2023	
	Holding %	Shares	Holding %	Shares
Khalid Muhammad Al Zubair	19.94%	133,282,434	19.94%	133,282,434
Al Hilal Investment Co. LLC	19.37%	129,480,967	19.37%	129,480,967
Social Protection Fund *	11.93%	79,707,152	14.20%	94,912,414
Oman Investment Authority	11.65%	77,869,894	10.81%	72,261,907

* The fund was established in 2024 as per the Royal decree 50 / 2023 consolidating various pension funds in the Sultanate of Oman.

18A. PERPETUAL SUKUKS

During 2021, the Parent Company issued Unsecured Subordinated Perpetual Trust Certificates amounting to RO 52 million (face value RO 1.000/ per certificate) based on a Shari'a compliant Mudaraba structure. Each certificate evidences an undivided ownership interest in the Trust Assets, subject to the terms of the Transaction Documents and the Conditions and is a limited recourse obligation of the Trustee. These Certificates are listed on the Bond and Sukuk Market of the Muscat Stock Exchange and are transferable through trading. These Certificates have an indicative profit rate of 6.75% per annum payable quarterly in arrears till the first call date on 13 December 2026 and will be reset to a new indicative profit rate based on a reference rate plus margin. The Parent Company has an option to defer the payment of profit. Any profit not paid due to such an election by the Parent Company shall constitute Optionally Deferred Profit Distribution. Optionally Deferred Profit Distributions shall themselves accrue profit as if they constituted the principal of the Certificates at the prevailing Indicative Profit Rate.

These Certificates constitute direct, unconditional, subordinated and unsecured obligations of the Parent Company and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. These certificates do not have a fixed or final maturity date and are redeemable by the Parent Company at its sole discretion on 13 December 2026 (the "First Call Date") or every 12 months thereafter.

18B. PERPETUAL SUKUKS

During 2023, the Parent company exercised the option to call back its first perpetual bonds issued during June 2018 amounting to RO 60.6 million.

During 2023, the Parent company distributed as dividend one perpetual bond of RO 1 for every 11.11 ordinary shares of 100bz held by the shareholders. Total perpetual bonds issued by the Parent company amounted to RO 60,152,904. These bonds are listed in the MSX and are transferable through trading. The bonds carry a fixed coupon rate of 5.25% per annum payable semi-annually in arrears and treated as deduction from equity. Parent Company has an option to skip the payment of interest. Any interest not paid due to such an election by the Parent Company shall not constitute as a liability for the Parent company.

These bonds constitute direct, unconditional, subordinated and unsecured obligations of the Parent Company and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. These bonds do not have a fixed or final maturity date and are redeemable by the Parent Company at its sole discretion on 18 April 2028 (the "First Call Date") or every 12 months thereafter.

19. SHARE PREMIUM

This reserve is available for distribution to the shareholders.

20. LEGAL RESERVE

As required by Article 132 of the Commercial Companies Law, the Parent Company and each of its Omani subsidiaries are required to transfer 10% of their profit for the year to this reserve until such time as the legal reserve amounts to at least one third of the respective entity's paid-up share capital. The reserve is not available for distribution. Parent company has reached the statutory limit for transfer to legal reserve.

21. OTHER NON-DISTRIBUTABLE RESERVES

Group and Parent company	Contingency reserve	Foreign currency revaluation reserve	Cash flow hedge reserve	Revaluation reserve	Total
	RO '000	RO '000	RO '000	RO '000	RO '000
At 31 December 2022	9,074	(45)	2,996	165	12,190
Other comprehensive income	-	32	(966)	-	(934)
Transfer (to) / from retained earnings	22	-	-	-	22
At 31 December 2023	9,096	(13)	2,030	165	11,278
Other comprehensive expense	-	1	(281)	(54)	(334)
At 31 December 2024	9,096	(12)	1,749	111	10,944

Contingency reserve

In accordance with article 10 (bis) (2)(c) and 10 (bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, 10% of the net outstanding claims in case of the general insurance business amounting to RO NIL (2023: RO Nil) and 1% of the life assurance premiums for the year in case of life insurance business amounting to RO 44,724 (2023: RO 44,724) at the reporting date is transferred from retained earnings to a contingency reserve. The Parent Company may discontinue this transfer when the reserve equals to the issued share capital. No dividend shall be declared in any year until the deficit in the reserve is covered from the retained profits. The reserves shall not be used except by prior approval of the Financial Services Authority.

Foreign currency translation reserve

As at the reporting date, the assets and liabilities of the foreign subsidiary entities are translated into the functional currency of the Group (the Rial Omani) at the rate of exchange ruling at the reporting date and its profit or loss is translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a foreign currency translation reserve in other comprehensive income.

Cashflow hedge reserve

The Group has entered into an interest rate swap (IRS) agreement with a commercial bank that are designated as a cash flow hedge, for hedging the interest rate risk movement on SOFR. Movement in fair value of IRS has been recorded in cashflow hedge reserve.

Revaluation reserve

The revaluation reserve represents the Parent Company's share of the revaluation reserve arising from the revaluation by associated companies.

Cumulative changes in fair value reserve

The unrealised gain or loss arising from a change in the fair value of the investments at fair value through other comprehensive income is transferred to the equity reserve till the investment is sold, collected or otherwise disposed of, or till the investment is determined to be impaired at which time the cumulative gain or loss is transferred to the statement of profit or loss. The fair value reserve includes share of other comprehensive income from equity accounted investees.

22. NON-CONTROLLING INTEREST (NCI)

The following table summarises the information relating to the Group's subsidiary that has material NCI.

		Liva Group SAOG	
		2024	2023
		RO '000	RO '000
<i>Statement of financial position</i>			
Total assets		435,639	398,364
Total liabilities		313,933	273,789
Net assets		121,706	124,575
Net assets attributable to NCI		58,331	59,721
Intangibles attributable to NCI		1,344	5,982
Grand total		59,675	65,703
<i>Statement of comprehensive income</i>			
Profit for the year		(5,017)	6,376
Other comprehensive income for the year (OCI)		1,893	1,123
Total comprehensive income		(3,124)	7,499
Profit allocated to NCI		(2,405)	3,057
OCI allocated to NCI		907	538
Total comprehensive income allocated to NCI		(1,497)	3,595
<i>Statement of cash flows</i>			
Cashflow from operating activities		(1,255)	(10,171)
Cashflow from investing activities		(14,897)	26,119
Cashflow from financing activities		(7,039)	(9,837)
Net change in cash and cash equivalents		(23,191)	6,111

23. BANK BORROWINGS

As at the reporting date, bank borrowings are as follows:

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Term loans	557,086	637,604	434,050	456,542
Less: Unamortised bank processing fees	(3,173)	(1,866)	(2,937)	(2,004)
	553,913	635,738	431,113	454,538

Certain long-term loans are secured by pledge of investments securities, investment in associates and subsidiaries.

The movement in the term loans is as follows:

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
1 January	637,604	495,902	456,542	287,148
Long term loans obtained during the year	259,890	440,000	172,902	220,118
Repayment of long-term loans made during the year	(346,908)	(307,715)	(201,894)	(64,224)
Net movement in short term loans	6,500	9,417	6,500	13,500
31 December	557,086	637,604	434,050	456,542

24. OTHER LIABILITIES

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Lease liabilities (refer below)	2,859	3,815	398	483
Accrued expenses and other payables	38,108	51,716	2,633	7,695
Interest payable	2,051	3,270	1,710	2,151
Staff end of service benefits (refer below)	5,419	5,073	263	209
Due to subsidiary (OIHL)	-	-	40,477	31,622
	48,437	63,874	45,481	42,160

The movement in lease liabilities are as below:

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
At 1 January	3,815	2,326	483	562
Addition during the year	768	1,806	-	-
Accretion of the interest	65	198	29	34
Disposals during the year	(112)	-	-	-
Addition of a subsidiary	(53)	-	-	-
Repayment made during the year	(1,624)	(515)	(114)	(113)
	2,859	3,815	398	483

Movements in the liability recognised in the financial statements for employees' end of service benefits are as follows:

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
At 1 January	5,073	4,934	209	283
Charge for the year	1,016	2,026	207	67
Paid during the year	(670)	(1,887)	(153)	(141)
At 31 December	5,419	5,073	263	209

25. TAXATION

(a) Recognised in the statements of comprehensive income

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
<i>Statement of comprehensive income</i>				
Current tax				
Current year	982	3,078	-	-
Prior year	-	278	-	-
	982	3,356	-	-
Deferred tax				
Current year	(456)	(402)	-	-
Prior year	438	36	250	-
	(18)	(366)	250	-
Tax expense / (income)	964	2,990	250	-
<i>Statement of financial position</i>				
Current year	7,664	8,873	291	291
Deferred tax (asset) / liability	(1,288)	(2,021)	689	439
	6,376	6,852	980	730
Deferred tax asset / (liability)				
At 1 January	2,021	1,655	(439)	(439)
Movement for the year	(733)	366	(250)	-
At 31 December	1,288	2,021	(689)	(439)

The Group is subject to income tax at the rate of 15% of taxable income (2023: 15%).

The following is a reconciliation of income tax calculated at the applicable tax rate with the income tax expense:

	Parent Company	
	2024	2023
	RO '000	RO '000
Profit before tax	37,069	40,280
Income tax at the rates mentioned above	5,560	6,042
Tax-exempt revenues	(10,252)	(9,301)
Non-deductible expenses	3,587	3,815
Deferred tax not recognised	1,105	560
Interest deduction on Tier 1 bonds and perpetual sukuk	-	(1,116)
Deferred tax – prior year	250	-
Income tax (income) / expense	250	-

As of 31 December 2024, the Group and the Parent Company has not recognised deferred tax asset. The management, on a prudent basis, believes that the Group and the Parent Company may not have sufficient future taxable income to offset the deferred tax asset created in earlier years.

Parent Company

The assessments of the tax returns filed for the years 2021 to 2023 have not yet been finalised by the Tax Authority. Management believes that any additional taxes that may arise on completion of the tax assessments for the open tax years and tax years under objection will not be significant to the Parent Company's financial position at 31 December 2023.

Status of tax assessments of subsidiaries

The tax assessments of subsidiaries are at different stages of completion. Management does not expect any additional tax liabilities to be incurred relating to the open tax years.

Base Erosion and Profit Shifting ("BEPS") Pillar Two income taxes

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting ("BEPS") Pillar Two project. Under Pillar Two, multinational enterprises (MNEs) whose annual revenue exceeds EUR 750 million (in two of the last four years) are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate. The enacted law includes the implementation of a Domestic Minimum Top-up Tax (DMTT) and Income Inclusion Rule (IIR). These rules are effective for fiscal years beginning on or after 1 January 2025. For the period ending December 31, 2024, the global minimum tax rules are not expected to have a significant impact on income tax expense for Oman operations. We have applied the mandatory temporary exception provided under amendments to IAS 12 – Income Taxes to neither recognize nor disclose information on deferred tax assets / liabilities related to Pillar Two income taxes.

26. NET ASSETS PER SHARE

The calculation of net assets per share is as follows:

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Equity attributable to shareholders of the Parent Company	210,939	193,411	209,455	194,084
Number of shares outstanding at the end of the year	668,365,426	668,365,426	668,365,426	668,365,426
Net assets per share (RO)	0.316	0.289	0.313	0.290

27. INTEREST INCOME

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Placements / deposits with banks and other money market placements	8,692	7,145	86	446
Other interest income	6,956	6,101	3,234	4,908
	15,648	13,246	3,320	5,354

28. INVESTMENT INCOME

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Dividend from investments	5,874	15,872	459	160
<i>Quoted local investments</i>				
Profit / (loss) on sale	(573)	(60)	(17)	46
Changes in fair value	2,518	12,289	(180)	9,595
<i>Quoted foreign investments</i>				
Profit / (loss) on sale	1,305	1,010		
Changes in fair value	(21)	2	(7)	2
Income from amortized cost investments	1,565	7,255		
<i>Unquoted local investments</i>				
Change in fair value		188		188
Unquoted foreign investments				
Changes in fair value	4,713	(36)	5	(72)
<i>Investment properties</i>				
Net gain / (loss) on investment properties	3,342	498		
Rental income	643	649	121	149
Reversal of provision	3,451	9,671	4,556	9,911
Gain from derivative	2,221		2,221	
Realised gain on sale of associate	127			
	25,165	47,338	7,158	19,979

29. OTHER OPERATING INCOME

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Foreign exchange gains / (losses)	6	(7)	(2)	(31)
Gross profit from subsidiaries in manufacturing business (refer below)	1,578	1,280	-	-
Bargain gain (refer note 4)	-	3,000	-	-
Other income (refer note below)	4,108	7,132	132	280
	5,692	11,405	130	249

(i) This consist of revenue and cost of sales from a manufacturing subsidiaries GAIL and SPIL which has revenue of RO 7,752 thousands (2023: RO 7,752 thousands) and cost of sales of RO 6,472 thousands (2023: RO 6,472 thousands).

30. INTEREST EXPENSE

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Bank borrowings	35,939	28,238	29,844	20,211

31. OPERATING EXPENSES

	Group		Parent Company	
	2024	2023	2024	2023
	RO '000	RO '000	RO '000	RO '000
Staff costs (refer below)	18,479	16,442	3,933	4,683
Other operating expenses	9,966	11,544	1,742	1,433
Depreciation	2,976	3,169	163	161
Amortisation	1,959	1,600	312	247
<i>Directors' sitting fees and remuneration:</i>				
Parent Company	197	196	197	196
Subsidiaries (net of intra-group adjustments)	94	182	-	-
	33,671	33,133	6,347	6,720
Staff costs:				
Salaries	13,312	11,597	2,469	2,463
End of service benefits	1,016	468	207	67
Social security costs	979	560	275	80
Other costs	3,172	3,817	982	2,073
	18,479	16,442	3,933	4,683

(a) During the year, the Parent Company has recharged proportionate staff costs amounting to RO 893,849 (2023: RO 679,235) to its major subsidiaries. These staff costs pertain to common shared services viz human resources, administration, legal, compliance, risk, internal audit, corporate communications, finance and accounts.

32. DERIVATIVES

A derivative financial instrument is a financial contract between two parties when payments are dependent upon movement in price in one or more underlying financial instrument, reference rate or index.

Group and Parent Company

The group subsidiary has entered into an interest rate swap (IRS) agreement with an international commercial bank that are designated as a cash flow hedge, for hedging the interest rate risk movement for bank borrowings obtained at variable rate: SOFR.

The parent company has entered into an interest rate swap (IRS) agreement with a commercial bank in Oman that are designated as a cash flow hedge, for hedging the interest rate risk movement for bank borrowings obtained at variable rate: SOFR.

Interest rate swaps (hedge)	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amount</i>	<i>Within 3 months</i>	<i>3 - 12 months</i>	<i>More than 1 year</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
31 December 2024	3,845	-	123,194	12,512	-	110,682
31 December 2023	2,030	-	45,238	-	-	45,238

33. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of outstanding ordinary shares during the year. The number of outstanding ordinary shares during the year did not change.

	Group		Parent Company	
	2024	2023	2024	2023
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Profit for the year attributable to equity holders	37,160	40,122	36,819	40,280
Less: perpetual interest / expense	(6,605)	(7,344)	(6,698)	(7,437)
Profit for the year attributable to equity holders of the Group / Parent Company after interest / expense on Perpetual capital bonds (basic and diluted)	30,555	32,778	30,121	32,843
Weighted average number of shares outstanding during the year	701,783,699	701,783,699	701,783,699	701,783,699
Basic and diluted earnings per share (RO)	0.044	0.047	0.043	0.047

During the year, Company has issued 133,673,090 mandatory convertible bonds, which will be mandatorily converted to 33,418,273 ordinary equity shares after 3 year of issue date. As there were no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

34. SEGMENTAL INFORMATION

The Group is organised into four main business segments:

- i. Investment Segment – incorporating investment activities for both short-term and long-term purposes.
- ii. Banking Segment – incorporating corporate, retail and treasury and investment banking activities carried out by the Group's banking associates share of profit or loss included under segment revenue and segment results and carrying value included under segment assets.
- iii. Insurance Segment – incorporating insurance related activities for Life and General Insurance carried out by the Group's insurance subsidiary and associates share of profit or loss included under segment revenue and segment results and carrying value included under segment assets.
- iv. Real Estate Segment – incorporating activities in real estate sector.

Transactions between the business segments are eliminated on consolidation.

2024	<i>Investments</i>	<i>Banking</i>	<i>Insurance</i>	<i>Real estate</i>	<i>Adjustments</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Segment revenues	69,965	44,294	395,010	4,499	(39,261)	474,507
Segment results	17,627	44,294	7,069	1,087	(34,186)	35,891
Segment assets	683,346	445,995	557,582	50,121	(458,847)	1,278,197
2023	<i>Investments</i>	<i>Banking</i>	<i>Insurance</i>	<i>Real estate</i>	<i>Adjustments</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Segment revenues	74,295	32,086	372,517	1,563	(37,698)	442,763
Segment results	26,726	30,610	17,960	(217)	(31,295)	43,784
Segment assets	766,766	449,308	504,838	34,448	(452,914)	1,302,446

35. RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, carries out transactions with other entities that fall within the definition of a related party as contained in International Accounting Standard 24. Transactions with related parties are entered at terms agreed with the management of the respective related parties, The aggregate amounts of balances with such related parties are as follows:

Group - 2024	<i>Directors</i>	<i>Associates</i>	<i>Key management</i>	<i>Other related parties</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Statement of comprehensive income				
Interest and other income	-	2,720	-	647
Interest expense	-	5,014	-	-
Directors sitting fees and remuneration	428	-	-	-
Premiums received	-	2,141	-	1,492
Claims paid	-	2,463	-	1,383
Operating expenses and capital expenditure	-	4,078	-	1,124
Staff cost	-	-	5,154	-
Statement of financial position				
Borrowing arrangements, loans and advances	-	138,788	-	4,300
Current and other deposit accounts	-	37,704	-	11,098
Premiums and other receivables	-	1,325	-	473
Sale of investment securities	29,819	-	-	-
Payables and deposits	-	2,502	-	1,673
Group - 2023				
Statement of comprehensive income				
Interest and other income	-	1,225	-	1,250
Interest expense	-	1,890	-	-
Directors sitting fees and remuneration	378	-	-	-
Premiums received	-	1,622	-	1,210
Claims paid	-	1,587	-	702
Operating expenses and capital expenditure	-	174	-	1,025
Staff cost	-	-	4,323	-
Statement of financial position				
Borrowing arrangements, loans and advances	-	40,167	-	5,000
Current and other deposit accounts	-	5,978	-	-
Premiums and other receivables	-	249	-	74
Payables and deposits	-	2	-	-

35. RELATED PARTY TRANSACTIONS (CONTINUED)

Parent – 2024	<i>Subsidiaries</i>	<i>Associates</i>	<i>Directors</i>	<i>Key management</i>	<i>Other related parties</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Statement of comprehensive income					
Directors' sitting fees and remuneration	-	-	197	-	-
Dividend from Subsidiary companies	22,752	-	-	-	-
Dividend from Associates companies	-	12,419	-	-	-
Brokerage and other fees	33	-	-	-	-
Operating expenses	163	-	-	-	65
Interest income	3,338	51	-	-	-
Interest expenses	2,116	5,014	-	-	-
Premiums	218	-	-	-	-
Claims	51	-	-	-	-
Recharge of common staff cost	894	-	-	-	-
Staff cost	-	-	-	2,797	-
Statements of financial position					
Bank borrowings	-	73,360	-	-	-
Bank balances and deposits	-	2,636	-	-	-
Due from subsidiaries	30,024	-	-	-	-
Due to subsidiaries	40,477	-	-	-	-
Loan	1,713	-	-	-	-

Parent – 2023	<i>Subsidiaries</i>	<i>Associates</i>	<i>Directors</i>	<i>Key management</i>	<i>Other related parties</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Statement of comprehensive income					
Directors' sitting fees and remuneration	-	-	196	-	339
Dividend from Subsidiary companies	44,820	-	-	-	-
Dividend from Associates companies	-	1,498	-	-	-
Brokerage and other fees	197	-	-	-	-
Operating expenses	238	-	-	-	-
Interest income	4,569	446	-	-	-
Interest expenses	2,250	1,890	-	-	-
Premiums	157	-	-	-	-
Claims	48	-	-	-	-
Recharge of common staff cost	679	-	-	-	-
Staff cost	-	-	-	2,772	-
Statements of financial position					
Bank borrowings	-	28,667	-	-	-
Bank balances and deposits	-	2,512	-	-	-
Due from subsidiaries	68,849	-	-	-	-
Due to subsidiaries	31,622	-	-	-	-
Loan	908	-	-	-	-

The Directors' sitting fees and remuneration and staff cost in the above tables are short term benefits of key management personnel. End of service benefits are post-employment benefits for key management personnel.

36. FIDUCIARY ACTIVITIES

Certain investments/assets are held beneficially for and on behalf of investors and accordingly are not treated as assets of the Group. These are included in the financial statements as off-balance sheet items.

Below are the details of assets held under trust by a subsidiary in brokerage business:

	Parent Company	
	2024	2023
	RO '000	RO '000
Amounts held in:		
Cash held for discretionary trust accounts	9,984	1,763
Cash held for non - discretionary trust accounts	9,687	5,300
Securities held for discretionary trust accounts	239,634	237,468
Securities held for non - discretionary trust accounts	415,408	309,900
	674,713	554,431

37. CONTINGENT LIABILITIES & COMMITMENTS

Capital commitments

At 31 December 2024, the Group has entered into a contract with a leading construction company in Oman to develop the LA VIE project for total cost of RO 26.3 million. The project is expected to be completed by December 2025.

Contingencies

At 31 December 2024, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group of RO 272,955 (2023: RO 351,938) given in the normal course of business from which it is anticipated that no material liabilities will arise.

Legal claims

The insurance subsidiary of the Group, consistent with the majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of the court cases will have a material impact on its separate and consolidated income or financial position.

38. RESTRICTIONS ON TRANSFER OF ASSETS

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Group has identified to the Financial Services Authority certain specific bank deposits, investments and loans to policyholders included in the consolidated statement of financial position of RO 77,968,656 (2023: RO 82,985,483). The Group can transfer these assets only with the prior approval of the Financial Services Authority. The Group has provided bank guarantee of RO 50,000 (2023: RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, Kuwait, Saudi Arabia and Bahrain the Group has identified to the Central Bank of the UAE, The Ministry of Commerce and Industry, Kuwait, Saudi Central Bank and Central Bank of Bahrain respectively, in certain specific fixed deposits of RO 1,764,418 (2023: RO 1,792,936), RO 3,216,850 (2023: RO 2,898,350), RO 4,520,003 (2023: RO 4,336,127) and RO 157,078 (2023: 312,523) which are included in the consolidated statement of financial position. Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the respective authorities.

39. GEOGRAPHICAL CONCENTRATION OF ASSETS AND LIABILITIES

Group – 2024	Sultanate of Oman	GCC	Rest of the world	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	27,534	18,471	190	46,195
Deposits with banks	73,310	83,961	-	157,271
Premium and insurance balance receivables	7,255	17	-	7,272
Re-insurance share in Insurance Funds	34,872	62,143	-	97,015
Investment securities	116,275	141,120	14,473	271,868
Investments in associates	490,828	3,780	54,413	549,021
Investment properties	6,399	-	-	6,399
Other assets	38,682	10,589	160	49,431
Property and equipment	17,550	1,332	43	18,925
Capital Work-in-Progress	27,267	-	-	27,267
Intangible assets	38,773	11,887	64	50,724
Total assets	878,745	333,300	69,343	1,281,388
Liabilities				
Bank borrowings	331,793	222,120	-	553,913
Insurance contract liabilities	90,227	144,639	-	234,866
Reinsurance contract liabilities	15,973	16,047	-	32,020
Other liabilities	33,996	15,786	109	49,891
Taxation	119	6,257	-	6,376
Total liabilities	472,108	404,849	109	877,066
Group – 2023				
	Sultanate of Oman	GCC	Rest of the world	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	16,130	48,856	3,955	68,941
Deposits with banks	68,872	69,785	-	138,657
Premium and insurance balance receivables	8,269	562	-	8,831
Re-insurance share in Insurance Funds	16,690	21,863	-	38,553
Investment securities	119,352	106,625	132,780	358,757
Investments in associates	464,609	16,982	46,244	527,835
Other assets	65,963	5,011	495	71,469
Investment properties	6,337	-	-	6,337
Property and equipment	15,509	3,787	-	19,296
Capital Work-in-Progress	11,815	-	-	11,815
Intangible assets	51,936	19	-	51,955
Total assets	845,482	273,490	183,474	1,302,446
Liabilities				
Bank borrowings	395,537	172,227	67,974	635,738
Insurance contract liabilities	73,140	106,258	-	179,398
Reinsurance contract liabilities	18,653	11,288	-	29,941
Other liabilities	38,549	970	24,355	63,874
Taxation	6,852	-	-	6,852
Total liabilities	532,731	290,743	92,329	915,803

39. GEOGRAPHICAL CONCENTRATION OF ASSETS AND LIABILITIES (CONTINUED)

Parent Company – 2024	Sultanate of Oman	GCC	Rest of the world	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	3,543	104	3	3,650
Investment securities	10,433	107	75	10,615
Investments in associates	298,835	-	-	298,835
Investments in subsidiaries	420,031	29,198	-	449,229
Dues from subsidiaries	29,735	289	-	30,024
Investments in properties	2,000	-	-	2,000
Other assets	4,202	-	-	4,202
Property and equipment	633	-	-	633
Total assets	769,412	29,698	78	799,188

Liabilities

Bank borrowings	258,696	172,417	-	431,113
Other liabilities	-	-	-	-
Taxation	5,004	40,477	-	45,481
Total liabilities	264,680	212,894	-	477,574

Parent Company – 2023	Sultanate of Oman	GCC	Rest of the world	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	3,000	12	4	3,016
Investment securities	5,876	114	22	6,012
Investments in associates	282,406	-	-	282,406
Investments in subsidiaries	408,615	30,161	-	438,776
Dues from subsidiaries	68,849	-	-	68,849
Other assets	1,864	-	-	1,864
Investments in properties	2,000	-	-	2,000
Property and equipment	748	-	-	748
Total assets	773,358	30,287	26	803,671

Liabilities

Bank borrowings	320,460	134,078	-	454,538
Other liabilities	42,160	-	-	42,160
Taxation	730	-	-	730
Total liabilities	363,350	134,078	-	497,428

40. ASSETS AND LIABILITIES MATURITY PROFILE

Group – 2024	Less than one year	More than one year	No fixed term	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	46,195	-	-	46,195
Deposits with banks	61,289	95,982	-	157,271
Insurance contract assets	7,272	-	-	7,272
Re-insurance contract assets	97,015	-	-	97,015
Investment securities	-	88,200	183,668	271,868
Investments in associates	-	-	549,021	549,021
Other assets	49,431	-	-	49,431
Investments in properties	-	6,399	-	6,399
Property and equipment	-	18,925	-	18,925
Work in progress	27,267	-	-	27,267
Intangible assets	-	-	50,724	50,724
Liabilities				
Bank borrowings	55,560	498,353	-	553,913
Insurance contract liabilities	234,866	-	-	234,866
Reinsurance contract liabilities	32,020	-	-	32,020
Other liabilities	49,891	-	-	49,891
Taxation	6,376	-	-	6,376
Group – 2023				
	Less than one year	More than one year	No fixed term	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	68,941	-	-	68,941
Deposits with banks	70,518	68,139	-	138,657
Insurance contract assets	8,831	-	-	8,831
Re-insurance contract assets	33,297	5,256	-	38,553
Investment securities	20,392	158,529	179,836	358,757
Investments in associates	-	-	527,835	527,835
Other assets	65,507	25	5,937	71,469
Investments in properties	-	-	6,337	6,337
Property and equipment	-	-	19,296	19,296
Work in progress	-	11,815	-	11,815
Intangible assets	-	-	51,955	51,955
Liabilities				
Bank borrowings	244,026	391,712	-	635,738
Insurance contract liabilities	160,895	18,503	-	179,398
Reinsurance contract liabilities	29,941	-	-	29,941
Other liabilities	19,174	44,700	-	63,874
Taxation	6,852	-	-	6,852

40. ASSETS AND LIABILITIES MATURITY PROFILE (CONTINUED)

Parent Company – 2024	Less than one year	More than one year	No fixed term	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	3,650	-	-	3,650
Investment securities	-	-	10,615	10,615
Investments in associates	-	-	298,835	298,835
Investments in subsidiaries	-	-	449,229	449,229
Investment properties	-	2,000	-	2,000
Other assets	4,202	-	-	4,202
Property and equipment	-	633	-	633
Due from subsidiaries	-	-	30,024	30,024
Liabilities				
Bank borrowings	48,563	382,550	-	431,113
Other liabilities	45,481	-	-	45,481
Taxation	980	-	-	980

Parent Company – 2023	Less than one year	More than one year	No fixed term	Total
	RO '000	RO '000	RO '000	RO '000
Assets				
Cash and cash equivalents	3,016	-	-	3,016
Investment securities	-	-	6,012	6,012
Investments in associates	-	-	282,406	282,406
Investments in subsidiaries	-	-	438,776	438,776
Due from subsidiaries	-	-	68,849	68,849
Other assets	1,864	-	-	1,864
Investment properties	-	-	2,000	2,000
Property and equipment	-	-	748	748
Liabilities				
Bank borrowings	138,882	315,656	-	454,538
Other liabilities	42,160	-	-	42,160
Taxation	730	-	-	730
Cash and cash equivalents	3,016	-	-	3,016

41. FINANCIAL RISK MANAGEMENT POLICIES

41.1 Financial risk management

The Group's activities expose it to a variety of financial risks and those activities involve the evaluation, analysis, acceptance and management of risk or combination of risks. As taking risk is core to the financial business and operational risks are an inevitable consequence of any business, the Group's aim is to achieve an appropriate balance between risk and return while minimising the potential adverse effects on the Group's financial performance of the respective Group companies.

The Board of Directors defines risk limits and sets suitable policies in this regard for management of credit risk, liquidity risk as well as market risk in both the trading and the banking book of the respective Group Company. Risk Management is carried out by the Risk Management team in accordance with documented policies approved by the Board of Directors of the respective Group Company. The principal types of risks at the Group and Parent Company are credit risk, liquidity risk, market risk (market price risk, interest rate risk and currency risk) and operational risk.

41.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk on cash and cash equivalents, deposits with banks, insurance contract assets, re-insurance contract assets, due from subsidiaries, other assets (excluding prepayments) and investment securities (measured at amortised cost).

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. The details of concentrations of credit risk based on counterparties by industry are disclosed in the geographical concentration is disclosed in Note 39. The Group manages, limits and controls concentrations of credit risk – in particular, to individual counterparties and Groups, and to industries and countries.

The Group's exposure to credit risk arises in respect of the following financial instruments:

2024 – Group	Stage 1 (RO '000)	Stage 2 (RO '000)	Stage 3 (RO '000)	Total (RO '000)
Cash and cash equivalents	46,195	-	-	46,195
Deposits with banks	157,271	-	-	157,271
Investment at amortised cost	87,474	726	-	88,200
Debt instruments carried at FVOCI	83,417	-	-	83,417
Other assets	49,431	-	-	49,431
2023 – Group				
Cash and cash equivalents	68,941	-	-	68,941
Deposits with banks	138,657	-	-	138,657
Investment at amortised cost	176,725	2,196	-	178,921
Debt instruments carried at FVOCI	69,028	-	-	69,028
Other assets	71,649	-	-	71,649

Note: Parent Company assets are not past due or impaired

Cash and bank deposits:

The Group and the Parent Company has placed bank balances and deposits with commercial banks in Sultanate of Oman, GCC countries and Europe which have Moody's ratings ranging from A1 to Baa3 during the year 2023 and 2024.

The ECL on cash and cash equivalents is not material at Group and Parent Company.

Concentration:

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

41.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The maturities of the Group's and Parent Company undiscounted financial liabilities at reporting date is as below:

2024 – Group	<i>Less than one year</i>	<i>More than one year</i>	<i>No fixed term</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Bank borrowings	55,560	498,353	-	553,913
Insurance contract liabilities	234,866	-	-	234,866
Reinsurance contract liabilities	32,020	-	-	32,020
Other liabilities	56,267	-	-	56,267
2023 – Group				
Bank borrowings	244,026	391,712	-	635,738
Insurance contract liabilities	160,895	18,503	-	179,398
Reinsurance contract liabilities	29,941	-	-	29,941
Other liabilities	19,174	44,700	-	63,874
2024 – Parent Company	<i>Less than one year</i>	<i>More than one year</i>	<i>No fixed term</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Bank borrowings	138,882	315,656	-	454,538
Other liabilities	45,483	-	-	45,483
2023 – Parent Company				
Bank borrowings	138,882	315,656	-	454,538
Other liabilities	42,160	-	-	42,160

41.4 Market risk

The Group and the Parent Company take on exposures to market risk which is the risk that the fair value or the future cash flows of the financial assets carried at fair value will fluctuate because of changes in market prices. Market risks arise from the open positions in interest rate, currency and equity products, all of which are exposed to changes in interest rates, credit spreads, equity prices and foreign exchange rates for the banking subsidiary.

The market risks on investments listed in the securities markets for the Parent Company are monitored by the Board and Management committees. The Management committee monitor the risks, allocations and returns from local and foreign investments through regular meetings. The Management of the Parent Company has proper risk management policies in place to ensure that interest risk, liquidity risk and foreign exchange risk are mitigated considering the macroeconomic indicators affecting the investment activities.

Price risk

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

The Group is exposed to market risk with respect to its investments. The Group limits financial instruments price risk by maintaining a diversified portfolio and by continuous monitoring of the market. In addition, the Group monitors actively the key factors that affect stock market movements.

77% (2023: 86%) of the Group's investments at the reporting date are within the Sultanate of Oman.

The following table demonstrates the sensitivity of the investment income to reasonably possible changes in equity prices, with all other variables held constant. The effect of 20% decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

Group	Effect on equity	
	2024	2023
	RO '000	RO '000
Investments securities	15,256	12,625

Group	Effect on profit	
	2024	2023
	RO '000	RO '000
Investments securities	7,602	12,162

Parent Company	Effect on equity	
	2024	2023
	RO '000	RO '000
Investments securities	1,415	305

Parent Company	Effect on profit	
	2024	2023
	RO '000	RO '000
Investments securities	508	276

Interest rate risk

The Group invests in securities and has deposits that are subject to interest rate risk. The Group's bank deposits of RO 138,657 thousands (2023: RO 166,696 thousands) carry fixed rate of interest and therefore, are not exposed to interest rate risk.

The Group holds subordinated interest-bearing investments at FVOCI with face value of RO 38,725 thousands (2023: RO 47,935 thousands) which are subject to interest rate reset as per below table.

Year of reset 2024	Face Value	Rate Change	Impact
	RO '000	%	RO '000
Year 2024	-	-	-
Year 2025	12,688	1%	127
Year 2026 to 2052	121,088	1%	1,211

Year of reset 2023	Face Value	Rate Change	Impact
	RO '000	%	RO '000
Year 2024	-	-	-
Year 2025	4,410	1%	44
Year 2026 to 2052	34,315	1%	343

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group transactions are in Rial Omani, UAE Dirhams, Kuwaiti Dinars and US Dollars. As the Rial Omani, UAE Dirhams and Kuwaiti Dinars are pegged to the US Dollar, balances in these currencies do not represent significant currency risk. The company enters into major agreements in Omani Rial and US Dollars. As the Omani Rial is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk. 66% (2023: 37%) of the Group's deposits and cash and bank balances are denominated in foreign currencies, mainly US Dollars, Kuwaiti Dinars and UAE Dirhams.

41.5 Capital management

The Parent company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

During 2024, the Parent company's strategy, which was unchanged from 2023, was to maintain the gearing ratio at an acceptable level. The gearing ratio at 31 December 2024 and 2023 for the Parent Company 58.91% and 43.27% respectively.

Group	2024	2023
	RO '000	RO '000
Total borrowings	434,050	456,542
Less: cash and cash equivalents	(3,650)	(3,016)
Net debt	430,400	453,526
Total equity	321,614	316,314
Total capital	752,014	769,840
Gearing ratio	57.23%	58.91%

41.6 Insurance risk management

Underwriting

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

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

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

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

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

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

(a) Frequency and severity of claims

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

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

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

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

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

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

Short-duration life insurance contracts

(a) Frequency and severity of claims

These contracts are mainly issued to: Employers, providing cover against death, disability or (in the case of group medical policies) health of their employees and financial institutions, providing cover against death of their borrowers.

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

For short term group life and group credit life contracts the Group guarantees the premium rate for a period of one year and has a right to change these rates thereafter. In such contracts it therefore minimises its exposure to mortality risk. Mortality risk includes risk of death due to epidemics such as Covid-19.

(b) Frequency and severity

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

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

Reinsurance risk

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

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers. The Group only deals with reinsurers as mandated under the board approved Reinsurance Management strategy manual.

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

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Expense risk

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

42. DIVIDEND PROPOSED

Parent Company

Final dividends are not accounted for until they have been approved at the Annual General Meeting. At the forthcoming shareholders Meeting, to be held on 27 March 2025, a cash dividend of RO 0.020 per share (2023 - RO 0.020 per share) amounting to RO 13,367,309 (2023 - RO 13,367,309) and a stock dividend of RO 0.040 per share (2023 - NIL) amounting to RO 26,734,618 (2023 - NIL) is proposed by the Board of Directors for the year ended 31 December 2024.

During the previous year, in addition to cash dividend, the shareholders also approved to distribute one mandatory convertible bond (MCB) of 100bz issued for 5 ordinary shares of 100bz held by the shareholders. Total MCBs issued by the Company amounted to RO 13,367,309. These bonds are listed on the Muscat Stock exchange, carry an annual coupon of 6.5% and form part of the Company's equity. Each MCB will be mandatorily converted to 0.25 equity shares at the fixed price of 400 bz per share without any option to either Ominvest or bond holders on the 21 May 2027.

The financial statements for the year ended 31 December 2024 do not reflect proposed dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 December 2025.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates.

The fair values of on balance sheet financial instruments, except for investments in subsidiaries and associates, are not significantly different from the carrying values included in the financial statements. The fair value of listed investments in associates and subsidiaries based on the closing market prices on the Muscat Stock Exchange (MSX) and NASDAQ at the reporting date is set out below:

Investments in associates and subsidiaries	<i>Carrying value</i>	<i>Market value</i>	<i>Difference</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
2024	594,961	544,434	50,527
2023	566,674	527,014	39,660

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Transfers between levels

During the reporting period ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Group	RO '000	RO '000	RO '000	RO '000
Financial assets at fair value through profit or loss	38,011	-	62,784	100,795
Financial assets at fair value through other comprehensive income	74,611	-	7,137	81,748
Investment properties	-	-	6,399	6,399
Work-in-progress	-	-	5,358	5,358
Derivative financial instruments	-	3,845	-	3,845
Parent				
Financial assets at fair value through profit or loss	2,540	-	211	2,751
Financial assets at fair value through other comprehensive income	7,077	-	744	7,864
Investment properties	-	-	2,000	2,000
As at 31 December 2023	Level 1	Level 2	Level 3	Total
Group	RO '000	RO '000	RO '000	RO '000
Financial assets at fair value through profit or loss	61,947	-	48,861	110,808
Financial assets at fair value through other comprehensive income	63,125	-	5,903	69,028
Investment properties	-	-	6,337	6,337
Parent				
Financial assets at fair value through profit or loss	2,515	-	206	2,721
Financial assets at fair value through other comprehensive income	1,535	-	1,756	3,291
Investment properties	-	-	2,000	2,000

Level 1: financial instruments above are valued using quoted bid prices in an active market.

Level 2: above includes financial instruments which are valued using discounted cash flows method. Cash flows are discounted at a rate that reflects risk profile of the counter parties.

Level 3: investments are investments in shares of an unquoted companies and investment in funds. The management values the investment using net asset value of the investee based on the investee's financial statements except for one investment in the amount of RO 6.9 million carried at FVPTL using market comparable technique. Management considers the carrying value of other investments to approximate its fair value as significant portfolio of the underlying assets and liabilities of the investee companies are either fair valued or are in cash and cash equivalents where fair value approximates the carrying value. Therefore, unadjusted net assets value is representative of fair value of the investments.

Investment valued at comparable multiples

The Group has an investment in a company based in South Korea which has been valued based on revenue multiple of comparable entities and EBITDA multiple of comparable historical transactions.

44. SUBSEQUENT EVENTS AFTER REPORTING DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

**Oman International Development
and Investment Company SAOG**

Madinat Al Erfaan
Muscat Hills, Block No 9993
Building No. 95, Seventh Floor
Sultanate of Oman

PO Box 3886, Ruwi
Tel: +968 2476 9500
Email: info@ominvest.com
CR.1173774

ominvest

    @OminvestOman

www.ominvest.com