



**ominvest**

**ANNUAL**  
**REPORT** | **2025**

Transforming Businesses  
**to Enrich Societies**



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# 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. 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. We strongly believe in the important role of business in enriching societies, and our investment philosophy underpins that belief.



## 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.

## OUR VALUES



Integrity



Collaboration



Excellence



Innovation



Good Citizenship



# OMINVEST AT A GLANCE



# CORE COMPETENCIES

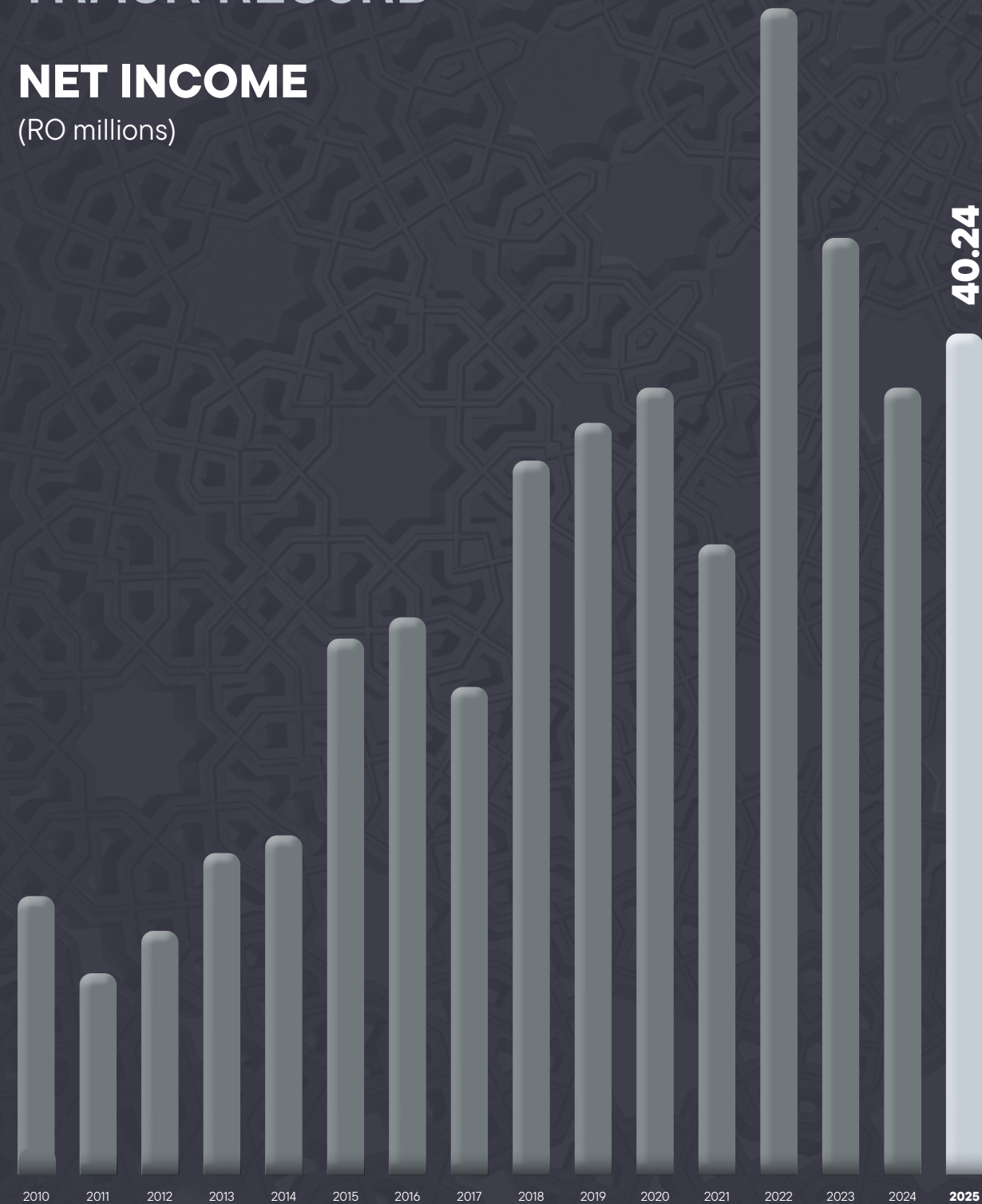




# TRACK RECORD

## NET INCOME

(RO millions)



## CASH / STOCKS AND BONDS DIVIDENDS NET INCOME

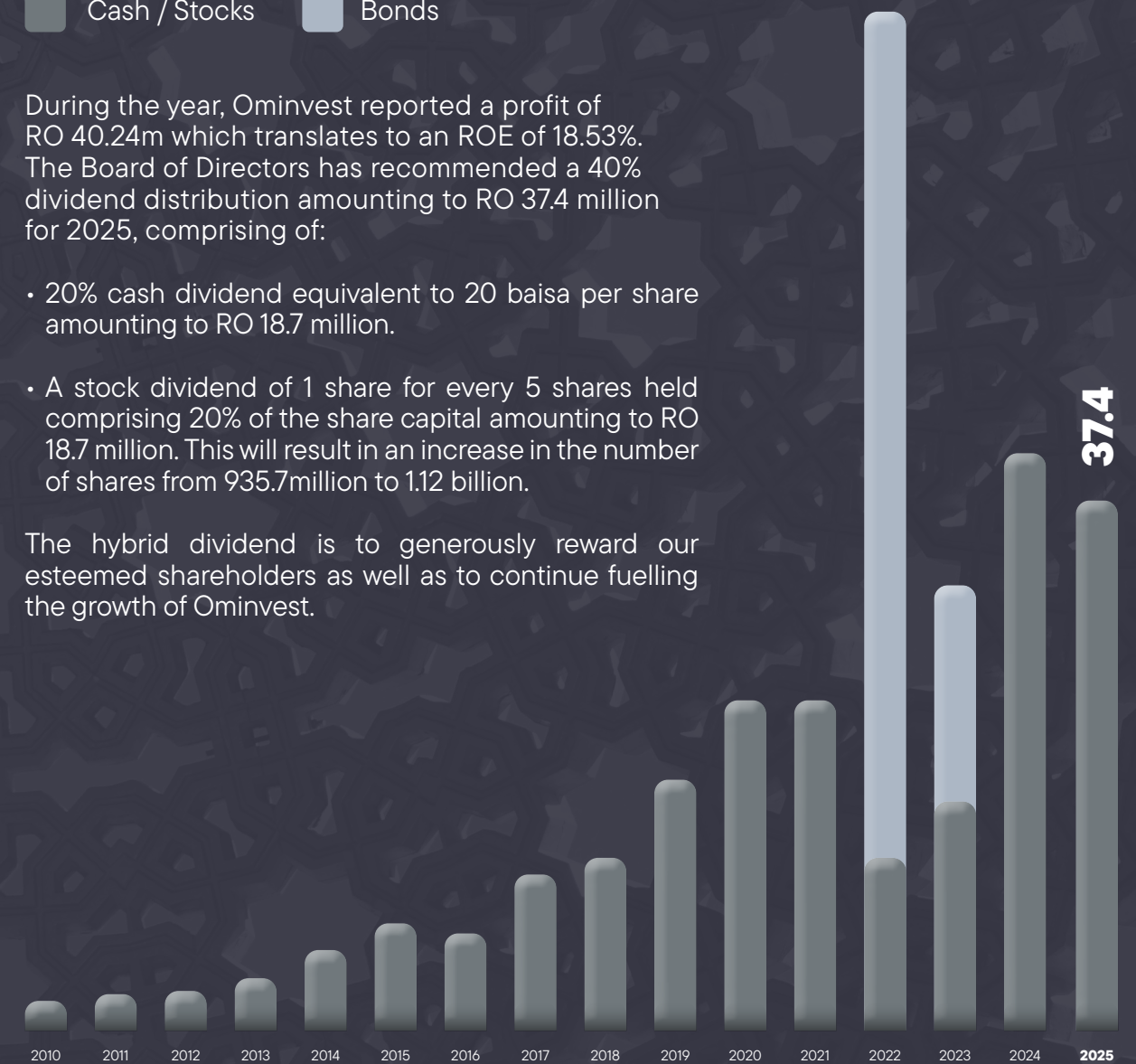
(RO millions)

■ Cash / Stocks ■ Bonds

During the year, Ominvest reported a profit of RO 40.24m which translates to an ROE of 18.53%. The Board of Directors has recommended a 40% dividend distribution amounting to RO 37.4 million for 2025, comprising of:

- 20% cash dividend equivalent to 20 baisa per share amounting to RO 18.7 million.
- A stock dividend of 1 share for every 5 shares held comprising 20% of the share capital amounting to RO 18.7 million. This will result in an increase in the number of shares from 935.7million to 1.12 billion.

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





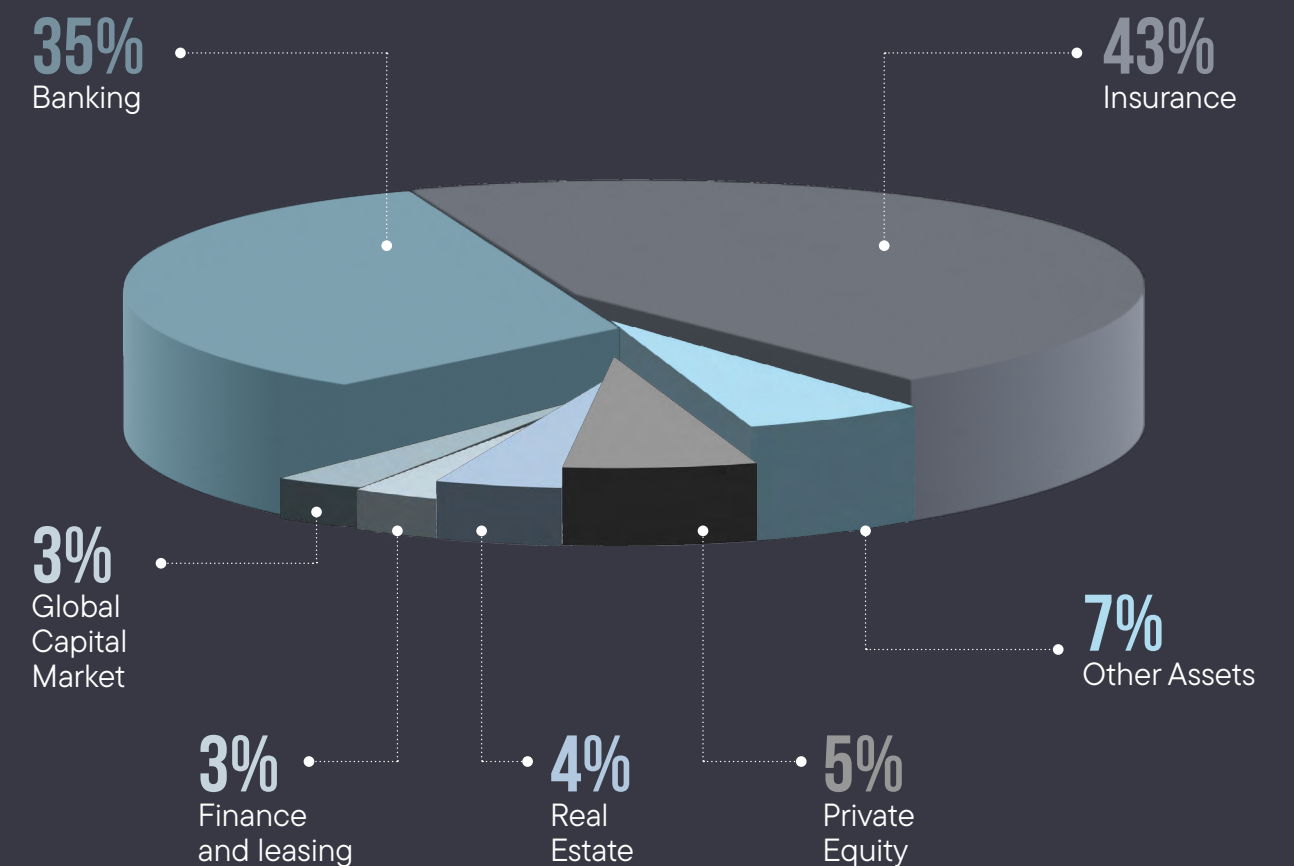
## OMINVEST ACTIVELY DIVERSIFIES ITS PORTFOLIO ACROSS SECTORS

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.

37% of our group consolidated assets are outside Oman compared to less than 1% in 2014.

### DIVERSIFICATION OF GROUP'S CONSOLIDATED ASSETS





# ACHIEVED MAJOR MILESTONES 10 YEARS JOURNEY

2015

Announced merger with ONIC Holding.

Increase in parent company assets from USD 275 MN to USD 623 MN.

2017

Disposal of non-core industrial investments.

Formation of U-Capital.

Successful IPO of NLGIC and Al Ahlia Insurance.

Expansion into Education sector in the GCC.

2016

Boosted NLGIC's capital to grow regionally.

2018

Formation of Jabreen Capital as a private equity arm of Ominvest.

Accumulated 9.99% stake in Bank Muscat, the largest bank in Oman.

National Finance merged with Orix Leasing.

Issuance of perpetual bonds.

2020

IGI listing at NASDAQ and partial exit at 2x book value.

Acquired control over U-Capital, which in turn acquired Gulf Bader Capital Markets.

Successful listing of Oman Arab Bank.

Sale of partial stake in Oman Arab Bank.

Alizz Islamic Bank acquisition by Oman Arab Bank.

2019

Acquired a 43% stake in East Bridge and established office in Singapore.

2021

Issued USD 135m Perpetual Sukuk.

Opened office in Dubai International Financial Centre.

Launched Global Capital Markets Program.

Expanded into U.S. & European logistics via Jabreen Capital.

Invested in schools and real estate.

2023

Secured DFSA 3C license; launched Ominvest Capital (DIFC).

Acquisition of 30% stake of leading Omani FINTECH. Acquisition of stake in Saudi Healthcare company.

Redemption of Ominvest perpetual bonds (OMR 60.6 million).

Record dividend declaration - 105%.

Increased stake in Bank Muscat & IGI.

2022

NLGIC completed a 100% acquisition of RSA Middle East.

Increased shareholding in Takaful Oman to 56%.

Acquired controlling stake in a niche tech company.

Launched mixed used development "LA VIE" in Muscat Hills.

2025

Increased stake in Ubhar Capital from 66% to 81.28% through capital injection.

LA VIE project on track for Q1-2026 completion with global brand partnerships secured.

Saudi greenfield hospital commenced operations, marking completion of our first large-scale healthcare infrastructure project.

Participated in OAB's rights issue, strengthening Tier-1 capital and supporting the growth of a key banking asset.

2024

Sold Ahli Bank, OESCO and partial stake in school platform, generating RO 51 million cash.

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.

LA VIE project progressing as per the plan.

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



# DIRECTORS' REPORT

For the year ended 31 December 2025



**Khalid Muhammad AlZubair**  
Chairman

## 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 2025. 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 2025.

## A Brief on Macroeconomics

The global economy demonstrated notable resilience in 2025 despite elevated geopolitical risks, persistent trade tensions, and ongoing policy uncertainty. Financial conditions eased as global monetary-policy normalization progressed, improving liquidity and supporting risk appetite, particularly across emerging markets. Precious metals reached record highs, reflecting sustained geopolitical uncertainty, inflation and fiscal-risk hedging, and continued central-bank accumulation. At the same time, AI-driven investment themes remained a key pillar of investor confidence, underpinning global equity markets and supporting earnings growth in select sectors.

Across the GCC, economic performance remained resilient, supported by strong fiscal buffers, improved policy credibility, and accelerating non-hydrocarbon activity. Structural reforms, sustained public investment, and prudent fiscal management continued to anchor growth and reinforce investor confidence, even amid oil-price volatility.

In Oman, growth was driven primarily by non-hydrocarbon sectors, including manufacturing, information and communications technology, tourism, logistics, and financial services, reflecting tangible progress in economic diversification and private-sector development. While fiscal conditions softened due to lower oil revenues, fiscal discipline remained intact, with deficits contained within budgeted targets. Oman's sovereign credit profile is now firmly investment-grade, reinforcing confidence in the Sultanate's macroeconomic fundamentals, debt-management strategy, and reform credibility.

Financial-sector reforms advanced further during the year, including the expansion of digital and open-banking regulations, the rollout of national payments infrastructure, and the launch of an Islamic liquidity-management platform. Capital-market conditions were also supportive, with Muscat Stock Exchange (MSX) market capitalization exceeding RO 32 billion, a significant increase in average daily trading value, and broader domestic and foreign investor participation, strengthening Oman's longer-term trajectory toward emerging-market status.



Looking ahead, the outlook remains constructive. The implementation of the 11th Five-Year Development Plan provides a clear policy framework for the coming period, reinforcing the focus on fiscal sustainability, private-sector-led growth, and continued structural reform to support long-term economic resilience and investment attractiveness.

## NOTABLE EVENTS

### The key achievements for the year 2025 include:

**Strategic investments:** Ominvest's core strategic holdings in Bank Muscat, Oman Arab Bank, LIVA Group, National Finance, and International General Insurance delivered robust performance in 2025. These investments generated strong returns, materially increasing our share of results and driving healthy dividend inflows, thereby strengthening Ominvest's earnings profile and cash flow position.

**Enhanced ownership in Ubhar Capital to drive investment banking growth:** In December 2025, we increased our stake in Ubhar Capital from 66% to 81.28% by capital infusion of RO 5.6 million. This was done in line with our plan to strengthen Ubhar's capital base and transform Ubhar into a leading Oman-based investment banking platform.

**Reduced borrowing cost, strengthening liquidity & borrowing capacity:** Amid a softening global interest rate cycle in 2025, we proactively engaged with all major lenders to strategically reprice and optimise our funding base. Through disciplined negotiations and timely execution, we secured meaningful reductions in interest rates across key facilities, lowering our overall cost of capital. In parallel, we expanded our borrowing capacity by securing incremental limits at competitive terms. This has strengthened our liquidity buffer, enhanced balance sheet flexibility, and positioned the Group to efficiently fund growth opportunities while maintaining prudent risk management.

**Oman Arab Bank successfully completed RO 50 million rights issue:** In 2025, our strategic associate, Oman Arab Bank, successfully completed a RO 50 million rights issue, materially strengthening its Tier-1 capital base and reinforcing its balance sheet resilience. The offering was oversubscribed, reflecting strong shareholder confidence in the Bank's solid financial position, clear strategic direction, and long-term growth trajectory. This capital raise enhances the Bank's capacity to support asset growth, pursue strategic initiatives, and sustain prudent capital adequacy levels.

**Credit Rating upgraded to Investment Grade 'BBB-':** Capital Intelligence Ratings (CI) has upgraded our long-term international credit rating to investment grade 'BBB-' with a stable outlook. The upgrade reflects Ominvest Group's position as the leading listed investment group in the Sultanate of Oman and among the largest in the GCC. CI cited our diversified portfolio of high-quality liquid assets, improved financial performance, and stable, predictable dividend inflows from key portfolio companies, which collectively enhance our debt servicing capacity. The agency also recognised our experienced management team and strong governance framework as key contributors to the rating upgrade.

### Group Consolidated Performance

For the year ended 31 December 2025, Ominvest Group achieved strong revenue growth of 17%, with total revenue rising to RO 557.16 million from RO 474.51 million in 2024. Net profit attributable to Ominvest shareholders increased by 8% to RO 40.24 million, compared to RO 37.16 million in the previous year. The results reflect the resilience and depth of the Ominvest Group's diversified portfolio. Supported by disciplined execution, prudent capital deployment, and robust governance, our key portfolio companies delivered performance largely in line with expectations, reaffirming the strength of our strategic positioning and the sound operating fundamentals across the Ominvest Group.

### Parent Company Performance

For the year ended 31 December 2025, the Parent Company recorded steady revenue growth of 3.51%, with revenues rising to RO 75.83 million from RO 73.26 million in 2024, reflecting sustained top-line momentum. Net profit attributable to equity holders increased by 7% to RO 39.43 million, compared to RO 36.82 million in the previous year, demonstrating enhanced earnings quality and operational efficiency. The performance reaffirms the strength of our strategic investments, which continued to generate strong returns and contribute meaningfully to overall shareholder value in 2025.

### Dividend Distribution

The Board of Directors has proposed a 40% dividend distribution for the year ended 31 December 2025, comprising a 20% cash dividend and a 20% stock dividend. Shareholders will receive a cash dividend of 20 baiza per share, amounting to RO 18.71 million and 1 share for every 5 shares held as stock dividend. 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



**Bank Muscat**, our key associate in the banking sector, reported strong results in 2025, driven by a clear strategic vision, disciplined execution, and a commitment to high standards of governance and service excellence. For the year ended 31 December 2025, the bank's net profit rose 13.3% to RO 255.5 million, up from RO 225.6 million in 2024, demonstrating sustained business momentum and operational efficiency. Its loan book grew 4.9% to RO 10.7 billion, while customer deposits increased 6.7% to RO 10.4 billion, reflecting steady growth and strong market confidence. Bank Muscat also maintained a robust capital adequacy ratio of 19.66%, highlighting its solid financial position and prudent risk management. As Oman's leading financial institution, the bank remains focused on sustainable growth, operational optimisation, and long-term value creation for stakeholders.



**LIVA Group SAOG (LIVA)**, our subsidiary in insurance sector, reported a profit of 14.2 million in 2025 compared to a loss of RO 5 million in 2024. LIVA reported a 24% year-on-year increase in insurance revenue in 2025, achieving RO 408.3 million compared to RO 329.5 million in 2025. 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 20%, rising from RO 14.3 million in 2024 to RO 17.1 million in 2025. LIVA views KSA as a key growth market, and the proposed Malath merger is progressing steadily. Upon completion, it is expected to serve as a catalyst for accelerated growth and expanded scale across the GCC. Liva maintained its AM Best 'A-' (Excellent) financial rating, underpinned by a robust balance sheet, prudent investment strategy, and diversified GCC presence.



**International General Insurance (IGI)**, 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.

For the year ended December 31, 2025, IGI reported net profit of \$127.2 million, compared to \$135.2 million in 2024. Net investment income increased to \$60.4 million from \$53.9 million in the prior year. Gross written premiums for the year were \$666.7 million, compared to \$700.1 million in 2024, while net premiums earned totaled \$453.8 million versus \$483.1 million in the prior year. Underwriting income amounted to \$161.1 million, compared to \$187.5 million in 2024, resulting in a combined ratio of 85.9%, compared to 79.9% last year. Book value per share increased to \$16.91 at year end, up from \$14.85 at December 31, 2024.



**Oman Arab Bank SAOG (OAB)**, our associate in the banking sector, delivered a strong financial performance, reporting a consolidated profit of RO 34.4 million for the year 2025 - an 13% increase from RO 30.4 million in 2024. This growth was driven by solid expansion in core operations and a significant improvement in loan recoveries. OAB's net interest income from conventional banking and net income from Islamic financing stood at RO 112.6 million for the year 2025, up 13% compared to RO 99.5 million in 2024 due to an increase in interest and financing income by 3% coupled with decrease in interest and profit expense by 4%. OAB's net loans and advances, including Islamic finance, grew by 7% to RO 3.7 billion and customer deposits grew by 6%, reaching RO 3.77 billion.

OAB's subsidiary, Alizz Islamic Bank SAOC, delivered impressive financial results for the year ended 31 December 2025, with its net profit increasing by 20% to RO 12 million. Alizz's net financing receivables increased by 10% reaching RO 1.20 billion and customer deposits grew by 16% reaching RO 1.28 billion.



**National Finance Company SAOG (NFC)**, our associate which is the market leader in the leasing sector, remains committed to high-quality lending, achieving a 25.5% increase in net profit to RO 15.2 million for the year ended 31 December 2025, compared to RO 12.1 million in 2024. The successful issuance of perpetual bonds and borrowing facilities from banks have driven a robust 12.7% growth in net investment in leases, reaching RO 652.7 million as of 31 December 2025, up from RO 578.9 million in 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, with 56% of market share.



**Oman Real Estate Investments & Services SAOC (ORIS)**, our real estate subsidiary, launched the prestigious LA VIE project in 2023, featuring a world-class golf course, luxury hotel, and premium residential units. The project is now nearing completion, with the Hotel Operator taking over the Hotel building, while the residential apartments are in the snagging stage and progressing toward handover by March 2026. As of today, approximately 80% of the premium units have been sold, reflecting strong demand in the luxury apartment segment. Strategic partnerships have been established with Benihana and The Coffee Club and

expected to launch in the Oman market by Q2 2026. ORIS remains dedicated to strengthening the performance of its group companies and subsidiaries through active support in their real estate development and investment activities.

**Other key investments** include, private equity investments, which are focused on diverse sectors and expanding into new growth markets in Asia, amounted to RO 71 million.

## Corporate Citizenship

Ominvest continues to embed Environmental, Social, and Governance (ESG) principles at the core of its strategy, aligning its business practices with internationally recognised frameworks, including Oman Vision 2040 and the United Nations Sustainable Development Goals (UN SDGs).

Throughout 2025, Ominvest continued to strengthen the integration of ESG principles across its operations. Our initiatives were guided by a long-term vision to deliver meaningful social impact while supporting sustainable growth. Key initiatives during the year were implemented under three strategic pillars: Youth Education and Entrepreneurship Empowerment, Environmental Sustainability, and Community Support and Donations.

Reinforcing our commitment to transparency and accountability, Ominvest continued its sustainability reporting journey, building on the progress achieved in previous years. Our ESG framework continues to evolve, ensuring alignment with regulatory requirements, international best practices, and stakeholder expectations, while embedding sustainability considerations into our decision-making processes.

## Youth Education and Entrepreneurship Empowerment

Empowering Omani youth remains a core priority for Ominvest. During 2025, we continued to invest in initiatives that enhance leadership capabilities, entrepreneurial thinking, and future-ready skills.

Building on the success of previous editions, we continued our partnership with Outward Bound Oman through the "Ominvest Young Shapers" programme. Delivered through immersive, outdoor-based learning experiences, the programme focused on developing leadership, accountability, teamwork, and resilience among 100 participants. The initiative aligns closely with Oman Vision 2040 by preparing young Omanis to take on leadership roles across sectors and contribute positively to national development.

Ominvest also continued its fruitful partnership with Injaz Oman's The Company Program, benefiting over 700 high school and university students with hands-on experience in entrepreneurship, business management, and financial literacy. Delivered across 73 schools and supported by 200 volunteers, the programme led to the establishment of 119 student-run companies and more than 3,000 contact hours of experiential learning.

In addition, Ominvest expanded its youth-focused initiatives through the launch of Future Frames, a collaborative programme with Bait Al Zubair Foundation. This innovative initiative combines art, creativity, and artificial intelligence (AI) to equip young participants with digital, creative, and critical-thinking skills. By bridging culture and emerging technologies, Future Frames reflects Ominvest's commitment to fostering future-oriented capabilities while nurturing creative expression and innovation among youth.



Ominvest also supported Omani youth development and national progress by sponsoring outstanding local university students to attend Expo 2025 in Osaka, Japan. The initiative provided 166 participants with valuable exposure to global innovation, industry leaders, and emerging technologies, contributing to the development of future-ready skills and leadership capabilities.

Through these initiatives, Ominvest continues to support youth development beyond traditional education models, equipping participants with the skills required to thrive in an evolving economic and technological landscape.

### Environmental Sustainability

Environmental stewardship remains an integral part of Ominvest's ESG approach. During the year, we continued to advance responsible environmental practices across our operations and partnerships.

As part of these efforts, Ominvest continued its membership with the Environment Society of Oman (ESO), continuing its support of the organisation's ongoing efforts to promote environmental conservation, research, and awareness across the Sultanate. In addition, we provided sponsorship of RO 5,000 as a Coral Partner for ESO's 2025 Charity Ball, an initiative aimed at supporting fundraising for critical environmental programmes focused on education, research, and the protection of Oman's natural resources.

### Community Support and Donations

At Ominvest, we strive to create a positive and lasting impact within the communities we serve. Community engagement and social responsibility remain key pillars of our strategy.

During 2025, Ominvest successfully concluded the Third Football Tournament for Government Institutions, further strengthening collaboration between public-sector entities and promoting employee well-being. The tournament brought together 16 teams from across government institutions, fostering teamwork, healthy competition, and a culture of physical and mental well-being. This initiative reflects Ominvest's commitment to enhancing quality of life in work environments while building meaningful institutional partnerships.

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 development of future talent remains a priority for Ominvest. During the year, our internship programme provided 39 students and graduates with valuable opportunities to gain practical, hands-on experience within a listed investment company environment.

Through structured exposure and mentorship, participants were able to bridge the gap between academic learning and real-world practice, supporting skills development and long-term employability.

These initiatives collectively demonstrate Ominvest's dedication to enriching societies, strengthening communities, and contributing to sustainable national development. As a responsible corporate citizen, Ominvest remains focused on delivering long-term value for stakeholders while upholding its role as a catalyst for positive social and economic impact.

### 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.

Additionally, I would like to thank the Financial Services Authority, Central Bank of Oman and Muscat Stock Exchange 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



**Hamad Al Wahaibi**  
Director





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PR No. HMH/15/2015; HMA/9/2015

#### AGREED-UPON PROCEDURES REPORT ON CORPORATE GOVERNANCE REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG

##### Scope and purpose

We have performed the procedures 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") as at and for the year ended 31 December 2025 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").

##### 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 2025 and does not extend to any financial statements of Oman International Development and Investment Company SAOG, 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 management

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 regulations in the Sultanate of Oman. 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 CORPORATE GOVERNANCE REPORT TO THE SHAREHOLDERS OF OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG (continued)

##### Our independence and quality management (continued)

EY applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or 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 2025.

Our procedures and findings included:

| No. | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Findings             |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| (a) | We obtained the Corporate Governance Report issued by the Board of Directors and checked that the Report of the Company includes at minimum all items suggested by FSA to be covered by the report as detailed in the Annexure 3 of the Code.                                                                                                                                                                                                                                                                                                                                                   | No exceptions noted. |
| (b) | We obtained from the Company details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2025 and compared these with those included in the Report in the section "Details of non-compliance and penalties, together with the reasons for such non-compliance for the year ended 31 December 2025".<br><br>Additionally, we obtained written representations from the Board of Directors that there were no other areas of non-compliance with the Code for the year ended 31 December 2025 of which they were aware. | No exceptions noted. |

Ernst & Young  
12 March 2026  
Muscat





# CORPORATE GOVERNANCE REPORT

Corporate Governance forms the framework through which Oman International Development & Investment Co. SAOG (Ominvest or the Company) is directed and controlled, establishing clear lines of accountability and defining the rights and responsibilities of its stakeholders, including shareholders, the Board of Directors, management, committees, and employees. The Governance Framework provides a structured system that promotes effective oversight, transparency, and sustainable long-term value creation.

Ominvest's Governance Framework is aligned with ISO 37000, an internationally recognized standard that provides guidance for governing bodies and reinforces globally accepted governance principles. The framework clarifies purpose and values, strengthens decision-making processes, and embeds structured performance monitoring and accountability across the organization. Guided by its **Vision** to be an eminent investment group in the MENA region with meaningful global reach and impact, and its **Mission** to create sustainable stakeholder value through prudent investments in growth sectors and markets while implementing, scalable platforms, and impactful ESG initiatives. Ominvest operates in accordance with its core **Values** of integrity, collaboration, excellence, innovation, and good citizenship, and its overarching **Purpose** of transforming businesses to enrich societies. In response to the evolving regulatory and ESG landscape, the Company continues to enhance its governance practices, further strengthening internal controls, risk oversight, and transparency. The framework also establishes clear protocols for effective decision-making, aligns strategic objectives with long-term value creation, and defines measurable criteria for monitoring and evaluating corporate performance.

Governance underpins the Company's strategy by supporting disciplined capital allocation, sustainable growth, prudent risk management, and value creation, while enabling the Company to pursue strategic opportunities and adapt to evolving market conditions in alignment with long-term shareholder interests. The strength of this integrated governance and strategic approach is reflected in Ominvest's inclusion in the MSCI GCC Countries Index, underscoring market confidence in the Company's governance standards, strategic clarity, and long-term value creation model.

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 all applicable regulations and guidelines.

## Board of Directors

Ominvest is led by a visionary and diverse Board of Directors that guide and support 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 Directors

As of 31 December 2025, 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 six (6) Board meetings during the year ended 31 December 2025. These were held on 26 February, 19 March, 13 May, 13 August, 12 November, and 21 December 2025. The maximum interval between any two (2) meetings was ninety- two (92) 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          | 6                              | Yes                       |
| Sheikh Khalid Abdullah Al Khalili | 4                              | Yes                       |
| Brigadier Jamal Said Al Tai       | 6                              | Yes                       |
| Khaula Hamood Al Harthi           | 5                              | Yes                       |
| Najat Ali Al Lawati               | 6                              | Yes                       |
| Dr. Rashid Ali Al Balushi         | 6                              | Yes                       |
| Muhammad Husam AlZubair           | 6                              | Yes                       |
| Hamad Mohammad Al Wahaibi         | 6                              | Yes                       |
| Khalid Nasser Al Shamsi           | 6                              | Yes                       |

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 discussed in detail by the Audit, Compliance and Risk Committee. The interested directors neither participate in the discussion, nor do they vote on such matters.

The Company addresses Related- Party matters as per its internal control policies and procedures and in accordance with the Code. 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                     | On 31 Dec 2025 (Holding%) |
|---------------------------------|---------------------------|
| Khalid Muhammad AlZubair        | 19.94                     |
| Al Hilal Investment Company LLC | 19.37                     |
| Social Protection Fund          | 11.93                     |

## Committees of the Board

### Nomination, Remuneration and Executive Committee (“NREC”)

As of 31 December 2025, the NREC consists of five (5) non-executive members, of which one (1) is independent and four (4) are non-independent. During the year 2025, the Committee met five (5) times on 20 February, 7 May, 7 August, 5 November and 16 December 2025, and the attendance record of the members is tabled below.

| Name of 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                                 |
| Muhammad Husam Al Zubair          | Member          | Non-Independent | 5                                 |
| Hamad Mohammad Al Wahaibi         | Member          | Independent     | 5                                 |
| Khalid Nasser Al Shamsi           | Member          | Non-Independent | 5                                 |

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 conducts its activities in accordance with its Annual Plan, which is developed in compliance with the Code to manage its responsibilities for the year. During 2025, 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 2025, 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 2025, the ACRC met six (6) times. The meetings took place on 23 February, 12 May, 10 August, 28 September, 11 November, and 23 December 2025 and the attendance record is tabled below.

| Name of Committee Member           | Position        | Status          | Meetings Attended During the Year |
|------------------------------------|-----------------|-----------------|-----------------------------------|
| <b>Brigadier Jamal Said Al Tai</b> | Chairman        | Independent     | 6                                 |
| <b>Najat Ali Al Lawati</b>         | Deputy Chairman | Independent     | 5                                 |
| <b>Khaula Hamood Al Harthi</b>     | Member          | Independent     | 4                                 |
| <b>Dr Rashid Ali Al Balushi</b>    | Member          | Non-Independent | 6                                 |

The Committee evaluated proposals received for the statutory audit of the Company in 2025. 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 2025-2027 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 updates 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.

Internal Audit Department has achieved “Full Conformance” with the Global Internal Audit Standards (GIAS) and the Institute of Internal Auditors (IIA) Code of Ethics, and Article 173 of the FSA Regulation no. 27/2021 outlining the regulations for public joint stock companies in Oman. The statement is in accordance with the requirements stated in Standard 8.3 and 15.1 of GIAS and Article 173 of FSA Regulations no.27/2021.

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 27 March 2025, the Directors were paid a remuneration of One Hundred Fifty Thousand Rial Omani (RO 150,000) for 2024. 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 2025 were as follows:

|              |                    |                                                                                     |
|--------------|--------------------|-------------------------------------------------------------------------------------|
| <b>Board</b> | 26,000 (RO)        | <i>There was no other remuneration paid by the Company to any of the Directors.</i> |
| <b>NREC</b>  | 12,000 (RO)        |                                                                                     |
| <b>ACRC</b>  | 10,500 (RO)        |                                                                                     |
| <b>Total</b> | <b>48,500 (RO)</b> |                                                                                     |

Remuneration for 2024 paid in 2025 and sitting fees paid for 2025 relating to individual Directors was (in RO) as follows:

| Director                                 | Sitting Fees  |               |               |               | Remuneration for 2024 | Total          |
|------------------------------------------|---------------|---------------|---------------|---------------|-----------------------|----------------|
|                                          | Board         | NREC          | ACRC          | Total         |                       |                |
| <b>Khalid Muhammad Al Zubair</b>         | 3,000         | 2,500         | -             | <b>5,500</b>  | 23,077                | 28,577         |
| <b>Sheikh Khalid Abdullah Al Khalili</b> | 2,500         | 2,000         | -             | <b>4,500</b>  | 19,230                | 23,730         |
| <b>Brigadier Jamal Said Al Tai</b>       | 3,000         | -             | 3,000         | <b>6,000</b>  | 15,385                | 21,385         |
| <b>Khaula Hamood Al Harthi</b>           | 2,500         | -             | 2,000         | <b>4,500</b>  | 15,385                | 19,885         |
| <b>Najat Ali Al Lawati</b>               | 3,000         | -             | 2,500         | <b>5,500</b>  | 15,385                | 20,885         |
| <b>Dr. Rashid Ali Al Balushi</b>         | 3,000         | -             | 3,000         | <b>6,000</b>  | 15,385                | 21,385         |
| <b>Muhammad Husam Al Zubair</b>          | 3,000         | 2,500         | -             | <b>5,500</b>  | 15,385                | 20,885         |
| <b>Khalid Nasser Al Shamsi</b>           | 3,000         | 2,500         | -             | <b>5,500</b>  | 10,256                | 15,756         |
| <b>Hamad Mohammad Al Wahaibi</b>         | 3,000         | 2,500         | -             | <b>5,500</b>  | 10,256                | 15,756         |
| <b>Evangelos Papadopoulos</b>            | -             | -             | -             | -             | 5,128                 | 5,128          |
| <b>Jamal Shamis Al Hooti</b>             | -             | -             | -             | -             | 5,128                 | 5,128          |
| <b>TOTAL</b>                             | <b>26,000</b> | <b>12,000</b> | <b>10,500</b> | <b>48,500</b> | <b>150,000</b>        | <b>198,500</b> |

Directors' Remuneration proposed for 2025 is Three Hundred Rials Omani (RO 300,000) and this is subject to shareholders' approval at the AGM scheduled to be held on 31 March 2026.

### 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 2025, the Company had Thirty-Nine (39) full-time employees. The expenses (salaries, allowances, other statutory payments and bonuses) incurred for 2025 relating to the top (5) full-time Executive Management team of the company was Three Million Nine Hundred Eighty-Three Thousand, and One Hundred Thirty-Four Omani Rials (RO 3,983,134).

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.



# PROFILE OF EXECUTIVE MANAGEMENT

The following are the profiles of the  
Executive Management as of 31 December 2025:



**AbdulAziz Al Balushi**  
Group CEO

AbdulAziz Mohammed Al Balushi serves as the Group Chief Executive Officer of Ominvest Group. With over 40 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), 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. Abdul Aziz 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, and Liva Insurance SAOC. Additionally, he is a board member of Oman Arab Bank SAOG, National Finance Company SAOG, Liva Group SAOG, as well as Injaz Oman.





**Badar Al Shanfari**  
Chief Operating Officer

Badar Al Shanfari is the Chief Operating Officer at Ominvest and comes with over 20 years of extensive experience in investments and financial services. Badar In addition to overseeing Strategic Investments, also oversees Legal, Compliance, Governance, Finance, Treasury Management, Strategic Monitoring, and Information Technology.

Prior to his current role, Badar served as Deputy CEO at Jabreen Capital, Ominvest's Private Equity subsidiary. He was also Deputy CEO at EastBridge Partners in Singapore, where he led Ominvest's strategic initiatives in Southeast Asia. Additionally, Badar served as CEO of Uzbek-Oman Investment Company, the leading private equity firm based in Tashkent.

Throughout his career, Badar has served and continues to hold positions on numerous Boards across various sectors and international markets, contributing strategic oversight and enhancing organizational performance and governance.

Badar holds a Bachelor's degree in Business Administration from Duquesne University, an MBA from Strathclyde University, and is a Certified Public Accountant (CPA) from the state of Delaware, USA.



**Chetan Kejriwal**  
Chief Financial Officer

Chetan Kejriwal is the Chief Financial Officer (CFO) at Ominvest Group, where he oversees the group's financial strategic planning, implementation, and management. He is responsible for steering Ominvest towards greater financial success and delivering enhanced shareholder value through robust financial governance, operational excellence, and strategic decision-making.

With more than 20 years of extensive industry expertise spanning investment, banking, insurance, leasing, oil and gas, and retail sectors, Chetan brings deep insight into complex financial operations and organizational transformation. He is known for his strong leadership skills, adeptly managing finance teams and collaborating across departments to drive business results.

Chetan's expertise includes advising on business restructuring, investment accounting, process improvements, IPOs, and complex mergers, acquisitions, and reverse acquisitions. Prior to joining Ominvest, he served as a Partner at EY MENA, where he advised leading organizations on financial strategy and transformation. Chetan holds a Bachelor of Commerce from Mumbai University, India, and is a Member of the Institute of Chartered Accountants of India.



**Waleed Al Yarubi**  
Chief People, Corporate  
Communication and  
Sustainability Officer

As the Chief People, Corporate Communication and Sustainability Officer at Ominvest, a leading investment group in Oman, Waleed Al Yarubi provides strategic leadership across key business functions including Human Capital, Corporate Communications, Investor Relations, Sustainability, and ESG. Waleed is instrumental in aligning Ominvest's people strategies with global best practices, fostering a high-performance culture, and embedding sustainability across the organization.

As the leader of Corporate Communications, he is responsible for building and maintaining a strong, positive corporate reputation for the Ominvest Group. A key part of his role is to foster investor trust and stakeholder engagement. By leading corporate communications and investor relations, he ensures that the company's investment growth and sustainability initiatives are clearly and transparently communicated to stakeholders.

Waleed's expertise extends to leveraging communications to highlight Ominvest's commitment to social and environmental responsibility, which is integral to the company's purpose of "Transforming Businesses to Enrich Societies".

Throughout his career, Waleed has consistently delivered strategic human capital solutions that drive organizational success. Prior to joining Ominvest, he has held prominent leadership positions, including Group Head of Human Resources and Chief People Officer at leading business institutions in the Sultanate of Oman.

Waleed holds a Master's degree in Business Administration from the University of Hull and a Bachelor's degree with honours in Finance Management. He also holds Executive Leadership certificate (COO Executive Programme) from INSEAD. Additionally, he has earned certifications in Merger & Acquisitions, Circular Economy, Innovation Management, Global Strategy Management, Performance Management, Project Management, and Risk Management.





**Sarah Lashkoo**  
Chief Legal, Compliance  
& Governance Officer

Sarah Lashkoo is the Chief Legal, Compliance & Governance Officer (CLCGO) at Ominvest Group, where she leads the Group's legal, compliance, and governance functions across Ominvest and its managed subsidiaries. With over 16 years of experience in commercial and corporate law, compliance and governance, Sarah provides strategic counsel on complex legal and regulatory matters, supporting the Group's diverse investment and operational activities.

Since joining Ominvest in 2014, Sarah has played a pivotal role in driving major transactions and corporate initiatives. These include the acquisition of RSA Middle East by National Life and General Insurance SAOG, the issuance of RO 60 million Unsecured, Perpetual, and Subordinated Bonds, and RO 13 million Unsecured, Subordinated, and Mandatory Convertible Bonds. Sarah was instrumental in establishing Ominvest private equity arm and multiple DIFC entities, including a category 3C licensed company, while also facilitating investments across Ominvest's healthcare and education platforms. In addition, Sarah supported the development of a landmark real estate project through Ominvest's dedicated real estate arm.

Sarah is recognized for her thought leadership in the legal community and is a passionate advocate for women's empowerment, having delivered keynote addresses and participated in panels such as Muntada al Mará and the Al Mar'a Summit & Annual Awards.

Prior to Ominvest, she worked at the Ministry of Justice and Legal Affairs, focusing on international treaties and government contracts.

Sarah holds a Master of Law in International Business and Economic Law from Georgetown University, USA, a Bachelor of Law from the University of Reading, UK, and a certified Diploma in Corporate Governance from the Corporate Governance Institute (Ireland, UK). She is currently a member of the Muscat Clearing & Depository Co. SAOC Issuer User Committee.



**Muneer Al Mughairy**  
Chief Audit Officer

Muneer Al Mughairy is the Chief Audit Officer at Ominvest Group, where he oversees internal audit, risk management, and corporate governance frameworks across the organization and its affiliates. With more than 20 years of experience, Muneer is recognized for delivering comprehensive assurance and advisory services, ensuring robust governance practices and effective risk management throughout the group.

Since joining Ominvest in 2014, Muneer has been instrumental in shaping and strengthening the organization's governance standards. He provides strategic oversight as a board member and chairman of audit committees for various companies, driving accountability and transparency at the highest levels.

Prior to Ominvest, Muneer served as Head of Internal Audit at Takamul Group Investment Company, where he established the audit department and implemented risk-based audit strategies aligned with the company's growth objectives. Beyond his corporate responsibilities, Muneer is an active leader in the internal audit profession, serving as Chairperson of the Institute of Internal Auditors (IIA) – Oman and as a member of the General Assembly of the Arab Confederation of Institutes of Internal Auditors. He is widely recognized for his thought leadership and advocacy for best practices in internal auditing.

Muneer holds a Master's degree in Business Administration from Strathclyde University. He is a Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Certified Information Systems Auditor (CISA), reflecting his commitment to professional excellence and continuous development.

## 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](http://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 2025 was:

| Number of Shares                | % Held    | Number of Shareholders | Total Shares       | % of Share Capital |
|---------------------------------|-----------|------------------------|--------------------|--------------------|
| <b>Above (935,711,911)</b>      | Above 10% | 3                      | 479,458,771        | <b>51.24</b>       |
| -                               | -         | -                      | -                  | -                  |
| <b>(9,814,308 – 38,297,125)</b> | 1% to 5%  | 10                     | 204,231,551        | <b>21.83</b>       |
| <b>Below (9,814,308)</b>        | Below 1%  | 2,074                  | 252,021,589        | <b>26.93</b>       |
| <b>TOTAL</b>                    |           | <b>2,087</b>           | <b>935,711,911</b> | <b>100.00</b>      |

### Statutory Auditor

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, EY has grown to over 8,500 people united across 27 offices and 14 countries, sharing the same values and an unwavering commitment to quality. Globally, EY operates in more than 150 countries and employs over 400,000 professionals. EY operates as one firm, with 3 geographic areas, and EY member firms are grouped into 10 regions. Please visit ey.com for more information about EY.

### Legal Advisor

Trowers is an international law firm with 170 Partners and more than 1000 people located the UK, Middle East, and Asia. With offices in Oman, Bahrain, Abu Dhabi, Dubai, Saudi Arabia, Malaysia and Singapore.



Trower's has been offering global experience and local expertise in the Sultanate of Oman for more than six decades. Trowers opened their 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.

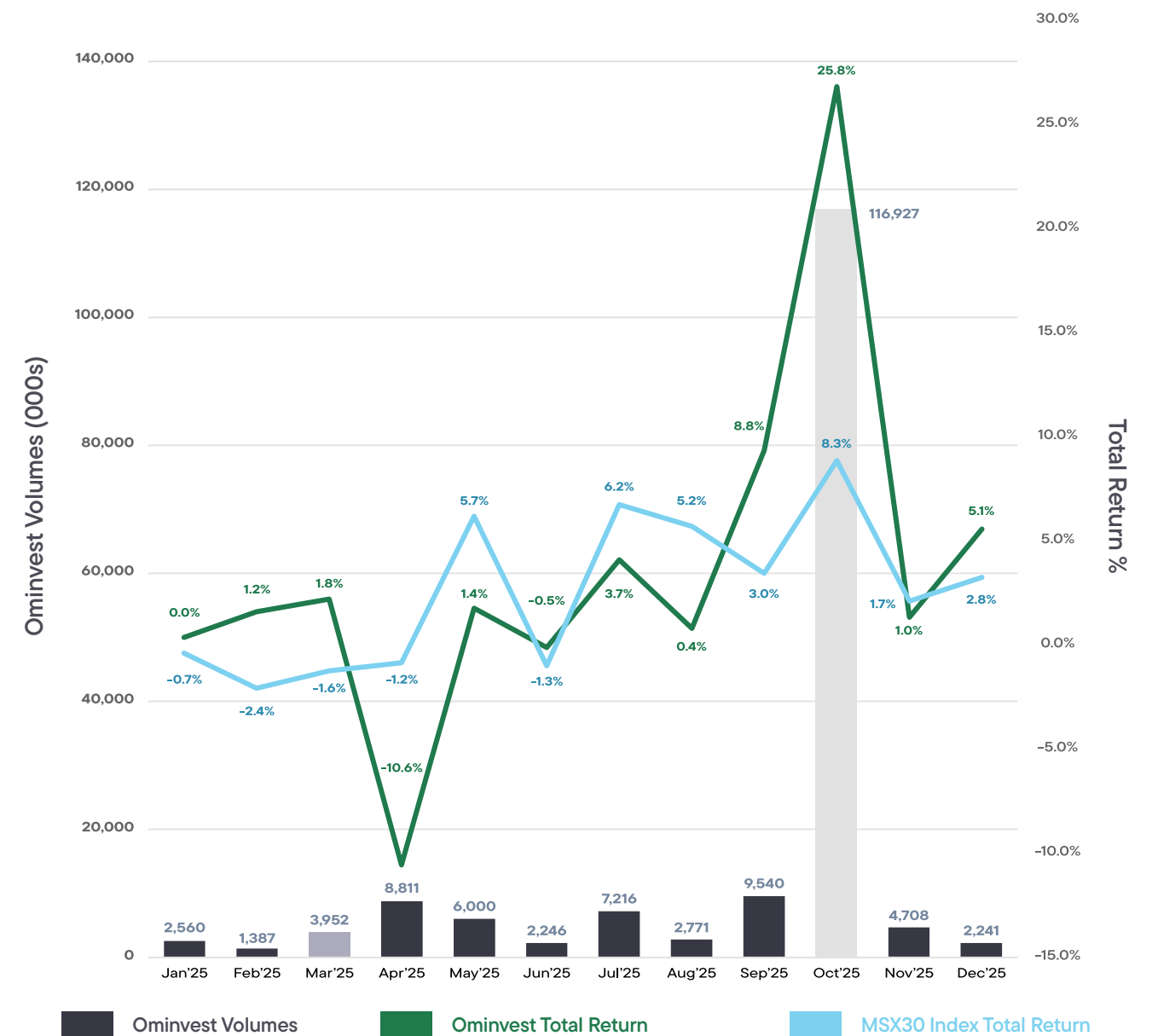
Trowers have a deep understanding and knowledge of the local market alongside the specialist skills that their clients need to succeed. Understanding local law in both letter and practice is a vital part of Trowers offering. Trowers have experts in corporate & commercial matters, banking and finance, 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 2025 versus MSX-30 Index is shown below:

#### Total Return in 2025 - OMINVEST vs MSM30 Index

Source: MSX



Details of Ominvest high, low, and closing share prices during each month are as follows:

| Ominvest Share Price Data | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>High</b>               | 0.330  | 0.338  | 0.342  | 0.218  | 0.220  | 0.220  | 0.227  | 0.230  | 0.252  | 0.314  | 0.317  | 0.331  |
| <b>Low</b>                | 0.330  | 0.330  | 0.337  | 0.210  | 0.220  | 0.219  | 0.225  | 0.228  | 0.246  | 0.290  | 0.310  | 0.324  |
| <b>Close</b>              | 0.330  | 0.334  | 0.340  | 0.217  | 0.220  | 0.219  | 0.227  | 0.228  | 0.248  | 0.312  | 0.315  | 0.331  |

Source: MSX Monthly Bulletin



## Dividend Distribution

During 2025, the shareholders approved a dividend distribution equivalent to 60% of the Company's share capital amounting to RO 40.10 million in respect of the financial year ended 2024. The approved distribution comprised (i) a cash dividend of 20%, equivalent to 20 baisa per share, amounting to RO 13.37 million, and (ii) a share dividend of 40%, issued as 4 shares for every 10 shares held, amounting to RO 26.73 million. As a result of the share dividend, the Company's issued share capital increased from 668,365,426 shares to 935,711,596 shares.

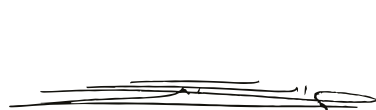
## Details of Non-compliance

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:

- 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;
- 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;
- 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:** 10 March 2026

## 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        |
|------------------------------------------------------|--------------------------------------|-----------------|-----------|-----------------|
| <b>Khalid<br/>Muhammed<br/>AlZubair</b>              | Liva Group SAOG                      | Chairman        | NREIC     | Chairman        |
| <b>Sheikh<br/>Khalid<br/>Abdullah<br/>Al Khalili</b> | Liva Insurance SAOC                  | Director        | -         | -               |
|                                                      | Bank Nizwa SAOG                      | Chairman        | EC        | Member          |
|                                                      |                                      |                 | RNC       | Member          |
| <b>Brigadier<br/>Jamal Said<br/>Al Tai</b>           | Oman Telecommunications Company SAOG | Deputy Chairman | SIC       | Deputy Chairman |
|                                                      | Renaissance Services SAOG            | Director        | -         | -               |
| <b>Najat Ali<br/>Al Lawati</b>                       | National Bank of Oman SAOG           | Director        | ACRC      | Member          |
|                                                      | Oman Cement Company SAOG             | Director        | CC        | Member          |
|                                                      |                                      |                 | ENRC      | Member          |
| <b>Dr. Rashid<br/>Ali Al Balushi</b>                 | National Finance Company SAOG        | Director        | NRHRC     | Member          |
|                                                      | Liva Insurance SAOC                  | Director        | AC        | Chairman        |
| <b>Muhammad<br/>Husam<br/>Al Zubair</b>              | National Finance Company SAOG        | Director        | AC        | Chairman        |
|                                                      | National Finance Company SAOG        | Director        | NREC      | Member          |
| <b>Hamad<br/>Mohammad<br/>Al Wahaibi</b>             | National Bank of Oman SAOG           | Director        | CC        | Chairman        |
|                                                      | National Bank of Oman SAOG           | Director        | ENRC      | Member          |
|                                                      | Renaissance Services SAOG            | Director        | AC        | Chairman        |
|                                                      | Oman Flour Mills SAOG                | Deputy Chairman | ENRC      | Member          |
| <b>Khalid Nasser<br/>Al Shamsi</b>                   | Bank Muscat SAOG                     | Director        | RC        | Chairman        |
|                                                      |                                      |                 | NCC       | Member          |

AC = Audit Committee  
CC = Credit Committee  
EC = Executive Committee  
ESG = Environmental, Social and Governance  
NCC = Nomination and Compensation Committee  
NRC = Nomination and Remuneration Committee  
NREC/ ENRC = Nomination, Remuneration and Executive Committee  
NREIC = Nomination, Remuneration, Executive, and Investment Committee  
NRHRC = Nomination Remuneration and Human Resources Committee  
RC = Risk Committee  
SIC = Strategy and Investment Committee

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

For the Year ended 31 December 2025

## 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 continued to strengthen its investment strategy in response to evolving economic and market dynamics, reinforcing its commitment to long-term value creation and capital preservation. During the year, Ominvest advanced the implementation of its approved five-year strategic roadmap, which provides a clear and disciplined framework for sustainable growth, enhanced capital allocation, and operational excellence across the portfolio.

Our strategic focus remains centered on optimizing the financial services portfolio, pursuing selective market consolidation, and leveraging technological advancements to enhance competitiveness and scalability. The strategy emphasizes investment in sustainable businesses with strong governance frameworks, ensuring resilience and adaptability amid changing market conditions while proactively managing concentration and market risks.

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. Internationally, Ominvest maintains an agile investment approach in high-growth markets, enabling to navigate geopolitical and economic shifts while capturing new opportunities within a robust risk management framework. Looking ahead, the implementation of the five-year strategy positions Ominvest to capitalize on emerging opportunities, leveraging its proven track record of growth and financial stability. Guided by a clear strategic vision and a future-ready strategy, Ominvest remains well positioned to deliver sustainable value creation and long-term success for its 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 2025:

In 2025, Ominvest delivered improved performance, supported by a favorable economic environment and disciplined execution of its strategic priorities. The year was marked by meaningful progress across key initiatives, reflecting the company’s strengthened market position, operational momentum, and growing investor confidence.

Our core strategic holdings in Bank Muscat, Oman Arab Bank, LIVA Group, National Finance Company, and International General Insurance delivered robust performance in 2025. These investments generated strong returns, materially increasing our share of results and driving healthy dividend inflows, thereby strengthening Ominvest’s earnings profile and cash flow position.

This section highlights key operational achievements during the year, demonstrating Ominvest’s ability to capitalize on improving market conditions while maintaining a clear focus on sustainable growth and long-term value creation. Key operational highlights are as follows:

01

Ominvest maintained a strong and resilient liquidity position during 2025, supported by proactive treasury management and disciplined financial policies. Amid a softening global interest rate cycle in 2025, we proactively engaged with all major lenders to strategically reprice and optimise our funding base. Through disciplined negotiations and timely execution, we secured meaningful reductions in interest rates across key facilities, lowering our overall cost of capital. In parallel, we expanded our borrowing capacity by securing incremental limits at competitive terms. This has strengthened our liquidity buffer, enhanced balance sheet flexibility, and positioned Ominvest to efficiently fund growth opportunities while maintaining prudent risk management.

02

During 2025, Capital Intelligence Ratings upgraded Ominvest’s long-term international credit rating to investment grade ‘BBB-’ with a stable outlook. The upgrade reflects Ominvest’s position as the leading listed investment company in the Sultanate of Oman and among the largest in the GCC. Capital Intelligence Ratings cited our diversified portfolio of high-quality liquid assets, improved financial performance, and stable, predictable dividend inflows from key portfolio companies, which collectively enhance our debt servicing capacity.

03

Ominvest increased its stake in its subsidiary Ubhar Capital SAOC from 66% to 81.28% through capital injection in December 2025, strengthening its investment banking platform and enhancing strategic alignment to support growth under the evolving regulatory and market environment.

04

Ominvest participated in Oman Arab Bank SAOG’s rights issue during 2025, strengthening the bank’s Tier-1 capital and reinforcing the financial resilience and growth capacity of one of its key banking assets. The successful capital raise reflects continued shareholder confidence in OAB’s strategic direction and long-term growth prospects.

05

Ominvest’s private equity investment in Saudi greenfield hospital and rehabilitation center, developed in partnership with the Saudi German Hospital Group, officially commenced operations in October 2025, marking the successful completion of a landmark healthcare infrastructure project.

06

Oman Real Estate Investment and Services LLC, our real estate subsidiary, progressed the facilities management platform Omdaad into full operations during 2025, following its establishment in partnership with UAE-based Imdaad. The platform now delivers integrated and sustainable facilities management solutions across residential, commercial, and hospitality sectors, supporting the Ominvest’s real estate strategy.

07

Muscat Resorts LLC, our real estate subsidiary, has continued to make strong progress on the ‘LA VIE’ project. This landmark development, featuring a state-of-the-art golf course, a luxury hotel, premium residences, as well as curated retail and food & dining outlets, is on track for opening in Q1 2026. The project further reinforces Ominvest’s execution capabilities and strategic focus on premium, income-generating real estate developments. LA VIE reflects our vision of delivering world-class real estate projects that redefine luxury and set new standards of excellence.

08

Ominvest was recognized during 2025 for its leadership in ESG disclosure, receiving the Best ESG & Sustainability Report award at the Middle East Investor Relations Association (MEIRA) Annual Conference & Awards 2025. The recognition reflects Ominvest’s continued progress in strengthening ESG governance, integrating sustainability considerations into investment processes, and aligning its disclosure practices with international standards and Oman Vision 2040.

09

In 2025, Ominvest was included in the MSCI GCC Countries Standard Indexes, reflecting its strong fundamentals, improved liquidity, and investor accessibility, and further enhancing the company’s visibility among global institutional investors.

### Key Performance Indicators

In the fiscal year 2025, Ominvest recorded a profit of OMR 40.2 million (2024: RO 37.2 million) for equity shareholders, translating to a return on equity (ROE) of 18.53% (2024: 18.25%).

The company has announced a 40% dividend distribution for the year ended 31 December 2025, comprising a 20% cash dividend and a 20% stock dividend. Shareholders will receive a cash dividend of 20 baiza per share, amounting to RO 18.71 million and 1 share for every 5 shares held as stock dividend. 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.

### 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 reviewed by the external auditors and concluded that they were prepared in 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 aligned with ISO 31000 principles and the Three Lines of Defence model. Risk management is embedded within business processes and strategic decision-making, fostering a strong risk-aware culture across the organisation.

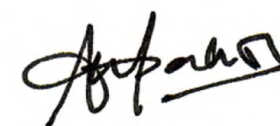
An independent Risk Management department monitors the company's risk universe and provides both assurance and advisory support to management and the Board. Using a corporate risk register, enterprise risks are systematically identified, assessed, mitigated, and monitored to ensure a disciplined approach to enterprise risk management. The function also plays a critical role in the investment due diligence process, evaluating the investment thesis, associated risks, and proposed mitigants prior to investment decisions.

Given that investments are the primary business activity of Ominvest, investment risk management is a core focus area. Portfolio performance and market developments are continuously monitored, with proactive measures implemented where necessary. Risk management is further strengthened through active board participation and close collaboration with portfolio company management teams, while diversification remains a fundamental element of the company's risk management strategy.

The framework further addresses market risks through ongoing assessment and effective risk management measures. In this context, Ominvest's long-term, active ownership investment approach inherently mitigates market price risk, as the majority of investments are held as subsidiaries and associates rather than fair value positions. Interest rate exposure, primarily arising from funding activities, is managed through long-term fixed pricing structures and selective hedging where appropriate.

Funding and liquidity risk are managed through diversified borrowing arrangements across multiple lenders, combined with active asset-liability maturity management and a significant allocation to publicly listed investments, enabling Ominvest to maintain an overall strong liquidity position.

Risk governance is reinforced through regular reporting to the Management Investment Committee (MIC) and the Audit, Compliance, and Risk Committee (ACRC) of the Board, ensuring proactive risk oversight and decision-making at the Board level.



**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) facilitates meaningful collaboration with global thought leaders and institutions, strengthening its investment strategy while advancing Oman and the wider Gulf region's long-term economic vision.**

Ominvest's participation in the WEF Annual Meeting 2026 in Davos-Klosters reaffirmed its commitment to constructive global economic dialogue and to advancing sustainable, long-term growth in Oman and the Gulf region. A defining milestone of Ominvest's participation was the publishing of an article within the official WEF Annual Meeting 2026 agenda, a first for the Group. Titled 'The GCC Model of Cooperation', the article presented Ominvest's perspective on the strategic value of regional cooperation frameworks within the Gulf Cooperation Council (GCC) and their relevance to broader global economic integration.

Our engagements with the World Economic Forum (WEF) serves as a catalyst for the Group to achieve its strategic objectives, focusing on:



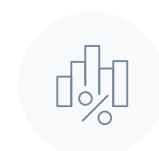
**Global Visibility & Business Collaboration** | WEF serves as a strategic platform to highlight Oman's unique investment proposition and engage with a global network of potential investors. Through this engagement, Ominvest supports the attraction of foreign direct investment into priority sectors, contributing to economic diversification in the Sultanate and the wider region, while actively leveraging these relationships to identify and pursue investment opportunities aligned with its long-term growth objectives.



**Access to Global Expertise & Networks** | Participation in WEF connects Ominvest with global 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 is committed to advancing sustainable and inclusive growth, its engagement at WEF provides a platform to contribute to global dialogue on critical issues such as climate action, digital transformation, and social development. The Group actively pursues investment opportunities that foster innovation, generate employment, and support a sustainable future for Oman and the communities it serves, with ESG principles fully embedded within its investment framework.



**Data-Driven Investment Strategies** | WEF's advanced research and insights provide Ominvest with high-quality market intelligence and forward-looking perspectives. Leveraging this knowledge enables the Group to sharpen its investment strategies, anticipate emerging trends, and proactively identify risks and opportunities, strengthening data-driven decision-making and enhancing long-term value creation.

### Commitment to a Sustainable Future

Through its engagement with WEF, Ominvest fortifies its commitment to building a sustainable and prosperous future, both for our organization and for the communities we serve. This partnership as a catalyst for achieving success and creating meaningful impact in Oman.

Looking ahead to 2026, Ominvest has defined clear priorities to deepen and enrich its engagement with the World Economic Forum, ensuring more purposeful collaboration, greater knowledge exchange, and stronger alignment with national and global development goals.



# BUILDING A SUSTAINABLE FUTURE

At Ominvest, we view sustainability as a strategic driver underpinning our long-term value creation agenda. Our commitment goes beyond compliance – ESG principles are systematically integrated into our operational and investment decision-making frameworks to enhance resilience, maintain competitiveness, and foster sustainable growth. This deliberate approach ensures that we anticipate and respond proactively to the dynamic expectations of regulators, investors, and stakeholders. Strategically, our sustainability initiatives are aligned with Oman Vision 2040, the UN Sustainable Development Goals (SDGs), and the Muscat Stock Exchange (MSX) ESG Disclosure Guidelines. By anchoring our efforts in both national priorities and global best practices, we position Ominvest to capitalise on emerging opportunities, mitigate risks, and deliver enduring value for our shareholders and society at large.

In 2025, we achieved a key milestone in our sustainability journey with the publication of our third Sustainability Report through the MSX ESG Disclosure platform. This reporting cycle marked Ominvest's inaugural formal disclosure to the MSX, where we reported on the 30 prescribed ESG metrics under the MSX ESG Disclosure Framework. Simultaneously, all of Ominvest's listed portfolio companies released their own Sustainability Reports, disclosing the same 30 ESG metrics. This concerted effort further strengthened Group-wide consistency, transparency, and compliance with mandatory market requirements.

Our updated sustainability strategy remains organized around two interconnected pillars: Sustainable Operations and Responsible Investing. These pillars are supported by robust governance arrangements, with oversight from the Management Investment Committee (MIC) and the Nomination and Remuneration Executive Committee (NREC). ESG factors are embedded within key internal policies and performance management processes, reinforcing accountability and ensuring alignment between strategic objectives, operational execution, and long-term value creation.

To further enhance the quality and efficiency of ESG data management and reporting, we implemented Squarely, an AI-enabled ESG data management platform. Squarely replaced manual data-collection processes with a centralized system featuring structured workflows, approval controls, and audit trails. This has improved data quality, consistency, and traceability across the Group, while enabling historical data tracking and framework-aligned disclosures, ultimately streamlining report preparation and enhancing the robustness of our ESG reporting processes. Throughout the year, we collaborated closely with our listed portfolio companies to refine ESG strategies, frameworks, and reporting structures in line with regulatory expectations and best practices. Particular emphasis was placed on supporting companies through their first-time mandatory sustainability disclosures to the MSX, ensuring readiness, consistency, and confidence in meeting disclosure requirements. In parallel, we delivered targeted training sessions for ESG and ESG-adjacent teams across the Group, with an emphasis on emerging IFRS sustainability disclosure standards. While these standards are not yet mandatory, this proactive capacity-building approach provides our portfolio companies with a valuable head start in preparing for future regulatory developments.

In September 2025, Ominvest hosted the second ESG Connect Roundtable, which saw a notable significant increase in participation than the previous ESG forum, with over 40 attendees representing 12 Group companies. The event was designed to strengthen sustainability collaboration and knowledge sharing in alignment with Ominvest's sustainability strategy and Oman Vision 2040. Structured around knowledge-sharing presentations and interactive group discussions, the roundtable facilitated the exchange of practical insights and case studies among ESG teams, Chief Financial Officers, and Chief Risk Officers, reinforcing Ominvest's Active Ownership approach. Key outcomes included improved understanding of shared ESG challenges, increased readiness for emerging reporting requirements, and agreed next steps focused on capacity building, governance strengthening, and sustained Group-wide engagement.

Ominvest's sustainability efforts were externally recognised during the year. On 11 May 2025, Ominvest was honoured with an Award at the Oman Sustainability Week Awards, acknowledging our ESG performance as assessed using an internationally recognised framework aligned with GRI Standards and Oman Vision 2040. Furthermore, Ominvest was presented with the Best ESG & Sustainability Report – Small Cap Category award from the Middle East Investor Relations Association at the MEIRA Annual Conference & Awards 2025, commending our excellence in ESG reporting, transparency, and disclosure practices. As regulatory expectations continue to evolve, we remain committed to further strengthening Group-wide capabilities, systems, and collaboration to ensure consistent, high-quality ESG performance and informed decision-making.



# 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





# AUDITED REPORT AND FINANCIAL STATEMENTS



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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 2025, 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 2025, 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Sultanate of Oman. We have also 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.

#### 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 |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Valuation of insurance contract liabilities - estimation of present value of cashflows and risk adjustment for non-financial risk |                                              |

The Group has liabilities related to insurance contracts of ~~269~~ 269 million representing 28 % of the group's total liabilities. Out of this amount, ~~40~~ 40 million has been measured under the general measurement model ('GMM'), and ~~229~~ 229 million under the premium allocation approach ('PAA', the simplified measurement model).

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

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

We therefore consider the estimates used in the calculation of liabilities related to insurance contracts a key audit matter.

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

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

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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
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 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Valuation of insurance contract liabilities - estimation of present value of cashflows and risk adjustment for non-financial risk (continued) |                                              |

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, 3.8, and 7 to the separate and consolidated financial statements.

- 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of investment in equity-accounted investees and related impairment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The carrying value of the Group's equity accounted investees (associates) amounted to <del>5</del> 598 million as at 31 December 2025 (31 December 2024: <del>5</del> 551 million), representing 43% of the Group's total assets as at 31 December 2025 (31 December 2024: 43%).</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, 3.2, 3.3, and 10 to the separate and consolidated financial statements.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"><li>• 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;</li><li>• 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.</li><li>• 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</li><li>• Assessing the adequacy of the disclosures in the separate and consolidated financial statements.</li></ul> |



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 2025 Annual Report

Other information consists of the information included in the Company's and the Group's 2025 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 2025 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 as issued by the IASB 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 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 and the Group's financial reporting process.





Shape the future  
with confidence

#### 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.



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#### 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*

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.

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 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  
12 March 2026



## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

|                                                                    | Notes | Group            |                  | Parent Company   |                  |
|--------------------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
|                                                                    |       | 2025<br>(₹ '000) | 2024<br>(₹ '000) | 2025<br>(₹ '000) | 2024<br>(₹ '000) |
| <b>Assets</b>                                                      |       |                  |                  |                  |                  |
| Cash and cash equivalents                                          | 5     | 47,557           | 46,195           | 3,764            | 3,650            |
| Deposits with banks                                                | 6     | 169,929          | 157,271          | -                | -                |
| Insurance contract assets                                          | 7     | 166              | 7,272            | -                | -                |
| Reinsurance contract assets                                        | 8     | 72,053           | 97,015           | -                | -                |
| Investment securities                                              | 9     | 334,143          | 267,158          | 15,594           | 10,615           |
| Investments in associates                                          | 10    | 597,504          | 550,690          | 327,591          | 298,835          |
| Investments in subsidiaries                                        | 11    | -                | -                | 461,757          | 449,229          |
| Due from subsidiaries                                              | 12    | -                | -                | 67,612           | 30,024           |
| Other assets                                                       | 13    | 55,890           | 49,431           | 2,511            | 4,202            |
| Investment properties                                              | 14    | 6,210            | 6,399            | 2,000            | 2,000            |
| Property and equipment                                             | 15    | 19,662           | 18,775           | 481              | 633              |
| Work in progress                                                   | 16A   | 46,186           | 26,463           | -                | -                |
| Intangible assets                                                  | 16B   | 49,554           | 50,724           | -                | -                |
| <b>Total assets</b>                                                |       | <b>1,398,854</b> | <b>1,277,393</b> | <b>881,310</b>   | <b>799,188</b>   |
| <b>Equity and liabilities</b>                                      |       |                  |                  |                  |                  |
| <b>Equity</b>                                                      |       |                  |                  |                  |                  |
| Share capital                                                      | 17    | 93,571           | 66,837           | 93,571           | 66,837           |
| Share premium                                                      | 19    | -                | 5,778            | -                | 5,778            |
| Legal reserve                                                      | 20    | 26,222           | 22,279           | 26,222           | 22,279           |
| Mandatory convertible bonds                                        | 42    | 13,367           | 13,367           | 13,367           | 13,367           |
| Other non-distributable reserves                                   | 21    | 8,234            | 10,944           | 8,234            | 10,944           |
| Cumulative changes in fair value reserve                           |       | 8,431            | 1,414            | 7,805            | 1,175            |
| Retained earnings                                                  |       | 69,637           | 90,819           | 66,807           | 89,075           |
| <b>Equity attributable to equity holders of the Parent Company</b> |       | <b>219,462</b>   | <b>211,438</b>   | <b>216,006</b>   | <b>209,455</b>   |
| Perpetual Bonds/ Sukuks                                            | 18    | 116,720          | 110,720          | 112,159          | 112,159          |
|                                                                    |       | 336,182          | 322,158          | 328,165          | 321,614          |
| <b>Non-controlling interests</b>                                   | 22    | <b>87,813</b>    | <b>79,622</b>    | <b>-</b>         | <b>-</b>         |
| <b>Total equity</b>                                                |       | <b>423,995</b>   | <b>401,780</b>   | <b>328,165</b>   | <b>321,614</b>   |
| <b>Liabilities</b>                                                 |       |                  |                  |                  |                  |
| Bank borrowings                                                    | 23    | 614,671          | 553,913          | 507,067          | 431,113          |
| Insurance contract liabilities                                     | 7     | 268,805          | 234,866          | -                | -                |
| Reinsurance contract liabilities                                   | 8     | 20,104           | 32,020           | -                | -                |
| Other liabilities                                                  | 24    | 67,954           | 48,438           | 45,598           | 45,481           |
| Taxation                                                           | 25    | 3,325            | 6,376            | 480              | 980              |
| <b>Total liabilities</b>                                           |       | <b>974,859</b>   | <b>875,613</b>   | <b>553,145</b>   | <b>477,574</b>   |
| <b>Total equity and liabilities</b>                                |       | <b>1,398,854</b> | <b>1,277,393</b> | <b>881,310</b>   | <b>799,188</b>   |
| <b>Net assets per share (₹)</b>                                    | 26    | <b>0.235</b>     | <b>0.316</b>     | <b>0.231</b>     | <b>0.313</b>     |

The financial statements were authorised for issue by the Board of Directors on 26 February 2026 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.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                                                  | Notes | Group            |                  | Parent Company   |                  |
|------------------------------------------------------------------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
|                                                                                                                  |       | 2025<br>(₹ '000) | 2024<br>(₹ '000) | 2025<br>(₹ '000) | 2024<br>(₹ '000) |
| Insurance revenue                                                                                                | 7     | 442,699          | 364,197          | -                | -                |
| Interest income                                                                                                  | 27    | 17,236           | 15,648           | 3,489            | 3,320            |
| Investment income - net                                                                                          | 28    | 13,172           | 25,165           | 386              | 7,158            |
| Fee and commission income                                                                                        |       | 15,687           | 5,086            | 226              | 276              |
| Other operating income                                                                                           | 29    | 3,289            | 5,692            | -                | 130              |
| Share of results of subsidiaries                                                                                 | 11    | -                | -                | 39,548           | 34,403           |
| Share of results of associates                                                                                   | 10    | 65,080           | 58,719           | 32,182           | 27,973           |
| <b>Total revenues</b>                                                                                            |       | <b>557,163</b>   | <b>474,507</b>   | <b>75,831</b>    | <b>73,260</b>    |
| Insurance service expense                                                                                        | 7     | (372,011)        | (366,324)        | -                | -                |
| Net reinsurance expense                                                                                          | 8     | (48,272)         | 2,743            | -                | -                |
| Fee and commission expenses                                                                                      |       | (8,018)          | (4,461)          | -                | -                |
| Interest expense                                                                                                 | 30    | (34,193)         | (35,939)         | (28,874)         | (29,844)         |
| Operating expenses                                                                                               | 31    | (43,618)         | (33,671)         | (8,029)          | (6,347)          |
| <b>Total expenses</b>                                                                                            |       | <b>(506,112)</b> | <b>(437,652)</b> | <b>(36,903)</b>  | <b>(36,191)</b>  |
| <b>Profit before tax</b>                                                                                         |       | <b>51,051</b>    | <b>36,855</b>    | <b>38,928</b>    | <b>37,069</b>    |
| Income tax                                                                                                       | 25    | (3,334)          | (964)            | 500              | (250)            |
| <b>Profit for the year</b>                                                                                       |       | <b>47,717</b>    | <b>35,891</b>    | <b>39,428</b>    | <b>36,819</b>    |
| <b>Profit for the year attributable to:</b>                                                                      |       |                  |                  |                  |                  |
| Equity holders of the Parent Company                                                                             |       | 40,240           | 37,160           | 39,428           | 36,819           |
| Non-controlling interests                                                                                        |       | 7,477            | (1,269)          | -                | -                |
|                                                                                                                  |       | 47,717           | 35,891           | 39,428           | 36,819           |
| <b>Basic and diluted earnings per share attributable to the equity holders of the Parent Company (₹)</b>         | 33    | <b>0.037</b>     | <b>0.033</b>     | <b>0.036</b>     | <b>0.033</b>     |
| <b>Other comprehensive income:</b>                                                                               |       |                  |                  |                  |                  |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i>                                     |       |                  |                  |                  |                  |
| Cash flow hedges – effective portion of change in fair value                                                     |       | (2,691)          | (281)            | (2,691)          | (281)            |
| Revaluation reserve                                                                                              |       | (19)             | (54)             | (19)             | (54)             |
| Changes in fair value of debt instruments at fair value through other comprehensive income                       |       | 538              | 759              | 521              | 713              |
| Exchange differences on translation of foreign operations                                                        |       | -                | 1                | -                | 1                |
| <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 |       | 7,859            | 2,107            | 6,378            | 1,398            |
| <b>Other comprehensive income for the year</b>                                                                   |       | <b>5,687</b>     | <b>2,532</b>     | <b>4,189</b>     | <b>1,777</b>     |
| <b>Total comprehensive income for the year</b>                                                                   |       | <b>53,404</b>    | <b>38,423</b>    | <b>43,617</b>    | <b>38,596</b>    |
| <b>Total comprehensive income for the year attributable to:</b>                                                  |       |                  |                  |                  |                  |
| Equity holders of the Parent Company                                                                             |       | 44,486           | 39,123           | 43,617           | 38,596           |
| Non-controlling interests                                                                                        |       | 8,918            | (700)            | -                | -                |
|                                                                                                                  |       | 53,404           | 38,423           | 43,617           | 38,596           |

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



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

| Group                                                 | Share capital<br>(₹ '000) | Share premium<br>(₹ '000) | Legal reserve<br>(₹ '000) | Other non-distributable reserves<br>(₹ '000) | Cumulative changes in fair value reserve<br>(₹ '000) | Mandatory convertible bonds<br>(₹ '000) | Retained earnings<br>(₹ '000) | Attributable to equity holders<br>(₹ '000) | Perpetual bonds / sukus<br>(₹ '000) | Sub-total<br>(₹ '000) | Non-controlling interests<br>(₹ '000) | Total<br>(₹ '000) |
|-------------------------------------------------------|---------------------------|---------------------------|---------------------------|----------------------------------------------|------------------------------------------------------|-----------------------------------------|-------------------------------|--------------------------------------------|-------------------------------------|-----------------------|---------------------------------------|-------------------|
| 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   | -                         | -                         | -                         | -                                            | 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)                                  | (13,464)          |
| Interest/profit paid on perpetual bonds / sukus       | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (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           |
| At 1 January 2025                                     | 66,837                    | 5,778                     | 22,279                    | 10,944                                       | 1,414                                                | 13,367                                  | 90,819                        | 211,438                                    | 110,720                             | 322,158               | 79,622                                | 401,780           |
| Profit for the year                                   | -                         | -                         | -                         | -                                            | -                                                    | -                                       | 40,240                        | 40,240                                     | -                                   | 40,240                | 7,477                                 | 47,717            |
| Other comprehensive expense for the year              | -                         | -                         | -                         | (2,710)                                      | 6,956                                                | -                                       | -                             | 4,246                                      | -                                   | 4,246                 | 1,441                                 | 5,687             |
| Total comprehensive (expense) / income for the year   | -                         | -                         | -                         | (2,710)                                      | 6,956                                                | -                                       | 40,240                        | 44,486                                     | -                                   | 44,486                | 8,918                                 | 53,404            |
| Dividend paid by issue of bonus shares (note 42)      | 26,734                    | (5,778)                   | -                         | -                                            | -                                                    | -                                       | (20,956)                      | -                                          | -                                   | -                     | -                                     | -                 |
| Dividend paid relating to 2024 (note 42)              | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (13,367)                      | (13,367)                                   | -                                   | (13,367)              | -                                     | (13,367)          |
| Interest/profit paid on perpetual bonds / sukus       | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (6,397)                       | (6,397)                                    | -                                   | (6,397)               | -                                     | (6,397)           |
| Interest paid on mandatory convertible bonds          | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (869)                         | (869)                                      | -                                   | (869)                 | -                                     | (869)             |
| Perpetual bonds transactions by subsidiaries          | -                         | -                         | -                         | -                                            | -                                                    | -                                       | -                             | -                                          | 6,000                               | 6,000                 | -                                     | 6,000             |
| Realized gains on FVTOCI investments                  | -                         | -                         | -                         | -                                            | (204)                                                | -                                       | 204                           | -                                          | -                                   | -                     | -                                     | -                 |
| Share of equity accounted investee companies          | -                         | -                         | -                         | -                                            | 265                                                  | -                                       | (16,094)                      | (15,829)                                   | -                                   | (15,829)              | (727)                                 | (16,556)          |
| Transfer to legal reserve                             | -                         | -                         | 3,943                     | -                                            | -                                                    | -                                       | (3,943)                       | -                                          | -                                   | -                     | -                                     | -                 |
| At 31 December 2025                                   | 93,571                    | -                         | 26,222                    | 8,234                                        | 8,431                                                | 13,367                                  | 69,637                        | 219,462                                    | 116,720                             | 336,182               | 87,813                                | 423,995           |

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

| Parent Company                                        | Share capital<br>(₹ '000) | Share premium<br>(₹ '000) | Legal reserve<br>(₹ '000) | Other non-distributable reserves<br>(₹ '000) | Cumulative changes in fair value reserve<br>(₹ '000) | Mandatory convertible bonds<br>(₹ '000) | Retained earnings<br>(₹ '000) | Sub-total<br>(₹ '000) | Perpetual bonds / sukus<br>(₹ '000) | Total<br>(₹ '000) |
|-------------------------------------------------------|---------------------------|---------------------------|---------------------------|----------------------------------------------|------------------------------------------------------|-----------------------------------------|-------------------------------|-----------------------|-------------------------------------|-------------------|
| 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) / income 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 / sukus       | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (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           |
| At 1 January 2025                                     | 66,837                    | 5,778                     | 22,279                    | 10,944                                       | 1,175                                                | 13,367                                  | 89,075                        | 209,455               | 112,159                             | 321,614           |
| Profit for the year                                   | -                         | -                         | -                         | -                                            | -                                                    | -                                       | 39,428                        | 39,428                | -                                   | 39,428            |
| Other comprehensive (expense) / income for the year   | -                         | -                         | -                         | (2,710)                                      | 6,899                                                | -                                       | -                             | 4,189                 | -                                   | 4,189             |
| Total comprehensive (expense) / income for the year   | -                         | -                         | -                         | (2,710)                                      | 6,899                                                | -                                       | 39,428                        | 43,617                | -                                   | 43,617            |
| Dividend paid by issue of bonus shares (note 42)      | 26,734                    | (5,778)                   | -                         | -                                            | -                                                    | -                                       | (20,956)                      | -                     | -                                   | -                 |
| Dividend paid relating to 2024 (note 42)              | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (13,367)                      | (13,367)              | -                                   | (13,367)          |
| Interest/profit paid on perpetual bonds / sukus       | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (6,668)                       | (6,668)               | -                                   | (6,668)           |
| Interest paid on mandatory convertible bonds          | -                         | -                         | -                         | -                                            | -                                                    | -                                       | (869)                         | (869)                 | -                                   | (869)             |
| Realized gain on FVTOCI investments                   | -                         | -                         | -                         | -                                            | (204)                                                | -                                       | 204                           | -                     | -                                   | -                 |
| Share of equity accounted investee companies          | -                         | -                         | -                         | -                                            | (65)                                                 | -                                       | (16,097)                      | (16,162)              | -                                   | (16,162)          |
| Transfer to legal reserve                             | -                         | -                         | 3,943                     | -                                            | -                                                    | -                                       | (3,943)                       | -                     | -                                   | -                 |
| At 31 December 2025                                   | 93,571                    | -                         | 26,222                    | 8,234                                        | 7,805                                                | 13,367                                  | 66,807                        | 216,006               | 112,159                             | 328,165           |

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



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                   | Notes | Group            |                  | Parent Company   |                  |
|-----------------------------------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
|                                                                                   |       | 2025<br>(S '000) | 2024<br>(S '000) | 2025<br>(S '000) | 2024<br>(S '000) |
| <b>Operating activities</b>                                                       |       |                  |                  |                  |                  |
| Profit before tax                                                                 |       | 51,051           | 36,855           | 38,928           | 37,069           |
| <u>Adjustments for:</u>                                                           |       |                  |                  |                  |                  |
| Depreciation on property and equipment                                            | 31    | 3,191            | 2,976            | 168              | 163              |
| Amortization of intangible assets                                                 | 31    | 1,747            | 1,959            | 312              | 312              |
| Dividend income from investment securities                                        |       | (3,539)          | (5,874)          | (500)            | (459)            |
| Share of results of associates                                                    | 10    | (65,080)         | (58,719)         | (32,182)         | (27,973)         |
| Share of results of subsidiaries                                                  | 11    | -                | -                | (39,548)         | (34,403)         |
| Gain on sale of assets and on investment property                                 |       | (275)            | (3,342)          | -                | -                |
| Provision movement                                                                |       | (70)             | (3,451)          | -                | (4,556)          |
| Change in the fair value of financial assets at fair value through profit or loss |       | (5,533)          | (7,210)          | (290)            | 182              |
| Profit on sale of investments                                                     |       | (2,481)          | (732)            | 103              | 17               |
| Income from amortized cost investments                                            |       | (1,167)          | (1,565)          | -                | -                |
|                                                                                   |       | (22,156)         | (39,103)         | (33,009)         | (29,648)         |
| <b>Changes in operating assets and liabilities</b>                                |       |                  |                  |                  |                  |
| Investment securities                                                             |       | (55,674)         | 109,580          | (4,557)          | (4,151)          |
| Due from subsidiaries                                                             |       | -                | -                | (37,588)         | 38,825           |
| Other assets                                                                      |       | (8,659)          | 23,103           | 2,462            | (3,541)          |
| Insurance contract assets and liabilities                                         |       | 41,045           | 57,027           | -                | -                |
| Re-insurance contract assets and liabilities                                      |       | 13,046           | (56,383)         | -                | -                |
| Other liabilities                                                                 |       | 16,894           | (10,963)         | (3,169)          | 8,367            |
| <b>Cash (used in) / generated from operations</b>                                 |       | (15,504)         | 83,261           | (75,861)         | 9,852            |
| Tax paid                                                                          |       | (5,092)          | -                | -                | -                |
| <b>Net cash (used in) / generated from operating activities</b>                   |       | (20,596)         | 83,261           | (75,861)         | 9,852            |
| <b>Investing activities</b>                                                       |       |                  |                  |                  |                  |
| Investment in associates                                                          |       | (15,926)         | (217)            | (15,599)         | -                |
| Investment in subsidiaries                                                        |       | -                | -                | (2,082)          | (946)            |
| Dividend received from associates & investment securities                         |       | 28,537           | 30,828           | 10,723           | 12,878           |
| Dividend received from subsidiaries                                               | 11    | -                | -                | 27,900           | 22,752           |
| Capital expenditure on investment property                                        | 14    | (114)            | (1,293)          | -                | -                |
| Disposal of associate investment                                                  | 10    | -                | 4,841            | -                | -                |
| Gain on disposal of an associate                                                  | 10    | -                | (127)            | -                | -                |
| Deposits                                                                          |       | (12,658)         | (18,614)         | -                | -                |
| Proceeds from disposal of assets and investment property                          |       | 379              | 1,554            | -                | -                |
| Additions to work in progress                                                     |       | (19,284)         | (14,633)         | -                | -                |
| Acquisition of intangible assets                                                  |       | (644)            | -                | -                | -                |
| Additions to property and equipment                                               | 15    | (4,457)          | (3,047)          | (17)             | (48)             |
| <b>Net cash (used in) / from investing activities</b>                             |       | (24,167)         | (708)            | 20,925           | 34,636           |
| <b>Financing activities</b>                                                       |       |                  |                  |                  |                  |
| Bank borrowings (net)                                                             |       | 60,758           | (81,825)         | 75,954           | (23,425)         |
| Interest / profit payments on perpetual bonds/sukuks                              |       | (6,397)          | (6,605)          | (6,668)          | (6,698)          |
| Interest on MCBs                                                                  |       | (869)            | (364)            | (869)            | (364)            |
| Perpetual bonds transactions by subsidiaries                                      |       | 6,000            | (3,041)          | -                | -                |
| Dividends paid                                                                    |       | (13,367)         | (13,464)         | (13,367)         | (13,367)         |
| <b>Net cash from / (used in) financing activities</b>                             |       | 46,125           | (105,299)        | 55,050           | (43,854)         |
| <b>Net change in cash and cash equivalents</b>                                    |       | 1,362            | (22,746)         | 114              | 634              |
| Cash and cash equivalents at the beginning of the year                            | 5     | 46,195           | 68,941           | 3,650            | 3,016            |
| <b>Cash and cash equivalents at the end of the year</b>                           | 5     | 47,557           | 46,195           | 3,764            | 3,650            |

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 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.

### 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 2025 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”.

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

#### 2.2 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 (﷮ or “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 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – amendments to IAS 21. The Effects of Changes in Foreign Exchange Rates specifies 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.

### 2. BASIS OF PREPARATION *(continued)*

#### 2.6 New and amended standards and interpretations to IFRS relevant to the Group *(continued)*

The amendments did not have a material impact on the Group’s 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.

#### 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.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also 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, are 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. The initial expected material impacts on Group’s financial statements are, as follows:

- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

**2 BASIS OF PREPARATION (continued)****2.7 Standards issued but not yet effective (continued)****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.

**Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

**Annual Improvements to IFRS Accounting Standards - Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

**Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

**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 2025. 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.



**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.1 Basis of consolidation (continued)*****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.

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.1 Basis of consolidation (continued)*****Investment in associates (continued)***

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.

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.3 Financial instruments***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.

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.3 Financial instruments (continued)*****Financial assets (continued)****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, then 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.



2. BASIS OF PREPARATION *(continued)*2.8 MATERIAL ACCOUNTING POLICIES *(continued)*2.8.3 Financial instruments *(continued)***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.

2. BASIS OF PREPARATION *(continued)*2.8 MATERIAL ACCOUNTING POLICIES *(continued)*2.8.3 Financial instruments *(continued)*

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.

IFRS 9 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.

**2. BASIS OF PREPARATION *(continued)*****2.8 MATERIAL ACCOUNTING POLICIES *(continued)*****2.8.3 Financial instruments *(continued)****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:

**2. BASIS OF PREPARATION *(continued)*****2.8 MATERIAL ACCOUNTING POLICIES *(continued)*****2.8.4 Fair value measurement principles *(continued)***

- 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. BASIS OF PREPARATION *(continued)*

### 2.8 MATERIAL ACCOUNTING POLICIES *(continued)*

#### 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 |

## 2. BASIS OF PREPARATION *(continued)*

### 2.8 MATERIAL ACCOUNTING POLICIES *(continued)*

#### 2.8.9 Intangible assets *(continued)*

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. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****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. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****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.



**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.18 Revenue recognition (continued)***Contract modification (continued)*

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.

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.20 Derivative financial instruments and hedge accounting (continued)**

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. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****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.

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.29 Insurance contracts (continued)****ii. 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.

**iii. 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.

**iv. 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.



**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.29 Insurance contracts (continued)****iv. Recognition and derecognition (continued)****(a) Insurance contracts issued (continued)**

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 and derecognition**

An insurance contract is derecognised when it is:

- 2.9.1 extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- 2.9.2 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.

**v. 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:

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

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

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the Groups of insurance contracts, including

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.29 Insurance contracts (continued)****v. Measurement (continued)****(a) Fulfilment cash flows (continued)**

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.

**vi. 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.

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.29 Insurance contracts (continued)****vii. 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.

**viii. 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.

**ix. 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.

**x. 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).

**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.29 Insurance contracts (continued)****xi. Amounts recognised in comprehensive income****1. Insurance service result from insurance contracts issued****Insurance revenue**

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

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

- Amounts relating to the changes in the LFRC:
  - a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts related to the loss component;
    - repayments of investment components;
    - amounts of transaction-based taxes collected in a fiduciary capacity; and
    - insurance acquisition expenses;
  - b. changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
  - c. amounts of the CSM recognised in profit or loss for the services provided in the period; and
  - d. experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a Group of contracts.
- Insurance contract policyholders are charged for policy administration services and other contract fees. Insurance policy fees are considered as part of Insurance revenue and recognized as income over the period of service which is generally the period of the policy.
- For Groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts on straight line method.

**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.



**2. BASIS OF PREPARATION (continued)****2.8 MATERIAL ACCOUNTING POLICIES (continued)****2.8.29 Insurance contracts (continued)****xi. Amounts recognised in comprehensive income (continued)****1. Insurance service result from insurance contracts issued (continued)****Expenses (continued)**

- Administrative costs: These include general administrative expenses directly attributable to the insurance servicing activity such as costs of billing premiums, handling policy changes and all fixed and variable overheads (e.g. accounting, HR, IT, building depreciation, rentals). These costs will be allocated to portfolios and groups of contracts using methods that are systematic, rational and consistently applied to all costs that have similar characteristics. Under the PAA model, these costs are recognized as incurred on an 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.

**2.9. Comparative numbers**

Certain comparative figures for 2024 have been reclassified to conform to the presentation for the current year. Such reclassifications do not affect previously reported profit for the year or shareholders' equity.

**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. USE OF ESTIMATES AND JUDGMENTS (continued)****3.3 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.

**3.4 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).

**3.5 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.

**3.6 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.

**3.7 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. USE OF ESTIMATES AND JUDGMENTS *(continued)*

#### 3.8 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.

### 3. USE OF ESTIMATES AND JUDGMENTS *(continued)*

#### 3.8 Significant judgements and estimates in applying IFRS 17 *(continued)*

##### 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.



### 3. USE OF ESTIMATES AND JUDGMENTS *(continued)*

#### 3.8 Significant judgements and estimates in applying IFRS 17 *(continued)*

##### *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.

### 3. USE OF ESTIMATES AND JUDGMENTS *(continued)*

#### 3.8 Significant judgements and estimates in applying IFRS 17 *(continued)*

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.

### 3. USE OF ESTIMATES AND JUDGMENTS *(continued)*

#### 3.8 Significant judgements and estimates in applying IFRS 17 *(continued)*

##### 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

#### 4.1 ACQUISITION OF ADDITIONAL STAKE IN SUBSIDIARY (UBHAR CAPITAL SAOC)

During the year ended 31 December 2025, the Group increased its equity interest in Ubhar Capital SAOC from 66% to 81.28% through a capital injection of RO 5.6 million. The additional investment was made via a rights issue undertaken by Ubhar Capital SAOC, in which the minority shareholders did not participate. Accordingly, the Company subscribed to the entire rights issue, resulting in an increase in its ownership percentage.

As the Group retained control over Ubhar Capital SAOC both before and after the transaction, the increase in ownership interest has been accounted for as an equity transaction in accordance with IFRS 10 *Consolidated Financial Statements*.

### 5. CASH AND CASH EQUIVALENTS

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

|                                       | <i>Group</i>      |                   | <i>Parent Company</i> |                   |
|---------------------------------------|-------------------|-------------------|-----------------------|-------------------|
|                                       | <i>2025</i>       | <i>2024</i>       | <i>2025</i>           | <i>2024</i>       |
|                                       | <i>(AED '000)</i> | <i>(AED '000)</i> | <i>(AED '000)</i>     | <i>(AED '000)</i> |
| Balances with banks and money at call | 47,557            | 46,195            | 3,764                 | 3,650             |
|                                       | <b>47,557</b>     | <b>46,195</b>     | <b>3,764</b>          | <b>3,650</b>      |

### 6. DEPOSITS WITH BANKS

|                                           | <i>Group</i>      |                   | <i>Parent Company</i> |                   |
|-------------------------------------------|-------------------|-------------------|-----------------------|-------------------|
|                                           | <i>2025</i>       | <i>2024</i>       | <i>2025</i>           | <i>2024</i>       |
|                                           | <i>(AED '000)</i> | <i>(AED '000)</i> | <i>(AED '000)</i>     | <i>(AED '000)</i> |
| Deposits with banks and leasing companies |                   |                   |                       |                   |
| - More than 3 months maturity             | 169,929           | 157,271           | -                     | -                 |
|                                           | <b>169,929</b>    | <b>157,271</b>    | <b>-</b>              | <b>-</b>          |

6.1 As at 31 December 2025, 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

|                                                                    |           |       |         |       |         |           |         |           |
|--------------------------------------------------------------------|-----------|-------|---------|-------|---------|-----------|---------|-----------|
| insurance contract liabilities as at 1 January 2025                | 55,347    | 2,582 | 10,416  | 112   | 5,727   | 154,245   | 6,437   | 234,866   |
| insurance contract assets as at 1 January 2025                     | (676)     | -     | -       | -     | (415)   | (6,192)   | 11      | (7,272)   |
| Net insurance contract (assets)/liabilities as at 1 January 2025   | 54,671    | 2,582 | 10,416  | 112   | 5,312   | 148,053   | 6,448   | 227,594   |
| Insurance revenue (a)                                              | (435,663) | -     | (6,890) | (146) | -       | -         | -       | (442,699) |
| Incurred claims and other expenses                                 | -         | -     | -       | (43)  | 3,728   | 309,003   | 3,050   | 315,738   |
| Amortisation of insurance acquisition cash flows                   | 78,305    | -     | 349     | -     | -       | -         | -       | 78,654    |
| Reversals of losses on onerous contracts                           | -         | (621) | 146     | -     | -       | -         | -       | (475)     |
| Losses on onerous contracts                                        | -         | (255) | -       | (768) | -       | -         | -       | (1,023)   |
| Changes to liabilities for incurred claims                         | -         | -     | -       | -     | (23)    | (15,171)  | (5,689) | (20,883)  |
| Investment components                                              | -         | -     | (655)   | -     | 655     | -         | -       | -         |
| Insurance service expenses (b)                                     | 78,305    | (876) | (160)   | (81)  | 4,360   | 293,832   | (2,639) | 372,011   |
| Insurance service result (a) + (b)                                 | (357,358) | (876) | (7,050) | (957) | 4,360   | 293,832   | (2,639) | (70,688)  |
| Insurance service expenses                                         | (53)      | (4)   | 2,059   | 77    | 26      | 5,399     | 357     | 7,861     |
| Total changes in the statement of profit or loss and OCI           | (357,411) | (880) | (4,991) | (880) | 4,386   | 299,231   | (2,282) | (62,827)  |
| Cash flows                                                         |           |       |         |       |         |           |         |           |
| Premiums received                                                  | 459,647   | 306   | 34,550  | 1,210 | -       | -         | 781     | 496,494   |
| Claims and other expenses paid                                     | -         | -     | (4,868) | -     | (4,509) | (303,109) | -       | (312,486) |
| Insurance acquisition cash flows                                   | (79,870)  | -     | (258)   | -     | (424)   | 416       | -       | (80,136)  |
| Total cash flows                                                   | 379,777   | 306   | 29,424  | 1,210 | (4,933) | (302,693) | 781     | 103,872   |
| insurance contract liabilities as at 31 December 2025              | 77,370    | 2,008 | 34,850  | 443   | 4,763   | 144,432   | 4,939   | 268,805   |
| insurance contract assets as at 31 December 2025                   | (333)     | -     | -       | -     | -       | 159       | 8       | (166)     |
| Net insurance contract (assets)/liabilities as at 31 December 2025 | 77,037    | 2,008 | 34,850  | 443   | 4,763   | 144,591   | 4,947   | 268,639   |

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

**8. REINSURANCE CONTRACT ASSETS AND LIABILITIES**

|                                                                             |                  |              |              |              |                |              |               |
|-----------------------------------------------------------------------------|------------------|--------------|--------------|--------------|----------------|--------------|---------------|
| Reinsurance contract assets as at 1 January 2025                            | 219              | (490)        | 1,570        | 4,589        | 111,998        | 2,059        | 97,011        |
| Reinsurance contract liabilities as at 1 January 2025                       | 162              | -            | -            | (343)        | 16,822         | 405          | (32,020)      |
| <b>Net reinsurance contract assets/(liabilities) as at 1 January 2025</b>   | <b>371</b>       | <b>(490)</b> | <b>1,570</b> | <b>4,246</b> | <b>128,820</b> | <b>2,464</b> | <b>64,995</b> |
| <b>An allocation of reinsurance premiums (a)</b>                            |                  |              |              |              |                |              |               |
| Amounts recoverable for incurred claims and other expenses                  | -                | (3,770)      | (121)        | -            | -              | -            | (91,916)      |
| Reinsurer's share of losses on onerous contracts                            | -                | -            | (42)         | 1,904        | 54,001         | 937          | 56,800        |
| Reinsurer's share of reversal of losses on onerous contracts                | 83               | -            | (916)        | -            | -              | -            | (833)         |
| Changes to amounts recoverable for incurred claims                          | (586)            | (11)         | 263          | -            | (1,324)        | 123          | (15,355)      |
| Amortisation of acquisition cash flows                                      | -                | -            | -            | 388          | (10,223)       | (1,690)      | (11,525)      |
| Amounts recoverable from reinsurers for incurred claims (b)                 | 641              | -            | -            | -            | -              | -            | 641           |
| Reinsurance investment components (c)                                       | 641              | (11)         | (695)        | 2,292        | 42,454         | (630)        | 43,548        |
| Net income or expense from reinsurance contracts held (a)+(b)+(c)           | -                | -            | -            | -            | 96             | -            | 96            |
| Reinsurance finance income                                                  | (87,384)         | (3,781)      | (816)        | 2,292        | 42,550         | (630)        | (48,272)      |
| Effect of movements in exchange rates                                       | -                | 728          | 70           | 16           | 7,088          | 152          | 8,054         |
| Total changes in the statement of comprehensive income                      | 226              | (1)          | -            | -            | (217)          | (3)          | 5             |
|                                                                             | (87,158)         | (3,053)      | (746)        | 2,308        | 49,421         | (481)        | (40,213)      |
| <b>Cash flows</b>                                                           |                  |              |              |              |                |              |               |
| Premiums paid                                                               | 57,299           | (506)        | -            | -            | -              | -            | 56,793        |
| Reinsurance acquisition cash flows                                          | (637)            | -            | -            | -            | -              | -            | (637)         |
| Amounts received                                                            | (1)              | -            | -            | (194)        | (35,562)       | -            | (35,757)      |
| Other movements                                                             | (14)             | 5,333        | 1,002        | (495)        | 42             | 767          | 6,768         |
| Total cash flows                                                            | 56,647           | 4,827        | 1,002        | (689)        | (35,520)       | 767          | 27,167        |
| Reinsurance contract assets as at 31 December 2025                          | (15,307)         | 1,284        | 1,826        | 5,866        | 75,911         | 2,473        | 72,053        |
| Reinsurance contract liabilities as at 31 December 2025                     | (87,191)         | -            | -            | -            | 66,810         | 277          | (20,104)      |
| <b>Net reinsurance contract assets/(liabilities) as at 31 December 2025</b> | <b>(102,498)</b> | <b>1,284</b> | <b>1,826</b> | <b>5,866</b> | <b>142,721</b> | <b>2,750</b> | <b>51,949</b> |

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 |                  |
|-----------------------------------------------------------------------------|----------------------------------------------|------------------------------------|--|----------------------------------------------|------------------------------------|--|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------|------------------|
|                                                                             | Excluding loss recovery Component<br>(£'000) | Loss recovery component<br>(£'000) |  | Excluding loss-recovery component<br>(£'000) | Loss-recovery component<br>(£'000) |  | Estimates of present value of future cashflows<br>(£'000) | Estimates of present value of future cashflows<br>(£'000) | Risk Adjustment<br>(£'000)  | Total<br>(£'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)         |
| <b>Net reinsurance contract assets/(liabilities) as at 1 January 2024</b>   | <b>(38,823)</b>                              | <b>284</b>                         |  | <b>277</b>                                   | <b>1,506</b>                       |  | <b>2,702</b>                                              | <b>47,917</b>                                             | <b>(5,251)</b>              | <b>8,612</b>     |
| <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                       | 94,574           |
| Reinsurer's share of reversals of losses on onerous contracts               | -                                            | 154                                |  | -                                            | -                                  |  | (47)                                                      | (533)                                                     | -                           | (426)            |
| Reinsurer's share of losses on onerous contracts                            | -                                            | (67)                               |  | -                                            | 67                                 |  | -                                                         | -                                                         | -                           | -                |
| Changes to amounts recoverable for incurred claims                          | -                                            | -                                  |  | -                                            | -                                  |  | 200                                                       | 149                                                       | (1,052)                     | (703)            |
| Effect of changes in non-performance risk of reinsurers                     | -                                            | -                                  |  | -                                            | -                                  |  | -                                                         | (140)                                                     | -                           | (140)            |
| <i>Amounts recoverable from reinsurers for incurred claims (b)</i>          | -                                            | 87                                 |  | -                                            | 60                                 |  | 1,274                                                     | 90,675                                                    | 1,209                       | 93,305           |
| <b>Net income or expense from reinsurance contracts held (a)+ (b)</b>       | <b>(75,396)</b>                              | <b>87</b>                          |  | <b>(1,309)</b>                               | <b>60</b>                          |  | <b>455</b>                                                | <b>77,637</b>                                             | <b>1,209</b>                | <b>2,743</b>     |
| Reinsurance finance income                                                  | -                                            | -                                  |  | 136                                          | 4                                  |  | (632)                                                     | 19,832                                                    | 73                          | 19,413           |
| <b>Total changes in the statement of comprehensive income</b>               | <b>(75,396)</b>                              | <b>87</b>                          |  | <b>(1,173)</b>                               | <b>64</b>                          |  | <b>(177)</b>                                              | <b>97,469</b>                                             | <b>1,282</b>                | <b>22,156</b>    |
| <b>Cash flows</b>                                                           |                                              |                                    |  |                                              |                                    |  |                                                           |                                                           |                             |                  |
| Premiums paid                                                               | 42,233                                       | -                                  |  | 406                                          | -                                  |  | 3,138                                                     | 28,324                                                    | -                           | 74,101           |
| Amounts received                                                            | -                                            | -                                  |  | -                                            | -                                  |  | (1,417)                                                   | (44,890)                                                  | 6,433                       | (39,874)         |
| Total cash flows                                                            | (71,986)                                     | 371                                |  | (490)                                        | 1,570                              |  | 4,246                                                     | 128,820                                                   | 2,464                       | 64,995           |
| Reinsurance contract assets as at 31 December 2024                          | (22,930)                                     | 219                                |  | (490)                                        | 1,570                              |  | 4,590                                                     | 111,998                                                   | 2,058                       | 97,015           |
| Reinsurance contract liabilities as at 31 December 2024                     | (49,056)                                     | 152                                |  | -                                            | -                                  |  | (343)                                                     | 16,822                                                    | 406                         | (32,020)         |
| <b>Net reinsurance contract assets/(liabilities) as at 31 December 2024</b> | <b>(71,986)</b>                              | <b>371</b>                         |  | <b>(490)</b>                                 | <b>1,570</b>                       |  | <b>4,246</b>                                              | <b>128,820</b>                                            | <b>2,464</b>                | <b>64,995</b>    |



## 9. INVESTMENT SECURITIES

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

|                                                                            | Group            |                  | Parent Company   |                  |
|----------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                            | 2025<br>(₹ '000) | 2024<br>(₹ '000) | 2025<br>(₹ '000) | 2024<br>(₹ '000) |
| Financial assets at fair value through profit or loss (note a)             | 148,958          | 100,251          | 2,160            | 2,751            |
| Financial assets at fair value through other comprehensive income (note b) | 116,912          | 78,707           | 13,434           | 7,864            |
| Investments at amortised cost (note c)                                     | 68,273           | 88,200           | -                | -                |
|                                                                            | <b>334,143</b>   | <b>267,158</b>   | <b>15,594</b>    | <b>10,615</b>    |

## (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 Company   |                  |
|-----------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                 | 2025<br>(₹ '000) | 2024<br>(₹ '000) | 2025<br>(₹ '000) | 2024<br>(₹ '000) |
| <b>Quoted investments</b>                                       |                  |                  |                  |                  |
| Local investments by sector                                     |                  |                  |                  |                  |
| Financial sector                                                | 53,700           | 33,410           | 1,404            | 1,288            |
| Industrial sector                                               | 476              | 1,208            | 450              | 1,187            |
| Local quoted investments                                        | 54,176           | 34,618           | 1,854            | 2,475            |
| Foreign quoted investments                                      | 26,775           | 3,393            | 95               | 65               |
| Quoted investments                                              | 80,951           | 38,011           | 1,949            | 2,540            |
| Unquoted local investments in a fund                            | 2,410            | 444              | -                | -                |
| Unquoted foreign investments                                    | 65,597           | 61,796           | 211              | 211              |
| <b>Investments at fair value through profit or loss (FVTPL)</b> | <b>148,958</b>   | <b>100,251</b>   | <b>2,160</b>     | <b>2,751</b>     |

## (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 Company   |                  |
|------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                                    | 2025<br>(₹ '000) | 2024<br>(₹ '000) | 2025<br>(₹ '000) | 2024<br>(₹ '000) |
| <b>Local investments</b>                                                           |                  |                  |                  |                  |
| Quoted investments (cost)                                                          | 39,560           | 33,829           | 13,695           | 7,374            |
| Fair value reserve                                                                 | 7,052            | 5,280            | (1,005)          | (297)            |
| Unquoted investments (cost)                                                        | 250              | 846              | 250              | 775              |
| Fair value reserve                                                                 | 494              | 6,248            | 494              | (31)             |
| Total local investments                                                            | 47,356           | 46,203           | 13,434           | 7,821            |
| <b>Foreign investments</b>                                                         |                  |                  |                  |                  |
| Quoted investments (cost)                                                          | 62,384           | 28,959           | -                | -                |
| Fair value reserve                                                                 | 7,172            | 3,502            | -                | -                |
| Unquoted investments (cost)                                                        | 443              | 1,126            | -                | 205              |
| Fair value reserve                                                                 | (443)            | (1,083)          | -                | (162)            |
| Total foreign investments                                                          | 69,556           | 32,504           | -                | 43               |
| <b>Total investments at fair value through other comprehensive (FVTOCI) income</b> | <b>116,912</b>   | <b>78,707</b>    | <b>13,434</b>    | <b>7,864</b>     |

## 9. INVESTMENT SECURITIES (continued)

## (c) Investment at amortised cost

|                                            | Group            |                  | Parent Company   |                  |
|--------------------------------------------|------------------|------------------|------------------|------------------|
|                                            | 2025<br>(₹ '000) | 2024<br>(₹ '000) | 2025<br>(₹ '000) | 2024<br>(₹ '000) |
| Banks and corporate bonds                  | 68,273           | 88,200           | -                | -                |
| <b>Total investments at amortised cost</b> | <b>68,273</b>    | <b>88,200</b>    | <b>-</b>         | <b>-</b>         |

## 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 | 2025<br>Holding % | 2024<br>Holding % |
|---------------------------------|----------------------|-------------------------------------------------------|-------------------|-------------------|
| <b>Quoted</b>                   |                      |                                                       |                   |                   |
| Bank Muscat SAOG (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             |
| <b>Unquoted</b>                 |                      |                                                       |                   |                   |
| 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             |
| EastBridge Partners Singapore   | Investment banking   | Singapore                                             | 43.00             | 43.00             |
| Thawani Technologies LLC        | Fintech              | Sultanate of Oman                                     | 30.00             | 30.00             |
| <b>Parent Company</b>           |                      |                                                       |                   |                   |
|                                 | Principal activities | Country of Incorporation/ Principal place of business | 2025<br>Holding % | 2024<br>Holding % |
| <b>Quoted</b>                   |                      |                                                       |                   |                   |
| 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                | Banking              | Sultanate of Oman                                     | 6.37              | 6.37              |

**10. INVESTMENT IN ASSOCIATES (continued)**

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 ~~o.s.~~ 612.81 million (2024: ~~o.s.~~ 480.12 million)

- (i) Bank Muscat SAOG operates an Islamic banking window (Meethaq), and Oman Arab Bank SAOG owns a subsidiary engaged in Islamic banking (Alizz Islamic Bank SAOC). Through its investments in these associates, the Group is exposed to activities that include Islamic banking services.

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

|                                          | <b>Group</b>                  |                               | <b>Parent Company</b>         |                               |
|------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                          | <b>2025</b>                   | <b>2024</b>                   | <b>2025</b>                   | <b>2024</b>                   |
|                                          | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> |
| At 1 January                             | 550,690                       | 527,835                       | 298,835                       | 282,406                       |
| Purchases                                | 15,926                        | 217                           | 15,599                        | -                             |
| Share of results of associates           | 65,080                        | 58,719                        | 32,182                        | 27,973                        |
| Dividends received                       | (25,164)                      | (24,954)                      | (10,389)                      | (12,419)                      |
| Disposal of associates                   | -                             | (4,841)                       | -                             | -                             |
| Realized gain on disposal                | -                             | 127                           | -                             | -                             |
| Amortization of intangibles              | (186)                         | (186)                         | (65)                          | (65)                          |
| Transfer from/(to) investment securities | -                             | (7,834)                       | -                             | -                             |
| Other equity movement (net)              | (8,842)                       | 1,607                         | (8,571)                       | 940                           |
| At 31 December                           | <u>597,504</u>                | <u>550,690</u>                | <u>327,591</u>                | <u>298,835</u>                |

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

|                                                  | <b>Assets</b>                 | <b>Liabilities</b>            | <b>Revenues</b>               |
|--------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                  | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> |
| <b>2025</b>                                      |                               |                               |                               |
| <b>Associates relating to the Parent Company</b> |                               |                               |                               |
| National Finance Company SAOG (NFC)              | 660,302                       | 589,604                       | 75,648                        |
| Oman Arab Bank SAOG (OAB)                        | 4,586,983                     | 3,945,801                     | 138,984                       |
| Bank Muscat SAOG (BM)                            | 15,129,096                    | 12,536,970                    | 597,522                       |
| <b>Associates relating to the Group</b>          |                               |                               |                               |
| International General Insurance (IGI)            | 808,766                       | 535,353                       | 198,996                       |
| National Finance House B.S.C.                    | 47,394                        | 28,440                        | 3,790                         |
| Modern Steel Mill LLC                            | 18,477                        | 4,105                         | 27,195                        |
| EastBridge Partners PTE Ltd                      | 2,820                         | 530                           | 309                           |
| Thawani Technologies LLC                         | 2,695                         | 2,585                         | 410                           |
| <b>2024</b>                                      |                               |                               |                               |
| <b>Associates relating to the Parent Company</b> |                               |                               |                               |
| 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                    | 542,705                       |
| <b>Associates relating to the Group</b>          |                               |                               |                               |
| International General Insurance (IGI)            | 784,435                       | 532,350                       | 207,504                       |
| 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                      | 2,397                         | 175                           | 1,368                         |
| Thawani Technologies LLC                         | 2,543                         | 2,171                         | 355                           |

**10. INVESTMENT IN ASSOCIATES (continued)**

The carrying value of associates is as follows:

|                              | <b>Group</b>                  |                               | <b>Parent Company</b>         |                               |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                              | <b>2025</b>                   | <b>2024</b>                   | <b>2025</b>                   | <b>2024</b>                   |
|                              | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> | <b>(<del>o.s.</del> '000)</b> |
| Material associate companies | 584,317                       | 537,172                       | 327,591                       | 298,835                       |
| Other associate companies    | 13,187                        | 13,518                        | -                             | -                             |
|                              | <u>597,504</u>                | <u>550,690</u>                | <u>327,591</u>                | <u>298,835</u>                |

The Group's material associates are NFC, OAB, BM and IGI (2024: 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:

|                                                                                                       | <b>Country of<br/>Incorporation / Principal<br/>place of business</b> | <b>2025<br/>Holding<br/>%</b> | <b>2024<br/>Holding<br/>%</b> |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------|-------------------------------|
| Jabreen International Development Company SAOC<br>(Principal activity: Investments)                   | Oman                                                                  | 100.00                        | 100.00                        |
| Takaful Oman Insurance Company [note 11(i)]<br>(Principal activity: Insurance)                        | Oman                                                                  | 56.12                         | 56.12                         |
| Ubhar Capital SAOC [note 11(i)] [Note 4.1]<br>(Principal activity: Brokerage and Investment banking)  | Oman                                                                  | 81.28                         | 66.00                         |
| Jabreen International Investment Company SAOC<br>(Principal activity: Investments)                    | Oman                                                                  | 100.00                        | 100.00                        |
| Shamal Plastic Industries LLC [note 11(iii)]<br>(Principal activity: Manufacturing)                   | Oman                                                                  | 51.65                         | 51.65                         |
| Jabreen Capital Asia Pte. Ltd [note 11(iii)]<br>(Principal activity: Investment activities)           | Singapore                                                             | 100.00                        | 100.00                        |
| ARON Investment Holding Limited (ADGM) [note 11 (iii)]<br>(Principal activity: Investment activities) | UAE                                                                   | 100.00                        | 100.00                        |
| Aron Investment Limited [note 11 (iii)]<br>(Principal activity: Investment activities)                | Cayman Islands                                                        | 100.00                        | 100.00                        |
| Liva Group SAOG<br>(Principal activity: Insurance)                                                    | Oman                                                                  | 52.07                         | 52.07                         |
| Liva Insurance BSC 11 (ii)]<br>(Principal activity: Insurance)                                        | Bahrain                                                               | 100.00                        | 100.00                        |
| NLGIC Support Services Private Limited [note 11 (ii)]<br>(Principal activity: Support services)       | India                                                                 | 100.00                        | 100.00                        |
| Inayah TPA LLC [note 11 (ii)]<br>(Principal activity: Support services)                               | UAE                                                                   | 100.00                        | 100.00                        |
| Liva Insurance SAOC [note 11 (ii)]<br>(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)<br>(Principal activity: Investments)                   | UAE                                                                   | 100.00                        | 100.00                        |
| Ominvest Capital DIFC Limited<br>(Principal activity: Investment Banking)                             | UAE                                                                   | 100.00                        | 100.00                        |
| Veltra Investment Limited [note 11 (iv)]<br>(Principal activity: Investments)                         | UAE                                                                   | 100.00                        | -                             |
| Oman Real Estate Investment and Services LLC<br>(Principal activity: Real Estate and Investments)     | Oman                                                                  | 100.00                        | 100.00                        |
| Omdaad LLC [note 11 (v)]<br>(Principal activity: Facilities Management)                               | Oman                                                                  | 51.00                         | -                             |
| Muscat Resorts LLC<br>(Principal activity: Integrated Tourism Project)                                | Oman                                                                  | 100.00                        | 100.00                        |



**11. INVESTMENT IN SUBSIDIARIES (continued)**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <i>Country of<br/>Incorporation / Principal<br/>place of business</i> | <i>2025<br/>Holding %</i> | <i>2024<br/>Holding %</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------|---------------------------|
| Al Jabal Al Aswad Investment LLC<br>(Principal activity: Real Estate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Oman                                                                  | 100.00                    | 100.00                    |
| Dreamlab Technologies Oman LLC<br>(Principal activity: Cybersecurity)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Oman                                                                  | 60.00                     | 60.00                     |
| <p>(i) These subsidiaries are held through Jabreen International Development Company SAOC.</p> <p>(ii) These subsidiaries are held through Liva Group SAOG.</p> <p>(iii) These subsidiaries are held through Jabreen International Investment Company SAOC.</p> <p>(iv) During the year, Ominvest incorporated Veltra Investment Limited, a 100% owned subsidiary in Dubai International Financial Centre (DIFC) for investment purpose.</p> <p>(v) During the year, ORIS incorporated Omdaad LLC in collaboration with Imdaad LLC of UAE for facilities management of group companies and other customers.</p> |                                                                       |                           |                           |

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

| <i>Name of the subsidiary</i>                  | <i>Assets<br/>(₹ '000)</i> | <i>Liabilities<br/>(₹ '000)</i> | <i>Revenues<br/>(₹ '000)</i> |
|------------------------------------------------|----------------------------|---------------------------------|------------------------------|
| <b>2025</b>                                    |                            |                                 |                              |
| Liva Group SAOG                                | 463,083                    | 323,786                         | 408,263                      |
| Jabreen International Development Company SAOC | 402,105                    | 85,711                          | 80,956                       |
| Jabreen International Investment Company SAOC  | 80,144                     | 26,225                          | 9,914                        |
| Ominvest International Holding Limited         | 39,133                     | 9,964                           | 3,914                        |
| Oman Real Estate Investment and Services LLC   | 24,476                     | 7,311                           | 910                          |
| Dreamlab Technologies Oman LLC                 | 1,060                      | 2,070                           | 691                          |
| Muscat Resorts LLC                             | 49,978                     | 40,840                          | 677                          |
| Ominvest Capital DIFC Limited                  | 411                        | 40                              | 23                           |
| Al Jabal Al Aswad Investment LLC               | 92                         | 4                               | -                            |
| <b>2024</b>                                    |                            |                                 |                              |
| Liva Group SAOG                                | 435,622                    | 313,916                         | 329,460                      |
| 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                        |
| Dreamlab Technologies Oman 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                               | -                            |

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

|                                  | <i>Parent Company<br/>2025<br/>(₹ '000)</i> | <i>2024<br/>(₹ '000)</i> |
|----------------------------------|---------------------------------------------|--------------------------|
| At 1 January                     | 449,229                                     | 438,776                  |
| Purchases / investments          | 2,082                                       | 946                      |
| Share of results of subsidiaries | 39,548                                      | 34,403                   |
| Dividends received               | (27,900)                                    | (22,752)                 |
| Others                           | (1,202)                                     | (2,144)                  |
| At 31 December                   | 461,757                                     | 449,229                  |

**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, Jabreen International Development Company SAOC and Muscat Resorts LLC. Interest is charged at the rate 6.5% (2024: 6.5%) by the Parent company to these subsidiaries.

**13. OTHER ASSETS**

|                                | <i>Group<br/>2025<br/>(₹ '000)</i> | <i>2024<br/>(₹ '000)</i> | <i>Parent Company<br/>2025<br/>(₹ '000)</i> | <i>2024<br/>(₹ '000)</i> |
|--------------------------------|------------------------------------|--------------------------|---------------------------------------------|--------------------------|
| Interest and other receivables | 7,546                              | 6,994                    | -                                           | -                        |
| Prepayments                    | 824                                | 3,735                    | 109                                         | 273                      |
| Others                         | 47,520                             | 38,702                   | 2,402                                       | 3,929                    |
|                                | 55,890                             | 49,431                   | 2,511                                       | 4,202                    |

**14. INVESTMENT PROPERTIES**

| <i>Group</i>                    | <i>Land and<br/>buildings<br/>(₹ '000)</i> |
|---------------------------------|--------------------------------------------|
| At 1 January 2024               | 6,337                                      |
| Additions                       | 1,293                                      |
| Disposals                       | (1,554)                                    |
| Realised gains on disposals     | 390                                        |
| Transferred to work-in-progress | (819)                                      |
| Unrealized gain on revaluation  | 752                                        |
| <b>At 31 December 2024</b>      | <b>6,399</b>                               |
| <b>At 1 January 2025</b>        | <b>6,399</b>                               |
| Additions                       | 114                                        |
| Impairment                      | (75)                                       |
| Transferred to work-in-progress | (254)                                      |
| Unrealized gain on revaluation  | 26                                         |
| <b>At 31 December 2025</b>      | <b>6,210</b>                               |

**Parent Company**

The Parent Company has a residential investment property which has a fair value of ₹ 2 million (2024: ₹ 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 ₹ 3.58 million are beneficially owned by the Group but are registered in the name of Parent Company.

## 14. INVESTMENT PROPERTIES (continued)

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<br>Plot 216, Phase 1, Madinat Al Errfan, Wilayat Bausher, Muscat | <i>Income capitalization approach:</i> The model considers the net operating income of the property rentals projected and dividing by the capitalization rate. | <ul style="list-style-type: none"> <li>Yield rate of 8.88% (2024: 9%)</li> <li>Operational expenses of 6.5% (2024: 6.5%) of market rent</li> <li>Leasing fees of 3% (2024: 3%)</li> </ul> | <p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> <li>Yield was lower/ (higher);</li> <li>Operational expenses were lower / (higher);</li> <li>Leasing fees were lower / (higher); or</li> </ul> |
| Plot No. 367, MBD East, G. Muttrah, Muscat                                                | <i>Income capitalization approach:</i> The model considers the net operating income of the property rentals projected and dividing by the capitalization rate  | <ul style="list-style-type: none"> <li>Yield rate of 7.5% (2024: 7.5%)</li> <li>Operational expenses of 11.67% (2024: 11.67%) of market rent</li> </ul>                                   | <p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> <li>Yield was lower/ (higher); or</li> <li>Operational expenses were lower / (higher).</li> </ul>                                              |
| Bait Al Rawan Building No. 168, Plot No. 1262, Bousher Phase 1, Muscat, Sultanate of Oman | <i>Income capitalization approach:</i> The model considers the net operating income of the property rentals projected and dividing by the capitalization rate. | <ul style="list-style-type: none"> <li>Yield rate of 5.33% (2024: 5.33%)</li> <li>Operational expenses of 6.5% (2024: 6.5%) of market rent</li> </ul>                                     | <p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> <li>Yield was lower/ (higher);</li> <li>Operational expenses were lower / (higher); or</li> <li>Leasing fees were lower / (higher)</li> </ul>  |

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><br>( <i>₹ '000</i> ) | <i>Furniture, fixtures and equipment</i><br>( <i>₹ '000</i> ) | <i>Equipment and motor vehicles</i><br>( <i>₹ '000</i> ) | <i>Right of use assets</i><br>( <i>₹ '000</i> ) | <i>Total</i><br>( <i>₹ '000</i> ) |
|-------------------------------------------|------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------|-----------------------------------|
| <b>Group Cost:</b>                        |                                                |                                                               |                                                          |                                                 |                                   |
| At 1 January 2025                         | 9,926                                          | 20,706                                                        | 329                                                      | 2,304                                           | 33,265                            |
| Additions                                 | 278                                            | 1,425                                                         | 448                                                      | 2,306                                           | 4,457                             |
| Disposals                                 | (154)                                          | (498)                                                         | (16)                                                     | (210)                                           | (878)                             |
| Transfers                                 | (267)                                          | -                                                             | 267                                                      | -                                               | -                                 |
| <b>At 31 December 2025</b>                | <b>9,783</b>                                   | <b>21,633</b>                                                 | <b>1,028</b>                                             | <b>4,400</b>                                    | <b>36,844</b>                     |
| <b>Depreciation:</b>                      |                                                |                                                               |                                                          |                                                 |                                   |
| At 1 January 2025                         | 1,179                                          | 11,256                                                        | 203                                                      | 1,852                                           | 14,490                            |
| Charge for the year                       | 234                                            | 1,351                                                         | 480                                                      | 1,126                                           | 3,191                             |
| Disposals                                 | (27)                                           | (376)                                                         | (16)                                                     | (80)                                            | (499)                             |
| <b>At 31 December 2025</b>                | <b>1,386</b>                                   | <b>12,231</b>                                                 | <b>667</b>                                               | <b>2,898</b>                                    | <b>17,182</b>                     |
| <b>Carrying value at 31 December 2025</b> | <b>8,397</b>                                   | <b>9,402</b>                                                  | <b>361</b>                                               | <b>1,502</b>                                    | <b>19,662</b>                     |
| <b>Cost:</b>                              |                                                |                                                               |                                                          |                                                 |                                   |
| 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)                                           | (620)                             |
| <b>At 31 December 2024</b>                | <b>9,926</b>                                   | <b>20,706</b>                                                 | <b>329</b>                                               | <b>2,304</b>                                    | <b>33,265</b>                     |
| <b>Depreciation:</b>                      |                                                |                                                               |                                                          |                                                 |                                   |
| 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)                              |
| <b>At 31 December 2024</b>                | <b>1,179</b>                                   | <b>11,256</b>                                                 | <b>203</b>                                               | <b>1,852</b>                                    | <b>14,490</b>                     |
| <b>Carrying value at 31 December 2024</b> | <b>8,747</b>                                   | <b>9,450</b>                                                  | <b>126</b>                                               | <b>452</b>                                      | <b>18,775</b>                     |



15. PROPERTY AND EQUIPMENT *(continued)*

|                                               | <i>Land and<br/>buildings<br/>(₹ '000)</i> | <i>Furniture, fixtures<br/>and equipment<br/>(₹ '000)</i> | <i>Right of use<br/>assets<br/>(₹ '000)</i> | <i>Total<br/>(₹ '000)</i> |
|-----------------------------------------------|--------------------------------------------|-----------------------------------------------------------|---------------------------------------------|---------------------------|
| <b>Parent Company</b>                         |                                            |                                                           |                                             |                           |
| <b>Cost:</b>                                  |                                            |                                                           |                                             |                           |
| At 1 January 2025                             | 782                                        | 5                                                         | 830                                         | 1,617                     |
| Additions                                     | 17                                         | -                                                         | -                                           | 17                        |
| <b>At 31 December 2025</b>                    | <b>799</b>                                 | <b>5</b>                                                  | <b>830</b>                                  | <b>1,634</b>              |
| <b>Depreciation:</b>                          |                                            |                                                           |                                             |                           |
| At 1 January 2025                             | 481                                        | 5                                                         | 498                                         | 984                       |
| Charge for the year                           | 86                                         | -                                                         | 83                                          | 169                       |
| <b>At 31 December 2025</b>                    | <b>567</b>                                 | <b>5</b>                                                  | <b>581</b>                                  | <b>1,153</b>              |
| <b>Carrying value<br/>at 31 December 2025</b> | <b>232</b>                                 | <b>-</b>                                                  | <b>249</b>                                  | <b>481</b>                |
| <b>Cost:</b>                                  |                                            |                                                           |                                             |                           |
| At 1 January 2024                             | 734                                        | 5                                                         | 830                                         | 1,569                     |
| Additions                                     | 48                                         | -                                                         | -                                           | 48                        |
| <b>At 31 December 2024</b>                    | <b>782</b>                                 | <b>5</b>                                                  | <b>830</b>                                  | <b>1,617</b>              |
| <b>Depreciation:</b>                          |                                            |                                                           |                                             |                           |
| At 1 January 2024                             | 401                                        | 5                                                         | 415                                         | 821                       |
| Charge for the year                           | 80                                         | -                                                         | 83                                          | 163                       |
| <b>At 31 December 2024</b>                    | <b>481</b>                                 | <b>5</b>                                                  | <b>498</b>                                  | <b>984</b>                |
| <b>Carrying value<br/>at 31 December 2024</b> | <b>301</b>                                 | <b>-</b>                                                  | <b>332</b>                                  | <b>633</b>                |

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

## 16A WORK IN PROGRESS

| <b>Group</b>                        | <b>2025<br/>(₹ '000)</b> | <b>2024<br/>(₹ '000)</b> |
|-------------------------------------|--------------------------|--------------------------|
| 1 January                           | 26,463                   | 11,815                   |
| Additions during the year           | 19,284                   | 12,231                   |
| Disposals                           | (65)                     | (602)                    |
| Transfer from investment properties | 254                      | 819                      |
| Unrealized gains                    | 250                      | 2,200                    |
| <b>31 December</b>                  | <b>46,186</b>            | <b>26,463</b>            |

16A WORK IN PROGRESS *(continued)*

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 ₹ 42.76 million and other work in progress amounting to ₹ 3.42 million.

The details of WIP are as follows:

|                                                       | <b>2025<br/>(₹ '000)</b> | <b>2024<br/>(₹ '000)</b> |
|-------------------------------------------------------|--------------------------|--------------------------|
| Hotel and Leisure facilities                          | 19,172                   | 9,277                    |
| Residential properties                                | 15,881                   | 9,540                    |
| Investment properties (commercial leasing facilities) | 6,708                    | 4,670                    |
| Freehold land                                         | 1,000                    | 1,000                    |
| Other WIPs                                            | 3,425                    | 1,976                    |
| <b>Total</b>                                          | <b>46,186</b>            | <b>26,463</b>            |

The WIP investment properties have been valued by an reputed independent valuer at ₹ 7 million. As a result, the Group has recognized an unrealized gain of ₹ 0.250 million (2024: ₹ 2.2 million). For further details on the valuation are as follows:

| <i>Property description</i>   | <i>Valuation technique</i>                                                                                                                                    | <i>Unobservable inputs</i>                                                                                                                        | <i>Inter-relationship between key unobservable inputs and fair value measurement</i>                                                                                                                |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commercial Leasing facilities | <i>Income capitalization approach:</i> The model considers the net operating income of the property rentals projected and dividing by the capitalization rate | <ul style="list-style-type: none"> <li>Yield rate of 8.5% (2024: 8.5%)</li> <li>Operational expenses of 15% (2024: 15%) of market rent</li> </ul> | <p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> <li>Yield was lower/ (higher); or</li> <li>Operational expenses were lower / (higher).</li> </ul> |

## 16B INTANGIBLE ASSETS

|                            | <i>Goodwill</i><br>( <i>₹ '000</i> ) | <i>Trade name</i><br>( <i>₹ '000</i> ) | <i>Hospital network</i><br>( <i>₹ '000</i> ) | <i>License</i><br>( <i>₹ '000</i> ) | <i>Others</i><br>( <i>₹ '000</i> ) | <i>Total</i><br>( <i>₹ '000</i> ) |
|----------------------------|--------------------------------------|----------------------------------------|----------------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|
| <b>Group</b>               |                                      |                                        |                                              |                                     |                                    |                                   |
| <b>Cost</b>                |                                      |                                        |                                              |                                     |                                    |                                   |
| At 1 January 2025          | 36,291                               | 9,117                                  | 7,597                                        | 2,680                               | 5,662                              | 61,347                            |
| Additions                  | -                                    | -                                      | -                                            | -                                   | 644                                | 644                               |
| Disposals                  | (67)                                 | -                                      | -                                            | -                                   | -                                  | (67)                              |
| <b>At 31 December 2025</b> | <b>36,224</b>                        | <b>9,117</b>                           | <b>7,597</b>                                 | <b>2,680</b>                        | <b>6,306</b>                       | <b>61,924</b>                     |
| <b>Amortizations:</b>      |                                      |                                        |                                              |                                     |                                    |                                   |
| At 1 January 2025          | -                                    | -                                      | 4,741                                        | 2,631                               | 3,251                              | 10,623                            |
| Charge for the year        | -                                    | -                                      | 506                                          | 2                                   | 1,239                              | 1,747                             |
| <b>At 31 December 2025</b> | <b>-</b>                             | <b>-</b>                               | <b>5,247</b>                                 | <b>2,633</b>                        | <b>4,490</b>                       | <b>12,370</b>                     |
| <b>Carrying value</b>      |                                      |                                        |                                              |                                     |                                    |                                   |
| At 31 December 2025        | 36,224                               | 9,117                                  | 2,350                                        | 47                                  | 1,816                              | 49,554                            |

|                            |               |              |              |              |              |               |
|----------------------------|---------------|--------------|--------------|--------------|--------------|---------------|
| Cost                       |               |              |              |              |              |               |
| At 1 January 2024          | 36,291        | 9,117        | 7,597        | 2,650        | 5,150        | 60,805        |
| Additions                  | -             | -            | -            | 30           | 512          | 542           |
| <b>At 31 December 2024</b> | <b>36,291</b> | <b>9,117</b> | <b>7,597</b> | <b>2,680</b> | <b>5,662</b> | <b>61,347</b> |
| <b>Amortizations:</b>      |               |              |              |              |              |               |
| At 1 January 2024          | -             | -            | 4,235        | 2,631        | 1,984        | 8,850         |
| Charge for the year        | -             | -            | 506          | -            | 1,267        | 1,773         |
| <b>At 31 December 2024</b> | <b>-</b>      | <b>-</b>     | <b>4,741</b> | <b>2,631</b> | <b>3,251</b> | <b>10,623</b> |
| <b>Carrying value</b>      |               |              |              |              |              |               |
| At 31 December 2024        | 36,291        | 9,117        | 2,856        | 49           | 2,411        | 50,724        |

- (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

|                                                                                                                                              | <i>2025</i><br>( <i>₹ '000</i> ) | <i>2024</i><br>( <i>₹ '000</i> ) |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Authorized 2,000,000,000 ordinary shares of <i>₹</i> 0.100 each<br>(31 December 2024 – 2,000,000,000 ordinary shares of <i>₹</i> 0.100 each) | 200,000                          | 200,000                          |
| Issued and fully paid 935,711,596 ordinary shares of <i>₹</i> 0.100 each<br>(31 December 2024 – 668,365,426 shares of <i>₹</i> 0.100 each)   | 93,571                           | 66,837                           |

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

|                             | 2025      |             | 2024      |             |
|-----------------------------|-----------|-------------|-----------|-------------|
|                             | Holding % | Shares      | Holding % | Shares      |
| Khalid Muhammad Al Zubair   | 19.94%    | 186,595,407 | 19.94%    | 133,282,434 |
| Al Hilal Investment Co. LLC | 19.37%    | 181,273,352 | 19.37%    | 129,480,967 |
| Social Protection Fund      | 11.93%    | 111,590,012 | 11.93%    | 79,707,152  |
| Oman Investment Authority   | -         | -           | 11.65%    | 77,869,894  |

## 18A. PERPETUAL SUKUKS

During 2021, the Parent Company issued Unsecured Subordinated Perpetual Trust Certificates amounting to *₹* 52 million (face value *₹* 1,000 per certificate) 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. 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 BONDS

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

During 2023, the Parent company distributed as dividend one perpetual bond of *₹* 1 for every 11.11 ordinary shares of 100bz held by the shareholders. Total perpetual bonds issued by the Parent company amounted to *₹* 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 was available for distribution to the shareholders and has been utilised during the year.

## 20. LEGAL RESERVE

As required by Article 132 of the Commercial Companies Law, the Parent Company is required to transfer 10% of its profit for the year to this reserve until such time as the legal reserve amounts to at least one third of the Parent Company's paid-up share capital. The reserve is not available for distribution.

## 21. OTHER NON-DISTRIBUTABLE RESERVES

| <i>Group and parent company</i> | <i>Contingency reserve</i><br>( <i>₹ '000</i> ) | <i>Foreign currency revaluation reserve</i><br>( <i>₹ '000</i> ) | <i>Cash flow hedge reserve</i><br>( <i>₹ '000</i> ) | <i>Revaluation reserve</i><br>( <i>₹ '000</i> ) | <i>Total</i><br>( <i>₹ '000</i> ) |
|---------------------------------|-------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|-----------------------------------|
| At 1 January 2024               | 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                            |
| Other comprehensive expense     | -                                               | (19)                                                             | (2,691)                                             | -                                               | (2,710)                           |
| <b>At 31 December 2025</b>      | <b>9,096</b>                                    | <b>(31)</b>                                                      | <b>(942)</b>                                        | <b>111</b>                                      | <b>8,234</b>                      |



**21. OTHER NON-DISTRIBUTABLE RESERVES (continued)****Contingency reserve**

In accordance with article 10 (bis) (2)(c) and 10 (bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, 10% of the net outstanding claims in case of the general insurance business amounting to ~~₹~~ Nil (2024: Nil) and 1% of the life assurance premiums for the year in case of life insurance business amounting to ~~₹~~ Nil (2024: Nil) at the reporting date is transferred from retained earnings to a contingency reserve. The Parent Company may discontinue this transfer when the reserve equals to the issued share capital. No dividend shall be declared in any year until the deficit in the reserve is covered from the retained profits. The reserves shall not be used except by prior approval of the Financial Services Authority.

**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 Oman) 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.

|                                                    | <b>Liva Group SAOG</b> |                 |
|----------------------------------------------------|------------------------|-----------------|
|                                                    | <b>2025</b>            | <b>2024</b>     |
|                                                    | <b>(₹ '000)</b>        | <b>(₹ '000)</b> |
| <i>Statement of financial position</i>             |                        |                 |
| Total assets                                       | 463,275                | 435,622         |
| Total liabilities                                  | 324,258                | 313,916         |
| Net assets                                         | 139,017                | 121,706         |
| Net assets attributable to NCI                     | 66,628                 | 58,331          |
| Intangibles attributable to NCI                    | 1,163                  | 1,300           |
| Grand total                                        | 67,791                 | 59,631          |
| <i>Statement of comprehensive income</i>           |                        |                 |
| Profit for the year                                | 14,215                 | (5,017)         |
| Other comprehensive income for the year (OCI)      | 3,512                  | 2,294           |
| <b>Total comprehensive income</b>                  | <b>17,727</b>          | <b>(2,723)</b>  |
| Profit allocated to NCI                            | 6,813                  | (2,405)         |
| OCI allocated to NCI                               | 1,683                  | 1,099           |
| <b>Total comprehensive income allocated to NCI</b> | <b>8,496</b>           | <b>(1,306)</b>  |
| <i>Statement of cash flows</i>                     |                        |                 |
| Cashflow from operating activities                 | 47,132                 | (6,194)         |
| Cashflow from investing activities                 | (35,776)               | (15,039)        |
| Cashflow from financing activities                 | (12,562)               | (7,184)         |
| <b>Net change in cash and cash equivalents</b>     | <b>(1,206)</b>         | <b>(28,417)</b> |

**23. BANK BORROWINGS**

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

|                                        | <b>Group</b>    |                 | <b>Parent Company</b> |                 |
|----------------------------------------|-----------------|-----------------|-----------------------|-----------------|
|                                        | <b>2025</b>     | <b>2024</b>     | <b>2025</b>           | <b>2024</b>     |
|                                        | <b>(₹ '000)</b> | <b>(₹ '000)</b> | <b>(₹ '000)</b>       | <b>(₹ '000)</b> |
| Term loans                             | 618,070         | 557,086         | 510,274               | 434,050         |
| Less: Unamortised bank processing fees | (3,399)         | (3,173)         | (3,207)               | (2,937)         |
|                                        | <b>614,671</b>  | <b>553,913</b>  | <b>507,067</b>        | <b>431,113</b>  |

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:

|                                                   | <b>Group</b>    |                 | <b>Parent Company</b> |                 |
|---------------------------------------------------|-----------------|-----------------|-----------------------|-----------------|
|                                                   | <b>2025</b>     | <b>2024</b>     | <b>2025</b>           | <b>2024</b>     |
|                                                   | <b>(₹ '000)</b> | <b>(₹ '000)</b> | <b>(₹ '000)</b>       | <b>(₹ '000)</b> |
| 1 January                                         | 557,086         | 637,604         | 434,050               | 456,542         |
| Long term loans obtained during the year          | 322,818         | 259,890         | 213,634               | 172,902         |
| Repayment of long-term loans made during the year | (256,334)       | (346,908)       | (131,910)             | (201,894)       |
| Net movement in short term loans                  | (5,500)         | 6,500           | (5,500)               | 6,500           |
| 31 December                                       | <b>618,070</b>  | <b>557,086</b>  | <b>510,274</b>        | <b>434,050</b>  |

**24. OTHER LIABILITIES**

|                                     | <b>Group</b>    |                 | <b>Parent Company</b> |                 |
|-------------------------------------|-----------------|-----------------|-----------------------|-----------------|
|                                     | <b>2025</b>     | <b>2024</b>     | <b>2025</b>           | <b>2024</b>     |
|                                     | <b>(₹ '000)</b> | <b>(₹ '000)</b> | <b>(₹ '000)</b>       | <b>(₹ '000)</b> |
| Lease liabilities                   | 3,866           | 2,859           | 309                   | 398             |
| Accrued expenses and other payables | 55,061          | 38,108          | 3,322                 | 2,633           |
| Interest payable                    | 3,520           | 2,052           | 2,789                 | 1,710           |
| Staff end of service benefits       | 5,507           | 5,419           | 142                   | 263             |
| Due to subsidiary (OIHL)            | -               | -               | 39,036                | 40,477          |
|                                     | <b>67,954</b>   | <b>48,438</b>   | <b>45,598</b>         | <b>45,481</b>   |

The movement in lease liabilities are as below:

|                                | <b>Group</b>    |                 | <b>Parent Company</b> |                 |
|--------------------------------|-----------------|-----------------|-----------------------|-----------------|
|                                | <b>2025</b>     | <b>2024</b>     | <b>2025</b>           | <b>2024</b>     |
|                                | <b>(₹ '000)</b> | <b>(₹ '000)</b> | <b>(₹ '000)</b>       | <b>(₹ '000)</b> |
| At 1 January                   | 2,859           | 3,815           | 398                   | 483             |
| Addition during the year       | 1,312           | 768             | -                     | -               |
| Accretion of the interest      | 204             | 65              | 24                    | 29              |
| Disposals during the year      | -               | (112)           | -                     | -               |
| Addition of a subsidiary       | -               | (53)            | -                     | -               |
| Repayment made during the year | (509)           | (1,624)         | (113)                 | (114)           |
|                                | <b>3,866</b>    | <b>2,859</b>    | <b>309</b>            | <b>398</b>      |

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

|                       | <b>Group</b>    |                 | <b>Parent Company</b> |                 |
|-----------------------|-----------------|-----------------|-----------------------|-----------------|
|                       | <b>2025</b>     | <b>2024</b>     | <b>2025</b>           | <b>2024</b>     |
|                       | <b>(₹ '000)</b> | <b>(₹ '000)</b> | <b>(₹ '000)</b>       | <b>(₹ '000)</b> |
| At 1 January          | 5,419           | 5,073           | 263                   | 209             |
| Charge for the year   | 1,282           | 1,016           | 57                    | 207             |
| Paid during the year  | (1,194)         | (670)           | (178)                 | (153)           |
| <b>At 31 December</b> | <b>5,507</b>    | <b>5,419</b>    | <b>142</b>            | <b>263</b>      |

## 25. TAXATION

## (a) Recognised in the statements of comprehensive income

|                                          | Group                        |                              | Parent Company               |                              |
|------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                          | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) |
| <b>Statement of comprehensive income</b> |                              |                              |                              |                              |
| Current tax                              |                              |                              |                              |                              |
| - Current year                           | 2,643                        | 982                          | -                            | -                            |
| - Prior year                             | -                            | -                            | -                            | -                            |
|                                          | <u>2,643</u>                 | <u>982</u>                   |                              |                              |
| Deferred tax                             |                              |                              |                              |                              |
| - Current year                           | 691                          | (456)                        | (500)                        | -                            |
| - Prior year                             | -                            | 438                          | -                            | 250                          |
|                                          | <u>691</u>                   | <u>(18)</u>                  | <u>(500)</u>                 | <u>250</u>                   |
| Tax expense / (income)                   | <u>3,334</u>                 | <u>964</u>                   | <u>(500)</u>                 | <u>250</u>                   |
| <b>Statement of financial position</b>   |                              |                              |                              |                              |
| Provision for taxation                   | 5,202                        | 7,664                        | 291                          | 291                          |
| Deferred tax (asset) / liability         | <u>(1,877)</u>               | <u>(1,288)</u>               | <u>189</u>                   | <u>689</u>                   |
|                                          | <u>3,325</u>                 | <u>6,376</u>                 | <u>480</u>                   | <u>980</u>                   |
| Deferred tax asset / (liability)         |                              |                              |                              |                              |
| At 1 January                             | 1,288                        | 2,021                        | (689)                        | (439)                        |
| Movement for the year                    | <u>589</u>                   | <u>(733)</u>                 | <u>500</u>                   | <u>(250)</u>                 |
| At 31 December                           | <u>1,877</u>                 | <u>1,288</u>                 | <u>(189)</u>                 | <u>(689)</u>                 |

The Group is subject to income tax at the rate of 15% of taxable income (2024: 15%).

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

|                                         | Parent Company               |                              |
|-----------------------------------------|------------------------------|------------------------------|
|                                         | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) |
| Profit before tax                       | 38,928                       | 37,069                       |
| Income tax at the rates mentioned above | 5,839                        | 5,560                        |
| Tax-exempt revenues                     | (10,992)                     | (10,252)                     |
| Non-deductible expenses                 | 2,686                        | 3,587                        |
| Deferred tax not recognised             | 2,467                        | 1,105                        |
| Deferred tax – prior year               | (500)                        | 250                          |
| Income tax (income) / expense           | <u>(500)</u>                 | <u>250</u>                   |

As of 31 December 2025, 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.

## 25. TAXATION (continued)

## Parent Company

The assessments of the tax returns for the years 2022 to 2025 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 2025.

## 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

## Global minimum tax

The Organization for Economic Co-operation and Development (OECD) /G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalization of global economy.

Most of the countries where the Group operates have implemented GloBE Rules. On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the OECD's GloBE Rules.

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

The Group has completed a preliminary assessment and determined most of the jurisdictions it operates will benefit from the TCSH relief. Oman and the UAE are the only material jurisdictions that did not meet the TCSH relief for financial year 2025.

For KSA jurisdiction, the Group recognized current tax expense of RO 0.19 million in respect of Pillar Two income taxes. This amount is included within income tax expense in the consolidated statement of profit or loss.

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

In accordance with the temporary mandatory exception under IAS 12, the Group has not recognized deferred tax assets or liabilities related to Pillar Two income taxes as at 31 December 2025.

## 26. NET ASSETS PER SHARE

The calculation of net assets per share is as follows:

|                                                                                | Group                        |                              | Parent Company               |                              |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                                | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) |
| Equity attributable to shareholders of the Parent Company ( <del>£</del> '000) | 219,462                      | 211,438                      | 216,006                      | 209,455                      |
| Number of shares outstanding at the end of the year (refer note 42)            | 935,711,596                  | 668,365,426                  | 935,711,596                  | 668,365,426                  |
| Net assets per share (in <del>£</del> )                                        | <u>0.235</u>                 | <u>0.316</u>                 | <u>0.231</u>                 | <u>0.313</u>                 |

## 27. INTEREST INCOME

|                                                                    | Group                        |                              | Parent Company               |                              |
|--------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                    | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) | 2025<br>( <del>£</del> '000) | 2024<br>( <del>£</del> '000) |
| Placements / deposits with banks and other money market placements | 10,800                       | 8,692                        | 177                          | 86                           |
| Other interest income                                              | <u>6,436</u>                 | <u>6,956</u>                 | <u>3,312</u>                 | <u>3,234</u>                 |
|                                                                    | <u>17,236</u>                | <u>15,648</u>                | <u>3,489</u>                 | <u>3,320</u>                 |



## 28. INVESTMENT INCOME

|                                        | Group         |               | Parent Company |              |
|----------------------------------------|---------------|---------------|----------------|--------------|
|                                        | 2025          | 2024          | 2025           | 2024         |
|                                        | (₹ '000)      | (₹ '000)      | (₹ '000)       | (₹ '000)     |
| Dividend from investments              | 3,539         | 5,874         | 500            | 459          |
| <i>Quoted local investments</i>        |               |               |                |              |
| Profit / (loss) on sale                | 1,400         | (573)         | (103)          | (17)         |
| Changes in fair value                  | 2,616         | 2,518         | 260            | (180)        |
| <i>Quoted foreign investments</i>      |               |               |                |              |
| Profit on sale                         | 1,081         | 1,305         | -              | -            |
| Changes in fair value                  | (106)         | (21)          | 30             | (7)          |
| Income from amortized cost investments | 1,167         | 1,565         | -              | -            |
| Amortization of derivative asset       | (452)         | -             | (452)          | -            |
| <i>Unquoted local investments</i>      |               |               |                |              |
| Change in fair value                   | -             | -             | -              | -            |
| <i>Unquoted foreign investments</i>    |               |               |                |              |
| Changes in fair value                  | 3,022         | 4,713         | -              | 5            |
| <i>Investment properties</i>           |               |               |                |              |
| Net gain on investment properties      | 275           | 3,342         | -              | -            |
| Rental income                          | 560           | 643           | 151            | 121          |
| Reversal of provision                  | 70            | 3,451         | -              | 4,556        |
| Gain from derivative                   | -             | 2,221         | -              | 2,221        |
| Realized gain on sale of associate     | -             | 127           | -              | -            |
|                                        | <b>13,172</b> | <b>25,165</b> | <b>386</b>     | <b>7,158</b> |

## 29. OTHER OPERATING INCOME

|                                                                      | Group        |              | Parent Company |            |
|----------------------------------------------------------------------|--------------|--------------|----------------|------------|
|                                                                      | 2025         | 2024         | 2025           | 2024       |
|                                                                      | (₹ '000)     | (₹ '000)     | (₹ '000)       | (₹ '000)   |
| Foreign exchange gains / (losses)                                    | 74           | 6            | -              | (2)        |
| Gross profit from subsidiary in manufacturing business (refer below) | 713          | 1,578        | -              | -          |
| Other income                                                         | 2,502        | 4,108        | -              | 132        |
|                                                                      | <b>3,289</b> | <b>5,692</b> | <b>-</b>       | <b>130</b> |

- (i) This consist of revenue and cost of sales from a manufacturing subsidiary - SPIL which has revenue of ₹ 6,127 thousands (2024: ₹ 9,530 thousands) and cost of sales of ₹ 5,414 thousands (2024: ₹ 7,952 thousands).

## 30. INTEREST EXPENSE

|                 | Group         |               | Parent Company |               |
|-----------------|---------------|---------------|----------------|---------------|
|                 | 2025          | 2024          | 2025           | 2024          |
|                 | (₹ '000)      | (₹ '000)      | (₹ '000)       | (₹ '000)      |
| Bank borrowings | 34,193        | 35,939        | 28,874         | 29,844        |
|                 | <b>34,193</b> | <b>35,939</b> | <b>28,874</b>  | <b>29,844</b> |

## 31. OPERATING EXPENSES

|                                                  | Group         |               | Parent Company |              |
|--------------------------------------------------|---------------|---------------|----------------|--------------|
|                                                  | 2025          | 2024          | 2025           | 2024         |
|                                                  | (₹ '000)      | (₹ '000)      | (₹ '000)       | (₹ '000)     |
| Staff costs (refer below)                        | 24,173        | 18,479        | 5,448          | 3,933        |
| Other operating expenses                         | 13,598        | 9,966         | 1,748          | 1,742        |
| Depreciation                                     | 3,191         | 2,976         | 169            | 163          |
| Amortization                                     | 1,747         | 1,959         | 312            | 312          |
| <i>Directors' sitting fees and remuneration:</i> |               |               |                |              |
| Parent Company                                   | 352           | 197           | 352            | 197          |
| Subsidiaries (net of intra-group adjustments)    | 557           | 94            | -              | -            |
|                                                  | <b>43,618</b> | <b>33,671</b> | <b>8,029</b>   | <b>6,347</b> |
| Staff costs:                                     |               |               |                |              |
| Salaries                                         | 13,227        | 13,312        | 2,224          | 2,469        |
| End of service benefits                          | 1,282         | 1,016         | 1,457          | 207          |
| Social security costs                            | 1,257         | 979           | 135            | 275          |
| Other costs                                      | 8,407         | 3,172         | 1,632          | 982          |
|                                                  | <b>24,173</b> | <b>18,479</b> | <b>5,448</b>   | <b>3,933</b> |

- (a) During the year, the Parent Company has recharged proportionate staff costs amounting to ₹ 1,244,877 (2024: 893,849) 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.

| 31 December 2025            | Positive<br>fair value<br>(₹ '000) | Negative<br>fair value<br>(₹ '000) | Notional<br>amount<br>(₹ '000) | Within 3<br>months<br>(₹ '000) | 3 - 12<br>months<br>(₹ '000) | More than<br>1 year<br>(₹ '000) |
|-----------------------------|------------------------------------|------------------------------------|--------------------------------|--------------------------------|------------------------------|---------------------------------|
| Interest rate swaps (hedge) | 850                                | (1,212)                            | 327,408                        | -                              | -                            | 327,408                         |

| 31 December 2024            | Positive<br>fair value<br>(₹ '000) | Negative<br>fair value<br>(₹ '000) | Notional<br>amount<br>(₹ '000) | Within 3<br>months<br>(₹ '000) | 3 - 12<br>months<br>(₹ '000) | More than<br>1 year<br>(₹ '000) |
|-----------------------------|------------------------------------|------------------------------------|--------------------------------|--------------------------------|------------------------------|---------------------------------|
| Interest rate swaps (hedge) | 3,845                              | -                                  | 123,194                        | 12,512                         | -                            | 110,682                         |

**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.

|                                                                                                                                                          | <i>Group</i>                   |                                | <i>Parent Company</i>          |                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                                                                                                                                          | <i>2025</i><br><i>(₹ '000)</i> | <i>2024</i><br><i>(₹ '000)</i> | <i>2025</i><br><i>(₹ '000)</i> | <i>2024</i><br><i>(₹ '000)</i> |
| Profit for the year attributable to equity holders                                                                                                       | 40,240                         | 37,160                         | 39,428                         | 36,819                         |
| Less: perpetual interest / expense                                                                                                                       | (6,397)                        | (6,605)                        | (6,668)                        | (6,698)                        |
| Profit for the year attributable to equity holders of the Group / Parent Company after interest / expense on Perpetual capital bonds (basic and diluted) | 33,843                         | 30,555                         | 32,760                         | 30,121                         |
| Weighted average number of shares outstanding during the year                                                                                            | 920,238,480                    | 920,238,480                    | 920,238,480                    | 920,238,480                    |
| Basic and diluted earnings per share (₹)                                                                                                                 | 0.037                          | 0.033                          | 0.036                          | 0.033                          |

During FY 2024, 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.

During EGM held on 30 June 2025, a resolution was passed to approve the amendment to the conversion ratio from 0.25 equity shares per bond to 0.35 equity shares per bond. All other details remain the same

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:

- Investment Segment – incorporating investment activities for both short-term and long-term purposes.
- 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.
- 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.
- Real Estate Segment – incorporating activities in real estate sector.

Transactions between the business segments are eliminated on consolidation.

|                  | <i>Investments</i><br><i>(₹ '000)</i> | <i>Banking</i><br><i>(₹ '000)</i> | <i>Insurance</i><br><i>(₹ '000)</i> | <i>Real estate</i><br><i>(₹ '000)</i> | <i>Adjustments</i><br><i>(₹ '000)</i> | <i>Total</i><br><i>(₹ '000)</i> |
|------------------|---------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| <i>2025</i>      |                                       |                                   |                                     |                                       |                                       |                                 |
| Segment revenues | 68,825                                | 49,154                            | 481,094                             | 2,019                                 | (43,929)                              | 557,163                         |
| Segment results  | 14,430                                | 49,154                            | 23,258                              | (1,440)                               | (45,162)                              | 40,240                          |
| Segment assets   | 726,691                               | 482,240                           | 590,069                             | 70,046                                | (470,192)                             | 1,398,854                       |
| <i>2024</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                       |

**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:

|                                            | <i>Directors</i><br><i>(₹ '000)</i> | <i>Associates</i><br><i>(₹ '000)</i> | <i>Key management</i><br><i>(₹ '000)</i> | <i>Other related parties</i><br><i>(₹ '000)</i> |
|--------------------------------------------|-------------------------------------|--------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Group - 2025</i>                        |                                     |                                      |                                          |                                                 |
| <b>Statement of comprehensive income</b>   |                                     |                                      |                                          |                                                 |
| Interest and other income                  | -                                   | 1,975                                | -                                        | 11                                              |
| Interest expense                           | -                                   | 4,358                                | -                                        | -                                               |
| Directors sitting fees and remuneration    | 803                                 | -                                    | -                                        | -                                               |
| Premiums received                          | -                                   | 3,008                                | -                                        | 1,567                                           |
| Claims paid                                | -                                   | 1,802                                | -                                        | 1,076                                           |
| Operating expenses and capital expenditure | -                                   | 2,843                                | -                                        | 1,388                                           |
| Staff cost                                 | -                                   | -                                    | 7,886                                    | -                                               |
| <b>Statement of financial position</b>     |                                     |                                      |                                          |                                                 |
| Purchase of investments                    | -                                   | 12,655                               | -                                        | -                                               |
| Borrowing arrangements, loans and advances | -                                   | 79,520                               | -                                        | -                                               |
| Current and other deposit accounts         | -                                   | 24,837                               | -                                        | -                                               |
| Premiums and other receivables             | 38                                  | 1,220                                | 158                                      | 305                                             |
| Advances, payables and deposits            | 195                                 | 2,973                                | 1,993                                    | 1,051                                           |

|                                            | <i>Directors</i><br><i>(₹ '000)</i> | <i>Associates</i><br><i>(₹ '000)</i> | <i>Key management</i><br><i>(₹ '000)</i> | <i>Other related parties</i><br><i>(₹ '000)</i> |
|--------------------------------------------|-------------------------------------|--------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Group - 2024</i>                        |                                     |                                      |                                          |                                                 |
| <b>Statement of comprehensive income</b>   |                                     |                                      |                                          |                                                 |
| 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                                    | -                                               |
| <b>Statement of financial position</b>     |                                     |                                      |                                          |                                                 |
| 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                              | -                                    | -                                        | -                                               |
| Advances, Payables and deposits            | -                                   | 2,502                                | 340                                      | 1,673                                           |



35. RELATED PARTY TRANSACTIONS *(continued)*

## Parent – 2025

|                                          | <i>Subsidiaries</i>        | <i>Associates</i>          | <i>Directors</i>           | <i>Key management</i>      | <i>Other related parties</i> |
|------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
|                                          | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i>   |
| <b>Statement of comprehensive income</b> |                            |                            |                            |                            |                              |
| Directors' sitting fees and remuneration | -                          | -                          | 349                        | -                          | -                            |
| Dividend from Subsidiary companies       | 27,900                     | -                          | -                          | -                          | -                            |
| Dividend from Associates companies       | -                          | 10,389                     | -                          | -                          | -                            |
| Brokerage and other fees                 | 26                         | -                          | -                          | -                          | -                            |
| Operating expenses & CSR                 | 206                        | -                          | -                          | -                          | -                            |
| Interest income                          | 3,312                      | 62                         | -                          | -                          | -                            |
| Interest expenses                        | 1,798                      | 4,358                      | -                          | -                          | -                            |
| Premiums                                 | 159                        | -                          | -                          | -                          | -                            |
| Claims                                   | 48                         | -                          | -                          | -                          | -                            |
| Recharge of common staff cost            | 1,245                      | -                          | -                          | -                          | -                            |
| Staff cost                               | -                          | -                          | -                          | 3,983                      | -                            |
| <b>Statements of financial position</b>  |                            |                            |                            |                            |                              |
| Bank borrowings                          | -                          | 79,520                     | -                          | -                          | -                            |
| Bank balances and deposits               | -                          | 1,279                      | -                          | -                          | -                            |
| Due from subsidiaries                    | 67,612                     | -                          | -                          | -                          | -                            |
| Due to subsidiaries                      | 37,037                     | -                          | -                          | -                          | -                            |
| Loan                                     | 3,317                      | -                          | -                          | -                          | -                            |

## Parent – 2024

|                                          | <i>Subsidiaries</i>        | <i>Associates</i>          | <i>Directors</i>           | <i>Key management</i>      | <i>Other related parties</i> |
|------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
|                                          | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i>   |
| <b>Statement of comprehensive income</b> |                            |                            |                            |                            |                              |
| 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                      | -                            |
| <b>Statements of financial position</b>  |                            |                            |                            |                            |                              |
| Bank borrowings                          | -                          | 73,360                     | -                          | -                          | -                            |
| Bank balances and deposits               | -                          | 2,636                      | -                          | -                          | -                            |
| Due from subsidiaries                    | 30,024                     | -                          | -                          | -                          | -                            |
| Due to subsidiaries                      | 40,477                     | -                          | -                          | -                          | -                            |
| Loan                                     | 1,713                      | -                          | -                          | -                          | -                            |

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:

|                                                        | <i>2025</i>                | <i>2024</i>                |
|--------------------------------------------------------|----------------------------|----------------------------|
|                                                        | <i>(<del>₹</del> '000)</i> | <i>(<del>₹</del> '000)</i> |
| Amounts held in:                                       |                            |                            |
| Cash held for discretionary trust accounts             | 5,692                      | 9,984                      |
| Cash held for non - discretionary trust accounts       | 1,118                      | 9,687                      |
| Securities held for discretionary trust accounts       | 441,443                    | 239,634                    |
| Securities held for non - discretionary trust accounts | 476,411                    | 415,408                    |
|                                                        | <b>924,664</b>             | <b>674,713</b>             |

## 37. CONTINGENT LIABILITIES &amp; COMMITMENTS

## Capital commitments

The Group has entered into a various contracts with a leading construction companies / third parties in Oman to develop projects. The balance capital commitment on these projects amounts to RO 7 million.

## Contingencies

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

## 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 unaudited interim condensed separate and consolidated statement of financial position of ~~₹~~ 79,844,521 (2024: ~~₹~~ 77,968,656). The Group can transfer these assets with the prior approval of the Financial Services Authority. The Group has provided bank guarantee of ~~₹~~ 50,000 (2024: ~~₹~~ 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, State of Kuwait, Kingdom of Saudi Arabia and Kingdom of Bahrain the Group has identified to the Central Bank of the United Arab Emirates, The Ministry of Commerce and Industry, Kuwait, Saudi Central Bank and Central Bank of Bahrain respectively, fixed deposits of ~~₹~~ 1,693,119 (2024: ~~₹~~ 1,764,418), ~~₹~~ 3,270,395 (2024: ~~₹~~ 3,216,850), ~~₹~~ 4,106,667 (2024: ~~₹~~ 4,520,003) and ~~₹~~ 165,861 (2024: ~~₹~~ 157,078) which can be used by the Group with the prior approval of the respective authorities.

## 39. GEOGRAPHICAL CONCENTRATION OF ASSETS AND LIABILITIES

|                                  | <i>Sultanate of Oman</i> | <i>GCC</i>      | <i>Rest of the world</i> | <i>Total</i>     |
|----------------------------------|--------------------------|-----------------|--------------------------|------------------|
| <i>Group – 2025</i>              | <i>(₹ '000)</i>          | <i>(₹ '000)</i> | <i>(₹ '000)</i>          | <i>(₹ '000)</i>  |
| <b>Assets</b>                    |                          |                 |                          |                  |
| Cash and cash equivalents        | 21,996                   | 21,464          | 4,097                    | 47,557           |
| Deposits with banks              | 72,846                   | 97,083          | -                        | 169,929          |
| Insurance contract assets        | 65                       | 101             | -                        | 166              |
| Reinsurance contract assets      | 34,232                   | 37,821          | -                        | 72,053           |
| Investment securities            | 114,491                  | 148,865         | 70,787                   | 334,143          |
| Investments in associates        | 532,376                  | 3,897           | 61,231                   | 597,504          |
| Investment properties            | 6,210                    | -               | -                        | 6,210            |
| Other assets                     | 32,283                   | 23,354          | 253                      | 55,890           |
| Property and equipment           | 14,757                   | 4,849           | 56                       | 19,662           |
| Capital Work-in-Progress         | 46,186                   | -               | -                        | 46,186           |
| Intangible assets                | 47,320                   | 2,234           | -                        | 49,554           |
|                                  | <u>922,596</u>           | <u>339,750</u>  | <u>136,508</u>           | <u>1,398,854</u> |
| <b>Liabilities</b>               |                          |                 |                          |                  |
| Bank borrowings                  | 369,893                  | 235,499         | 9,279                    | 614,671          |
| Insurance contract liabilities   | 113,471                  | 155,334         | -                        | 268,805          |
| Reinsurance contract liabilities | 6,830                    | 13,274          | -                        | 20,104           |
| Other liabilities                | 52,166                   | 15,645          | 143                      | 67,954           |
| Taxation                         | (272)                    | 3,597           | -                        | 3,325            |
| <b>Total liabilities</b>         | <u>542,088</u>           | <u>423,349</u>  | <u>9,422</u>             | <u>974,859</u>   |

|                                           | <i>Sultanate of Oman</i> | <i>GCC</i>      | <i>Rest of the world</i> | <i>Total</i>     |
|-------------------------------------------|--------------------------|-----------------|--------------------------|------------------|
| <i>Group – 2024</i>                       | <i>(₹ '000)</i>          | <i>(₹ '000)</i> | <i>(₹ '000)</i>          | <i>(₹ '000)</i>  |
| <b>Assets</b>                             |                          |                 |                          |                  |
| 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           |
|                                           | <u>878,745</u>           | <u>333,300</u>  | <u>69,343</u>            | <u>1,281,388</u> |
| <b>Liabilities</b>                        |                          |                 |                          |                  |
| 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            |
| <b>Total liabilities</b>                  | <u>472,108</u>           | <u>404,849</u>  | <u>109</u>               | <u>877,066</u>   |

## 39. GEOGRAPHICAL CONCENTRATION OF ASSETS AND LIABILITIES (continued)

|                              | <i>Sultanate of Oman</i> | <i>GCC</i>      | <i>Rest of the world</i> | <i>Total</i>    |
|------------------------------|--------------------------|-----------------|--------------------------|-----------------|
| <i>Parent Company – 2025</i> | <i>(₹ '000)</i>          | <i>(₹ '000)</i> | <i>(₹ '000)</i>          | <i>(₹ '000)</i> |
| <b>Assets</b>                |                          |                 |                          |                 |
| Cash and cash equivalents    | 3,057                    | 705             | 2                        | 3,764           |
| Investment securities        | 15,288                   | 231             | 75                       | 15,594          |
| Investments in associates    | 327,591                  | -               | -                        | 327,591         |
| Investments in subsidiaries  | 432,051                  | 29,706          | -                        | 461,757         |
| Dues from subsidiaries       | 67,612                   | -               | -                        | 67,612          |
| Investments in properties    | 2,000                    | -               | -                        | 2,000           |
| Other assets                 | 2,511                    | -               | -                        | 2,511           |
| Property and equipment       | 481                      | -               | -                        | 481             |
| <b>Total assets</b>          | <u>850,591</u>           | <u>30,642</u>   | <u>77</u>                | <u>881,310</u>  |
| <b>Liabilities</b>           |                          |                 |                          |                 |
| Bank borrowings              | 305,256                  | 201,811         | -                        | 507,067         |
| Other liabilities            | 6,562                    | 39,036          | -                        | 45,598          |
| Taxation                     | 480                      | -               | -                        | 480             |
| <b>Total liabilities</b>     | <u>312,298</u>           | <u>240,847</u>  | <u>-</u>                 | <u>553,145</u>  |

|                              | <i>Sultanate of Oman</i> | <i>GCC</i>      | <i>Rest of the world</i> | <i>Total</i>    |
|------------------------------|--------------------------|-----------------|--------------------------|-----------------|
| <i>Parent Company – 2024</i> | <i>(₹ '000)</i>          | <i>(₹ '000)</i> | <i>(₹ '000)</i>          | <i>(₹ '000)</i> |
| <b>Assets</b>                |                          |                 |                          |                 |
| 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             |
| <b>Total assets</b>          | <u>769,412</u>           | <u>29,698</u>   | <u>78</u>                | <u>799,188</u>  |
| <b>Liabilities</b>           |                          |                 |                          |                 |
| Bank borrowings              | 258,696                  | 172,417         | -                        | 431,113         |
| Other liabilities            | 5,004                    | 40,477          | -                        | 45,481          |
| Taxation                     | 980                      | -               | -                        | 980             |
| <b>Total liabilities</b>     | <u>264,680</u>           | <u>212,894</u>  | <u>-</u>                 | <u>477,574</u>  |



## 40. ASSETS AND LIABILITIES MATURITY PROFILE

|                                  | <i>Less than<br/>one year<br/>(= '000)</i> | <i>More than<br/>one year<br/>(= '000)</i> | <i>No fixed<br/>term<br/>(= '000)</i> | <i>Total<br/>(= '000)</i> |
|----------------------------------|--------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------|
| <b>Group – 2025</b>              |                                            |                                            |                                       |                           |
| <b><i>Assets</i></b>             |                                            |                                            |                                       |                           |
| Cash and cash equivalents        | 47,557                                     | -                                          | -                                     | 47,557                    |
| Deposits with banks              | 140,500                                    | 29,429                                     | -                                     | 169,929                   |
| Insurance contract assets        | 232                                        | (66)                                       | -                                     | 166                       |
| Re-insurance contract assets     | 65,073                                     | 6,980                                      | -                                     | 72,053                    |
| Investment securities            | 174,462                                    | 98,671                                     | 61,010                                | 334,143                   |
| Investments in associates        | -                                          | -                                          | 597,504                               | 597,504                   |
| Other assets                     | 49,503                                     | 1,606                                      | 4,781                                 | 55,890                    |
| Investments in properties        | -                                          | 6,210                                      | -                                     | 6,210                     |
| Property and equipment           | -                                          | 19,662                                     | -                                     | 19,662                    |
| Work in progress                 | 46,186                                     | -                                          | -                                     | 46,186                    |
| Intangible assets                | -                                          | -                                          | 49,554                                | 49,554                    |
| <b><i>Liabilities</i></b>        |                                            |                                            |                                       |                           |
| Bank borrowings                  | 101,741                                    | 512,930                                    | -                                     | 614,671                   |
| Insurance contract liabilities   | 237,211                                    | 31,594                                     | -                                     | 268,805                   |
| Reinsurance contract liabilities | 21,156                                     | (1,052)                                    | -                                     | 20,104                    |
| Other liabilities                | 63,365                                     | 4,589                                      | -                                     | 67,954                    |
| Taxation                         | 3,325                                      | -                                          | -                                     | 3,325                     |
| <b>Group – 2024</b>              |                                            |                                            |                                       |                           |
| <b><i>Assets</i></b>             |                                            |                                            |                                       |                           |
| 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                                     | 178,958                               | 267,158                   |
| Investments in associates        | -                                          | -                                          | 550,690                               | 550,690                   |
| Other assets                     | 49,431                                     | -                                          | -                                     | 49,431                    |
| Investments in properties        | -                                          | 6,399                                      | -                                     | 6,399                     |
| Property and equipment           | -                                          | 18,775                                     | -                                     | 18,775                    |
| Work in progress                 | 26,463                                     | -                                          | -                                     | 26,463                    |
| Intangible assets                | -                                          | -                                          | 50,724                                | 50,724                    |
| <b><i>Liabilities</i></b>        |                                            |                                            |                                       |                           |
| Bank borrowings                  | 55,560                                     | 498,353                                    | -                                     | 553,913                   |
| Insurance contract liabilities   | 234,866                                    | -                                          | -                                     | 234,866                   |
| Reinsurance contract liabilities | 32,020                                     | -                                          | -                                     | 32,020                    |
| Other liabilities                | 48,438                                     | -                                          | -                                     | 48,438                    |
| Taxation                         | 6,376                                      | -                                          | -                                     | 6,376                     |

## 40. ASSETS AND LIABILITIES MATURITY PROFILE (continued)

|                              | <i>Less than<br/>one year<br/>(= '000)</i> | <i>More than<br/>one year<br/>(= '000)</i> | <i>No fixed<br/>term<br/>(= '000)</i> | <i>Total<br/>(= '000)</i> |
|------------------------------|--------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------|
| <b>Parent Company – 2025</b> |                                            |                                            |                                       |                           |
| <b><i>Assets</i></b>         |                                            |                                            |                                       |                           |
| Cash and cash equivalents    | 3,764                                      | -                                          | -                                     | 3,764                     |
| Investment securities        | -                                          | -                                          | 15,594                                | 15,594                    |
| Investments in associates    | -                                          | -                                          | 327,591                               | 327,591                   |
| Investments in subsidiaries  | -                                          | -                                          | 461,757                               | 461,757                   |
| Investment properties        | -                                          | 2,000                                      | -                                     | 2,000                     |
| Other assets                 | 2,511                                      | -                                          | -                                     | 2,511                     |
| Property and equipment       | -                                          | 481                                        | -                                     | 481                       |
| Due from subsidiaries        | -                                          | -                                          | 67,612                                | 67,612                    |
| <b><i>Liabilities</i></b>    |                                            |                                            |                                       |                           |
| Bank borrowings              | 98,173                                     | 408,894                                    | -                                     | 507,067                   |
| Other liabilities            | 45,598                                     | -                                          | -                                     | 45,598                    |
| Taxation                     | 480                                        | -                                          | -                                     | 480                       |
| <b>Parent Company – 2024</b> |                                            |                                            |                                       |                           |
| <b><i>Assets</i></b>         |                                            |                                            |                                       |                           |
| 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                   |
| Due from subsidiaries        | -                                          | 2,000                                      | -                                     | 2,000                     |
| Other assets                 | 4,202                                      | -                                          | -                                     | 4,202                     |
| Investment properties        | -                                          | 633                                        | -                                     | 633                       |
| Property and equipment       | -                                          | -                                          | 30,024                                | 30,024                    |
| <b><i>Liabilities</i></b>    |                                            |                                            |                                       |                           |
| Bank borrowings              | 48,563                                     | 382,550                                    | -                                     | 431,113                   |
| Other liabilities            | 45,481                                     | -                                          | -                                     | 45,481                    |
| Taxation                     | 980                                        | -                                          | -                                     | 980                       |

## 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.

**41. FINANCIAL RISK MANAGEMENT POLICIES (continued)****41.1 Financial risk management**

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:

| 2025 – Group                           | (₹ '000) |         |         |         |
|----------------------------------------|----------|---------|---------|---------|
|                                        | Stage 1  | Stage 2 | Stage 3 | Total   |
| Cash and cash equivalents              | 47,557   | -       | -       | 47,557  |
| Deposits with banks                    | 169,929  | -       | -       | 169,929 |
| Investment at amortised cost           | 67,791   | 482     | -       | 68,273  |
| Investment securities carried at FVOCI | 116,912  | -       | -       | 116,912 |
| Other assets                           | 55,890   | -       | -       | 55,890  |

| 2024 – Group                           | (₹ '000) |         |         |         |
|----------------------------------------|----------|---------|---------|---------|
|                                        | Stage 1  | Stage 2 | Stage 3 | Total   |
| Cash and cash equivalents              | 46,195   | -       | -       | 46,195  |
| Deposits with banks                    | 157,271  | -       | -       | 157,271 |
| Investment at amortised cost           | 87,474   | 726     | -       | 88,200  |
| Investment securities carried at FVOCI | 83,417   | -       | -       | 83,417  |
| Other assets                           | 49,431   | -       | -       | 49,431  |

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 A2 to Baa3 during the year 2024 and 2025.

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

**41. FINANCIAL RISK MANAGEMENT POLICIES (continued)****41.2 Credit risk (continued)****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:

| 2025 – Group                     | (₹ '000)           |                    |                |         |
|----------------------------------|--------------------|--------------------|----------------|---------|
|                                  | Less than one year | More than one year | No fixed terms | Total   |
| Bank borrowings                  | 100,184            | 514,487            | -              | 614,671 |
| Insurance contract liabilities   | 268,805            | -                  | -              | 268,805 |
| Reinsurance contract liabilities | 20,104             | -                  | -              | 20,104  |
| Other liabilities                | 67,954             | -                  | -              | 67,954  |

| 2024 – Group                     | (₹ '000)           |                    |                |         |
|----------------------------------|--------------------|--------------------|----------------|---------|
|                                  | Less than one year | More than one year | No fixed terms | Total   |
| Bank borrowings                  | 55,560             | 498,353            | -              | 553,913 |
| Insurance contract liabilities   | 234,866            | -                  | -              | 234,866 |
| Reinsurance contract liabilities | 32,020             | -                  | -              | 32,020  |
| Other liabilities                | 48,438             | -                  | -              | 48,438  |

| 2025 – Parent Company | (₹ '000)           |                    |                |         |
|-----------------------|--------------------|--------------------|----------------|---------|
|                       | Less than one year | More than one year | No fixed terms | Total   |
| Bank borrowings       | 98,173             | 408,894            | -              | 507,067 |
| Other liabilities     | 45,598             | -                  | -              | 45,598  |

| 2024 – Parent Company | (₹ '000)           |                    |                |         |
|-----------------------|--------------------|--------------------|----------------|---------|
|                       | Less than one year | More than one year | No fixed terms | Total   |
| Bank borrowings       | 138,882            | 292,231            | -              | 431,113 |
| Other liabilities     | 45,481             | -                  | -              | 45,481  |



**41. FINANCIAL RISK MANAGEMENT POLICIES (continued)****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.

52% (2024: 74%) of the Group's investments at the reporting date are within the Sultanate of Oman.

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

**Group**

|                        | <i>Effect on equity</i>          |                                  | <i>Effect on profit</i>          |                                  |
|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                        | <i>2025</i><br>( <i>₹ '000</i> ) | <i>2024</i><br>( <i>₹ '000</i> ) | <i>2025</i><br>( <i>₹ '000</i> ) | <i>2024</i><br>( <i>₹ '000</i> ) |
| Investments securities | 23,234                           | 15,256                           | 16,190                           | 7,602                            |

**Parent Company**

|                        | <i>Effect on equity</i>          |                                  | <i>Effect on profit</i>          |                                  |
|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                        | <i>2025</i><br>( <i>₹ '000</i> ) | <i>2024</i><br>( <i>₹ '000</i> ) | <i>2025</i><br>( <i>₹ '000</i> ) | <i>2024</i><br>( <i>₹ '000</i> ) |
| Investments securities | 2,538                            | 1,415                            | 390                              | 508                              |

*Interest rate risk*

The Group invests in securities and has deposits that are subject to interest rate risk. The Group's bank deposits of ₹ 169,929 thousands (2024: ₹ 157,271 thousands) carry fixed rate of interest and therefore, are not exposed to interest rate risk.

The Group holds subordinated interest-bearing investments at FVTPL and FVOCI with face value of ₹ 78,693 thousands (2024: ₹ 78,693 thousands) which are subject to interest rate reset as per below table.

| <b>Year of reset</b> | <i>2025</i>                            |                                |                                    |
|----------------------|----------------------------------------|--------------------------------|------------------------------------|
|                      | <i>Face Value</i><br>( <i>₹ '000</i> ) | <i>Rate Change</i><br><i>%</i> | <i>Impact</i><br>( <i>₹ '000</i> ) |
| Year 2025            | -                                      | -                              | -                                  |
| Year 2026            | 10,217                                 | 1%                             | 102                                |
| Year 2027 to 2052    | 68,476                                 | 1%                             | 685                                |

**41. FINANCIAL RISK MANAGEMENT POLICIES (continued)****41.4 Market risk (continued)***Interest rate risk (continued)*

| <b>Year of reset</b> | <i>2024</i>                            |                                |                                    |
|----------------------|----------------------------------------|--------------------------------|------------------------------------|
|                      | <i>Face Value</i><br>( <i>₹ '000</i> ) | <i>Rate Change</i><br><i>%</i> | <i>Impact</i><br>( <i>₹ '000</i> ) |
| Year 2024            | -                                      | -                              | -                                  |
| Year 2025            | 12,688                                 | 1%                             | 127                                |
| Year 2026 to 2052    | 121,088                                | 1%                             | 1,211                              |

*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 to 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.

**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 2025, 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 2025 and 2024 for the Parent Company 60.68% and 57.23% respectively.

| <b>Parent</b>                   | <i>2025</i><br>( <i>₹ '000</i> ) | <i>2024</i><br>( <i>₹ '000</i> ) |
|---------------------------------|----------------------------------|----------------------------------|
| Total borrowings                | 510,274                          | 434,050                          |
| Less: cash and cash equivalents | (3,764)                          | (3,650)                          |
| Net debt                        | 506,510                          | 430,400                          |
| Total equity                    | 328,165                          | 321,614                          |
| Total capital                   | 834,675                          | 752,014                          |
| Gearing ratio                   | 60.68%                           | 57.23%                           |

**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.

**41. FINANCIAL RISK MANAGEMENT POLICIES (continued)****41.6 Insurance risk management (continued)**

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.

**41. FINANCIAL RISK MANAGEMENT POLICIES (continued)****41.6 Insurance risk management (continued)****Short-duration life insurance contracts (continued)****(a) Frequency and severity of claims (continued)**

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 for the financial year ended 31<sup>st</sup> December 2025 are not accounted for until they have been approved at the Annual General Meeting. At the forthcoming shareholders Meeting, to be held on 31 March 2026, a cash dividend of ~~₹~~ 0.020 per share (2024 - ~~₹~~ 0.020 per share) amounting to ~~₹~~ 18,714,232 (2024 - ~~₹~~ 13,367,309) and a stock dividend of ~~₹~~ 0.020 per share (2024 - 0.040) amounting to ~~₹~~ 18,714,232 (2024 - 26,734,618) is proposed by the Board of Directors for the year ended 31 December 2025.

At the shareholders meeting, held on 27 March 2025, cash dividend of ~~₹~~ 0.020 per share (2024 - ~~₹~~ 0.020 per share) amounting to ~~₹~~ 13,367,309 (2024 - ~~₹~~ 13,367,309) and a stock dividend of 4 shares for every 10 shares held (FY 2023 - NIL) comprising 40% of the share capital amounting to ~~₹~~ 26,734,617 was approved by the shareholders for the year ended 31 December 2024. The stock dividend resulted in an increase in the number of shares from 668,365,426 to 935,711,596. Share premium amounting ~~₹~~ 5,778,471 has been utilized for stock dividend.

The financial statements for the year ended 31 December 2025 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 2026.



**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:

|                                            | <i>Carrying<br/>value<br/>(₹ '000)</i> | <i>Market value<br/>(₹ '000)</i> | <i>Difference<br/>(₹ '000)</i> |
|--------------------------------------------|----------------------------------------|----------------------------------|--------------------------------|
| Investments in associates and subsidiaries |                                        |                                  |                                |
| <b>2025</b>                                | <b>651,750</b>                         | <b>689,572</b>                   | <b>37,822</b>                  |
| Investments in associates and subsidiaries |                                        |                                  |                                |
| <b>2024</b>                                | <b>594,961</b>                         | <b>544,434</b>                   | <b>(50,527)</b>                |

***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 2025 and 2024, 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 2025**

| <b>Group</b>                                                      | <i>Level 1<br/>(₹ '000)</i> | <i>Level 2<br/>(₹ '000)</i> | <i>Level 3<br/>(₹ '000)</i> | <i>Total<br/>(₹ '000)</i> |
|-------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| Financial assets at fair value through profit or loss             | <b>80,951</b>               | -                           | <b>68,007</b>               | <b>148,958</b>            |
| Financial assets at fair value through other comprehensive income | <b>116,168</b>              | -                           | <b>744</b>                  | <b>116,912</b>            |
| Investment properties                                             | -                           | -                           | <b>6,210</b>                | <b>6,210</b>              |
| Work-in-progress                                                  | -                           | -                           | <b>46,186</b>               | <b>46,186</b>             |
| Derivative financial instruments                                  | -                           | <b>(363)</b>                | -                           | <b>(363)</b>              |
| <b>Parent Company</b>                                             |                             |                             |                             |                           |
| Financial assets at fair value through profit or loss             | <b>1,949</b>                | -                           | <b>211</b>                  | <b>2,160</b>              |
| Financial assets at fair value through other comprehensive income | <b>12,690</b>               | -                           | <b>744</b>                  | <b>13,434</b>             |
| Investment properties                                             | -                           | -                           | <b>2,000</b>                | <b>2,000</b>              |

**43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)*****Fair value hierarchy***

As at 31 December 2024

| <b>Group</b>                                                      | <i>Level 1<br/>(₹ '000)</i> | <i>Level 2<br/>(₹ '000)</i> | <i>Level 3<br/>(₹ '000)</i> | <i>Total<br/>(₹ '000)</i> |
|-------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| 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                     |
| <b>Parent Company</b>                                             |                             |                             |                             |                           |
| 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                     |

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, management determines the fair value of investments in unquoted companies using appropriate valuation techniques, including discounted cash flow models based on the net present value of estimated future cash flows, as well as market-based valuation techniques using observable multiples derived from comparable publicly traded companies or recent comparable transactions. Fair value estimates are adjusted, where appropriate, to reflect the lack of marketability of the equity instruments and relevant market and company-specific risk factors.

Investments in unlisted investment funds are valued based on the unadjusted net asset value ("NAV") of the investee. Management assesses that the reported NAV is representative of fair value, as a significant portion of the underlying assets and liabilities of the investee are measured at fair value, or comprise cash and cash equivalents for which carrying amounts approximate fair value. Accordingly, no adjustments are made to the reported NAV in determining the fair value of investments in unlisted investment funds.

**44. SUBSEQUENT EVENTS AFTER REPORTING DATE**

Subsequent to the reporting date of 31 December 2025, Board of Directors of Ominvest, at its meeting held on 18 February 2026, approved the sale of Ominvest's 80% equity stake in Jabreen Investment Ventures SAOC (100% subsidiary of Ominvest incorporated on 15 February 2026), together with certain international investments to a strategic investor (the "Transaction"). The Transaction is expected to result in net cash proceeds amounting to ₹ 134 million, with an estimated profit of ₹ 17 million. The transaction is subject to obtaining all the required regulatory and other applicable approvals and the finalization and execution of the definitive transaction documentation, including the Sale Purchase Agreement with the strategic investor.

Subsequent to the reporting period, the geopolitical environment in the Middle East has materially deteriorated due to a significant escalation of conflict which has affected multiple countries across the Middle East region. This has led to widespread airspace closures, major disruptions to maritime trade routes, heightened volatility in energy markets, and broader economic uncertainty. For Ominvest group with diversified holdings across insurance, banking, investment companies, brokerage, education, and technology platforms, these events may indirectly affect portfolio valuations, funding conditions, and risk sentiment. Financial market volatility may influence fair value measurements, profitability of financial services exposures, and transaction activity within brokerage and investment entities, while education and technology platforms may experience changes in demand trends or capital availability. As these conditions arose after the reporting date, they do not provide evidence of circumstances existing at year end, therefore, they are non adjusting subsequent events in accordance with IAS 10.

However, due to their potential impact on market performance and sector specific exposures, management continues to closely monitor developments and assess possible implications for the Group's investment portfolio, liquidity management, and overall financial outlook.



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