Auditors Report	English 01/01/2025-31/12/2025
DISCLOSURE AUDITOR'S REPORT	
DISCLOSURE OF AUDITOR'S REPORT	
AUDITOR'S OPINION	
Unmodified Opinion	Yes
AUDITOR'S OPINION BASIS	
Opinion and basis of Opinion	Ref #1
Key Audit Matters	Ref #2
Other information	Ref #3
Responsibilities of Management and Those Charged with Governance for the Financial Statements	Ref #4
Auditor's Responsibilities for the Audit of the Financial Statements	Ref #5
Report on Other Legal and Regulatory Requirements	Ref #6

 # 1

Opinion

We have audited the consolidated financial statements of Takaful Oman Insurance SAOG (the "Company") and its subsidiary (together referred as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholder's equity, consolidated statement of cash flows for shareholder's fund, the statement of financial position for family takaful for the year ended 31 December 2025, the statement of financial position for general takaful for the year ended 31 December 2025, the statement of participant's revenue and expenses for family takaful, the statement of participant's revenue and expenses for general takaful, the statement of changes in participants' fund for the year then ended, and notes to the financial statements, including *summary of significant accounting policy information*.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and its financial performance and cash flows changes in shareholder fund, consolidated statement of changes in shareholders' equity and statement of changes in participants' fund for the year then ended in accordance with Financial Accounting Standard ("FAS") as issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

Basis for opinion

We conducted our audit in accordance with Auditing Standard for Islamic Financial Institutions ("ASIFIs") issued by AAOIFI. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Finance Professionals ("Code"), together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

 # 2

Key audit matters

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAKAFUL OMAN INSURANCE SAOG (CONTINUED)

Report on the audit of the consolidated financial statements *(continued)*

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
First time adoption of FAS 42 "Presentation and Disclosures in the financial statements of Takaful Institutions" and FAS 43 "Accounting for Takaful: Recognition and Measurement Refer to 2.1 to the consolidated financial statements. During the year, the Group has adopted FAS 42 and FAS 43 with effect from 01 January 2025. These standards establish principles for the recognition, measurement, presentation and disclosure of takaful arrangements, re-takaful arrangements and investment arrangements with direct participation features	Our audit procedures, amongst others, included: • Obtaining an understanding of the Group's implementation process for determining the impact of adoption of the standards, including understanding of the changes to the Group's accounting policies, systems, processes and controls.

("DPF").

The first-time application is complex due to the numerous changes in accounting, estimation techniques, systems requirements and the extensive disclosure. The Company issues a wide range of takaful arrangements and consequently a large number of judgements and estimates need to be applied and made respectively.

The Group has applied fair value approach for family (life) takaful arrangements and retrospective approach general (non-life) takaful arrangement for transition. The Group used this approach to determine the amounts as of the transition date of 1 January 2024 and has recorded the impact within retained earnings as disclosed in note 2.1 to the consolidated financial statements.

The adoption of this standard has had a significant impact on the reported consolidated financial position and performance of the Group, including key performance indicators. Due to the complexity, the significant judgements applied, and estimates made in determining the impact of FAS 43 and FAS 42, this is considered to be a key audit matter.

- Evaluating and assessing management's process to identify takaful arrangements, to determine the appropriate grouping for such contracts and to determine whether the use of the contribution allocation approach under FAS 43 was appropriate.

- Validating the application of measurement model choice for selected sample groups of arrangements, including testing for Contribution Allocation Approach ("CAA") including testing for onerosity;

- Involving own specialists to challenge key judgments and estimates made by management in relation to transition. This includes evaluating the reasonableness of management's key estimates and judgements over classification and measurement decisions

- Considering the appropriateness of the transition approach, this includes evaluating management's process for identifying arrangements to be assessed based on the selected transition approach;

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAKAFUL OMAN INSURANCE SAOG (CONTINUED)

Report on the audit of the consolidated financial statements *(continued)*

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
First time adoption of FAS 42 "Presentation and Disclosures in the financial statements of Takaful Institutions" and FAS 43 "Accounting for Takaful: Recognition and Measurement *(continued)*	
	• Assessing the adequacy of the transition adjustments impact for FAS 43 on the opening retained earnings as at 1 January 2024.
	• Assessing the adequacy of the transitional disclosures in the consolidated financial statements relating to this matter against the requirements of the relevant accounting standards.

Measurement and Valuation of provision for takaful and re-takaful arrangements:

Refer to the use of estimate and management judgement in note 4, accounting policies in note 3 and disclosures in note 10 to the consolidated financial statements.

As at 31 December 2025, the participants takaful fund - family 'PTF – family' had significant provision for takaful arrangements amounting to 蒿蒿 34.3 million and re-takaful arrangements assets of 蒿 15.39 million, whereas the participants takaful fund - general 'PTF - general' had significant provision for takaful arrangements amount to 蒿蒿 16.6 million and re-takaful arrangements assets of 蒿 蒿 4.65 million.

The Group applies the Contribution Allocation Approach ("CAA") for all groups of takaful arrangements except for the family takaful which is measured under the General Approach ("GA").

- Testing the design and operating effectiveness of the key controls around recording and reserving process for underwriting, claims payment and reserving;
- Evaluating the reasonableness of management's key judgements and estimates made in the measuring components of takaful and re-takaful arrangement liabilities and assets, including selection of methods, models, input, assumptions and estimates (consist of present value of future cash flows, non-financial risk, TRM, etc.), as well as the impact of the economic uncertainties;
- Verifying the calculation of the takaful arrangement asset and provision for remaining entitlement period and asset and liability for incurred claims for benefits and respective re-takaful amounts to ensure the calculation methods and the model (CAA) used were appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAKAFUL OMAN INSURANCE SAOG (CONTINUED)

Report on the audit of the consolidated financial statements *(continued)*

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter

Measurement and Valuation of provision for takaful and re-takaful arrangements: (continued)

The process involves complex accounting requirements, inputs, assumptions, estimation techniques to measure components of takaful arrangements that include:

- Estimate of future cash flows within the provision for remaining entitlement period and liability for incurred claims for benefits;

- Estimate the future cash flows to reflect the compensation that the takaful fund requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the takaful fund fulfils takaful arrangements;

Estimation of the non-financial risk adjustment;

- Takaful residual margin (TRM), loss component, and loss recovery component; and

- Evaluating the competence, capabilities and objectivity of the external experts used by management.
- Assessing the completeness, accuracy, and relevance of data.
- Testing samples of outstanding claims and related re-takaful recoveries and focusing on those with most significant impact on the consolidated financial statements to assess whether claims and related recoveries are appropriately estimated; and
- Assessing the adequacy of the disclosures in the consolidated financial statements relating to this matter against the requirements of the relevant accounting standards.

- Asset and liability for remaining entitlement for arrangements measured under CAA.

Further complexity arise due to the susceptibility of management bias and estimation uncertainty when making judgements to determine takaful arrangement liabilities and complex disclosure requirements.

We therefore consider the measurement and valuation of takaful and re-takaful arrangement a key audit matter.

#3

Other information included in the Group's* 2025 *Annual Report

Other information consists of the information included in the Group's 2025 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. We obtained the following information prior to the date of our auditor's report, and we expect to obtain the published 2025 Annual Report after the date of our auditor's report:

- Chairman's report
- Report of Shari'ah Supervisory Committee
- Corporate governance report
- Management discussion and analysis

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

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

#4

Responsibilities of management and Audit and Risk committee for the consolidated financial statements

The Group's undertaking to operate in accordance with the Islamic Shari'ah Rules and Principles are the responsibility of the Group's management as determined by the Shari'ah Supervisory committee.

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

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

Audit and Risk committee are responsible for overseeing the Group's financial reporting process.

#5

Auditor's responsibilities for the audit of the financial statements

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

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

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

presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAKAFUL OMAN INSURANCE SAOG (CONTINUED)

Report on the audit of the consolidated financial statements ***(continued)***

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

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

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

6

Report on other legal and regulatory and Shari'ah requirements

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

Further, we report that the Group has complied with the Islamic Shari'ah Principles and Rules as determined by the Shari'ah Supervisory Committee of the Group during the year under audit.

Auditors Report	English 01/01/2025-31/12/2025
DISCLOSURE OF AUDITOR'S DETAILS	
DISCLOSURE OF AUDITOR'S DETAILS	
Name of partner signing off auditor's report	Imtiaz Ibrahim
Registration number of partner signing off auditor's report	129452195
Name of audit firm	ERNST AND YOUNG LLC
Registration number of Audit firm	1224013
Date of certification from auditor	25/02/2026