

1 Legal status and principal activities

Al Madina Insurance Company SAOG (the “Company”) was incorporated on 15 May 2006 as a closed joint stock company in the Sultanate of Oman. On 10 December 2013, the Company became a public joint stock company and is listed on Muscat Stock Exchange (MSX) with a symbol ‘AMAT’. The Company operates in Oman and is engaged in the business of General and Family Takaful activities and investments by adopting wakala and mudarbah model respectively, on behalf of the participants in accordance with the Islamic Shari’ah rules and principles. The retakaful/reinsurance activities are organised on an underwriting year basis with the participants pooling their contributions to compensate for losses suffered in the pool on occurrence of a defined event.

The Company commenced commercial operations from 1 August 2006. The Company was granted license from Financial Services Authority (FSA) on 15 July 2006. The Company started Takaful operations on 1 January 2014 after being granted the Takaful license by the FSA.

The Company has 9 branches in the Sultanate of Oman (31 December 2024: 8) & 2 Kiosk desks (31 December 2024: 2).

2 Summary of significant accounting policies

- (a) This unaudited condensed interim financial information for the six month period ended 30 June 2025 has been prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). In line with the requirement of AAOIFI, for matters that are not covered by AAOIFI standards, the Company uses guidance from the relevant International Financial Reporting Standards (IFRS). Accordingly, the unaudited condensed interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.
- (b) This unaudited condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with FAS issued by AAOIFI and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2024.
- (c) The accounting policies adopted in the preparation of this unaudited condensed interim financial information are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2024. In addition, results for the six month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.
- (d) The unaudited condensed interim financial information is prepared in Rial Omani which is the Company’s functional and presentation currency.
- (e) The unaudited condensed interim financial information has been prepared using historical cost convention except for Investments at fair value through income statement, Investments at fair value through other comprehensive income and investment in real estate which are measured at fair value. The accounting policies adopted are consistent with those of the previous financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- (f) During the period, the Company adopted following standards and amendments to standards in preparation of these unaudited condensed interim financial information effective from 1st January 2025.
- FAS 42–Presentation and Disclosures in the Financial Statements of Takaful Institutions,
 - FAS 43–Accounting for Takaful: Recognition and Measurement,
 - FAS 30 –Impairment, Credit Losses, and Onerous Commitments

2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement

This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

The requirements of this standard are duly aligned with the international best practices of financial reporting for the takaful business.

The new standard brings fundamental changes to the accounting for takaful assets and takaful liabilities. The effective date of the standard from AAOIFI is financial reporting period, beginning on or after 1 January 2025.

This standard applies to the Takaful Institution (including, in their capacity of being Takaful operator) and their managed participants' Takaful fund (PTF) in respect of:

- Takaful arrangements, including re-Takaful arrangements issued;
- Re-Takaful arrangements held;
- Investment contracts, with or without discretionary features that are issued along with, and being part of, the Takaful arrangements; and
- Ancillary transactions related to Takaful operations.

Accounting for Takaful arrangements - under general / variable fee approach

Combining and separating components of Takaful arrangements

Unbundling of non-Takaful components

A Takaful arrangement may contain one or more non-Takaful components, such as an investment or service component (generally in the form of a separate contract) or a promise to provide a good or service. The Company separates (unbundles) the components when they are distinct and measurable.

Where different components are unbundled, the Takaful institution ensures appropriate attribution to the Participants Takaful Fund, the Participant Investment Fund and the front-end fee, if any, charged to the participant. Such unbundling of non-Takaful components are performed before the Takaful component is recognised in the books of PTF.

The accounting treatment of non-Takaful components is made in line with the relevant AAOIFI FASs, as applicable.

Accounting for related Takaful arrangements

The Takaful institution may elect to present a set or series of Takaful arrangements, especially with the same or related participant(s), as one whole arrangement after determining that the rights, obligations, risks and rewards, as well as eligibility for surplus distribution are similar in nature. This election is made immediately after the Takaful institution has made an assessment that combining the Takaful arrangements will faithfully represent the accounting treatments and the overall commercial effect after ensuring that the combination is not in conflict with Shari'ah principles and rules.

Level of aggregation of Takaful arrangements

The Takaful institution aggregates the Takaful arrangements into distinct portfolios that are subject to similar risks and are managed together. Arrangements within a product line are expected to be in the same portfolio if they are managed together, whereas arrangements in different product lines are expected not to have similar risks even when managed together.

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

The Takaful institution divides a portfolio of issued Takaful arrangements into groups (at the minimum) of:

- arrangements that are onerous at initial recognition; and
- arrangements that have no significant possibility of subsequently turning into becoming onerous from inception; and
- the remaining arrangements in the portfolio

A set of arrangements is determined to be onerous or have no significant possibility of subsequently turning into / becoming onerous when the Takaful institution makes an assessment of the set of arrangements based on reasonable and supportable information. If reasonable and supportable information is not available for a set of arrangements (elected to be assessed together) for the determination of the group to which such Takaful arrangements belong, then the same is based on the assessment of the individual arrangements.

Where the general approach is applied, the Takaful Institution makes an assessment as to whether arrangements are not onerous at initial recognition or have no significant possibility of subsequently turning into / becoming onerous. The assessment is based on the following:

- the likelihood that any change in assumptions, which, if occurred, would result in the Takaful arrangement turning into / becoming onerous; and
- the estimates provided by the Takaful institution's internal reporting system

When the Takaful institution is making an assessment as to whether the Takaful arrangements are not onerous at initial recognition but have a significant possibility of subsequently turning onerous, the information collected by the Takaful institution's internal reporting system is considered, and the Takaful institution is not required to gather any additional Information.

Subdivision of groups

The Takaful institution may subdivide the groups based on different levels of profitability or the different possibilities of arrangements turning onerous after initial recognition.

Takaful arrangements are included in a different group if issued more than one year apart.

Initial recognition

Timing of initial recognition

The Takaful institution recognises a Takaful arrangement it issues, in the books of PTF. at the earlier of:

- The date when a participant becomes a member of the PTF (and accordingly becomes entitled to the Takaful benefits in the form of sharing of risks), which may be evidenced through either the payment of contribution or issuance of Takaful arrangement documents or
- The date when the Takaful arrangement, being part of a group or an unavoidable commitment to the Takaful arrangement, becomes onerous (even if it happens before the date applicable)

Measurement of the provision for a Takaful arrangement at initial recognition

At initial recognition, the provision for a Takaful arrangement is measured at the total of the following estimates:

- Takaful fulfilment cashflows, pertaining to PTF, comprising of:
 - o an estimate of gross future cashflows (including, and distinguishing, the cashflows related to Wakala fee;

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

- o deferred cost being the difference between gross future cashflows and their respective fair value of future cashflows;
- o risk adjustment for the non-financial risks; and
- the Takaful residual Margin

The Takaful institution includes all future cashflows within the boundary of a Takaful arrangement. Such a measurement:

- objectively incorporates all reasonable and supportable information available, without undue cost or effort, about the amount and timing by using a probability-weighted means of the full range of expected outcomes;
- is reflective of the institution's assessments of the market variables and is consistent with the observable market prices for those variables
- reflects the current conditions at the measurement date; and
- distinguishes the adjustments to non-financial risk from other estimates and estimate cash flows disregarding adjustments for financial risks unless the most appropriate measurement technique implicitly includes financial risks and the effect is inseparable.

The cashflows arising from substantive rights and obligations existing at the reporting date are considered within the boundary period. This boundary period is the period in which the Takaful institution can compel the participant to pay the contribution or in which the PTF has a substantive obligation to provide benefits to the participants. A substantive right to provide benefits ends when the Takaful institution is able to reassess the risks of the particular participants, or for a Takaful arrangement as a whole, and can set or reset the price or the level of benefits according to the reassessment if so allowed under Shari'ah principles and rules.

A liability or an asset is not be recognised relating to an expected contribution or expected claim for benefits that is outside the boundary of the Takaful arrangement. Such amounts relate to future Takaful arrangements.

The Takaful institution adjusts the estimate of the future cashflows and their fair values to reflect the effect of risk adjustment for non-financial risk for the PTF for bearing the uncertainty about the amount and timing of the cashflows.

Mudarib's share or Wakala fee (Including incentives, if any) for investment management for PTF's investments (excluding Participant Investment Fund's investments) are considered part of Takaful fulfilment cashflows and are adequately disclosed.

Surplus distribution, if any, and waiver of Qard Hasan, if any, are not part of the fulfilment cashflows.

Initial recognition of Takaful residual margin

The Takaful residual margin is measured as the difference of:

- the amount of Takaful fulfilment cashflows (including all its components) that was initially recognised
- any cashflows arising from the Takaful arrangement at that date; and
- the derecognition of any asset for Takaful acquisition cashflows and any other asset or liability previously recognised relating to the cashflows of the arrangement at the date of initial recognition

Initial recognition of onerous arrangements

A Takaful arrangement is onerous at the date of initial recognition, if the Takaful fulfilment cash flows, any previously recognised Takaful acquisition cashflows and any cash flows arising from the Takaful arrangement at the date of initial recognition, in total are a net outflow. Such a Takaful arrangement is separately classified from the Takaful arrangements that are not onerous.

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

A loss in the statement of income as activities of the managed PTF for the net outflow for onerous arrangements is recognised, resulting in the carrying amount of the provision for Takaful arrangement being equal to the Takaful fulfilment cashflows and the Takaful residual margin being zero.

A significant number of onerous arrangements, depending on the business realities, may imply an act of potential negligence by the Takaful institution in its capacity as an agent of the PTF. This may particularly be more relevant where the Wakala fee is excessive. In rare circumstances, in line with the relevant Shari'ah principles and rules or regulatory requirements, such negligence situations may require the recognition of a receivable from the agent. Such receivables form part of the Takaful fulfilment cashflows.

The Takaful institution identifies a group of onerous arrangements as a set instead of individual arrangements.

Subsequent Measurement

Subsequent measurement of the provision for a Takaful arrangement

The carrying amount of the provision for a Takaful arrangement at the end of each reporting period is the sum of:

- the provision for the remaining entitlement period comprising of:
- the Takaful fulfilment cash flows related to future benefits allocated to the Takaful arrangement at that date;
- the Takaful residual margin of the Takaful arrangement at that date; and
- the liability for incurred claims, comprising of Takaful fulfilment cash flows related to the past benefits allocated to the Takaful arrangement at that date.

The income and expenses are recognised in the statement of income as activities of the managed PTF for the following changes in the carrying amount of the provision for remaining entitlement period:

- recognise contribution (as an income) representing the reduction in the provision for the remaining entitlement period because of benefits provided during the period;
- expenses representing losses (and any reversal of losses) on onerous arrangements; and
- amortisation (or adjustment) of deferred cost (including any experience adjustment and financial risk elements).

Recognised contribution (as an income) are recognised when benefits are provided for a period, with a simultaneous reduction in the provision for the remaining entitlement period. Such a reduction (or change) in provision for the remaining entitlement period (that does not relate to the benefits attributable to the current period) does not include the following

- cash inflows from contribution received;
- transaction-based taxes collected on behalf of third parties;
- takaful acquisition cash flows;
- derecognition of liabilities transferred to third parties; and
- changes that relate to benefits attributable but for which compensation is not expected, i.e., increases and decreases in the loss component of the provision for the remaining entitlement period.

The income and expenses are recognised in the statement of income as activities of the managed PTF for the following changes in the carrying amount of the liability for incurred claims for benefits:

- expenses representing the increase in liability because of claims for benefit and expenses incurred in the period;
- expenses representing subsequent changes in Takaful fulfilment cash flows relating to incurred claims and expenses; and

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent Measurement (continued)

- amortisation (or adjustment) of deferred cost (including any experience adjustment and financial risk elements) as applicable on amounts excluding established payables (debts). Established payables are not be subject to fair value measurement, in accordance with Shari'ah principles and rules.

Subsequent measurement does not take into account any experience adjustments, if any, that may arise:

- in respect of the receipts of contribution (and any related cash flows such as Takaful acquisition cash flows and directly related taxes) — being the difference between the estimate at the beginning of the period of the amounts expected for the year and the actual cash flows during the period; or
- in respect of the Takaful acquisition cash flows - being the difference between the estimate at the beginning of the period of the amounts expected for the year and the actual costs incurred during the period.

Subsequent measurement of Takaful residual margin

The Takaful residual margin at the end of the reporting period represents the surplus in the Takaful arrangements that have not yet been recognised in the statement of income as activities of the managed PTF because it relates to the future benefits to be provided under the Takaful arrangement.

The carrying amount of the Takaful residual margin of a Takaful arrangement at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

- the effect of any new arrangements added, in case of accounting being performed collectively for a group;
- the amortisation of deferred Takaful residual margin over the entitlement period - through a systematic method reflecting the pattern of utilisation of entitlement for benefits;
- the changes in Takaful fulfilment cash flows relating to future benefits, except:
- the increases in the Takaful fulfilment cash flows that exceed the carrying amount of the Takaful residual margin, giving rise to a loss; or
- the decreases in the Takaful fulfilment cash flows that are allocated to the loss component of the provision for the remaining entitlement period.
- the effect of any currency exchange differences on the Takaful residual margin; and
- the contribution recognised as income in the statement of income as activities of the managed PTF because of the provision of benefits in the period, determined by the allocation of the Takaful residual margin remaining at the end of the reporting period (before any allocation) over the current and remaining entitlement period.

Certain changes in the Takaful residual margin offset changes in the Takaful fulfilment cash flows for the provision for the remaining entitlement period, resulting in no change in the total carrying amount of the provision for the remaining entitlement period. To the extent that changes in the Takaful residual margin do not offset changes in the Takaful fulfilment cash flows for the provision for the remaining entitlement period, the income and expenses for the changes are recognised in the statement of income as activities of the managed PTF.

The Takaful residual margin recognised during the period is taken to the statement of income as activities of the managed PTF.

Subsequent changes in onerous arrangements

A Takaful arrangement becomes onerous (or more onerous) on subsequent measurement, if the carrying amount (unamortised) of the Takaful residual margin is less than the unfavorable changes in the Takaful fulfilment cash flows allocated to the Takaful arrangement relating to future benefits.

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent Measurement (continued)

Subsequent changes in onerous arrangements (continued)

After the recognition of a loss on an onerous arrangement, the subsequent changes in the estimates of Takaful fulfilment cash flows for the remaining entitlement period are allocated on a systematic basis between:

- the loss component of the provision for remaining entitlement period; and
- the provision for the remaining entitlement period, excluding the loss component.

Any subsequent decrease in Takaful fulfilment cash flows arising from changes in estimates of future cash flows relating to future benefits and any subsequent increases in the PTF's share in the fair value of the underlying assets is allocated solely to the loss component until that component is reduced to zero. The Takaful institution adjusted the Takaful residual margin only once the loss component has been reduced to zero.

The loss component is the amount equivalent to the total amount recognised in the statement of income as activities of the managed PTF to date, on initial recognition or subsequent measurement of the Takaful arrangement as onerous (net of any already recognised reversals).

The subsequent changes in the Takaful fulfilment cash flows for the remaining entitlement period to be allocated includes:

- estimates of the fair value of the future cash flows for claims and expenses released (i.e., the difference between the opening estimate against the closing estimate) from the provision for the remaining entitlement period because of incurred Takaful benefit costs;
- changes in the risk adjustment for non-financial risk recognised in the statement of income as activities of the managed PTF because of the release of risk; and
- amortisation of deferred cost - through a systemic method reflecting the pattern of utilisation of entitlement for benefits, as applicable.

Derecognition

The Takaful institution derecognises a Takaful arrangement when, and only when:

- it is extinguished, i.e., when the obligations specified in the arrangement are expired, discharged or cancelled; or
- the terms of the arrangement are modified by mutual agreement or by a change in regulations, and the Takaful institution recognises the modified arrangement as a new arrangement.

Recognition and presentation in the statement of income as activities of the managed PTF

- The carrying amount of the following is presented separately in the statement of income as position of the managed PTF:
- Takaful arrangements issued that are assets;
- Takaful arrangements issued that are liabilities;
- re-Takaful arrangements issued that are assets; and
- re-Takaful arrangements issued that are liabilities.

The PTF presents income or expenses from re-Takaful arrangements held separately from the expenses or income from the Takaful arrangements.

The Takaful expenses include incurred benefits, other expenses, changes related to past benefits and changes to future benefits (including losses on onerous arrangements and reversal thereof).

2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent Measurement (continued)

Recognition and presentation in the statement of income as activities of the managed PTF (continued)

The income or expenses from a group of re-Takaful arrangements held may either be presented as a single amount or presented separately as the amounts recovered from the re-Takaful and an allocation of the contribution paid that together result in a net amount equal to that single amount.

Accounting for Takaful arrangements - under contribution allocation approach

Application criteria for the contribution allocation approach

A simplified approach, namely the contribution allocation approach, is used to recognise, measure and report a Takaful arrangement if at the inception of the Takaful arrangement, either of the following condition is met:

- it is a reasonable expectation that such simplification would produce a measurement of the provision of the remaining entitlement period for the Takaful arrangement would not differ materially from the one produced by applying the requirements of "Accounting for Takaful arrangements - under the general approach / variable fee approach"; or
- the entitlement period of each Takaful arrangement (including the entitlement for benefits arising in respect of all contributions) is one year or less.

If at the inception of the Takaful arrangement, the Takaful institution expects significant variability in the Takaful fulfilment cash flows that would affect the measurement of the provision for the remaining entitlement period. Variability in the Takaful fulfilment cash flows increases with the following:

- the extent of future cash flows relating to the Takaful arrangement; and
- the length of the entitlement period of the Takaful arrangements.

Any general requirements contained in "Accounting for Takaful arrangements - under general approach / variable fee approach", may also apply to the contribution allocation approach unless contradicting with any specific requirements of "Accounting for Takaful arrangements - under contribution allocation approach".

Initial recognition

Assessment for onerous or potentially (in future) onerous arrangements.

Where the contribution allocation approach is applied, the Takaful institution generally considers the whole portfolio at the time of initial recognition as not being onerous. However, if it is apparent (or there exists a significant risk) based on the facts and circumstances, then the Takaful institution shall perform an assessment in respect of:

- such arrangement(s) in the portfolio that are onerous in nature; and / or
- such arrangement(s) in the portfolio has a significant possibility of subsequently turning onerous.

On initial recognition, the provision for the remaining entitlement period is measured under the contribution allocation approach as follows:

- the contribution, if any, received (or receivable) at initial recognition;
- less: Wakala fee;
- less: any Takaful acquisition cash flows at that date unless these are recognised as expenses; and
- add or less: the amount arising from the derecognition at the date of the asset or liability recognised for Takaful acquisition cash flows.

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Initial recognition (continued)

In applying the contribution allocation approach, the Takaful institution:

- may choose to recognise any Takaful acquisition cash flows as expenses when it incurs those costs, provided that the entitlement period of each Takaful arrangement at initial recognition is not more than one year; and
- measures the liability for incurred claims for the Takaful arrangements and the Takaful fulfilment cash flows relating to incurred claims. However, the Takaful institution is not required to adjust future cash flows for the difference between the total cash flows and the fair value of those cash flows if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

In case the cash outflows are spread over a period of more than one year, and the difference between the total expected cash outflows and their fair value is material, the Takaful institution adjusts the carrying amount of the provision for remaining entitlement period to its fair value and records such difference initially as deferred cost.

Subsequent measurement

At the end of each subsequent reporting period, the carrying amount of the provision for the remaining entitlement period is:

- the carrying amount at the beginning of the reporting period;
- add: the contributions received during the period;
- less: Takaful acquisition cash flows, unless they are recognised as an expense;
- add: amortisation of Takaful acquisition cash flows recognised as expense (if applicable);
- less: amortisation of any deferred Takaful acquisition cash flows, if such deferred Takaful acquisition cash flows are recognised in line with the requirements of the standard;
- add: the amount recognised as earned Takaful contributions against the entitlement for benefits attributable to that period; and
- less: any investment component (from PIF) paid or transferred to the liability for incurred claims.

When the contribution allocation approach is applied, the amount of recognised contribution for the year is the amount of expected contributions allocated to the period. The expected contributions are allocated to each period:

- on the basis of the passage of time; but
- if the expected pattern of release of risk during the entitlement period differs significantly from the passage of time basis, then on the basis of the expected timing of incurred Takaful benefits.

Onerous arrangements

If at any time during the entitlement period, facts and circumstances indicate that a Takaful arrangement is onerous, the Takaful institution performs a computation of excess / shortfall of the following:

- the carrying amount of the provision for remaining entitlement period; and
- the Takaful fulfilment cash flows that relate to the remaining entitlement period of the Takaful arrangement.

In case of a shortfall of the carrying amount of the provision for the remaining entitlement period against Takaful fulfilment cash flows relating to the remaining entitlement period of the Takaful arrangement, the Takaful institution recognises a loss in the statement of income as activities of the managed PTF and increase the provision for remaining entitlement period by such amount of shortfall.

2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Accounting for re-Takaful arrangements held by the PTF

General approach for re-Takaful arrangements held

The Takaful institution divides portfolios of re-Takaful arrangements held by applying the requirements of "Accounting for Takaful arrangements - under general approach / variable fee approach" except that the references to onerous arrangements therein are replaced by a reference to arrangements on which there is a net gain on initial recognition. Such gain compensates for losses arising in PTF on account of the onerous arrangements.

Any general requirements contained in "Accounting for Takaful arrangements - under general approach / variable fee approach", also applies to the accounting for re-Takaful arrangements held unless contradicting with any specific requirements of "Accounting for re-Takaful arrangements held by the PTF".

Initial recognition

The PTF recognises an asset (or provision, as the case may be) for re-Takaful arrangements held:

- if the re-Takaful arrangements held provide a proportionate entitlement period - at the beginning of the entitlement period of the re-Takaful arrangement held or at the initial recognition of any underlying Takaful arrangement (whereby in case of underlying onerous arrangement, the corresponding effect is immediately recognised), whichever is the later; and
- in all other cases - from the beginning of the entitlement period of the re-Takaful arrangement held.

A re-Takaful arrangement held that provides proportionate benefits against underlying Takaful arrangements are not be initially recognised until the date that any underlying Takaful arrangement(s) is initially recognised if that date is later than the beginning of the entitlement period of such re-Takaful arrangement.

If the net cost of acquisition of re-Takaful arrangements has entitlement for benefits relating to events that have already occurred, such cost is immediately recognised in the statement of income as activities of the managed PTF.

In case a loss is recognised on initial recognition of an onerous underlying Takaful arrangement (or on the addition of an onerous underlying Takaful arrangement to a group), the Takaful residual margin of a related re-Takaful arrangement held (to such extent) is immediately recognised in the statement of managed financial activities of the managed PTF.

When such losses are recovered in a subsequent period, a loss-recovery component of an asset for the remaining entitlement period is correspondingly reversed.

Subsequent measurement

In applying the measurement requirements to re-Takaful arrangements held, the PTF applies consistent assumptions to measure the estimates of the fair value of the future cash flows for such re-Takaful arrangements held and the estimates of the fair value of the future cash flows for the underlying Takaful arrangements.

In respect of the re-Takaful arrangements held, the PTF also includes the risk of non-performance by the re Takaful provider (including effects of collateral and losses from disputes) in the estimate of the future cash flows, as well as, their fair value.

2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent measurement (continued)

The PTF determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the holder of the re-Takaful arrangements to the issuer of those re-Takaful arrangements.

Takaful residual margin on initial recognition, in respect of re-Takaful arrangements held, is subject to the following modifications:

- the PTF recognises any net cost or net gain (instead of unearned margin) on the acquisition of the re-Takaful arrangements held as a Takaful residual margin measured at an amount equal to the sum of the Takaful fulfilment cash flows, the amount derecognised at that date of any asset or liability previously recognised for cash flows related to the re-Takaful arrangements held and any cash flows arising at that date; unless
- the net cost of acquiring re-Takaful entitlement relates to events that occurred before the acquisition of the re-Takaful arrangements, in which case, such a cost is immediately be recognised in the statement of income as activities of the managed PTF as an expense.

The Takaful residual margin at the end of the reporting period in respect of re-Takaful arrangements held is computed as the carrying amount determined at the start of the reporting period, adjusted for:

- the effect of any new arrangements;
- amortisation of deferred cost added back to the carrying amount of the Takaful residual margin;
- changes in the Takaful fulfilment cash flows to the extent that the change:
- relates to the future benefits entitlement; unless
- it results from a change in the Takaful fulfilment cash flows allocated to the underlying Takaful arrangement that does not adjust the Takaful residual margin for the underlying Takaful arrangement;
- the effect of any currency exchange differences arising on the Takaful residual margin; and
- the amount recognised in the statement of income as activities of the managed PTF because of benefits received in the period, determined by the allocation of the Takaful residual margin remaining at the end of the reporting period of the re-Takaful arrangements held.

Changes in the Takaful fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a re-Takaful contract held do not relate to future benefits and is not adjust the Takaful residual margin.

A re-Takaful arrangement held cannot be onerous under the requirements of this standard.

Contribution allocation approach for re-Takaful arrangements held

The Takaful institution may use the contribution allocation approach (adapted to reflect the features of re-Takaful arrangements held that differ from Takaful arrangements issued, for example, the generation of expenses or reduction in expenses rather than revenue) to simplify the measurement of re-Takaful contracts held, if at the inception of the Takaful arrangement:

- the Takaful institution reasonably expects the resulting measurement would not differ materially from the result of applying the requirements of other available approaches; or
- the entitlement period of each of the re-Takaful arrangements held (including an entitlement for benefits from all contributions within the Takaful arrangement boundary is one year or less.

If at the inception of the Takaful arrangement, the Company expects significant variability in the Takaful fulfilment cash flows that would affect the measurement of the asset for remaining entitlement for benefits during the period before a claim is incurred. Variability in the Takaful fulfilment cash flows increases with, for example:

- the extent of future cash flows relating to the Takaful arrangement; and
- the length of the entitlement period of the re-Takaful arrangements held.

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent measurement (continued)

Separation of accounting records

The assets, liabilities and owners' equity, as well as, income and expenditure, gains and losses of the Takaful operator shall be recorded and reported separately and distinctly from the assets, liabilities and surplus / deficit and related income and expenditure, gains and losses of the managed PTF or the managed PIF.

In the books of the Takaful operator

The Takaful operator shall recognise in its books the initial seed money as an expense at the earlier of:

- payment of seed money to the PTF; or
- making an irrevocable commitment for such payment.

In the books of the PTF

The PTF shall recognise the initial seed money received / receivable from the Takaful operator as PTF equity at the earlier of:

- payment of seed money to the PTF; or
- making an irrevocable commitment for such payment.

Transfer of assets between various funds

At times, there is a need to transfer assets (including cash, investments or other assets) between the Takaful operator and the PTF or PIF managed by the Takaful operator for routine business operations.

There is a rebuttable presumption that such assets, in line with the Shari'ah principles and rules, are transferred between the Takaful operator and any of the managed funds or between two of the managed funds at fair value (considering these are arms' length transactions).

A Takaful institution shall apply, in respect of all such transfers of assets, the disclosure requirements with the respective AAOIFI FAS 7. In addition, if the basis of valuation applied for the transfer of such assets is other than the fair value of such assets as of the date of transfer, the Takaful institution shall disclose the difference in the value applied with the fair value, as well as, the reasons for applying the value other than the fair value.

Surplus / deficit determination and surplus distribution

Surplus / deficit determination

Takaful surplus or Takaful deficit shall be determined as the net surplus or deficit for the reporting period appearing in the statement of income as activities of the managed PTF, in line with the requirements of this standard read with the requirements of FAS 42 "Presentation and Disclosures in the Financial Statements of Takaful Institutions", after due transfers from / to the technical reserves.

In case a Takaful institution determines surplus / deficit in respect of a PTF in a manner different from the requirements of the standard, the basis of determination of the same, along with the rationale for the same, shall be disclosed.

In case of deficit, the Takaful operator generally provides a Qard Hasan to the PTF.

Qard Hasan—recognition and measurement in the books of the PTF

In case of a deficit (or liquidity shortfall), the Takaful operator may decide (or may be required by virtue of the relevant regulations) to give a Qard Hasan to the PTF. This Qard Hasan has the nature of a temporary, profit-free loan that shall be payable when the PTF accrues a surplus (and / or generates sufficient liquidity).

**INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE
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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent measurement (continued)

Initial Recognition

The PTF shall recognise the Qard Hasan received from the Takaful operator as a liability at the par value of the amount received.

Subsequent Measurement

The PTF shall subsequently measure the liability for Qard Hasan at par value, accounting for any payments/ repayments / adjustments during the period.

Waiver of Qard Hasan

Where the Takaful operator waives off its right to receive the Qard Hasan from the PTF, according to regulatory requirements or otherwise, the PTF shall immediately derecognise the liability and record the amount as its income for the year.

Qard Hasan–recognition and measurement in the books of the Takaful operator

In case of a deficit (or liquidity shortfall), the Takaful operator may decide (or may be required by virtue of the relevant regulations) to give a Qard Hasan to the PTF. This Qard Hasan has the nature of a temporary, profit-free loan that shall be payable when the PTF accrues a surplus (and / or generates sufficient liquidity).

Initial Recognition

The Takaful operator shall recognise the Qard Hasan extended to the PTF as a receivable at the par value of the amount paid since it is receivable on demand.

Subsequent Measurement and expected credit losses

The Takaful operator shall subsequently measure the receivable against Qard Hasan at par value, accounting for any payments / repayments / adjustments during the period.

Waiver of Qard Hasan

When the Takaful operator waives the Qard Hasan, the receivable shall be derecognised, and a corresponding expense shall be recorded in the books of the Takaful operator.

Recognition of Wakala fee earned from PTF in the books of the Takaful operator

The Takaful operator earns revenue in the form of Wakala (management) fee in different forms and under various contracts. This fee may be fixed or variable in nature.

The Wakala fee charged by the Takaful operator to the PTF is generally against performance obligations for various services / costs (excluding the investment management function) to be classified, and the relevant revenue recognition shall be commensurate with the relevant services as follows:

- a. services initially or already delivered – hence, the related proportion of Wakala fee to be recognised immediately – including marketing services for Takaful products, initial administrative services (both before and at the time of issuance of a Takaful arrangement) and Takaful acquisition service costs including commissions and incentives etc.;
- b. services delivered over time–hence, the related proportion of Wakala fee to be recognised over such time in a systematic manner—including support services during the Takaful entitlement period such as accounting and book-keeping services, administrative services related to benefits ascertainment and payment and administrative services related to re-Takaful acquisition and benefits management etc.; and
- c. probable refund of Wakala fee against cancelled or discontinued Takaful arrangements (if so provided for in the Wakala contract between the Takaful institution and the PTF) – hence, the estimated effect to be recorded as a provision for Wakala fee refund and shown as a deduction from the total Wakala fee.

2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

Subsequent measurement (continued)

Takaful acquisition service cost – In the books of the Takaful operator

The Takaful acquisition service costs (or gain), including the allocation charges related to a Takaful arrangement that is received (or receivable) and paid (or payable) before the Takaful arrangement is recognised, shall be recorded as either:

- a. an asset or liability in the books of the Takaful operator to be amortized over a period commensurate with the corresponding flow of economic benefits—provided that:
- b. any such asset shall be subject to testing for impairment on a periodic basis; and
- c. in case of cancellation of the respective Takaful arrangement, the liability may be extinguished, and asset may be fully impaired immediately; or
- d. as an expense or income in the books of the Takaful institution immediately.

Takaful operator's investment management fee / share of investment income from PIF and PDF

Mudarib's share

The Takaful operator shall recognise the Mudarib's share arising out of investment profits from the PTF and PIF after adjusting for any risk reserves, as per contractual arrangements in line with the Shari'ah principles and rules, as its revenue, at the end of each reporting period.

Wakala fee: fixed, variable and performance incentive

The Takaful operator shall recognise the fixed Wakala fee, as well as, any variable Wakala fee which is not in form of a performance incentive, as its revenue in line with the contractual arrangements as it establishes right on such revenue and the same may be measurable with reasonable certainty.

The Takaful operator shall recognise the variable element of the Wakala fee, which is in form of a performance incentive, at the end of each reporting period. However, if such an incentive is contractually determined at a later stage, the same shall be recognised once it is determined.

Corresponding recognition by the PTF

The PTF shall recognise corresponding costs for the items provided in the standard at the same time as the Takaful operator recognises its revenue.

Transitional provisions

A Takaful institution, at the time of the first time adoption of this standard, shall follow one of the following approaches:

- a. a full retrospective approach – whereby the effects of transition shall be incorporated from the beginning of the earliest period presented in the financial statements; however, the disclosure of the effect of such adoption in respect of each line item and to the basic and diluted earnings per share shall not be mandatory; or
- b. a modified retrospective approach – whereby the effects of transition shall be taken to the retained earnings of the Takaful institution, as well as, accumulated surplus / deficit in the respective Takaful funds at the beginning of the current financial period; or
- c. a fair value approach – whereby the Takaful residual margin or loss component of the provision for the remaining entitlement period, at the transition date (beginning of the current period) shall be determined as the difference between the fair value of the Takaful arrangements at that date and the fair value of the fulfilment cash flows measured at that date, and the corresponding effects shall be adjusted in the retained earnings of the Takaful institution, as well as, accumulated surplus / deficit in the respective Takaful funds.

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2 Summary of significant accounting policies (continued)

FAS 43 "Accounting for Takaful: Recognition and Measurement (continued)

The Company has followed a Modified Retrospective approach. The Summary of Key policy choices are mentioned below:

Level of Aggregation

Takaful/Retakaful Arrangements	Measurement Approach
Aviation	CAA
Energy	CAA
Engineering	CAA
Fire	CAA
General Accident	CAA
Group Medical	CAA
Individual Medical	CAA
Liability	CAA
Marine Cargo	CAA
Marine Hull	CAA
Motor Comp	CAA
Motor Fleet	CAA
Motor TPL	CAA
Group Credit Life	CAA
Group Life	CAA
Individual Life	CAA
Individual Unified Credit Life	GMM
Group Unified Credit Life	GMM

Risk Adjustment

The risk adjustment has been estimated using ODP Bootstrap method and is calibrated at 70th percentile.

Discounting

The following discount curve have been used: -

Term (Years)	1	2	3	5	10	15
Discount Rate	4.4%	4.0%	3.9%	3.9%	4.2%	4.5%

FAS 30 Impairment, credit losses and onerous commitments

FAS 30 was issued in November 2017. The requirements relating to impairment and credit losses of FAS 30 represent a significant change from FAS 11 "Provisions and Reserves". As permitted by FAS 30, the standard will be modified retrospective approach and accordingly the comparative amounts will not be restated. FAS 30 replaces the 'incurred loss' model in FAS 11 with Expected Credit Loss (ECL) model. The new impairment model also applies to certain financing commitments and financial guarantee contracts but not to equity investments.

FAS 30 was introduced in order to overcome the delay in recognition of impairment and thus moves from an incurred loss model to an expected loss model. This model accounts for increasing credit risk to assess and compute loss allowances. The amount of expected credit loss (ECL) recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

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2 Summary of significant accounting policies (continued)

FAS 30 Impairment, credit losses and onerous commitments (continued)

Under the general approach, there are two measurement basis:

- 12-month ECLs (Stage 1), which applies to all exposures (from initial recognition) as long as there is no significant deterioration in credit quality; and
- Lifetime ECLs (Stage 2 and Stage 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

12-month ECLs will be calculated for all Stage 1 exposures and lifetime ECLs will be calculated for all Stage 2 and Stage 3 exposures.

An alternative to this approach is the simplified approach, which is required for receivables that do not contain a significant financing component. For trade and other receivables, it is an accounting policy choice to follow the simplified approach. Under the simplified approach, loss is calculated on lifetime ECLs rather than the two-stage process under the general approach. Tracking of credit risk is not required; instead the approach requires a loss allowance based on lifetime ECL at each reporting date, right from origination.

The Company has adopted to use the simplified approach.

The Company's portfolio is made up of the following asset classes:

- Cash and balances with banks
- Investments - Debt type
- Receivables

3 Critical accounting estimates and judgements

The preparation of unaudited condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2024.

4 Financial risk management

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

5 Cash and cash equivalents

	Shareholders	Participants			
	RO	General RO	Family RO	Total RO	Grand Total RO
30 June 2025 (Unaudited)					
Cash at bank in current accounts	124,339	1,612,226	109,900	1,722,126	1,846,465
Cash at bank in call accounts	1,805	7,751,533	123,154	7,874,687	7,876,492
Cash balances with investment managers	67,527	27,608	-	27,608	95,135
Cash in hand	4,568	826	-	826	5,394
	198,239	9,392,193	233,054	9,625,248	9,823,486
	RO	RO	RO	RO	RO
31 December 2024 (Audited/Restated)					
Cash at bank in current accounts	431,021	1,016,121	77,593	1,093,714	1,524,735
Cash at bank in call accounts	805	5,743,670	1,006,103	6,749,773	6,750,578
Cash balances with investment managers	116,039	27,864	-	27,864	143,903
Cash in hand	5,040	1,134	-	1,134	6,174
	552,905	6,788,789	1,083,696	7,872,485	8,425,390
	RO	RO	RO	RO	RO
31 December 2023 (Audited/Restated)					
Cash at bank in current accounts	2,726,331	1,872,612	23,986	1,896,598	4,622,929
Cash at bank in call accounts	66,809	4,567,389	1,399,520	5,966,909	6,033,718
Cash balances with investment managers	640,760	-	-	-	640,760
Cash in hand	4,592	2,688	-	2,688	7,280
	3,438,492	6,442,689	1,423,506	7,866,195	11,304,687

- a) The Company has call accounts with Islamic banks in the Sultanate of Oman with profit rate of 2.5% to 4.5% per annum (2024 – 2.5% to 5.0% per annum). The above cash and bank balances include restricted cash for margin deposit for tender bonds amounting to RO 37,218 (2024 – RO 121,628).

6 Bank deposits

	Shareholders	Participants		
	RO	General RO	Family RO	Total RO
30 June 2025 (Unaudited)				
Bank deposits	4,300,000	8,625,000	1,475,000	10,100,000
FAS 30 Provision	(967)	(1,940)	(332)	(2,272)
	4,299,033	8,623,060	1,474,668	10,097,728
31 December 2024 (Audited/ Restated)	4,300,000	10,175,000	1,475,000	11,650,000
FAS 30 Provision	(967)	(2,289)	(332)	(2,621)
	4,299,033	10,172,711	1,474,668	11,647,379
31 December 2023 (Audited/ Restated)	4,300,000	9,175,000	1,475,000	10,650,000
FAS 30 Provision	(967)	(2,064)	(332)	(2,396)
	4,299,033	9,172,936	1,474,668	10,647,604

6.1 Bank deposits carry profit rates in range of 4.5% to 5.9% per annum (2024 – 4.5% to 5.9% per annum).

6.2 *Restrictions on transfer of assets*

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company identified certain specific bank deposits with carrying value of RO 12,950,000 (2024 – RO 13,100,000) to Financial Services Authority (FSA). The Company can only transfer these assets with the prior approval of the Financial Services Authority (FSA).

6.3 The Company has kept a deposit of RO 50,000 (2024 – RO 50,000) which is under lien with Omani Unified Bureau for Orange Card Company SAOC in the Sultanate of Oman, against settlement of claims.

7 Investments at fair value through profit or loss

	Shareholders			
	Unaudited	Unaudited	Audited	Audited
	30-Jun-2025	30-Jun-2025	31-Dec-2024 (Restated)	31-Dec-2023 (Restated)
	Fair value	Cost	Fair value	Fair value
	RO	RO	RO	RO
Local quoted				
Service sector	324,336	299,422	17,961	17,796
Industrial sector	397,721	347,192	666,600	729,080
Total Local	722,057	646,614	684,561	746,876
Foreign quoted				
Financial sector	232,137	191,232	273,271	-
Service sector	850,928	840,368	587,982	269,920
Industrial sector	87,375	81,745	96,005	-
Total Foreign	1,170,440	1,113,345	957,258	269,920
Total investments	1,892,497	1,759,959	1,641,819	1,016,796

(a) At 30 June 2025, the financial assets at fair value through income statement are measured using level 1 of fair value hierarchy. The investments classified as ‘investment carried at fair value through income statement’ comprise equity securities.

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7 Investments at fair value through profit or loss (continued)

(b) Movement in investments at fair value through income statement

	Unaudited 30-Jun-2025	Shareholders	
	RO	Audited 31-Dec-2024 (Restated) RO	Audited 31-Dec-2023 (Restated) RO
At 1 January	1,641,818	1,016,796	857,080
Purchases	543,039	492,077	786,529
Disposals	(423,068)	(37,938)	(444,133)
Realised (loss)/ gain on disposal	(1,831)	13,431	17,029
Net change in fair value	132,539	157,453	(199,709)
At 30 June/ 31 December	1,892,497	1,641,819	1,016,796

(c) Details of the Company's Investments at fair value through income statement for which the Company's holding exceeds 15% of the fair value of investments held at fair value through profit or loss are:

	% of Portfolio	Number of Securities	Fair value RO	Cost RO
30 June 2025 (Unaudited)				
OQ Gas Networks	15.410	1,918,839	291,664	264,800
31 December 2024 (Audited/Restated)				
OQ Gas Networks	16	1,918,839	264,800	293,582
Dubai Electricity & Water Authority PJSC	19	1,043,000	310,726	269,920
31 December 2023 (Audited/Restated)				
OQ Gas Networks	29	1,918,839	293,582	268,637
Dubai Electricity & Water Authority PJSC	27	1,043,000	269,920	268,343

8 Receivable from participants' fund

	Unaudited 30-Jun-2025	Shareholders	
	RO	Audited 31-Dec-2024 Restated RO	Audited 31-Dec-2023 Restated RO
At 1 January	1,976,220	3,386,009	2,743,573
Wakala fee income for the period	4,472,004	10,089,044	8,411,618
Mudarib share for the period	250,500	426,810	389,678
Amount received from & net movement in policyholders account	(5,492,171)	(11,925,643)	(8,158,860)
At 30 June/ 31 December – net	1,206,553	1,976,220	3,386,009

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8 Receivable from participants' fund (continued)

(a) Receivable from participants' fund includes due from general takaful and family takaful policyholders on account of qard hassan, wakala fees, mudarib share and inter-fund balances.

(b) The break-up of receivable from participants is as follows:

	Unaudited 30-Jun-2025 RO	Shareholders	
		Audited 31-Dec-2024 Restated RO	Audited 31-Dec-2023 Restated RO
On account of qard hassan			
- From general takaful	483,956	483,956	483,956
- From family takaful	722,597	722,597	722,597
	1,206,553	1,206,553	1,206,553
On account of wakala fees, mudarib share and inter-fund balances			
- From general takaful	-	203,101	698,402
- From family takaful	-	566,566	1,481,054
	-	769,667	2,179,456
	1,206,553	1,976,220	3,386,009

9 Other receivables

	Shareholders		Participants	
	RO	General takaful RO	Family takaful RO	Total RO
30 June 2025 (unaudited)				
Accrued profit on bank deposits and investments at amortized cost	667,761	530,322	83,258	613,580
Prepayments	84,936	-	-	-
Rent receivable	124,515	-	-	-
Advances	369,462	14,861	955,909	970,770
Others	1,190,338	2,179,041	-	2,179,041
	2,437,012	2,724,224	1,039,167	3,763,391

	Shareholders		Participants	
	RO	General takaful RO	Family takaful RO	Total RO
31 Dec 2024 (Audited/Restated)				
Accrued profit on bank deposits and investments at amortized cost	442,002	432,555	43,186	475,741
Prepayments	40,297	930,160	-	930,160
Advances	200,712	14,861	989,477	1,004,338
Rent receivable	134,385	-	-	-
Others	1,103,592	677,171	-	677,171
	1,920,988	2,054,747	1,032,663	3,087,410

9 Other receivables (continued)

	Shareholders	Participants		
	RO	General takaful RO	Family takaful RO	Total RO
31 Dec 2023 (Audited/Restated)				
Accrued profit on bank deposits and investments at amortized cost	420,095	427,189	66,736	493,925
Prepayments	55,304	797,215	-	797,215
Advances	56,207	14,862	719,207	734,069
Rent receivable	52,805	-	-	-
Others	313,305	439,058	-	439,058
	<u>897,716</u>	<u>1,678,324</u>	<u>785,943</u>	<u>2,464,267</u>

10 Investments at fair value through other comprehensive income

	Shareholders			
	Unaudited	Unaudited	Audited/Restated	Audited/Restated
	30-Jun-2025	30-Jun-2025	31-Dec-2024	31-Dec-2023
	Fair value	Cost	Fair value	Fair value
	RO	RO	RO	RO
Local quoted				
Service sector	56,400	117,600	69,000	97,500
Real estate development sector	416,500	392,000	420,000	434,000
Industrial sector	444,829	464,463	455,750	33,750
Financial sector	196,100	200,000	200,355	-
	<u>1,113,829</u>	<u>1,174,063</u>	<u>1,145,105</u>	<u>565,250</u>
Local unquoted				
Service sector	295,712	71,428	295,712	284,283
Real estate development	154,950	129,600	154,950	133,950
	<u>450,662</u>	<u>201,028</u>	<u>450,662</u>	<u>418,233</u>
Total Local	<u>1,564,491</u>	<u>1,375,091</u>	<u>1,595,767</u>	<u>983,483</u>
Foreign quoted				
Service sector	736,867	710,690	796,812	681,874
Real estate development sector	95,173	19,231	77,201	32,349
Industrial sector	7,007	10,610	6,267	7,245
Financial sector	49,015	51,340	50,747	50,229
Total Foreign	<u>888,062</u>	<u>791,871</u>	<u>931,027</u>	<u>771,697</u>
Total investments	<u>2,452,553</u>	<u>2,166,962</u>	<u>2,526,794</u>	<u>1,755,180</u>

10 Investments at fair value through other comprehensive income (continued)

(a) At the reporting date, details of the Company's Investments at fair value through other comprehensive income for which the Company's holding exceeds 25% of total investments held at fair value through equity are:

	% of portfolio	Basis of valuation	Number of securities	Fair Value RO
30 June 2025 -Unaudited				
Watania International Holding PJSC	29	Fair value	10,504,203	714,864
31 Dec 2024 (Audited/ Restated)				
Watania International Holding PJSC	31	Fair value	10,504,203	779,751
31 Dec 2023 (Audited/ Restated)				
Watania International Holding PJSC	38	Fair value	10,504,203	664,273

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11 Investments carried at amortised cost

	Shareholders fund			Participant's fund			Grand Total		
	Unaudited	Audited	Audited	Unaudited	Audited	Audited	Unaudited	Audited	Audited
	30-Jun-2025	31-Dec-2024	31-Dec-2023	30-Jun-2025	31-Dec-2024	31-Dec-2023	30-Jun-2025	31-Dec-2024	31-Dec-2023
		(Restated)	(Restated)		(Restated)	(Restated)		(Restated)	(Restated)
	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January	4,670,584	2,568,788	5,710,977	3,012,869	948,061	560,519	7,683,453	3,516,849	6,271,496
Purchased during the period	-	3,366,406	1,976,859	1,538,571	2,459,359	388,463	1,538,571	5,825,765	2,365,322
Matured during the period	-	(731,880)	(5,141,289)	(1,308,456)	(388,159)	-	(1,308,456)	(1,120,039)	(5,141,289)
Realised gain	-	-	22,819	-	-	-	-	-	22,819
Amortised during period	310	2,210	-	19,671	1,316	-	19,981	3,526	-
FAS 30 Provision	-	(534,940)	(578)	7,892	(7,708)	(922)	7,892	(542,648)	(1,500)
At 30 Jun/ 31 Dec	4,670,894	4,670,584	2,568,788	3,270,547	3,012,869	948,060	7,941,441	7,683,453	3,516,848

The Company has invested in sukuku listed in the local and international markets. The Company has a positive intention and ability to hold sukuku until their maturity which ranges from 2025 to 2031. The effective average rate of return on Investments at amortised cost at 30 June 2025 ranges from 4.8% to 8.50% (2024 – from 4.8% to 8.50%) per annum with coupon receipts on a semi-annual basis. All the investments classified as ‘Investments at amortised cost’ are debt instruments. In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company identified certain specific Sukuku with carrying value of RO 1,834,800 (2024 – RO Nil) to Financial Services Authority (FSA). The Company can only transfer these assets with the prior approval of the Financial Services Authority (FSA).

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12 Taxation

(a) The Company is subject to income tax at the rate of 15% (2024 – 15%) in accordance with the income tax law of the Sultanate of Oman.

(b) *Status of tax assessments*

The Company's income tax assessments have been finalized up to 2020 by the Tax Authority. The management is of the opinion that additional taxes, if any, relating to the income tax return for the period would not be significant to the Company's financial position as at 30 June 2025.

13 Investment in real estate

Movement of carrying amounts of investment in real estate:

	Shareholders		
	Unaudited 30-Jun- 2025 RO	Audited 31-Dec- 2024 (Restated) RO	Audited 31-Dec- 2023 (Restated) RO
At 1 January	4,920,000	5,170,000	5,170,000
Change in fair value of investment in real estate	-	(250,000)	-
At 30 June/ 31 December	4,920,000	4,920,000	5,170,000

As of 30 June 2025, the Company has investment in real estate of RO 4,920,000 (31 December 2024 – RO 4,920,000) which is 12% of overall investments of the Company. As per the Regulation, investments in real estate should not exceed 20% of the total investments of the insurer.

13.1 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company has pledged investment properties amounting to RO 2,345,000 (31 December 2024 – RO 2,345,000) to Financial Services Authority (FSA). The Company can only transfer these assets with the prior approval of the Financial Services Authority (FSA).

14 Property and equipment

	Shareholders		
	Unaudited 30-Jun-2025 RO	Audited 31-Dec-2024 RO	Audited 31-Dec-2023 RO
Net book value			
At beginning of the period / year	485,935	572,233	611,927
Additions during the period / year	7,938	12,960	77,580
Depreciation for the period / year	(34,441)	(99,258)	(117,274)
At the end of the period / year	459,432	485,935	572,233

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15 Share capital

	Unaudited 30-Jun-2025 RO	Audited 31 Dec 2024 RO	Audited 31 Dec 2023 RO
Authorized share capital:			
Ordinary shares			
250,000,000 ordinary shares of 100 Baiza each (2024 – 250,000,000 ordinary shares of 100 Baiza each)	25,000,000	25,000,000	25,000,000
Issued and fully paid-up capital:			
Ordinary shares			
175,000,000 ordinary shares of 100 Baiza each (2024 – 175,000,000 ordinary shares of 100 Baiza each)	17,500,000	17,500,000	17,500,000

(a) Shareholders of the Company who own 10% or more of the Company's shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

	% of holding 30-Jun-2025	Number of shares	% of holding 31-Dec-2024	Number of shares	% of holding 31-Dec-2023	Number of shares
Mohammed Al Barwani Holding Company LLC	25.86	45,250,001	25.86	45,250,001	25.86	45,250,001

16 Share premium

Share premium represents the premium of RO 0.038 per share collected at the time of initial public offering of 66,666,670 shares and incurred expenses of RO 319,849 relating to initial public offering. During the year 2014, the Company utilized share premium of RO 833,333 to issue free shares.

17 Legal reserve

As required by the Commercial Companies Law of Oman, 10% of the profit after tax for the year is transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve equals one third of the Company's paid up capital. The reserve is not available for distribution.

18 Employees' end of service benefits

	Shareholders		
	Unaudited 30-Jun-2025 RO	Audited 31-Dec-2024 RO	Audited 31-Dec-2023 RO
At 1 January	595,352	555,768	510,630
Charge for the year	64,192	89,246	63,150
Payments made during the period/year	(15,369)	(49,662)	(18,012)
At 30 Jun/ 31 December	644,175	595,352	555,768

The Company has recognised the provision for employees' end of service benefits as per the local labor law requirement and also computed using the actuarial method which resulted in a provision amount not materially different from the provision already recognised at the reporting period end.

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19 Accounts and other payables

	Shareholders	Participants		
	RO	General takaful RO	Family takaful RO	Total RO
30 June 2025 (Unaudited)				
Accounts and other payables	2,117,207	5,254,185	20,438	5,274,623

	Shareholders	Participants		
	RO	General Takaful RO	Family takaful RO	Total RO
31 December 2024 (Audited/Restated)				
Accounts and other payables	2,188,713	5,667,663	22,329	5,689,992

	Shareholders	Participants		
	RO	General takaful RO	Family takaful RO	Total RO
31 December 2023 (Audited/Restated)				
Accounts and other payables	1,968,836	-	-	1,968,836

20 Other takaful expenses - net

	Participants					
	30-Jun-2025			30-Jun-2024		
	General takaful RO	Family takaful RO	Total RO	General takaful RO	Family takaful RO	Total RO
Policy Fee Income and Other Income / Takaful expense	431,732	(124,069)	307,663	(341,070)	11,499	(329,571)
FAS 30 Provision	8,241	-	8,241	798	-	798
Other takaful expenses - net	439,973	(124,069)	315,904	(340,272)	11,499	(328,773)

21 Wakala fees and Mudarib share

The shareholders manage the takaful operations for the participants funds and charged 20% for General Takaful (2024 - 20%) and 15% Family Takaful (2024 -15%) of gross contributions as Wakala fees. The shareholders also manage the investments of participants' fund as a Mudarib and charge 55% (2024 – 55%) of the General Takaful and Family Takaful investment income earned by the participants' investment funds; both of Wakala fees and Mudarib share are approved by the Board of Directors and the Shari'ah Supervisory Committee.

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22 Investment income – net

	Unaudited 30-Jun-2025 RO	Unaudited 30-Jun-2024 RO
Profit from bank deposits & Sukuks	700,321	657,707
Profit from Equity shares	253,791	74,934
Rental income from investment in real estate	136,039	119,460
Investment income – net	1,090,151	852,101

(b) Allocation of investment income to participants and shareholders is as follows:

	Unaudited 30-Jun-2025 RO	Unaudited 30-June-2024 RO
Participants	455,455	372,848
Shareholders	634,696	479,253
	1,090,151	852,101

23 Earnings per share attributable to shareholders - basic and diluted

	Shareholders (unaudited) 30-June-2025 RO	30-June-2024 RO
Shareholders' profit for the period – RO	813,140	1,229,316
Weighted average number of shares outstanding during the year – number	175,000,000	175,000,000
Shareholders' earnings per share – basic and diluted – RO	0.005	0.007

Shareholders' basic earnings per share is calculated by dividing the shareholders' profit for the period by the weighted average number of shares outstanding during the period. There is no effect on diluted earnings per share as the Company has not issued any instruments having diluting effects.

24 Net assets per share attributable to shareholders

	Shareholders		
	Unaudited	Audited/Restated	Audited/Restated
	30-Jun-2025	31-Dec-2024	31-Dec-2023
	RO	RO	RO
Shareholders' net assets – RO	19,393,748	19,879,849	20,439,019
Weighted average number of shares outstanding – number	175,000,000	175,000,000	175,000,000
Shareholders' net assets per share – RO	0.111	0.114	0.117

Net assets per share attributable to shareholders is calculated by dividing the shareholders' net assets by the number of shares outstanding at the each reporting period end.

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25 Related parties

In the ordinary course of business, the Company conducts transactions with certain of its major shareholders, Group related companies, Directors, Shari'ah Supervisory Committee (SSC) members, key management personnel and business entities over which they are able to exert significant influence on mutually agreed terms with the approval of Board of Directors. The transactions during the year were as follows:

(a) Transactions with related parties

Transactions with related parties included in the statement of income and statement of comprehensive income are as follows:

	Nature	Unaudited 30-Jun-2025 RO	Unaudited 30-June-2024 RO
Gross contributions	Group related companies	995,847	1,049,724
Gross claims settled	Group related companies	51,425	429,781
Gross outstanding claims	Group related companies	683,589	225,481
Directors' & SSC related expenses	Directors & SSC Committee	117,657	110,620
Dividend paid to shareholders'		1,225,000	1,225,000

(b) Balances with related parties

Balances due from/ (to) related parties are as follows:

		Unaudited 30-June-2025 RO	Unaudited 31-Dec-2024 RO
Contribution balances receivables from related parties	Group related companies	1,613,581	2,426,946
Gross outstanding claims	Group related companies	683,589	(512,922)
Investment in Sukuks	Group related companies	2,860,841	2,860,841
Investments at fair value through other comprehensive income	Group related companies	714,864	1,075,463
Investment at fair value through profit or loss	Group related companies	113,141	148,802
Receivable from Group related companies	Group related companies	600,000	600,000

Balances with related parties do not carry a profit rate, arising from normal business activities and are not impaired.

A receivable amounting to RO 600,000 (2024 – RO 600,000) from Al Madina Investment Holding SAOG will be converted to equity investment with the same value in a company where Al Madina Investment Holding SAOG has a shareholding. The share transfer process had started and is expected to be completed within 2025.

A sukuk investment amounting to RO 2,502,500 in Tilal Sukuk Co LLC deferred its periodic distribution amounts due on 25 July 2024 and 25 January 2025 until 25 July 2025

25 Related parties (continued)

(c) Compensation of key management personnel of the Company:

Compensation of key management personnel of the Company, consisting of salaries and benefits, was as follows:

	Unaudited 30-June-2025 RO	Unaudited 30-Jun-2024 RO
Short-term benefits	410,880	370,608
Employee end of service benefits	34,188	16,043
	<u>445,068</u>	<u>386,651</u>

Key management comprises of 5 personnel (2024: 5).

26 Contingencies and commitment

Contingent liabilities

At 30 June 2025, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business amounting to RO 37,218 (2024 – RO 121,628).

Capital commitment

At 30 June 2025, the company has a capital commitment of RO 114,000 (2024 – 114,000).

Legal claims

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

27 Distribution of surplus in participants' fund

As per the Company's policy for distribution of surplus in participants' fund, 50% of surplus in participants' fund for the period shall be kept in Surplus in Participant's fund and be subject to approval by the Shari'ah Supervisory Committee.

28 Shari'ah Supervisory Committee

The Company's business activities are subject to supervision of a Shari'ah Supervisory Committee (SSC) consisting of three members appointed by the shareholders of the Company. The SSC performs supervisory role in order to determine whether the operations of the Company are conducted in accordance with the Islamic Shari'ah rules and principles.

29 Earnings prohibited under Shari'ah

Earnings retained during the period from transactions which are not permitted under Shari'ah amounted to RO 1,193 (2024 – RO 3,065). All non-Islamic income is credited to a charity account where the Company uses these funds for charitable purposes. During the period RO 3,000 (2024: RO 6,711) has been paid for charitable purposes.

30 Sources and uses of funds in the charity fund

The sources and uses of funds in the charity fund during the period were as follows:

	Unaudited 30-June-2025 RO	Audited 31-Dec-2024 RO	Audited 31-Dec-2023 RO
At 1 January	3,065	6,711	21,738
Payment made during the period	(3,000)	(6,711)	(20,763)
Purification charges during the period	1,128	3,065	5,736
At 30 June/31 December	1,193	3,065	6,711

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31 Segment information

	Shareholders' fund		Participants' fund				Grand Total	
			General takaful		Family takaful			
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	30-Jun-2025 RO	31-Dec-2024 (Restated) RO	30-Jun-2025 RO	31-Dec-2024 (Restated) RO	30-Jun-2025 RO	31-Dec-2024 (Restated) RO	30-Jun-2025 RO	31-Dec-2024 (Restated) RO
ASSETS								
Cash and bank balances	198,239	552,905	9,272,197	6,788,789	353,051	1,083,696	9,823,487	8,425,390
Investments carried at fair value through profit or loss	1,892,497	1,641,819	-	-	-	-	1,892,497	1,641,819
Receivable from participants' fund - family takaful	-	-	120,000	195,651	-	-	120,000	195,651
Receivable from participants' fund	1,206,553	1,976,220	-	-	-	-	1,206,553	1,976,220
Other receivables and takaful assets	2,437,011	1,920,988	2,724,224	2,054,747	1,039,167	1,032,663	6,200,402	5,008,398
Investments at fair value through other comprehensive income	2,452,553	2,526,794	-	-	-	-	2,452,553	2,526,794
Bank deposits	4,299,033	4,299,033	8,623,060	10,172,711	1,474,668	1,474,668	14,396,761	15,946,412
Investments carried at amortised cost	4,670,894	4,670,584	3,170,569	2,912,891	99,978	99,978	7,941,441	7,683,453
Deferred tax asset	279,548	279,548	-	-	-	-	279,548	279,548
Investment in real estate	4,920,000	4,920,000	-	-	-	-	4,920,000	4,920,000
Property and equipment	459,432	485,935	-	-	-	-	459,432	485,935
Takaful acquisition service cost	-	-	-	-	-	-	-	-
Takaful Arrangement assets	-	-	18,295	-	304,768	-	323,063	-
Retakaful Arrangement assets	-	-	39,848,775	40,474,541	3,289,078	1,000,217	43,137,853	41,474,758
Total assets	22,815,760	23,273,826	63,897,120	62,599,330	6,440,710	4,691,222	93,153,590	90,564,378

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31 Segment information (continued)

	Shareholders' fund		Participants' fund				Grand Total	
	Unaudited	Audited	General takaful		Family takaful		Unaudited	Audited
			Unaudited	Audited	Unaudited	Audited		
	30-Jun-2025	31-Dec-2024 (Restated)	30-Jun-2025	31-Dec-2024 (Restated)	30-Jun-2025	31-Dec-2024 (Restated)	30-Jun-2025	31-Dec-2024 (Restated)
	RO	RO	RO	RO	RO	RO	RO	RO
LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY								
LIABILITIES								
Charity fund payable	1,193	3,065	-	-	-	-	1,193	3,065
Accounts and other payables	2,117,207	2,188,713	5,254,185	5,667,663	20,438	22,329	7,391,830	7,878,705
Payable to shareholders	-	-	483,956	687,057	722,598	1,289,163	1,206,554	1,976,220
Payable to participants' fund - Family / general takaful	-	-	-	-	120,000	195,649	120,000	195,649
Employees' end of service benefits	644,175	595,352	-	-	-	-	644,175	595,352
Takaful Arrangement liabilities	-	-	52,862,383	51,791,501	3,249,646	3,199,306	56,112,029	54,990,807
Retakaful Arrangement liabilities	-	-	936,529	170,077	2,400,886	-	3,337,415	170,077
Deferred Wakala fees income	659,437	606,847	-	-	-	-	659,437	606,847
Total liabilities	3,422,012	3,393,977	59,537,053	58,316,298	6,513,568	4,706,447	69,472,633	66,416,722
PARTICIPANTS' FUND								
Surplus (Deficit) in participants' fund	-	-	4,240,067	4,283,032	47,142	(15,225)	4,287,209	4,267,807
Total participants' fund	-	-	4,240,067	4,283,032	47,142	(15,225)	4,287,209	4,267,807
SHAREHOLDERS' EQUITY								
Share capital	17,500,000	17,500,000	-	-	-	-	17,500,000	17,500,000
Share premium	1,380,151	1,380,151	-	-	-	-	1,380,151	1,380,151
Legal reserve	1,630,099	1,548,785	-	-	-	-	1,630,099	1,548,785
Investment fair value reserve	235,476	309,717	-	-	-	-	235,476	309,717
Retained earnings	(1,351,978)	(858,804)	-	-	-	-	(1,351,978)	(858,804)
Total equity	19,393,748	19,879,849	-	-	-	-	19,393,748	19,879,849
Total liabilities and equity	22,815,760	23,273,826	63,777,120	62,599,330	6,560,710	4,691,222	93,153,590	90,564,378

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31 Segment information (continued)

	Shareholders' fund	Participants' fund		Grand Total
	Audited	Audited	Audited	Audited
	General takaful	Family takaful		
	31-Dec-2023 (Restated) RO	31-Dec-2023 (Restated) RO	31-Dec-2023 (Restated) RO	31-Dec-2023 (Restated) RO
ASSETS				
Cash and bank balances	3,438,492	6,442,689	1,423,506	11,304,687
Investments carried at fair value through profit or loss	1,016,796	-	-	1,016,796
Receivable from participants' fund - family takaful	-	937,133	-	937,133
Receivable from participants' fund	3,386,009	-	-	3,386,009
Other receivables and takaful assets	897,716	1,678,324	785,943	3,361,983
Investments at fair value through other comprehensive income	1,755,180	-	-	1,755,180
Bank deposits	4,299,033	9,172,936	1,474,668	14,946,637
Investments carried at amortised cost	2,568,788	848,082	99,978	3,516,848
Deferred tax asset	287,146	-	-	287,146
Investment in real estate	5,170,000	-	-	5,170,000
Property and equipment	572,233	-	-	572,233
Takaful acquisition service cost	-	-	-	-
Takaful Arrangement assets	-	141,313	-	141,313
Retakaful Arrangement assets	-	45,378,237	1,522,407	46,900,644
Total assets	23,391,393	64,598,714	5,306,502	93,296,609

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31 Segment information (continued)

	Shareholders' fund	Participants' fund		Grand Total
	Audited	Audited	Audited	Audited
	31-Dec-2023 (Restated) RO	General takaful 31-Dec-2023 (Restated) RO	Family takaful 31-Dec-2023 (Restated) RO	31-Dec-2023 (Restated)
LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Charity fund payable	6,711	-	-	6,711
Accounts and other payables	1,968,836	-	-	1,968,836
Payable to shareholders	-	1,182,358	2,203,651	3,386,009
Payable to participants' fund - Family / general takaful	-	-	937,133	937,133
Employees' end of service benefits	555,768	-	-	555,768
Takaful Arrangement liabilities	-	56,175,713	2,292,858	58,468,571
Retakaful Arrangement liabilities	-	3,517,340	-	3,517,340
Deferred Wakala fees income	421,059	-	-	421,059
Total liabilities	2,952,374	60,875,411	5,433,642	69,261,427
PARTICIPANTS' FUND				
Surplus (Deficit) in participants' fund	-	3,723,303	(127,140)	3,596,163
Total participants' fund	-	3,723,303	(127,140)	3,596,163
SHAREHOLDERS' EQUITY				
Share capital	17,500,000	-	-	17,500,000
Share premium	1,380,151	-	-	1,380,151
Legal reserve	1,401,361	-	-	1,401,361
Investment fair value reserve	225,000	-	-	225,000
Retained earnings	(67,493)	-	-	(67,493)
Total equity	20,439,019	-	-	20,439,019
Total liabilities and equity	23,391,393	64,598,714	5,306,502	93,296,609

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31 Segment information (continued)

Recognied takaful contributions - Q2 2025

	General RO	CAA Family RO	GMM Family RO	Total RO
Amounts relating to changes in LFRC				
- Expected benefits incurred	-	-	16,782	16,782
- Expected wakala fees	-	-	-	-
- Change in the risk adjustment	-	-	265	265
- TRM recognized	-	-	96,903	96,903
Recovery of takaful acquisition cash flows and wakala fees	-	-	20,521	20,521
Experience adjustments	-	-	779	779
Takaful arrangements not measured under CAA	-	-	135,250	135,250
Takaful arrangements measured under CAA	18,058,706	1,918,437	-	19,977,143
Total recognized takaful contributions	18,058,706	1,918,437	135,250	20,112,393

Recognied takaful contributions – Q2 2024	General RO	CAA Family RO	GMM Family RO	Total RO
Amounts relating to changes in LFRC				
- Expected benefits incurred	-	-	-	-
- Expected wakala fees	-	-	-	-
- Change in the risk adjustment	-	-	-	-
- TRM recognized	-	-	-	-
Recovery of takaful acquisition cash flows	-	-	-	-
Experience adjustments	-	-	-	-
Takaful arrangements not measured under CAA	-	-	-	-
Takaful arrangements measured under CAA	17,583,243	1,316,434	-	18,899,677
Total recognized takaful contributions	17,583,243	1,316,434	-	18,899,677

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31 Segment information (continued)

Recognized takaful costs - Q2 2025	CAA		GMM	Total RO
	General RO	Family RO	Family RO	
Incurred benefits	4,063,304	272,781	-	4,336,085
Losses on onerous takaful arrangements and reversal of those losses	(76,339)	-	169	(76,170)
Changes that relate to past service - adjustments to LfIC	330,943	1,185,550	-	1,516,493
Wakala fees earned	-	-	20,521	20,521
Total recognized takaful costs	4,317,908	1,458,331	20,690	5,796,929

Recognized takaful costs – Q2 2024	CAA		GMM	Total RO
	General RO	Family RO	Family RO	
Incurred benefits	6,636,199	553,669	-	7,189,868
Losses on onerous takaful arrangements and reversal of those losses	(75,712)	-	-	(75,712)
Changes that relate to past service - adjustments to LfIC	(598,960)	439,061	-	(159,899)
Wakala fees earned	-	-	-	-
Total recognized takaful costs	5,961,527	992,730	-	6,954,257

Retakaful net result - Q2 2025	CAA		GMM	Total RO
	General Takaful-RI RO	Family Takaful-RI RO	Family Takaful-RI RO	
Expected expenses for contracts not measured under CAA	-	-	-	-
- Expected recovery of claims and wakala fees	-	-	13,217	13,217
- Change in the risk adjustment	-	-	297	297
- TRM recognized	-	-	59,928	59,928
- Experience adjustments	-	-	(584)	(584)
Expected expenses for takaful arrangements measured under CAA	12,872,391	1,570,943	-	14,443,334
Allocation of retakaful contribution	12,872,391	1,570,943	72,858	14,516,192
Amounts recovered for claims and wakala fees	932,908	222,876	-	1,155,784
Wakala fees earned	-	-	-	-
Changes that relate to past service - recoverable claims	(2,294,727)	1,033,277	-	(1,261,450)
Changes in fulfilment cash flows that do not adjust underlying TRM	(16,228)	-	134	(16,094)
Effect of changes in the risk of retakaful non-performance	1,235	(1,235)	-	-
Amounts recoverable from retakaful net of wakala fees	(1,376,811)	1,254,918	134	(121,760)
Retakaful net results	14,249,202	316,026	72,724	14,637,951

**INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE
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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
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31 Segment information (continued)

Retakaful net result – Q2 2024	CAA		GMM	
	General Takaful-RI RO	Family Takaful-RI RO	Family Takaful-RI RO	Total RO
Expected expenses for contracts not measured under CAA				
- Expected recovery of claims and wakala fees	-	-	-	-
- Change in the risk adjustment	-	-	-	-
- TRM recognized	-	-	-	-
- Experience adjustments	-	-	-	-
Expected expenses for takaful arrangements measured under CAA	12,826,932	1,063,670	-	13,890,602
Allocation of retakaful contribution	12,826,932	1,063,670	-	13,890,602
Amounts recovered for claims and wakala fees	2,322,982	457,236	-	2,780,217
Wakala fees earned	-	-	-	-
Changes that relate to past service - recoverable claims	(1,389,840)	366,743	-	(1,023,097)
Changes in fulfilment cash flows that do not adjust underlying TRM	(16,094)	-	-	(16,094)
Effect of changes in the risk of retakaful non-performance	30,166	(30,166)	-	-
Amounts recoverable from retakaful net of wakala fees	947,214	793,812	-	1,741,026
Retakaful net results	11,879,718	269,858	-	12,149,576

Amortization of deferred cost (related to provision of takaful arrangements)- Q2 2025	CAA		GMM	
	General RO	Family RO	Family RO	Total RO
Deferred cost accreted to takaful arrangements	863,608	27,173	28,136	918,916
Deferred cost due to change in financial assumptions through income statement	237,519	8,076	5,815	251,410
Deferred cost due to change in financial assumptions through other comprehensive income	-	-	-	-
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	-	(560)	(560)
Total amortization of deferred cost (related to provision of takaful arrangements)	1,101,127	35,249	33,391	1,169,766

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
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31 Segment information (continued)

Amortization of deferred cost (related to provision of takaful arrangements)- Q2 2024	CAA		GMM	Total RO
	General RO	Family RO	Family RO	
Deferred cost accreted to takaful arrangements	998,031	41,434	-	1,039,465
Deferred cost due to change in financial assumptions through income statement	(446,026)	(19,766)	-	(465,792)
Deferred cost due to change in financial assumptions through other comprehensive income	-	-	-	-
Total amortization of deferred cost (related to provision of takaful arrangements)	552,005	21,668	-	573,673

Amortization of deferred income (related to retakaful arrangements held) - Q2 2025	CAA		GMM	Total RO
	General Takaful- RI RO	Family Takaful- RI RO	Family Takaful- RI RO	
Deferred cost accreted to retakaful arrangements	739,702	22,503	16,582	778,787
Deferred cost due to change in financial assumptions through income statement	204,179	7,014	3,645	214,838
Deferred cost due to change in financial assumptions through other comprehensive income	-	-	(2,829)	(2,829)
Total amortization of deferred income (related to retakaful arrangements held)	943,881	29,517	17,398	990,796

Amortization of deferred income (related to retakaful arrangements held) – Q2 2024	CAA		GMM	Total RO
	General Takaful-RI RO	Family Takaful-RI RO	Family Takaful-RI RO	
Deferred cost accreted to retakaful arrangements	869,673	35,117	-	904,790
Deferred cost due to change in financial assumptions through income statement	(362,764)	(16,492)	-	(379,256)
Deferred cost due to change in financial assumptions through other comprehensive income	-	-	-	-
Total amortization of deferred income (related to retakaful arrangements held)	506,909	18,625	-	525,534

**INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE
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31 Segment information (continued)

Reconciliation of the takaful arrangement assets and liabilities - Q2 2025	LfIC for takaful arrangements measured under CAA						Total
	CAA	Excl. LC RO	LfRC ACQ RO	LC RO	PVCF RO	RA RO	
Opening takaful arrangement assets		-	-	-	-	-	-
Opening takaful arrangement liabilities		2,504,132	-	(410,823)	(53,238,611)	(3,358,539)	(54,503,841)
		2,504,132	-	(410,823)	(53,238,611)	(3,358,539)	(54,503,841)
Recognized takaful contributions		19,977,143	-	-	-	-	19,977,143
Recognized takaful costs							
- Incurred benefits and wakala fees		-	-	-	(4,033,007)	(303,079)	(4,336,086)
- Changes that relate to past service - adjustments to LfIC		-	-	-	(1,986,895)	470,403	(1,516,492)
- Losses on onerous takaful arrangements and reversal of those losses		-	-	76,339	-	-	76,339
- Amortization of takaful acquisition cash flows and Wakala fees		-	-	-	-	-	-
Amortization of deferred cost (related to provision of takaful arrangements) through income statement		-	-	-	(1,136,375)	-	(1,136,375)
Amortization of deferred cost (related to provision of takaful arrangements) through other comprehensive income		-	-	-	-	-	-
Net foreign exchange income or expense		-	-	-	-	-	-
Investment components		-	-	-	-	-	-
Total changes in statement of income and other comprehensive income		19,977,143	-	76,339	(7,156,277)	167,324	13,064,529
Contributions received		(23,145,435)	-	-	-	-	(23,145,435)
Claims paid		-	-	-	10,086,495	-	10,086,495
Takaful acquisition cashflows and Wakala fees paid		-	-	-	-	-	-
Total cash flows		(23,145,435)	-	-	10,086,495	-	(13,058,940)
Closing takaful arrangement assets		(872,783)	-	-	545,843	3,876	(323,063)
Closing takaful arrangement liabilities		(1,536,943)	-	(334,484)	(49,762,550)	(3,187,338)	(54,821,314)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

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31 Segment information (continued)

Reconciliation of the takaful arrangement assets and liabilities – Q2 2024	LfRC			LfIC for takaful arrangements measured under CAA		Total
CAA	RO Excl. LC	RO ACQ	RO LC	RO PVCF	RO RA	RO
Opening takaful arrangement assets	1,280,760	-	-	(1,064,794)	(74,654)	141,313
Opening takaful arrangement liabilities	259,330	-	(257,929)	(54,771,787)	(3,698,185)	(58,468,572)
	1,540,090	-	(257,929)	(55,836,581)	(3,772,838)	(58,327,259)
Recognized takaful contributions	18,899,677	-	-	-	-	18,899,677
Recognized takaful costs	-	-	-	-	-	-
- Incurred benefits and wakala fees	-	-	-	(6,658,810)	(531,058)	(7,189,868)
- Changes that relate to past service - adjustments to LfIC	-	-	-	(478,897)	638,797	159,899
- Losses on onerous takaful arrangements and reversal of those losses	-	-	75,712	-	-	75,712
- Amortization of takaful acquisition cash flows + Wakala fees earned	-	-	-	-	-	-
	-	-	-	-	-	-
Amortization of deferred cost (related to provision of takaful arrangements) through income statement	-	-	-	(573,673)	-	(573,673)
Amortization of deferred cost (related to provision of takaful arrangements) through other comprehensive income	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Total changes in statement of income and other comprehensive income	18,899,677	-	75,712	(7,711,381)	107,739	11,371,747
Contributions received net of Wakala fees	(19,081,410)	-	-	-	-	(19,081,410)
Claims paid	-	-	-	10,932,653	-	10,932,653
Total cash flows	(19,081,410)	-	-	10,932,653	-	(8,148,756)
Closing takaful arrangement assets	135,373	-	-	(109,853)	(585)	24,935
Closing takaful arrangement liabilities	1,222,984	-	(182,218)	(52,505,455)	(3,664,514)	(55,129,203)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

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31 Segment information (continued)

Reconciliation of the takaful arrangement assets and liabilities - Q2 2025 GMM	Excl. LC RO	LfRC ACQ RO	LC RO	LfIC for contracts measured under GM RO	LfIC for takaful arrangements measured under CAA PVCF RO	RA RO	Total RO
Opening takaful arrangement assets	-	-	-	-	-	-	-
Opening takaful arrangement liabilities	(486,943)	-	(23)	-	-	-	(486,967)
	(486,943)	-	(23)	-	-	-	(486,967)
Recognized takaful contributions	135,250	-	-	-	-	-	135,250
Recognized takaful costs							
- Incurred benefits and wakala fees	-	-	-	-	-	-	-
- Changes that relate to past service - adjustments to LfIC	-	-	-	-	-	-	-
- Losses on onerous takaful arrangements and reversal of those losses	-	-	(169)	-	-	-	(169)
- Amortization of takaful acquisition cash flows and Wakala fees	(20,521)	-	-	-	-	-	(20,521)
Amortization of deferred cost (related to provision of takaful arrangements) through income statement	(33,383)	-	(8)	-	-	-	(33,391)
Amortization of deferred cost (related to provision of takaful arrangements) through other comprehensive income	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-
Total changes in statement of income and other comprehensive income	81,346	-	(177)	-	-	-	81,169
Contributions received	(1,041,079)	-	-	-	-	-	(1,041,079)
Claims paid	-	-	-	-	-	-	-
Takaful acquisition cashflows and Wakala fees paid	156,162						156,162
Total cash flows	(884,917)	-	-	-	-	-	(884,917)
Closing takaful arrangement assets	-	-	-	-	-	-	-
Closing takaful arrangement liabilities	(1,290,514)	-	(201)	-	-	-	(1,290,715)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

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31 Segment information (continued)

Reconciliation of the retakaful arrangement assets and liabilities - Q2 2025	LfRC		LfIC for contracts measured under CAA		Total
	Excl. LRC RO	LRC RO	PVCF RO	RA RO	RO
Opening retakaful arrangement assets	(1,830,208)	87,331	40,055,670	2,886,100	41,198,893
Opening retakaful arrangement liabilities	(245,591)	-	70,409	5,105	(170,077)
	(2,075,799)	87,331	40,126,079	2,891,205	41,028,816
Retakaful net results					
- Allocation of retakaful contribution	(14,443,334)	-	-	-	(14,443,334)
- Amounts recoverable for claims and wakala fees	-	-	1,070,554	85,230	1,155,784
- Changes that relate to past service - adjustments to LfIC	-	-	(981,378)	(280,071)	(1,261,450)
- Changes in fulfilment cash flows that do not adjust underlying TRM	-	(16,228)	-	-	(16,228)
- Effect of changes in the risk of retakaful non-performance	-	-	-	-	-
- Wakala fee attributable to retakaful	-	-	-	-	-
Amortization of deferred income (related to retakaful arrangements held) through P&L	-	-	973,399	-	973,399
Amortization of deferred income (related to retakaful arrangements held) through OCI	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-
Investment components	-	-	-	-	-
Total changes in statement of income and other comprehensive income	(14,443,334)	(16,228)	1,062,574	(194,841)	(13,591,828)
Contributions paid for retakaful	11,745,591	-	-	-	11,745,591
Wakala fees paid	-	-	-	-	-
Recoveries from retakaful	-	-	(139,978)	-	(139,978)
Total cash flows	11,745,591	-	(139,978)	-	11,605,613
Closing retakaful arrangement assets	11,091	71,103	39,711,048	2,586,774	42,380,015
Closing retakaful arrangement liabilities	(4,784,633)	-	1,337,628	109,590	(3,337,415)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
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31 Segment information (continued)

Reconciliation of the retakaful arrangement assets and liabilities – Q2 2024 CAA	LfRC		LfIC for contracts measured under CAA		Total
	Excl. LRC RO	LRC RO	PVCF RO	RA RO	RO
Opening retakaful arrangement assets	3,031,781	54,829	40,747,087	3,066,947	46,900,644
Opening retakaful arrangement liabilities	(6,804,452)	-	3,026,491	260,621	(3,517,340)
	(3,772,672)	54,829	43,773,578	3,327,569	43,383,304
Retakaful net results					
- Allocation of retakaful contribution	(13,890,602)	-	-	-	(13,890,602)
- Amounts recoverable for claims and wakala fees	-	-	2,563,937	216,280	2,780,217
- Changes that relate to past service - adjustments to LfIC	-	-	(667,276)	(355,821)	(1,023,097)
- Changes in fulfilment cash flows that do not adjust underlying TRM	-	(16,094)	-	-	(16,094)
- Effect of changes in the risk of retakaful non-performance	-	-	-	-	-
- Wakala fee attributable to retakaful	-	-	-	-	-
Amortization of deferred income (related to retakaful arrangements held) through P&L	-	-	525,535	-	525,535
Amortization of deferred income (related to retakaful arrangements held) through OCI	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-
Investment components	-	-	-	-	-
Total changes in statement of income and other comprehensive income	(13,890,602)	(16,094)	2,422,196	(139,541)	(11,624,041)
Contributions paid for retakaful	20,507,129	-	-	-	20,507,129
Wakala fees paid	-	-	-	-	-
Recoveries from retakaful	-	-	(7,074,065)	-	(7,074,065)
Total cash flows	20,507,129	-	(7,074,065)	-	13,433,063
Closing retakaful arrangement assets	5,452,893	38,735	38,733,110	3,159,364	47,384,101
Closing retakaful arrangement liabilities	(2,609,037)	-	388,599	28,664	(2,191,774)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
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31 Segment information (continued)

Reconciliation of the retakaful arrangement assets and liabilities - Q2 2025	LfRC		LfIC for arrangement s measured under GM	LfIC for contracts measured under CAA		Total
	Excl. LRC	LRC		PVCF	RA	
GMM	RO	RO	RO	RO	RO	RO
Opening retakaful arrangement assets	275,853	12	-	-	-	275,865
Opening retakaful arrangement liabilities	-	-	-	-	-	-
	275,853	12	-	-	-	275,865
Retakaful net results						
- Allocation of retakaful contribution	(72,858)	-	-	-	-	(72,858)
- Amounts recoverable for claims and wakala fees	-	-	-	-	-	-
- Changes that relate to past service - adjustments to LfIC	-	-	-	-	-	-
- Changes in fulfilment cash flows that do not adjust underlying TRM	-	134	-	-	-	134
- Effect of changes in the risk of retakaful non-performance	-	-	-	-	-	-
- Wakala fee attributable to retakaful	-	-	-	-	-	-
Amortization of deferred income (related to retakaful arrangements held) through P&L	17,398	-	-	-	-	17,398
Amortization of deferred income (related to retakaful arrangements held) through OCI	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Total changes in statement of income and other comprehensive income	(55,460)	134	-	-	-	(55,326)
Contributions paid for retakaful	537,299	-	-	-	-	537,299
Wakala fees paid	-	-	-	-	-	-
Recoveries from retakaful	-	-	-	-	-	-
Total cash flows	537,299	-	-	-	-	537,299
Closing retakaful arrangement assets	757,692	146	-	-	-	757,838
Closing retakaful arrangement liabilities	-	-	-	-	-	-

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
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31 Segment information (continued)

GMM- Reconciliation of the takaful arrangement assets and liabilities - Q2 2025	BEL RO	RA RO	TRM RO	Total RO
Opening takaful arrangement assets	-	-	-	-
Opening takaful arrangement liabilities	(96,358)	(5,781)	(384,827)	(486,967)
	(96,358)	(5,781)	(384,827)	(486,967)
Changes related to current services				
- TRM recognized in profit and loss	-	-	96,903	96,903
- Risk Adjustment recognized in profit and loss		267	-	267
- Experience adjustments	17,598	-	-	17,598
Changes related to future services				
- arrangements initially recognized in the period	709,192	(11,571)	(697,818)	(197)
- Changes in estimates that adjust TRM	(26,372)	(475)	26,846	-
- Changes in estimates that result in onerous arrangements or reversal of losses	(11)	-	-	(11)
Changes that relate to past service				
Changes that relate to past service - adjustments to LfIC	-	-	-	-
Amortization of deferred cost (related to provision of takaful arrangements) through income statement	(11,817)	-	(21,574)	(33,391)
Amortization of deferred cost (related to provision of takaful arrangements) through other comprehensive income	-	-	-	-
Net foreign exchange income or expense	-	-	-	-
Total changes in statement of profit and loss and OCI	688,591	(11,780)	(595,643)	81,169
Contributions received	(1,041,079)	-	-	(1,041,079)
Claims paid	-	-	-	-
Takaful acquisition cashflows and Wakala fees paid	156,162	-	-	156,162
Total cash flows	(884,917)	-	-	(884,917)
Closing takaful arrangement assets	-	-	-	-
Closing takaful arrangement liabilities	(292,684)	(17,561)	(980,470)	(1,290,715)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

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31 Segment information (continued)

GMM- Reconciliation of the Retakaful arrangement assets and liabilities - Q2 2025	BEL RO	RA RO	TRM RO	Total RO
Opening retakaful arrangement assets	67,523	4,051	204,291	275,865
Opening retakaful arrangement liabilities	-	-	-	-
	67,523	4,051	204,291	275,865
Changes related to current services				
- TRM recognized in profit and loss	-	-	(59,928)	(59,928)
- Risk Adjustment recognized in profit and loss	-	(297)	-	(297)
- Experience adjustments	(12,633)	-	-	(12,633)
Changes related to future services				
- Arrangements initially recognized in the period	(411,827)	8,206	403,621	-
- Changes in estimates that adjust TRM	33,428	1,193	(34,621)	-
- Changes in the FCF that do not adjust the TRM for the group of underlying takaful arrangements	-	-	134	134
Changes that relate to past service				
Changes that relate to past service - adjustments to LfIC	-	-	-	-
Effect of changes in the risk of retakaful non-performance	-	-	-	-
Amortization of deferred income (related to retakaful arrangements held) through P&L	5,441	-	11,957	17,398
Amortization of deferred income (related to retakaful arrangements held) through OCI	-	-	-	-
Net foreign exchange income or expense	-	-	-	-
Total changes in statement of profit and loss and OCI	(385,591)	9,103	321,162	(55,326)
Contributions paid for retakaful	537,299	-	-	537,299
Wakala fees paid	-	-	-	-
Recoveries from retakaful	-	-	-	-
Total cash flows	537,299	-	-	537,299
Closing retakaful arrangement assets	219,231	13,154	525,453	757,838
Closing retakaful arrangement liabilities	-	-	-	-

32 Comparatives

Previous period figures have been regrouped, reclassified wherever necessary and restated, so that they conform to the presentation adopted in the condensed interim financial information for the current reporting period.

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 07 2025