

Dear Shareholders,

Assalamu alaikum wa rahamatullahi wa Barakatuh!

(May the Peace, Mercy and Blessing of Allah be with you!)

On behalf of the Board of Directors and the Management team of **Al Madina Insurance Company** ("Al Madina" or "the Company"), I am pleased to present the financial results of the Company for the period ended 30th September 2025.

Through the successful execution of strategic initiatives, Al Madina has enhanced operational efficiency and achieved Gross Written Contributions (GWC) of RO 37.7 million in Q3 2025, reflecting a 10% year-on-year growth compared to RO 34.3 million recorded in Q3 2024. This performance reflects our disciplined underwriting and focused sales approach.

The financial statements for the period have been prepared in accordance with newly implemented FAS 42,43, and FAS 30 standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). As required, specific comparative figures from prior periods have been restated for consistency. Transitioning to the new standards posed significant challenges, primarily due to changes in accounting and actuarial practices, including the application of Risk Adjustment, Discounting, and enhanced reserving techniques. Despite these complexities, your Company has ensured full compliance, demonstrating our commitment to transparency and adherence to globally recognized, Shariah-compliant accounting standards.

As a result, your Company reported a remarkable increase in combined Profit after tax of RO 1.39 million in Q3 2025, compared to RO 0.44 million in Q3 2024, as restated under the new standards. The profit after tax for Q3 2025, based on the previously applicable standard, amounts to RO 1.35 million, compared to RO 1.20 million recorded in Q3 2024.

In recognition of the Company’s outstanding performance in the Takaful sector across multiple dimensions including consistent performance, superior customer service, technical expertise, innovation, digital transformation, and overall market leadership your Company was honored with the title “**Insurance Company of the Year**” at the prestigious **Omani Leadership Awards 2025**. This achievement further inspires our commitment to redefining excellence in Takaful.

Results from Operations

The global reinsurance market has continued to harden, characterized by reduced capacity, increasing claims, and heightened pricing pressures. These conditions have led to higher reinsurance costs and lower commission income.

Despite these headwinds, Al Madina has maintained stable growth by reinforcing the adequacy of its reserves and diversifying across all business lines. This strategic resilience has supported our consistent performance.

Q3 2025 financial performance reflects your Company's ongoing commitment to generating a sustainable surplus from takaful operations safeguarding participants' interests while consistently creating value for shareholders.

In Q3 2025, Recognized Takaful Contribution increased by 6%, reaching RO 30.4 million compared to RO 28.7 million in Q3 2024. Furthermore, the Participants' Fund deficit from takaful operations under the new accounting standards reduced to RO 0.977 million in Q3 2025, as compared to a deficit of RO 1.104 million in Q3 2024 (as restated).

Our focus remains on enhancing core capabilities, improving loss ratios, and delivering value to both participants and shareholders.

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Investment Income

Despite a challenging global economic environment marked by geopolitical uncertainties, shifting U.S. tariff policies, and oil price volatility your Company achieved a robust growth in investment income during Q3 2025.

The total investment income reached RO 1.53 million, compared to RO 1 million in Q3 2024 as restated following the implementation of the new accounting standards. This growth is primarily driven by a prudent asset allocation strategy. We continue to seek Shariah-compliant, value-accretive investment opportunities aligned with the FSA's regulations and our long-term strategic goals.

Shareholders' profit

Al Madina continues to deliver yet another quarter of positive financial performance in terms of shareholder's profitability. In Q3 2025, the Shareholders' Fund recorded a Profit After Tax of RO 2.4 million, reflecting a 53% growth compared to RO 1.5 million in Q3 2024, as per new accounting standards.

Risk Management

Your Company continuously assesses the risks related to both its insurance operations and investment activities and implements appropriate measures to effectively manage and mitigate them.

Company's Outlook & Vision

Al Madina remains optimistic about Oman's economic prospects and the growth potential of the Takaful sector in 2025. Increasing domestic and foreign investment, combined with a stable market environment, provides a strong platform for continued progress.

To capitalize on emerging opportunities, we will focus on maintaining stability, driving sustainable growth, and fostering innovation. Key priorities include enhancing customer experience, introducing new shariah compliant products, and leveraging technology to boost efficiency. We also remain vigilant to

global reinsurance challenges, including natural disasters and capacity constraints that may affect pricing and availability.

As part of our ongoing transformation, your Company has advanced the digitalization and automation of claims processes to improve cost efficiency, accelerate salvage disposal, and enhance service delivery ultimately elevating customer experience and supporting long-term sustainability. The anticipated rollout of mandatory health insurance is expected to provide a significant boost to the health insurance segment.

As Oman continues to position itself as a regional hub for tourism and healthcare, we are actively expanding our outreach through strategic partnerships and physical presence across key locations.

As a leading Takaful operator, Al Madina remains deeply committed to integrating Environmental, Social, and Governance (ESG) principles into both our insurance operations and investment strategies. Our commitment to sustainable practices has resulted in tangible progress in environmental protection and community development.

In alignment with national objectives, we remain committed to developing Omani talent. Our newly launched Mentoring Program, complemented by extensive training initiatives, aims to equip young Omani professionals with the skills needed for leadership roles, especially in technical fields.

Looking ahead, our strategic vision centers on strengthening underwriting fundamentals, expanding market presence, and supporting Oman's national priorities, including Omanization and job creation. We remain focused on Takaful-compliant investments that generate strong returns for both shareholders and policyholders. With disciplined underwriting, targeted sales strategies, and a customer-first approach, your Company is well-positioned to achieve sustainable growth, operational profitability, and long-term value creation in 2025 and beyond.

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Acknowledgements

We extend our sincere gratitude to our valued customers, trusted business partners, shareholders, the Sharia Supervisory Committee, and our dedicated employees for their unwavering commitment and contributions. We also wish to acknowledge the ongoing support of the Financial Services Authority and commend their efforts to strengthen the insurance sector particularly their focused initiatives toward the development and growth of the Takaful industry in Oman.

On behalf of the Board, I take this opportunity to express our deepest respect and gratitude to His Majesty Sultan Haitham Bin Tariq Al Said for his visionary and progressive leadership. We remain confident that under His Majesty's guidance, the Sultanate will continue its path of sustainable growth, advancement, and national prosperity.

May God Bless you all.

Dr. Mohammed Ali Al Barwani

Chairman of the Board